Executive Board

Elaine Speed

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18 February 2025

To All Members of the Executive Board,
External and Internal Circulation

Dear Councillor,

Re: Executive Board Agenda - Thursday, 20th February, 2025

Further to the compilation of the above Executive Board Agenda, please find enclosed the following reports which were detailed to follow on your Agenda:

Agenda Item 7. Annual Budget Report 2025/26, Medium Term Financial Strategy, Capital Programme and Capital Strategy, Treasury Management Policy/Strategy and Annual Delivery Plan: (Pages 1 - 164)

Report to follow.

Agenda Item 13. Invest East Lindsey Income Share Agreement: (Pages 165 - 170)

Exempt report to follow.

Please accept my apologies for any inconvenience caused.

Yours sincerely,

Elaine

Senior Democratic Services Officer

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East Lindsey
DISTRICT COUNCIL

REPORT TO:	Executive Board
DATE:	20th February 2025
SUBJECT:	Annual Budget Report 2025/26, Medium Term Financial Strategy, Capital Programme and Capital Strategy, Treasury Management Policy/Strategy and Annual Delivery Plan.
PURPOSE:	To approve: The General Fund Budget for 2025/26 including the use of reserves, Medium Term Financial Strategy, Capital Programme and Strategy, Treasury Management Policy/Strategy, MRP Policy and Annual Investment Strategy and the Annual Delivery Plan including the approval of Council Tax levels for recommendation to Full Council.
KEY DECISION:	*N/A*
PORTFOLIO HOLDER:	Councillor Tom Kemp
REPORT OF:	Christine Marshall, Deputy Chief Executive Corporate Development (151)
REPORT AUTHOR:	Carl Holland – Head of Finance (Client) Stuart Leafe – Strategic Finance Manager
WARD(S) AFFECTED:	All
EXEMPT REPORT?	*No*

SUMMARY

Attached to this report is the final detail of the 2025/26 budget, the 5-year Medium Term Financial Strategy (MTFS) from 2025/26 to 2029/30 and Capital Programme.

The report also includes the recommended level of Council Tax for 2025/26 taking into account pressures including that of the IDB levy.

The final budget includes efficiencies that have been identified to support the short and medium-term financial strategy (MTFS) and the remaining efficiency target still to be achieved against which a plan of activity has been developed.

RECOMMENDATIONS

a) That Executive Board note the results of the Public Consultation process (Appendix 7) and the minute of the Overview Committee held on 28th January 2025 (Appendix 8)

b) That Executive Board approves the following recommendations for onward referral to Full Council on 5th March 2025:

1. That the Revenue Estimates for the General Fund 2025/26 (Appendices 1, 1a and 1b) be approved.
2. That the Council Tax for a Band D property in 2025/26 be set at £171.54 (£4.95 per annum increase on 2024/25 levels).
3. The additions to and use of reserves (as detailed at Appendix 1) be approved.
4. The Medium-Term Financial Strategy (at Appendix 1) be approved.
5. The Capital Programmes and Capital Strategy (Appendices 1, 2 and 3) be approved.
6. The Section 25 addendum (Appendix 1) be noted.
7. That the Treasury Management Policy Statement and Treasury Management Strategy Statement including MRP Policy (at Appendix 4) be approved.
8. The Fees and Charges Schedule 2025/26 (Appendix 5) be approved.
9. The Annual Delivery Plan for 2025/26 (Appendix 6) be approved.

REASONS FOR RECOMMENDATIONS

To comply with the budgetary and policy framework and legislative requirement.

OTHER OPTIONS CONSIDERED

No other options were considered

1. BACKGROUND

1.1 This year's budget has been set within a background of unprecedented inflationary pressures and significant changes in resident, customer, and business needs as well as proposed significant changes to funding arrangements. Despite these challenges the Council's financial position means that it is able to take a considered approach to mitigating these exceptional pressures. The attached Budget Report sets out the Council's Revenue and Capital Budgets for 2025/26, the Council Tax increases proposed, the MTFS to 2029/30, associated financial strategies and Annual Delivery Plan.

1.2 The preparation of the budget for 2025/26 has been a detailed process involving officer review and the attached appendices reflect the latest known position. The report below sets out the basis for the final budget and MTFS for the next five years and the assumptions used in its development.

1.3 The Local Government Settlement announced on 3rd February 2025 provided detail of continuing one-off support to Councils including confirmation of allocations of Revenue Support Grant (RSG), New Homes Bonus, Funding Floor Grant, an increased allocation for IDB support and a new Recovery Grant.

1.4 An enhanced and revised s25 statement is provided as an Addendum to the Budget report which clearly sets out the risks within the budget and the strategy for dealing with the two most significant factors in the Budget, as set out in section Appendix 1 paragraph 9.2. These are firstly the IDB pressure of £1.584m (where we await a government announcement in terms of the financial support following the increase in allocation as part of the settlement from £3m to £5m) and an additional efficiency target which is in place (backed by the Annual Delivery Plan and other initiatives) for the Council as in previous years, which for 2025/26 is £711k.

1.5 The Extended Producer Responsibility funding (Guaranteed Sum £1.647m) has been set aside to reserves and can be considered to support the revenue account should a funding shortfall (IDB levy) or other pressures occur in this or future years.

2. REPORT

2.1 A budget consultation process with the public has been undertaken and the results are attached at Appendix 7. The budget proposals have been subject to review by the Overview Committee on 28th January 2025 with the minute attached at Appendix 8. The draft budget (with a particular focus on risk) and the Treasury Management Statement and Strategy including MRP policy were also presented to Audit and Governance Committee on the 29th January 2025.

3. KEY BUDGET PRESSURES

3.1 Identified below are the major changes and key pressures that are being included within the proposed budget:

- A reduction in Government Grant through the settlement.
- For 2025/26 a 3.0% increase in pay has been assumed, with this moving to 2.5% from 2026/27 onwards.
- National Insurance Employers costs were increased in the Government Autumn Statement, the funding settlement confirmed a £234k grant to partially offset the estimated increased cost of £306k.
- Pension contributions will be 23.8% in 2025/26 with an additional lump sum amount payable towards the deficit on the pension scheme. This rate is applied only to those staff in the local government pension scheme. The pension contribution rate is assumed to stay at 23.8% throughout the life of the MTFS.
- The return on cash investment reflects current Bank of England base rates and the forecasts provided by our external treasury advisors.
- Electricity and gas costs have been based on 2024/25 actuals and current contract prices.
- Vehicle fuel costs have been based on 2024/25 actuals and current fuel prices.
- Increased Internal Drainage Board levy is a hugely significant feature within the budget.
- Increased contract and service costs are similarly a feature of the budget, albeit officers and members are working closely to seek to manage these implications and impacts, these include such items as: increased demand for homelessness support and its associated subsidy implications, external audit fees and the PSPS contract increase.

4. COUNCIL TAX AND BUSINESS RATES

4.1 The previous Medium Terms Financial Strategy (MTFS) committed to a Council Tax increase in line with the maximum allowed under the recent Local Government Settlement. For ELDC, in 2025/26 this is a £4.95 (2.97%) per annum increase (for band D properties). This will generate additional income of £396k and the increase is reflected through the life of the MTFS.

4.2 The tax base projections for 2025/26 indicate growth of 944 band D equivalent properties (2.0%). Future growth has been projected at 1.5%.

4.3 The National Non-Domestic Rates Form (NNDR1) production is now particularly important in terms of changes to the business rate yield which heavily influences not just our own budgets, but also the Pool we are part of within Lincolnshire and significantly the County Council. This is an area of focus as we seek to understand the changes within the yield, particularly as a result of economic impacts and changes in Government Policy which are due to be announced in the short term so this income stream has a significantly higher level of risk.

4.4 In order to manage and review this important income stream and the changes within it regular review meetings are taking place internally. There have been changes which need further and detailed consideration in terms of growth and appeals.

5. LOCAL GOVERNMENT SETTLEMENT

5.1 The local government final settlement delivered on 3rd February 2025 has provided the following support, being a reduction of £446,000 from the previous year and therefore is creating pressure for the 2025/26 budget:

Local Government Settlement Information	East Lindsey District Council		
	2024/25 Settlement	2025/26 Settlement	Difference
	£'000	£'000	£'000
Revenue Support Grant	(1,396)	(1,441)	(45)
Rural Services Delivery grant	(902)	-	902
Service Grant	(43)	-	43
Recovery Grant	-	(586)	(586)
Funding Guarantee	(998)	(665)	333
Sub Total	**(3,339)**	**(2,692)**	**647**
New Home Bonus	(434)	(635)	(201)
Total Funding	**(3,773)**	**(3,327)**	**446**

5.2 The 2025/26 local government finance settlement is for one year only. The main points are set out below:

- Discontinued Grants: Services Grant, Rural Services Delivery Grant
- New Funding: Recovery Grant being a significant shift away from using measures relating to rurality to those relating to deprivation.

- New Homes Bonus continues for one more year – proposals expect to consult ending the scheme in its current format.
- The long awaited "reset" of accumulated business rate growth is promised allowing government to reallocate some or all of locally accumulated growth using revised and up to date relative needs formulas. These plans will be set out in early 2025 with a technical consultation.
- A focus on evidence based policy – using the best available economic and statistical techniques along with the latest reliable data.
- A plan for a multi-year settlement looking forward
- The introduction as intended of Extended Producer Responsibility payments which for 2025/26 have been guaranteed. This funding may be needed to support the revenue account depending upon any final funding arrangements for IDB's.

It would however be prudent to assume that future grant levels will further reduce and this will need to be factored into the forecasts looking forward.

6. INTERNAL DRAINAGE BOARDS

6.1 The budget continues to have substantial embedded pressures from previous year increases mainly due to power costs and other inflationary pressures being felt by IDB's. The Council is liaising with the local Internal Drainage Boards who have been trying to limit future increases. Representations have been and continue to be made to government due to the substantial and unaffordable impact on the Councils budget.

6.2 The table below illustrates this point clearly with the impact from 21/22 to 25/26 now totalling £1,584,400 as an annual and recurring impact and no funding other than the one-off grant allocations of £834,000 in 2024/25 and £927,373 in 2023/24.

Council	Total Council Tax Received 2025/26	Total IDB levy 2025/26	IDB increase 2025/26	Council Tax 2025/26 Increase	Increase from 2021/22 to 2025/26
East Lindsey District Council	£8.262m	£5.391m	£80k	£396k	£1.584m (42%)

6.3 The Council has been in detailed discussion with government officials regarding this difficult position over the past year. We are also aware that the IDBs have made extensive representations to DEFRA and via ADA of this significant issue. The Special Interest Group we have lead in setting up to lobby Government on this matter. Meetings with MHCLG/DEFRA continue to take place and we await a response on this key and critical issue for the Councils budget.

7. CAPITAL PROGRAMME

7.1 The Capital Programme and Capital Strategy are included at Appendices 1, 2 and 3.

7.2 The five year General Fund Capital Programme includes provision for Investment and Growth linked to the Councils Strategic objectives, mainly funded through grant funding from the Towns Fund, Levelling Up Funds, Cultural Development Funds, Sustainable Warmth and Disabled Facilities Grants. The main areas of continued investment are:

- Disabled Facilities Grants
- Asset investment programme
- Sustainable Warmth
- IT investment
- Neighbourhoods Vehicles Replacement and Caddies
- Deployment of Grant Funding

7.3 Due to the nature of some capital projects, it can be common for large scale project timing to change over the medium term. This budget provides the best estimates of deliverability available at the time of production and the programme will be flexed over time as reported in quarterly reports to Executive Board and Council. In addition, this Capital Programme now allows for slippage from 2024/25.

8. RESERVES

8.1 General Fund Specific Reserves have been used historically to support the Capital Programme. This figure will change as a result of the outturn for 2024/25. A detailed breakdown of Reserve movements are included in Appendix 1 to this report. The newer and significant Corporate Priorities (Investment) Reserve is being directed towards areas of priority for the Council as consulted upon as part of last years budget setting process and following further detailed reports to Executive Board during the year.

9. BALANCING THE BUDGET AND OTHER PROPOSED CHANGES

9.1 In terms of balancing the budget the following areas have been considered as part of the budget setting process:

Short Term

- Service Reviews planned.
- Continued work to engage on the Internal Drainage Board financing challenge.
- Review of all new pressures and service budgets to consider efficiency opportunities and alternative options.
- Commercialisation/income opportunities.
- Reviews of fees and charges in light of inflationary increases in costs, where appropriate.
- Reviewing all assets to maximise income and efficiency of use.

Medium Term

- Work with PSPS in terms of its transformation plans for the future and to help finance contract cost pressures.
- Driving transformational change using the SELCP sub-regional partnership as a driver for innovation and efficiency.
- Delivering and supporting economic growth

9.2 Detailed efficiency and transformation plans are being put together for members consideration and the Finance PFH oversees this process.

10. ADDITIONAL CONSIDERATIONS

10.1 Fees and Charges

Appendix 5 sets out the Councils proposal for Fees and Charges for 2025/26. The document also compares the proposed fees and charges against those levied in 2024/25. It is proposed due to continued significant inflationary pressures, to include an annual RPI uplift for all fees and charges, where applicable.

10.2 Annual Delivery Plan

The South and East Lincolnshire Councils Partnership Annual Delivery Plan (Appendix 6) identifies the planned programme of work for the Partnership and sovereign Councils for 2025/26, drawing on the previously approved Partnership Work Programme, as well as wider opportunities that have since been identified.

10.3 Consultation

A summary of the consultation results, which ended on 6th January 2025, can be seen in Appendix 7.

10.4 Section 25 Statement by s151

Previously the section 25 statement was embedded as part of the budget documentation. This has now been enhanced into an additional addendum to the budget for members consideration and this is attached at Appendix 1.

11. CONCLUSION

11.1. Executive Board is recommended to approve this Budget Report containing Revenue and Capital Plans, Council Tax levels and associated strategies/policies for consideration by Full Council at its meeting on 5th March 2025.

EXPECTED BENEFITS TO THE PARTNERSHIP

This report enables East Lindsey District Council to approve its Revenue, Capital Budget and Council Tax for 2025/26 whilst considering the longer term outlook.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

This budget support the SELCP partnership arrangements

CORPORATE PRIORITIES

This budget has been built in line with corporate priorities.

STAFFING

The Equality Act requires ELDC to consider any equality impacts in relation to staff from these plans. As projects within the programme are developed a draft impact assessment will be discussed with Trades Unions and staff, and especially as individual projects are delivered.

WORKFORCE CAPACITY IMPLICATIONS

Contained within the budget that is being set.

CONSTITUTIONAL AND LEGAL IMPLICATIONS

This report is required by virtue of the Local Government Finance Act 1992, as amended by the Localism Act 2011.

DATA PROTECTION

None

FINANCIAL

Contained within the report.

RISK MANAGEMENT

Risk management is considered as part of the budget setting process.

STAKEHOLDER / CONSULTATION / TIMESCALES

The Council has a legal duty to consult residents on its budget proposals.

REPUTATION

None

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

New Equality Impact Assessments will be developed and published wherever these are required and will be made available during the management and decision-making of the Programme.

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

ACRONYMS

ADA – Association of Drainage Authorities

IDB – Internal Drainage Board

DEFRA – Department for Environment, Food & Rural Affairs

DLUHC – Department for Levelling Up, Housing and Communities

MTFS - Medium Term Financial Strategy

SELCP - South and East Lincolnshire Councils Partnership

APPENDICES
Appendix 1 - Draft Budget Setting Report 2025/26 and Section 25 Statement Appendix 1a - Medium Term Financial Plan 2025 to 2030 (By Account) Appendix 1b - Medium Term Financial Plan 2025 to 2030 (By Service) Appendix 2 – ELDC Capital Programmes Appendix 3 - ELDC Capital Strategy Appendix 4a - Treasury Management Policy Statement Appendix 4b - Treasury Management Investment Strategy Statement, Minimum Revenue Provision Policy and Annual Investment Strategy 2025/26 Appendix 5 - ELDC Fees and Charges 2025/26 Appendix 6 - South and East Lincolnshire Councils Partnership Annual Delivery Plan 2025/26 Appendix 7 - ELDC Budget Consultation Report 2025/26 Appendix 8 – Overview Committee Minute

BACKGROUND PAPERS
None

CHRONOLOGICAL HISTORY OF THIS REPORT
Executive Board – 22nd January 2025 Overview Committee – 28th January 2025 Audit & Governance – 29th January 2025

REPORT APPROVAL	
Report author:	Carl Holland (Head of Finance – Client) and Stuart Leafe (Strategic Finance Manager)
Signed off by:	Christine Marshall, Deputy Chief Executive Corporate Development Christine.Marshall@sholland.gov.uk
Approved for publication:	Councillor Tom Kemp, Portfolio Holder for Finance

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APPENDIX 1

EAST LINDSEY DISTRICT COUNCIL

REPORT OF THOMAS KEMP, Portfolio Holder Finance,

(Authors: Christine Marshall (Deputy Chief Executive Corporate Development (S151)) and Carl Holland (Head of Finance – Client))

BUDGET SETTING REPORT AND ASSOCIATED FINANCIAL STRATEGIES - 2025/26-2029/30

FOREWORD TO THE BUDGET FROM COUNCILLOR THOMAS KEMP – EXECUTIVE BOARD MEMBER FOR FINANCE

The 2025/26 budget has been created within the context of unprecedented levels of funding changes in addition to continued changes in resident, customer, and business needs. Despite these challenges, the Councils financial position means that it is well placed and able to take a considered approach to mitigating these exceptional circumstances.

The Government has provided a one-year settlement; however, the uncertainty remains significant into the medium-term.

East Lindsey District Council remains sovereign in terms of its constitution and budget, as do the Councils we partner with, and our priorities are to ensure that the Council remains financially resilient, able to deliver services it has to by law, and to provide support to the district's most vulnerable residents. Secondly, to continue the process of redressing the imbalances created by the cost of living crisis by focussing on the provision of financial support to underpin economic recovery for the district and seeking to invest in our places.

Despite the challenges we have continued to work to develop new opportunities, efficiencies, and income streams to support the Council's revenue budget.

A significant element of the Council's budget is the Drainage Board Levy. Like the Council, the drainage boards are also experiencing increased cost demands. The Council is liaising with the Boards, who are attempting to limit future increases, where possible. This is proving increasingly difficult with significant increases in power costs being experienced. Representations to government have been made and continue to be made due to the substantial cost to the Council,

Another key component of the council's budget is its share of business rates income which has seen changes following the settlement in December. In addition, inflationary pressures have been seen across all areas of the council's budget, particularly pay and contracts.

The proposed council tax increase for 2025/26 is an annual increase of £4.95 for a band D property.

A series of short and medium term mitigations have been identified to balance the budget.

The Council has maintained a capital resource base commensurate with our capital delivery ambitions and is moving towards use of the minimum revenue provision for financing ongoing asset investment requirements.

The Budget for 2025/26 proposes:

- A Council Tax increase of £4.95 per year (for Band D homes this is equivalent to 9.5p per week).
- To continue with the generation of additional efficiencies, shared services and income from commercial activities guided by our Delivery Plans.
- Increased capital investment in Council assets to help generate new income streams, reduce running costs, and help deliver services more efficiently.
- Significant grant expenditure
- Significant investment in the place and our people through the Investment Fund that the Council has established.

Our focus is to deliver well the projects we have already committed to through our own Investment Fund, the Towns Fund, Levelling Up Fund and Long Term Towns Funding to support our community and places to thrive in a challenging economic environment.

Councillor Thomas Kemp, Portfolio Holder for Finance

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Appendices:-

1 - Revenue Budget and Medium Term Financial Strategy Summary
- 1a – MTFS by Account
- 1b – MTFS by Service Area

2 - Capital Programme

3 - Capital Strategy

4 - Treasury
- 4a – Treasury Management Policy Statement
- 4b – Treasury Investment Strategy (including MRP Policy)

5 - Fees and Charges

6 - South and East Lincolnshire Councils Partnership Annual Delivery Plan 2025/26

7 - Consultation Report

EXECUTIVE SUMMARY

Overview	2024/25	2025/26
ELDC Precept	£7.867m	£8.262m
Council Tax Increase	3.06%	2.97%
Council Tax Band D	£166.59	£171.54
Government Funding	£3.773m	£3.327m
Retained Business Rates used to support budget	£19.690m	£19.940m
Reserves	£32.294m	£32.742m
Capital Programme (General Fund)	£55.110m	£54.071m

1. INTRODUCTION

1.1 This Appendix sets out the 2025/26 budget estimates and Medium Term Financial Strategy (MTFS) for the period 2025/26 to 2029/30 for the Council's General Fund. The Medium Term Financial Strategy sets out the current and forecast future costs of the Council and is linked to the Sub-regional Plan and Annual Delivery Plan, which sets out the aims and ambitions of the Council.

1.2 The MTFS establishes a set of financial policies and principles which aim to provide a sound basis for maintaining the financial integrity of the Council over the medium term.

1.3 This Appendix sets out:

- The Council's Medium Term Financial Strategy for the period 2025/26 to 2029/30.
- The 2025/26 General Fund Revenue Budget & Financing.
- The General Fund Reserves Position.
- The General Fund Capital Programme and Financing.
- Risks, key issues, sensitivity and monitoring.
- Enhanced Section 25 Statement as an Addendum.

1.4 The unprecedented challenges faced through recent years have continued into 2025/26, with significant inflationary pressures and changing service demands. The government settlement delivered in February for East Lindsey included New Homes Bonus (£635k) Funding Guarantee (£665k) and Recovery Grant (£586k) overall a reduction of £647k creating pressure for the 2025/26 budget.

1.5 In 2025/26, a budget is proposed that allows expenditure to be financed through the creation of efficiencies and appropriate funding in order to smooth the impact of the council's ongoing pressures. Savings are required going forward as a result of increased inflationary costs and other cost pressures but particularly in relation to substantial pressure from the IDB levy where the Council has and continues to lead on raising this issue with its partners in the South and East Lincolnshire Partnership. This means that the Council can continue to provide services whilst also supporting its overall objectives. The Council will continue to strive to be as efficient as possible in all its work, building on the SELCP Partnership with its partners whilst ensuring it maximises the income it receives.

2. BUDGET ASSUMPTIONS

2.1 <u>Table 1 - assumptions which influence the 5 year financial strategy</u>

Assumption	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Budgeted inflation [1]	0%	**0%**	0%	0%	0%	0%
Pay costs increase [2]	3.5%	**3.0%**	2.5%	2.5%	2.5%	2.5%
Full Time Equivalent Employees	447.65	**430.82**	430.82	430.82	430.82	430.82
Staffing levels [3]	96%	**96%**	96%	96%	96%	96%
Pension contribution rate applied to staff budgeted in pension scheme [4]	23.8%	**23.8%**	23.8%	23.8%	23.8%	23.8%
Pension contribution cash amount to fund deficit on scheme [5]	£674,000	**£700,000**	£700,000	£700,000	£700,000	£700,000
Return on cash investments [6]	4.55%	**4.10%**	3.70%	3.50%	3.50%	3.50%
Return on Property Fund investments [6]	4.00%	**4.00%**	4.00%	4.00%	4.00%	4.00%
Utility cost rises [7]	0%	**0%**	0%	0%	0%	0%
Fuel cost rises [8]	0%	**0%**	0%	0%	0%	0%
Tax base increase [9]	1.82%	**2.04%**	1.50%	1.50%	1.50%	1.50%

Notes to Assumptions

These assumptions reflect, where known, future changes which may arise from the implementation of the council's organisational development plans including the South and East Lincolnshire Councils Partnership with Boston Borough Council and South Holland District Council (see Section 10):

1. Although inflation does affect the price of supplies and services that the Council procures, because services are given cash limited budgets they have to absorb the cost of inflation within the resources they have – as such the net impact of inflation is reduced to zero within the estimates. The only exceptions are those contracts which have an agreed inflationary arrangement built into them. We expect that contract costs will substantially increase on renewal.
2. A pay award for 2024/25 was agreed being a lump sum increase of £1,290 for all grades up to SCP 43 and 2.50% for those on grades from SCP 44 to 62. For 2025/26 a 3.0% award has been assumed, reducing to 2.5% from 2026/27 onwards.
3. An annual saving in staff costs (£677k) is built into the budget (equivalent to 4% of the staff budget) due to anticipated staff vacancies during the year.
4. Based on the 2022/23 Pension Triennial Valuation the pension contribution will be 23.8% in 2025/26 with an additional lump sum amount payable towards the deficit on the pension scheme – this rate is applied only to those staff in the local government pension scheme.
5. Any vacant posts are assumed to be within the pension scheme. The pension contribution rate is assumed to stay at 23.8% throughout the life of the MTFS. The lump sum towards the deficit is confirmed at £700k for 2025/26.
6. These are the estimated returns on cash and the estimated yield on the current budgeted £23.6m in property funds.
7. Utility costs for 2025/26 have been based on actuals for 2024/25 to rebase the budgets where needed to reflect actual spend.
8. Fuel costs have now been rebased to reflect the current fuel costs and actuals from 2024/25.
9. The tax base projections for 2025/26 has provided for a growth of 944 band D equivalent properties. Future growth has been projected at 1.50% (see section 4.6 and Table 3).

3. RESOURCES

3.1 The following section of the Appendix outlines the resources that will be available to the Council under 6 headings, Business Rates, Council Tax, Revenue Support Grant and other Government Grants, New Homes Bonus, Fees and Charges and Other Income.

3.2 On 3rd February 2025 the Local Government Finance Settlement 2025/26 was delivered. The papers included a continuation of New Homes Bonus for a final year with consultation due in 2025/26, the removal of services grant and rural services grant plus the introduction of a recovery grant and continuation of the Funding Guarantee.

3.3 On 16th December 2024 the Government also issued the English Devolution White Paper which will impact on the Council into the medium term and will influence spending plans.

3.4 In addition, a consultation is now underway with regards to the future funding of local government including a review of the business rates system. There is a desire to move to a multi-year settlement although the detail of this is not yet known.

3.5 As a result of these announcements, it makes planning the years from 2026/27 onwards very difficult as many things could change because of these planned reviews and resets. As and when further announcements are made Members will be kept up to date accordingly and the financial impact assessed.

4. SPENDING PLANS

4.1 Under the current arrangements for retained Business Rates, where a Council collects rates above an assessed baseline level set by the Government, a 50% levy is applied that is paid to the Government. In order to avoid this 50% levy a business rates pool was adopted with the County Council and other districts within Lincolnshire.

4.2 A revaluation exercise for business rates took effect from 1 April 2023. A provision has been put aside for any potential appeals based on intelligence from the Council's advisors to cover any effects from this, but there still remains a large amount of uncertainty in this area.

4.3 Table 2 provides details of the anticipated business rates figures for 2025/26 and provisional figures for 2026/27 to 2029/30.

4.4 It is important that members note that any changes to the retention of Business Rates model from 2026/27 presents a significant uncertainty around future funding levels. There is the potential that as part of the ongoing reassessment of Area

Needs the Government could significantly change the current baseline levels. As such the amount of retained business rates that the Council is benefiting from could be significantly reduced under any new arrangements.

Table 2 – Business Rates

4.5 As well as the potential for the authority to attract additional income through retained business rates there is also the risk of uncertainty through a reduction in the amount of business rates that it collects, this has been further exacerbated by economic impacts. This coupled with uncertainties relating to appeals against rateable values for business premises, with the potential for successful appeals being backdated makes estimating income accurately extremely challenging and potentially volatile.

Business Rates (Income)/Expenditure	**2024/25 £'000**	**2025/26 £'000**	**2026/27 £'000**	**2027/28 £'000**	**2028/29 £'000**	**2029/30 £'000**
Retained Business Rates	(14,875)	(16,417)	(16,680)	(16,963)	(17,252)	(17,545)
S31 Grant	(8,908)	(7,795)	(7,920)	(8,083)	(8,222)	(8,391)
Tariff to Government	8,087	8,171	8,302	8,443	8,587	8,733
Pre-levy Income	**(15,696)**	**(16,041)**	**(16,298)**	**(16,603)**	**(16,887)**	**(17,203)**
Renewable Energy - standard (100% retained by ELDC)	(867)	(998)	(1,014)	(1,032)	(1,049)	(1,067)
Renewable Energy - additional (100% retained by ELDC)	(4,086)	(4,429)	(4,500)	(4,576)	(4,654)	(4,733)
Levy payment to Lincolnshire Pool	1,113	1,355	1,377	1,398	1,421	1,443
Estimated (Surplus)/Deficit on the Collection Fund	(154)	173	-	-	-	-
Net Retained Business Rates Income	**(19,690)**	**(19,940)**	**(20,435)**	**(20,813)**	**(21,169)**	**(21,560)**

COUNCIL TAX

4.6 The MTFS assumes a Council Tax increase in line with the maximum allowed under the Local Government Settlement. In the case of ELDC for 2025/26 this is a £4.95 (2.97%) per annum increase (for band D properties). The increase is reflected through the life of the MTFS. See Table 3 below for the estimated changes in the tax base and council tax collected.

Table 3 – Council Tax

		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
a	Council Tax Base (band D equivalents)	47,222	48,166	48,888	49,622	50,366	51,122
b	Council Tax band D (£.p)	166.59	171.54	176.67	181.89	187.29	192.87
	Annual Increase £	4.95	4.95	5.13	5.22	5.40	5.58
	Annual Increase %	3.06%	2.97%	2.99%	2.95%	2.97%	2.98%
c	Annual Council Tax collected (a x b) £	**(7,866,713)**	**(8,262,396)**	**(8,637,043)**	**(9,025,564)**	**(9,433,048)**	**(9,859,707)**
	Annual Increase in Council Tax collected £	(370,335)	(395,683)	(374,647)	(388,521)	(407,484)	(426,659)
d	Surplus on the Collection Fund £	(133,836)	(83,779)	-	-	-	-
	Gross Council tax (c + d) £	**(8,000,549)**	**(8,346,175)**	**(8,637,043)**	**(9,025,564)**	**(9,433,048)**	**(9,859,707)**

4.7 The tax base for 2025/26 has been increased by 2.04% and by 1.50% per annum thereafter. This is based on the latest projected house building trajectory.

Table 4 – Precepting Authority Band D charges

Authority	Proposed Band D amount (£.p)	Increase over 2024/25 (£.p)	Increase over 2024/25 %
Lincolnshire County Council	1,625.85	47.16	2.99%
Police and Crime Commissioner	318.15	13.95	4.58%
East Lindsey DC	171.54	4.95	2.97%
Parishes (average)	85.24	6.05	7.64%

**Figures are draft at this stage*

Revenue Support Grant and Other Government Grants

4.8 The table below currently builds in the assumption that RSG will continue throughout the MTFS period until such time as we have more information regarding the outcome of the funding review. Other than S31 grants for Business Rates (see table 2) the other main non-specific grants received by the Council relate to the Funding Guarantee and new Recovery Grant.

Table 5 - Revenue Support Grant and other Non-Specific S31 Government Grants

	2024/25 £'000	Draft 2025/26 £'000	Draft 2026/27 £'000	Draft 2027/28 £'000	Draft 2028/29 £'000	Draft 2029/30 £'000
Revenue Support Grant	(1,396)	(1,441)	(1,441)	(1,441)	(1,441)	(1,441)
Rural Services Delivery Grant	(902)	-	-	-	-	-
Services Grant	(43)	-	-	-	-	-
Funding Guarantee	(998)	(665)	(665)	(665)	(665)	(665)
Recovery Grant		(586)	(586)	(586)	(586)	(586)
Total Received	**(3,339)**	**(2,692)**	**(2,692)**	**(2,692)**	**(2,692)**	**(2,692)**
Annual Change in Resource £		647	-	-	-	-

New Homes Bonus

4.9 New Homes Bonus (NHB) allocations were announced as part of the Local Government Finance Settlement for 2025/26. The government has added a final year of additional grant and a consultation is planned on its replacement.

Table 6 - New Homes Bonus

	2024/25 £'000	Draft 2025/26 £'000	Draft 2026/27 £'000	Draft 2027/28 £'000	Draft 2028/29 £'000	Draft 2029/30 £'000
New Homes Bonus	434	**635**	-	-	-	-

Fees and Charges

4.10 The Council is dependent on direct payment for many of its services in the form of various fees, charges and rents. Fees and charges play an important role in the effective delivery of services; they not only raise income but can control access to services, help the council respond to competition, fund investment and guide client behaviour.

4.11 In some cases, the levels of fees are set by the Government and the Council has no control over what is charged. Where the Council has had control, it has not always increased these charges in line with inflation or other market conditions. Given future uncertainties it is assumed that the budget should apply RPI increases to all discretionary fees and charges on an annual basis.

Table 7 - Fees, Charges and Rental Income

Budget Area	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Building Control Fees	(445)	(489)	(509)	(530)	(552)	(574)
Planning Fees (including pre-planning advice)	(1,374)	(1,374)	(1,430)	(1,489)	(1,550)	(1,613)
Car Parking Income	(3,221)	(3,202)	(3,353)	(3,490)	(3,633)	(3,782)
Market Stall Fees	(100)	(100)	(104)	(108)	(113)	(117)
Kingfisher Caravan Park	(1,086)	(1,186)	(1,234)	(1,285)	(1,337)	(1,392)
Waste Services	(1,728)	(1,796)	(1,870)	(1,947)	(2,027)	(2,110)
Commercial property rental income	(2,484)	(2,462)	(2,562)	(2,666)	(2,774)	(2,887)
Sales, Fees and other Direct Income	(4,452)	(4,361)	(4,402)	(4,443)	(4,487)	(4,532)
TOTAL	**(14,889)**	**(14,970)**	**(15,463)**	**(15,958)**	**(16,472)**	**(17,007)**

Other Income

4.12 The Council also receives other forms of income, as shown in the following table.

Table 8 - Other Income

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Interest on Investments*	(3,779)	**(3,184)**	(2,665)	(2,554)	(2,627)	(2,794)
Housing Benefit Subsidy and Rent Rebates Subsidy.	(26,403)	**(25,698)**	(25,698)	(25,698)	(25,698)	(25,698)
Housing Benefit/Universal Credit Overpayments	(270)	**(300)**	(300)	(300)	(300)	(300)
Council Tax and Housing Benefit Administration Grant	(395)	**(412)**	(412)	(412)	(412)	(412)
Specific Government Grants , UKSPF, NSAP, Levelling Up and RSAP)	(64)	-	-	-	-	-
Court Income & Council Tax Penalties	(392)	**(401)**	(401)	(401)	(401)	(401)
Local Authority Grants including Disabled Facility Grants	(1,990)	**(1,530)**	(880)	(880)	(880)	(880)
Other Government Grants (incl. Register of Electors, Discretionary Housing Payments, Flexible Homelessness grant, Homelessness Reduction new burdens grant and Towns Fund)	(4,554)	**(17,539)**	(4,875)	(6,626)	(6,626)	(6,626)
Other Grants and contributions	(2,717)	**(2,813)**	(2,711)	(2,710)	(2,765)	(2,819)
Use of Reserves	(9,084)	**(7,132)**	(1,203)	(539)	(224)	(224)
TOTAL	**(49,648)**	**(59,007)**	**(39,142)**	**(40,119)**	**(39,931)**	**(40,152)**

*Assumptions have been made on investment income levels due to a variety of factors

- Use of Reserve values will change as and when new schemes are approved for inclusion within the budget.

- Reductions in the Housing Benefit Subsidy income is due to a realignment of the budget to reflect current anticipated levels of activity – especially with the roll out of Universal Credit. There is a corresponding reduction in expenditure in section 4 below.

- Reduction in Other Government Grants primarily relates to grant funding.

Summary

Table 9 – All sources of income

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Business Rates (Table 2)	(19,690)	(19,940)	(20,435)	(20,813)	(21,169)	(21,561)
Revenue Support Grant (Table 5)	(1,396)	(1,441)	(1,441)	(1,441)	(1,441)	(1,441)
Services Grant (Table 5)	(43)	-	-	-	-	-
Recovery Grant (Table 5)	-	(586)	(586)	(586)	(586)	(586)
Funding Guarantee (Table 5)	(998)	(665)	(665)	(665)	(665)	(665)
Rural Services Delivery Grant (Table 5)	(902)	-	-	-	-	-
New Homes Bonus (Table 6)	(434)	(635)	-	-	-	-
Council Tax (Table 3)	(8,001)	(8,346)	(8,637)	(9,026)	(9,433)	(9,860)
Funding subtotal	**(31,464)**	**(31,613)**	**(31,764)**	**(32,531)**	**(33,294)**	**(34,112)**
Fees, Charges, Rents (Table 7)	(14,889)	(14,970)	(15,463)	(15,958)	(16,472)	(17,007)
Other Income (Table 8)	(49,648)	(59,007)	(39,142)	(40,119)	(39,931)	(40,152)
Fees, Charges & Other Income subtotal	**(64,537)**	**(73,978)**	**(54,606)**	**(56,076)**	**(56,402)**	**(57,159)**
Gross Budgeted Income	**(96,001)**	**(105,591)**	**(86,369)**	**(88,607)**	**(89,696)**	**(91,271)**

2025/26 SPENDING PLANS

4.13 Table 10 below shows the estimated Council spending plans for the next 5 years. It shows expenditure analysed by the CIPFA Standard classification. The paragraphs below the table provide explanations for the main variances across the MTFS.

Table 10 – Spending Plans

Description	**2024/25 £'000**	**2025/26 £'000**	**2026/27 £'000**	**2027/28 £'000**	**2028/29 £'000**	**2029/30 £'000**
Employees	20,481	**21,853**	21,872	22,292	22,763	23,341
Premises	3,885	**3,770**	3,694	3,724	3,694	3,694
Transport	1,567	**1,268**	1,258	1,261	1,258	1,258
Supplies & Services	6,812	**7,900**	7,202	7,252	7,161	7,168
Drainage Board Levies	5,311	**5,391**	5,661	5,944	6,241	6,553
Transfer Payments	31,789	**30,381**	30,200	30,021	29,993	29,990
Capital Charges	8,334	**17,097**	1,845	2,741	3,028	4,234
Third Party Payments	11,356	**12,635**	13,043	13,383	13,843	14,286
Interest on Borrowing	3	**10**	10	10	10	10
Contributions to Reserves	7,833	**7,581**	5,355	5,454	5,945	4,915
Gross Expenditure	**97,371**	**107,886**	**90,140**	**92,082**	**93,936**	**95,449**

4.15 Employee costs have been prepared in accordance with the Council's Pay Policy. Pay generally has been increased by salary increments due to staff, and by an estimated 3.0% increase in 2025/26 2.5% thereafter. Pension cost estimates have been prepared on the basis of current staff in the pension scheme at October 2024/25, and all vacant posts assumed to be within the pension scheme. There have been some staffing changes which are mainly grant funded as a result of successful bidding to government departments. The employee costs also include the latest results of the Pension Triennial Review.

4.16 All utilities budgets are now reflective of the actual volumes in 2024/25 and adjusted for new contract prices.

4.17 Transport costs are set using current fuel prices and usage.

4.18 Supplies and Services budgets have increased slightly due to agreed increases in council contracts in relation to RPI, additional project costs offset by grant.

4.19 Internal Drainage Board (IDB) increases are set out in the table below. 2025/26 increases have been built in with increases from the drainage boards averaging 1.5%. The Council is liaising with the local Internal Drainage Boards to work towards limiting future increases where possible. Lobbying of government is also underway with the impact of this loss of revenue to the Council due to the embedded levy having an impact every year that passes.

Internal Drainage Board	2021/22 (Actual) £	2022/23 (Actual) £	2023/24 (Actual) £	2024/25 (Actual) £	**2025/26 Budget £**	Increase 2024/25 £	Increase 2024/25 %	Increase 2021/22 £	Increase over 2021/22 £/%
Lindsey Marsh Drainage Board	3,057,100	3,148,320	4,091,378	4,228,287	4,252,303	24,016	0.5%	1,195,203	39.10%
The Witham Third District Internal Drainage Board	359,042	382,480	446,085	551,152	593,267	42,115	7.6%	234,225	65.24%
Witham Fourth Internal Drainage Board	390,589	410,100	443,015	531,647	545,529	13,882	2.6%	154,940	39.67%
Total	**3,806,731**	**3,940,900**	**4,980,478**	**5,311,086**	**5,391,099**	**80,013**	**1.5%**	**1,584,368**	**41.62%**

4.20 Transfer Payments – Linked to Capital Programme activity.

4.21 Capital Charges – Changes in capital charges relate to revisions to the capital programme between years which do not affect the General Fund bottom line as they funded from reserves.

4.22 Third Party Payments - These budgets reflect payments to Public Sector Partnership Services and other outside bodies.

5. BUDGET REQUIREMENT

5.1 The budget requirement is formed by comparing resource prediction and spending plans as set out in Table 11 below

5.2 **Appendices 1a and 1b** bring together the budgeted expenditure and income and show the overall MTFS position analysed by income and expenditure type, service area and by portfolio budgets.

Table 11 – Budget Requirement

	2024/25 £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000	2029/30 Estimate £'000
Fees, Charges & Other Income (table 9)	(64,537)	**(73,943)**	(54,606)	(56,076)	(56,402)	(57,159)
Gross Expenditure (table 10)	97,371	**107,886**	90,140	92,082	93,936	95,449
Parish Precepts	3,739	**3,804**	3,880	3,958	4,037	4,118
Efficiency Target – IDB (table 16)	(1,370)	**(1,584)**	(1,854)	(2,137)	(2,434)	(2,747)
Efficiency Target (table 16)	-	**(746)**	(1,917)	(1,338)	(1,806)	(1,433)
Net Budget	**35,203**	**35,417**	**35,645**	**36,489**	**37,331**	**38,229**
Funded By						
Retained Business rates (table 2)	(19,536)	**(20,113)**	(20,435)	(20,813)	(21,169)	(21,561)
Business Rates Collection Fund (table 2)	(154)	**173**	-	-	-	-
Revenue Support Grant (table 5)	(1,396)	**(1,441)**	(1,441)	(1,441)	(1,441)	(1,441)
Specific Grants (table 5)	(1,943)	**(1,251)**	(1,251)	(1,251)	(1,251)	(1,251)
New Homes Bonus (table 6)	(434)	**(635)**	-	-	-	-
Parish Precepts	(3,739)	**(3,804)**	(3,880)	(3,958)	(4,037)	(4,118)
ELDC Council tax (table 3)	(7,867)	**(8,262)**	(8,637)	(9,026)	(9,433)	(9,860)
Council Tax Collection Fund Surplus (table 3)	(134)	**(83)**	-	-	-	-
Total Funding	**(35,203)**	**(35,417)**	**(35,645)**	**(36,489)**	**(37,331)**	**(38,229)**

5.3 Based on current assumptions the Council has an efficiency target for 2025/26 in respect of which plans are already underway to address, this is in addition to the IDB budget target where continued liaison with the Government on this matter continues.

OTHER BUDGET ISSUES

5.4 In order to meet its obligations, equality impact assessments will be carried out when the nature of proposed changes to services and the potential mitigation (if any) is clear, so that the implications of decisions are fully understood as they affect specific groups and communities. These have been, and will continue to be, regularly undertaken and considered as part of the decision making process.

6. RESERVES

6.1 In order to comply with the requirements of the Local Government Act 2003, the Authority must undertake a review of the level of reserves as part of annual budget preparation. A review of the reserves has been undertaken to make sure that they have a defined purpose, identified and approved values for additions to and usage of each reserve, and that they are set at an appropriate value which identifies the current and future requirements and risks the Council might face. This has included an assessment of risk registers, pressures upon services, inflation and interest rates and any underwriting arrangements. The proposed budget has been developed on the basis of not requiring any long term support from reserves for the revenue budget.

General reserves

6.2 The General Fund balance is estimated to stand at £1.822m for the next five years, which the Council's Section 151 Officer believes to be prudent for the Council at this time, when taken in the context of the other reserves that the Council holds for budget risk management.

Specific Reserves

Table 12 – Reserve Balances

Reserve	Forecast Balances at 31st March 2025	Forecast Balances at 31st March 2026	Forecast Balances at 31st March 2027	Forecast Balances at 31st March 2028	Forecast Balances at 31st March 2029	Forecast Balances at 31st March 2030
	£'000	£'000	£'000	£'000	£'000	£'000
Investments Volatility Reserve	1,009	1,137	1,562	2,251	2,981	2,981
Economic Growth Reserve	4,734	1,350	1,139	1,039	939	839
Business Rates Volatility Reserve	5,795	5,795	5,795	5,795	5,795	5,795
Property Fund Reserve	175	175	175	175	175	175
Housing Reserve	2,733	3,258	2,812	3,011	3,210	3,409
Repairs and Maintenance Reserve	319	223	169	213	327	441
Carbon Reduction Reserve	704	505	505	505	505	505
Insurance Reserve	807	747	687	627	567	507
Capital Reserve	1,664	813	813	813	813	813
Service Transformation Reserve	671	677	717	513	554	595
Legal and Appeals Reserve	575	225	225	225	225	225
Technology Reserve	435	503	571	639	707	775
Corporate Priorities (Investment) Reserve	11,858	14,567	19,106	23,535	27,964	32,393
Wellbeing Reserve	334	640	640	640	640	640
Climate Change Reserve	481	481	481	481	481	481
Extended Producer Responsibility Reserve	-	1,647	1,647	1,647	1,647	1,647
Specific Reserves Total	**32,294**	**32,742**	**37,044**	**42,108**	**47,529**	**52,219**
General Fund	1,822	1,822	1,822	1,822	1,822	1,822
Total	**34,116**	**34,564**	**38,866**	**43,930**	**49,351**	**54,041**

*£10m commitment regards ELIP on 'Corporate Priorities (Investment) Reserve' not factored into reserve balances but is factored into investment income cash flows

Investment Volatility Reserve
Holds year end balances on operational surpluses/deficits that can be used to mitigate a downturn in investment income, also to deal with the impact of regulation changes.

Economic Growth Reserve
The Council plays a key role in driving economic recovery through growth which is recognised in this reserve, the purpose of which is to fund revenue and capital schemes that support economic growth that are not funded through other means or to support grant funding bids.

Business Rates Volatility Reserve
To be used to mitigate significant changes in business rate income.

Property Fund Reserve
This reserve holds year-end balances on operational surpluses/deficits and is used to mitigate impacts of the funds as required.

Housing Reserve
Mainly grant linked this is used to support capital acquisitions and strategic housing solutions.

Repairs and Maintenance Reserve
The Council will hold a list of its assets and have developed a replacement schedule which reflects the life of assets and the likely cost of either maintenance or replacement. The purpose of this reserve is to receive, hold and release monies that allow the council to plan for and maintain its assets.

Carbon Reduction Reserve
This reserve will allow a pool of money to undertake projects that payback by reducing ongoing fuel and utility costs. All business cases drawing on this reserve must detail the expected payback value into this fund over a 10-year period.

Insurance Reserve
The Council has opted for a level of self-insurance. The purpose of this reserve is to provide a pool of money to cover the cost of any uninsured losses. The level of the fund will require annual review to reflect the extent of self-insured losses that the Council wishes to accept.

Capital Reserve
This reserve consists of past and annual revenue contributions. It may be used to finance the capital programme depending on future plans.

Service Transformation Reserve
The purpose of this reserve is to support the Councils need for Service Transformation and assist with the delivery of its savings targets. All projects drawing upon the fund would be required to make a positive contribution towards the savings targets within the Medium Term Financial Plan.

Legal and Appeals Reserve
The purpose of this reserve is to recognise the varying level of legal related events that the Council is required to participate in. Such events will be varied however planning/property related appeals will draw often on this reserve where there is inadequate provision within the annual revenue budget. All costs recovered on legal work will be used to replenish this fund.

Technology Reserve
The purpose of this reserve is to provide funding for improvements in computer systems and other related technology. The Council hopes to become less reliant on recurring technology costs but recognises through PSPS there will need to be investment in core systems.

Corporate Priorities (Investment) Reserve
This reserve is being utilised in accordance with the priorities set out by the Council. It reflects a large Business Rates windfall and is being deployed to the benefit of the District.

Wellbeing Reserve
Used in line with the Wellbeing contract managed by the Council on behalf of partners across a multi-year contract.

Climate Change Reserve
For implementation of smaller schemes, help fund preparation for larger capital scheme bids and also fund feasibility reports.

Extended Producer Responsibility Reserve
This grant is to contribute towards the costs of disposing of waste already in the system so available for general use as those costs are already being financed.

Movement In Specific Reserves

6.3 Specific reserves are set up to provide funds for known future commitments or provide resources for unexpected events. Given the risks and uncertainties facing both the local and national economy the Council is committed to retaining robust levels of reserves, whilst ensuring resources are available to enable efficient service delivery.

Table 13 – Movement in Specific Reserves

Contribution To Reserves	**2025/26 £'000**
Housing Reserve	
Good Homes Alliance	(195)
Homelessness Prevention Grant	(388)
Repair & Replacement Reserve	
Replacement and Refurbishment - Vehicles Payback	(154)
Investment Volatility Reserve	
Voluntary Revenue Provision	(328)
Extended Producer Responsibility Reserve	
Extended Producer Responsibility	(1,647)

Contribution From Reserves	**2025/26 £'000**
Housing Reserve	
Rough Sleeper Initiative	59
Repair & Replacement Reserve	
Fleet Maintenance	250
Insurance Reserve	60
Capital Reserve	
Capital Programme	851
Economic Growth	
Capital Programme	2,948
Coastal Flood Defence Works	108
Archaeological Advice	63
Agency – Planning	265
Investment Volatility Reserve	
Statutory Override	200
Legal & Appeals Reserve	

		Kingfisher Legal Costs Allowance	350
Service Transformation Reserve		Service Transformation Reserve	
Elections contribution	(65)	Transformation HR support	24
		Planning Enforcement temporary backfill	35
Technology Reserve	(68)		
Wellbeing Reserve			
Year 8 Surplus - New Wellbeing Contract	(306)		
		Carbon Reduction Reserve	
		HUG2 & LEAD	166
		Ecologist	26
		Lightfoot Telematics	9
Corporate Priorities Reserve		Corporate Priorities Reserve	
Hereditament	(4,429)	Investment Fund Manager	55
		Councillor Grants enhancement	165
		Capital Programme	1,500
Contribution To Reserves Total	(7,581)	Contribution From Reserves	7,132
		Net Contribution (To)/From Reserves	(448)

7. CAPITAL PROGRAMME AND TREASURY MANAGEMENT

7.1 The Council's proposed 5 year Capital Programme and its 5 year capital resource projections are shown in the table below:

Table 14 – 5 year Capital Programme, funding and resource implications (includes slippage from 24/25 schemes):

Scheme	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Capitalised Planned Enhancements	265	370	190	293	-	**1,118**
Car Park Resurfacing	250	250	250	250	250	**1,250**
Disabled Facilities Grants	2,531	2,531	2,531	2,531	2,531	**12,655**
Community Housing Fund	-	645	-	-	-	**645**
3G Football Pitch	160	-	-	-	-	**160**
IT Investment	202	429	769	100	100	**1,600**
Waste	69	225	5,117	-	-	**5,411**
Sustainable Warmth	5,078	-	-	-	-	**5,078**
CDF – Phase 2	117	-	-	-	-	**117**
CDF – Pier Transformation	3,786	-	-	-	-	**3,786**
Environmental Health	40	40	40	40	40	**200**
Local Authority Housing Fund	2,899	-	-	-	-	**2,899**
Community Building Decarbonisation Pilot	111	-	-	-	-	**111**
Solar PV for Horncastle Hub	341	-	-	-	-	**341**
Uniform	227	-	-	-	-	**227**
Unit 4 Implementation Costs	93	33	-	-	-	**126**
Total Projects (Excl Towns Funds, UKSPF & LUF)	**16,169**	**4,523**	**8,897**	**3,214**	**2,921**	**35,724**
Towns Fund – Mablethorpe Leisure and Learning Hub	167	-	-	-	-	**167**
Towns Fund – Sutton on Sea Colonnade	450	111	-	-	-	**561**
Towns Fund – Sutton on Sea Colonnade Further Works	510	-	-	-	-	**510**
Towns Fund – Skegness Town Centre Transformation	122	-	-	-	-	**122**
Towns Fund – Skegness Learning Campus	3,506	-	-	-	-	**3,506**
Towns Fund – Mablethorpe Campus for Future Living	400	-	-	-	-	**400**
Towns Fund – Mablethorpe Mobihub	1,752	-	-	-	-	**1,752**
Total Towns Fund	**6,907**	**111**	**-**	**-**	**-**	**7,018**
LUF: Spilsby Sessions House	3,579	750	-	-	-	**4,329**
LUF: Alford Manor House	1,576	1,000	-	-	-	**2,576**
Total LUF	**5,155**	**1,750**	**-**	**-**	**-**	**6,905**
Total Approved	**28,231**	**6,384**	**8,897**	**3,214**	**2,921**	**49,647**

Scheme	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
New Bids						
Air Quality Monitoring	10	-	-	-	-	**10**
Portable CCTV	7	-	-	-	-	**7**
Broadway & Colonnade Car Park	1,500	-	-	-	-	**1,500**
IT Investment	-	-	-	123	511	**634**
Surf Rakes	164	-	-	-	-	**164**
Neighbourhoods Vehicles	85	(120)	(101)	470	-	**334**
Kingfisher Enhancements	100					**100**
Capitalised Planned Enhancements	-	-	-	-	300	**300**
Food Waste	1,375	-	-	-	-	**1,375**
Total New Bids	**3,241**	**(120)**	**(101)**	**593**	**811**	**4,424**
Total Draft Capital Programme	**31,472**	**6,264**	**8,796**	**3,807**	**3,732**	**54,071**
Funded by:						
Internal Borrowing	(1,129)	(919)	(6,054)	(1,136)	(1,061)	**(10,299)**
External Grants	(24,027)	(4,281)	(2,532)	(2,531)	(2,531)	**(35,902)**
Capital Reserve	(851)	-	-	-	-	**(851)**
Capital Receipts	(1,017)	-	-	-	-	**(1,017)**
Other Reserve	(4,448)	(1,064)	(210)	(140)	(140)	**(6,002)**
Total Funding	**(31,472)**	**(6,264)**	**(8,796)**	**(3,807)**	**(3,732)**	**(54,071)**

7.2 The Capital Strategy and Asset Management plan will generate potential future capital investment requirements. Specific schemes and values will only be included in the recommended programme when the need and likely costs have been further established in detailed business cases, and the Council has ensured that it has sufficient capital and revenue resources to implement such schemes.

7.3 The Treasury Management Strategy Statement pulls together the decisions of capital investment and our cash flow and revenue budgets. The Council became debt free in 2023/24 following redemption of its PWLB debt.

Table 15 – Treasury Assumptions

Treasury Assumptions	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Average Investment Balances	£60.3m	**£52.2m**	£56.7m	£59.2m	£63.3m	£70.5m
Investment assumptions - cash investments return	4.55%	**4.10%**	3.70%	3.50%	3.50%	3.50%
Investment assumptions – property fund return (revenue return only)	4.00%	**4.00%**	4.00%	4.00%	4.00%	4.00%

7.4 These assumptions include:

The Council's available cash balances and investment returns will be influenced by the future development of the Council's Asset Management Plan and all decisions made regarding the use of the Council's Reserves for capital and revenue purposes.

7.5 The Council is required to calculate a prudent provision of Minimum Revenue Provision (MRP) on its unfinanced capital expenditure which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. Regulations have been further amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of Capital Financing Requirement (CFR) from its calculation.

Appendix 5.7 at the back of Appendix 4b Treasury Management Strategy, MRP Policy Statement and Annual Investment Strategy 2025/26 provides a copy of a report that went to Audit and Governance Committee on 29 January 2025 providing detailed information on the implications of this change to the Council.

8 CONSULTATION

8.1 Under the Gunning Principles, the following points are the golden rules of consultation:

- Proposals must contain enough information for the respondent to provide intelligent consideration.
- Must give adequate time for a response.
- Responses must be conscientiously taken into account.

8.2 Using these principles, the budget consultation process for the 2025/26 budget comprised a number of elements. A budget consultation exercise was undertaken and in addition to this the Council consulted through a number of Member forums – Scrutiny Committee and Audit and Governance (particular focus on Budget Risk).

8.3 Following the budget consultation process, comments received through the Member forums, preceptors and the public exercise have been taken into account in preparing and recommending the proposed budget for Executive Board review and formal Council approval on 20th February and 5th March 2025 respectively.

9. EFFICIENCY TARGETS

9.1 The projected budgets recognise an increasingly challenging and uncertain position through the five year period of our financial strategy. The current financial environment requires a significant transformation in the way public services are both paid for and provided, with an emphasis on business and housing growth to both improve economic development and maximise funding to the Council to help offset ongoing reductions in overall resources. The Councils new partnership and the outsourced services within its TECKAL company PSPS Ltd provide significant opportunity to drive savings, efficiencies, transformation and improvement across the 3 Councils.

9.2 Based upon current budget assumptions the value of efficiency savings required to set a balanced budget for the next five years are as follows:

Table 16 – Efficiency Targets

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Budget Savings Requirement	-	711	1,917	1,338	1,806	1,433
IDB Savings Requirement	1,370	1,584	1,854	2,137	2,434	2,746
Total	**1,370**	**2,296**	**3,771**	**3,475**	**4,240**	**4,179**

9.3 The ongoing delivery of savings is recognised as a key challenge to the Council that will require both political and cultural direction to ensure it is met.

10. SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP PLANS

10.1 As we think of 2025/26, there is great uncertainty with the central funding which could be allocated. This is driven by several financial matters which remain unresolved such as the implications of the Fairer Funding Review, Business Rates baseline reset and a review of the Business Rates retention scheme. It should therefore be noted the Councils assumptions on future budget gaps whilst prudent could well be understated.

10.2 The Council is taking a positive response to this uncertainty by seeking to influence those matters raised above through both engagement and lobbying to ensure a fair deal is delivered for rural communities.

10.3 As we look forward into 2025/26, the Executive Board will be promoting projects which aim to support our rural hinterland, drive economic growth and develop commercial opportunities, as well as place the customer at the centre of everything we do and achieve as much as is possible through greater collaboration through the South and East Lincolnshire Councils Partnership. Some of these key projects to be developed during 2025/26 include deployment of the Investment reserve around the themes below and as reported to the Executive Board on 2024/25:-

- Market Towns and Rural Areas
- Driving and supporting Economic Growth
- Supporting the Delivery of Affordable Housing
- Supporting the Vulnerable
- Supporting Healthy Living
- Decarbonisation and continued investment in green initiatives
- Invest to Save

11. RISK AND SENSITIVITY

11.1 The following table shows the key risks and how we intend to treat them through our risk management practices

Table 17 - Key Risks

Risk	**Likelihood**	**Impact**	**Mitigating Action**
Fairer Funding and Business Rate reset/changes, Impact on Rural Councils	High	High	To lobby as required
IDB levy	High	High	Special Interest Group established. MP's being engaged and on-going liaison with ADA, MHCLG and Ministers.
Interest Rates Changing	High	High	Ongoing proactive management of opportunities in the market and staircasing of loans to maximise longer term lock and premium rates in the LA market.
Growth plans may require borrowing at some point in the future	Medium	Medium	Substantial external funding has been leveraged to the benefit of the Town and this is now fully incorporated into the Councils budgets.
Increased demand for Homelessness Support Services – relating to Homelessness Reduction Act	High	High	Monitor service demand and impact on costs. Optimise use of grant funding and closely monitor changes in service requirements. Work with commissioners and suppliers to minimise benefit subsidy implications.
Lack of clarity for funding levels beyond 25/26 and spending review	High	High	Prudent budget set to provide best estimate. Transitional arrangements have been applied in similar previous changes imposed on funding arrangements. Promptly review new information as it becomes available.
Universal Credit	High	Medium	The implementation of the Universal credit may impact on the General Fund in terms of running costs for the Benefits service and additional demand on other council services. This will be closely monitored.
Volatility and fluctuation in business rates	High	High	Regular monitoring of business rates, debt levels, recovery action and impact of changes in government support.

Pension fund deficit	Medium	Medium	Review Pension fund data and use specialists as required to support this process.
Additional bad debts as a result of economic circumstances	High	High	The Council has pro-active debt management and pre-pay fee policies. Supporting business through economic development team support.
Increased maintenance costs of ageing physical assets	Medium	Medium	Asset management plan. Pro-active rather than reactive maintenance programme
Inflation rises by more than budgeted projections	Medium	Medium	Budget assumptions kept up to date with most recent projections. Inflationary pressures have now mainly come under control.
Court Income	High	Medium	Court income projections are in line with budget. The budget has not been increased due to concerns over collectability of this income.
PSPS may be unable to deliver an effective service within the agreed contract price.	Low	Medium	Reviewing Service Level Agreements, activity levels and service priorities, development of a Transformation Programme.
Fee Income volatility	High	High	Early monitoring of deviations and reporting through to Executive Board. Controlling costs where demand is reducing.
Contract Cost volatility	High	High	To seek to pre-purchase were necessary, contract management to ensure that projects are maintained within revenue and capital budget affordability levels.
Lack of funding to partners causing displacement of service demand	High	High	Engagement and realism
Inadequate capital resources to finance future desired plans	High	Medium	The Council has been effective in the disposal of older assets and very successful in achieving significant capital funding.
Central Government policy changes	High	High	Engagement in consultation and policy creation
Reductions in NHB impacting on future plans	High	High	Once a consultation is launched reviewing the proposals and lobbying as required.
VAT – partial exemption	High	Medium	Close forecasting VAT partial exemption position

Failure to deliver the required transformation programme	Medium	High	Effective programme and project management
Reduction in Investment Values	High	High	Regular Monitoring is reported of investment valuations to Audit and Governance Committee and the Finance PFH. A specific reserve is allocated for managing volatility.
Central Government policy changes	High	High	Engagement in consultation and policy creation
Increased demand for services in general	Medium	Medium	Ensuring a robust performance management framework is in place so that significant increases in demand for services are tracked, flagged and managed.

12. OPTIONS

12.1 There are no alternative budget options presented, however if Council does not accept the proposed budget then any changes to income or expenditure which will produce a revised balanced budget must be presented and approved at the Council meeting

13. RECOMMENDATIONS

13.1 Reason for recommendations - To comply with the budgetary and policy framework.

13.2 Recommendation – That Executive Board recommends to Full Council to approve:

- The General Fund Budget 2025/26 including the setting of Council Tax
- The Councils Capital Programme
- Other associated strategies, policies and plans as set out in the covering report and associated Appendices.

14 Addendum - Section 25 Report of S151 Officer

“Robustness” of Budgets

1.0 Background

1.1 Under Section 25 of the Local Government Act 2003, the S151 Officer must report as to the robustness of the estimates included within the budget and highlight the risks associated with its deliverability and sustainability and the adequacy of reserves. This Addendum should be read in conjunction with the assumptions and plans outlined in the Budget Appendix attached, as this statement provides critical context for budget discussions. The framework within which the Council’s budget setting process operates and within which the financial plan was developed is governed by legislation which provides regulatory safeguards for the Council:

Section 25 of the Local Government Act 2003 requires the authority’s Chief Financial Officer to report on the robustness of the estimates and the adequacy of reserves allowed for in the budget proposals in the financial plan report, so Members are informed and can consider this when they make their budget decisions.

Section 114 of the Local Government Finance Act 1988 highlights the Chief Financial Officer’s responsibility to report to the external auditor and members if it appears to them that an unbalanced budget is likely to be set for the year. Further, the CFO shall make a report under Section 114 if it appears that the expenditure incurred during a financial year is likely to exceed the resources available to meet that expenditure; or if any unlawful expenditure is planned/takes place.

Local Government Finance Act 1992 identifies the requirement to set a balanced budget.

Section 151 of the Local Government Act 1972 - Financial Administration requires that authorities should appoint a Section 151 Officer to have responsibility for the proper administration of its financial affairs.

The Accounts and Audit Regulations 2015 – Regulation 4 requires that the accounting records and control systems include measures to ensure that risk is appropriately managed.

The CIPFA Financial Management Code 2019 - includes the following standard which should be complied with: “The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves”.

The requirements of the Prudential Code must also be complied with (a separate report on prudential Indicators is included elsewhere in this suite of Medium-Term Financial Strategy (MTFS) reports).

Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of Council Tax which have been outstanding for two months or more to attend any meeting of the Council or one of its committees at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears, and will not be voting on the decision for that reason. The Member concerned must then abstain from voting.

The Local Authorities (Standing Orders) (England) (Amendment)

Regulations 2014 provide that the Council's procedures must provide for the minutes to record how each Councillor voted (including any abstentions) when determining the Council's budget and the level of Council Tax to be levied.

1.2 CIPFA guidance on Local Authority Reserves and Balances also requires that a statement reporting on the annual review of earmarked reserves should be made to Council, at the same time as the budget. The statement should list the various earmarked reserves, the purpose for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balance.

Robustness of Estimates – Overview

1.3 Local authorities have been operating within an extended period of financial constraints over the last 10 years with significant cuts in grants from Government since 2013/14 and restrictions on the level of council tax increases that could be applied. It is becoming increasingly evident that councils are experiencing significant financial difficulties.

1.4 The Medium-Term Financial Strategy highlights the continued significant uncertainty on the council's projected financial position going forward. The council has received confirmation of grant allocations from the finance settlement for 2025/26 but there is no indication of the level of grant that can be expected from 2026/27. The new Government has given a clear indication that finance reforms are imminent and are expected to start consulting on their proposals in the next few months.

1.5 The impact of the economic climate of recent high inflation and higher investment income levels has had a significant impact on the council's budget. Whilst inflation has fallen, there is still uncertainty in the market which is keeping interest rates high for an extended period of time although these are expected to reduce in 2025/26.

1.6 Taking these factors into consideration, the projections for the council's financial position beyond 2025/26 is still subject to a high degree of uncertainty and therefore, the estimates reflect a number of assumptions on the financial position over the Medium Term to assist with financial planning for the longer term. As with any assumptions or projections of budgets over a five-year period, some will have a level of risk against them, and the Financial Strategy and Plans 2025/26 to 2029/30 are no exception.

1.7 The Local Government Finance Policy Statement announced on 28 November 2024 set out the Governments intentions for the local government finance settlement for 2025/26. This was shortly followed by the provisional funding settlement on 18 December 2024. These both served to provide some early certainty in respect of the funding settlement for 2025/2026 with a view that it would 'ensure stability and maintain balance on council tax'.

1.8 The financial strategy assumes that the main Revenue Grants will continue to reduce into the medium term, whilst we await more detail on the Governments planned restructuring of

Grant towards areas of most need. The Council has lost Rural Servies Delivery Grant and Services Grant however has benefited from the Recovery Grant so future adjustments may or may not benefit the Council. A new significant funding source for 2025/26 is the Extended Producer Responsibility Grant.

1.9 The proposed funding reforms also include the review of the Business Rates Retention Scheme. Detailed arrangements for the review and implementation of a new scheme are still unknown at this time and any re-set of the baseline could mean that the Council does not retain all the growth that has been achieved and is currently included in the Plan. The continuation of 100% retention of rates from renewable energy is also factored into the plan which may also change as part of the reset. The council has benefitted from increased business rates income due to the increase in the business rates multiplier and this has been reflected in the projected figures. However, no additional growth is included in future years due to the level of uncertainty and risk around business rates funding but also because of increased uncertainty from the impacts of the economy and the impact on the Council’s ability to sustain levels of income from growth in a market where businesses and individuals are themselves experiencing the effects in increased costs.

1.10 In the previous two Financial Strategies mainly due to the embedded Internal Drainage Board levy increase pressure, a savings orientated service review and transformation plan approach has been adopted to balancing the budget, whilst we have awaited government awards for financial support. These grant support payments have been forthcoming for 2023/24, 2024/25 and are within the Draft Provisional Statement for 2025/26 albeit still at £3m which has not reflected the increases over the period 21/22 to 25/26 from £6m to circa £14-15m nationally. We continue to lead the way and lobby heavily on this issue which is significantly and adversely impacting on the Councils budgets. If government does not increase its support for this pressure it may be that Council needs to look at other options for funding this impact although this could only be a short term plan, with a view to more significant and radical savings requirements into the future to fund these rising costs. The council has been prudent in building up a level of reserves in previous years and the use of the Extended Producer Responsibility payments to offset any unfunded IDB pressure will be a necessity plus potentially the use of reserves.

1.11 Whilst the Council has made very positive progress with its plans for 2024/25 an even more robust approach will be required in 2025/26 and saving, efficiency, service review and transformation plans will need to be closely monitored and RAG rated in reporting to ensure progress continues to be positive.

1.12 The safety net of the level of reserves which could if necessary be re-prioritised, provides for a degree of comfort and robustness and in the opinion of the S151 Officer are adequate for the purposes of the Council for the period up to 2026/2027. From 2026/2027 the risks associated with the budget significantly change and many different factors are in transition. As noted in the strategy, there are a number of operational and financial risks facing the Council that could possibly impact on the level of Reserves held, which may result in balances depleting earlier than anticipated depending particularly on the outcome of the government position regarding support for the Internal Drainage Board Levy increases.

1.13 The main risks facing the Council are as follows:

Internal Drainage Board Levy funding and increases – The most significant financial challenge for the Council is in respect of the Internal Drainage Board levy increases. Representations continue to be made at any possible point to seek to increase the grant funding that is now in its third year to a level closer to the pressure that exists in the Councils budget.

Business Rates Reset –There is no assumption for increased growth in the financial strategy as this currently presents a significant level of risk. Alongside this, there is a risk that an element of the growth will be removed as part of the baseline re-set with the implementation of the new Business Rates Retention Scheme arrangements. There is also concern that some of the business rates generated from renewable energy will also be withdrawn under the new scheme. These are currently retained at 100% so presents considerable risk if any or all of this is removed. With any new financial reforms is the assumption that there will be some dampening mechanism to soften the impact of any significant funding reductions but until further announcements are made on the detail and timing of the implementation of a reset, it remains a significant risk. These risks will continue to be monitored and reported to management and members as information on new arrangements for the scheme emerge. The pooling gain similarly supporting the baseline position may also be subject to changes again impacting on Council budgets.

Future Funding – The government has announced a fundamental review of funding to take place in 2025/26 with a view to future multi-year settlements. These proposed changes have also resulted in the creation of a recovery grant in 2025/26 with a clear direction of travel to support authorities with high levels of need and low ability to raise finance to support those pressures. These changes have already impacted on the Councils budgets in terms of the withdrawal of Rural Services Delivery Grant and Services Grant. Additional targeted funding has been received around certain high pressure areas such as Homelessness and Rough Sleeping. The position around Long Terms Towns Funding and UK Shared Prosperity Funding is also starting to crystalise as more details become available. The other new and significant factor is the introduction of Employer Responsibility Payments which reflect the cost of dealing with waste that is currently in the system. The National Insurance cost has not been fully funded and an improved approach is being considered by government on this and adjustments have taken place as part of the final settlement are a positive move forward. The costs to our contractors which will be passed on however will not be met and budgets will need to accommodate this additional pressure. Changes to the waste system due to be implemented in 2026/27 also represent financial risk if not fully funded and in light of rural delivery being more expensive could be substantial.

Operational Risks – There will always be an element of risk in the robustness of estimates where many services are demand led. This level of risk is especially heightened during this period of uncertainty in the economy. This is particularly the case where large or volatile budgets exist – mainly the income driven budgets e.g. planning, building control, rents and car parking fees.

Past experience shows that the risk from these service areas, whilst significant in financial terms, can be dealt with through good budget management which quickly identifies any potential issues and enables prompt corrective action to be taken and where necessary with the use of balances. However, since the pandemic and the following economic impact, there has been a notable change in the demand for some services and there is a degree of uncertainty on whether they will return to previous levels. Additionally, the cost of living impacting households and businesses will continue to impact on the demand for services and indeed debt levels/management. The performance against budgets is included in regular monitoring reports to management and members and in the event that action is necessary, approval can be gained quickly.

General Economic Risks – Assumptions on inflation made within the budget are detailed in the report. Where inflation factors rise above the assumed levels there will be an impact on the budget. The risk can be reduced through strong budget monitoring of spend and corrective action being taken. In the event that costs cannot be contained then the working balances and reserves come into effect.

Provision was previously included to increase budgets for gas and electricity, reflecting changes to unit costs emerging during 2023. However, these costs are now coming down and the forecast have been amended for this. Utility costs are affected by global supply and delivery levels and there remains a volatility risk that these could change over the medium-term financial plan. Predictions for these supplies will continue to be obtained and the anticipated impact reported in monitoring reports to management and members.

There is a risk to the budget from further changes in interest rates, especially in the current economic climate. The bank rate has seen significant increases since December 2021 from 0.10% to the current rate of 4.75% following the decisions made by the Bank of England Monetary Policy Committee in their objective to control inflation. This has a direct influence on the interest paid on the Council's investments. The risk is reduced through good financial management practices and monitoring of the markets and budget position. Interest rates in the Financial Strategy reflect the forecast bank rate which is anticipated to continue to reduce during 2025/26 and thereafter.

Capital Schemes, Partnerships and Contracts – The Council will always be subject to general financial risks inherent within large capital schemes, major outsourcing arrangements and partnership arrangements. More recently, the impact of inflation, NI increases and the current economic climate has had an impact on a number of the projections for some of the major projects causing volatility and uncertainty in any projections over the short term period. Whilst these risks can be reduced through the existence of good governance arrangements, active participation in the schemes and sound project management, it is critical that the projects are frequently reassessed from a financial perspective and the monitoring of the risks remains constant so that actions can be considered at the earliest opportunity. The monitoring and performance of major projects is reported through existing mechanisms. The Councils external contracts continue to be closely monitored to ensure they continue to provide value for money and to ensure that contract inflation is mitigated as far as practicably possible.

Business Continuity – In terms of risk management there are a number of issues that present a risk to the Council. The most highly rated risks are concerned with finance – the impact of the IDB levy on the Councils finances and future sustainability, reductions in government grant, inflation impacting on economic activity, increasing costs of capital projects and variation to service demand with an impact on income and increases to delivery costs for services to the vulnerable. The implementation of the new Business Rates

Retention Scheme and the Fair Funding Review impacts the certainty with which the Council can plan and implement its longer term aims, such as economic growth. All these risks have been considered and are being proactively managed where possible.

Local Government Re-organisation

The impacts of the governments white paper need to be carefully considered and managed in light of the information and timelines associated with this.

Legislation/Statutory/Accounting Guidance – There are always risks associated with such changes, for example, changes to Statutory Overrides, Minimum Revenue Provision, VAT rules or environmental legislation could have significant impact on the Financial Plan of the Council. There is little that can be done to mitigate these risks other than to continue to be aware of the potential changes and inform and act accordingly.

9.5 Delivering the MTFS

The MTFS requires a number of key actions to be implemented in order to achieve a stable and sustainable financial position for the Council. These include:

- Continued robust lobbying regarding the IDB financial pressure which is uncontrollable and unaffordable
- Implementing savings, efficiency, sharing and transformation plans
- Identifying further efficiencies or savings that are sustainable in nature
- Reviewing contracts for best value
- Delivering income generation projects
- Considering how services can be delivered more efficiently
- Ensuring a commercial approach is taken where applicable
- Increasing revenues by encouraging more businesses into the district
- Increasing revenues by continuing to support and encourage housing development

These will need to be managed against a backdrop of the local government finance reforms.

To ensure delivery, officers at the Council are advised to ensure that:

- Teams are suitably resourced to deliver the Council's objectives - particularly projects or initiatives that the financial plan is dependent on delivery that resources are at the right level and with the right skills.
- Officers continue to review service delivery which balance service improvement with reducing costs and being more efficient.
- Grant funding opportunities are maximised.
- Sufficient funding is set aside to support delivering the Council's objectives – particularly those projects or initiatives that the financial plan is dependent on delivery and especially those with an invest to save basis, with clear criteria and expectations of return.
- Processes, procedures and practices are continually updated to reflect the Council approach to secure value for money or secure efficiencies/savings where applicable.

Members are advised to ensure that:

- Progress against efficiency plans are regularly monitored by the Executive and Portfolio Holders.
- Members take future decisions that support the aim of maintaining a financially stable and sustainable Council as set out in the MTFS, including clear funding source where applicable.
- Business cases for investment projects should be rigorously reviewed to ensure they deliver value for money to the Council.

Appendix 2

CAPITAL PROGRAMME	Approved 2024/25 £'000	Slippage into future years £'000	Revised 2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Capitalised Planned Enhancements	537	-	**537**	265	370	190	293	-	**1,118**
Car Park Resurfacing	187	-	**187**	250	250	250	250	250	**1,250**
Disabled Facilities Grants	3,758	-	**3,758**	2,531	2,531	2,531	2,531	2,531	**12,655**
Community Housing Fund	647	(645)	**2**	-	645	-	-	-	**645**
Kingfisher Enhancements	132	-	**132**	-	-	-	-	-	**-**
3G Football Pitch	160	(160)	**-**	160	-	-	-	-	**160**
IT Investment	198	(4)	**194**	202	429	769	100	100	**1,600**
Waste	304	-	**304**	69	225	5,117	-	-	**5,411**
Sustainable Warmth	8,500	-	**8,500**	5,078	-	-	-	-	**5,078**
Decarbonisation of Assets	1,591	-	**1,591**	-	-	-	-	-	**-**
Case Management System	72	-	**72**	-	-	-	-	-	**-**
CDF – Phase 2	2,537	-	**2,537**	117	-	-	-	-	**117**
CDF – Pier Transformation	400	-	**400**	3,786	-	-	-	-	**3,786**
Horncastle Industrial Estate	400	-	**400**	-	-	-	-	-	**-**
Neighbourhoods	1,231	-	**1,231**	-	-	-	-	-	**-**
Environmental Health	66	-	**66**	40	40	40	40	40	**200**
Sutton on Sea Paddling Pool	400	-	**400**	-	-	-	-	-	**-**
District EV Charging Points	71	-	**71**	-	-	-	-	-	**-**
PSPS Investment	181	-	**181**	-	-	-	-	-	**-**
Local Authority Housing Fund	2,899	(2,899)	**-**	2,899	-	-	-	-	**2,899**
Pool Car Renewal	47	-	**47**	-	-	-	-	-	**-**
Regional Skills Plan Pilot	44	-	**44**	-	-	-	-	-	**-**
Community Building Decarbonisation Pilot	14	-	**14**	111	-	-	-	-	**111**
Swimming Pool Support Fund	336	-	**336**	-	-	-	-	-	**-**
Solar PV for Horncastle Hub	-	-	**-**	341	-	-	-	-	**341**
Uniform	98	-	**98**	227	-	-	-	-	**227**
Unit 4 Implementation	50	-	**50**	93	33	-	-	-	**126**
Affordable Housing Commuted Sum	378	-	**378**	-	-	-	-	-	**-**
Homelessness Prevention Van	25	-	**25**	-	-	-	-	-	**-**
Accommodation Pods	61	-	**61**	-	-	-	-	-	**-**
Total Projects (Excl Towns Funds, UKSPF & LUF)	**25,323**	**(3,708)**	**21,615**	**16,169**	**4,523**	**8,897**	**3,214**	**2,921**	**35,724**

Towns Fund – Mablethorpe Leisure and Learning Hub	3,488	-	**3,488**	167	-	-	-	-	**167**
Towns Fund – Sutton on Sea Colonnade	5,746	-	**5,746**	450	111	-	-	-	**561**
Towns Fund – Sutton on Sea Colonnade Further Works	90	-	**90**	510	-	-	-	-	**510**
Towns Fund – Skegness Foreshore	2,332	-	**2,332**	-	-	-	-	-	**-**
Towns Fund – Skegness Railway Station	2,564	-	**2,564**	-	-	-	-	-	**-**
Towns Fund – Skegness Town Centre Transformation	1,168	-	**1,168**	122	-	-	-	-	**122**
Towns Fund – Skegness Learning Campus	9,125	-	**9,125**	3,506	-	-	-	-	**3,506**
Towns Fund – Mablethorpe Campus for Future Living	2,387	-	**2,387**	400	-	-	-	-	**400**
Towns Fund – Mablethorpe Mobihub	100	-	**100**	1,752	-	-	-	-	**1,752**
Towns Fund – Mablethorpe High Street	105	-	**105**	-	-	-	-	-	**-**
Towns Fund – Mablethorpe Sandilands	1,915	-	**1,915**	-	-	-	-	-	**-**
Towns Fund – Skegness Multi-User Trail	217	-	**217**	-	-	-	-	-	**-**
Towns Fund – Skegness Cultural	1,642	-	**1,642**	-	-	-	-	-	**-**
Total Towns Fund	**30,879**	**-**	**30,879**	**6,907**	**111**	**-**	**-**	**-**	**7,018**
UKSPF	751	-	**751**	-	-	-	-	-	**-**
UKSPF - Rural	1,350	-	**1,350**	-	-	-	-	-	**-**
Community Reserve Fund	250	-	**250**	-	-	-	-	-	**-**
Total UKSPF	**2,351**	**-**	**2,351**	**-**	**-**	**-**	**-**	**-**	**-**
LUF: Spilsby Sessions House	5,041	(4,441)	**600**	3,579	750	-	-	-	**4,329**
LUF: Alford Manor House	2,082	(1,782)	**300**	1,576	1,000	-	-	-	**2,576**
LUF: Alford Windmill	1,070	(953)	**117**	-	-	-	-	-	**-**
Total LUF	**8,193**	**(7,176)**	**1,017**	**5,155**	**1,750**	**-**	**-**	**-**	**6,905**
Total Approved	**66,746**	**(10,884)**	**55,862**	**28,231**	**6,384**	**8,897**	**3,214**	**2,921**	**49,647**
New Bids									
Air Quality Monitoring	-	-	**-**	10	-	-	-	-	**10**
Portable CCTV	-	-	**-**	7	-	-	-	-	**7**
Broadway & Colonnade Car Park	-	-	**-**	1,500	-	-	-	-	**1,500**
IT Investment	-	-	**-**	-	-	-	123	511	**634**
Surf Rakes	-	-	**-**	164	-	-	-	-	**164**
Neighbourhoods Vehicles	-	-	**-**	85	(120)	(101)	470	-	**334**
Kingfisher Enhancements	-	-	**-**	100	-	-	-	-	**100**
Capitalised Planned Enhancements	-	-	**-**	-	-	-	-	300	**300**

Food Waste	-	-	**-**	1,375	-	-	-	-	**1,375**
Total New Bids	**-**	**-**	**-**	**3,241**	**(120)**	**(101)**	**593**	**811**	**4,424**
Total Draft Capital Programme	**-**	**-**	**-**	**31,472**	**6,264**	**8,796**	**3,807**	**3,732**	**54,071**
Funded by:									
Internal Borrowing	(2,417)	4	**(2,413)**	(1,129)	(919)	(6,054)	(1,136)	(1,061)	**(10,299)**
External Grants	(50,716)	8,244	**(42,472)**	(24,027)	(4,281)	(2,532)	(2,531)	(2,531)	**(35,902)**
Capital Reserve	(3,503)	-	**(3,503)**	(851)	-	-	-	-	**(851)**
Capital Receipts	(2,500)	-	**(2,500)**	(1,017)	-	-	-	-	**(1,017)**
S106s	(378)	-	**(378)**	-	-	-	-	-	**-**
Other Reserve	(6,012)	2,636	**(3,376)**	(4,448)	(1,064)	(210)	(140)	(140)	**(6,002)**
New Initiative/Contingency Reserve	(1,220)	-	**(1,220)**						
Total Funding	**(66,746)**	**10,884**	**(55,862)**	**(31,472)**	**(6,264)**	**(8,796)**	**(3,807)**	**(3,732)**	**(54,071)**

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Appendix 3

CAPITAL STRATEGY

2025/26 onwards

PART 1

1.0 Introduction

1.1 Background

1.1.1. This strategy is a high level summary of East Lindsey District Council's approach to longer term capital investment in the future of the district. It guides the development of service capital plans, and sets out the policies and practices that the Council uses to establish, monitor and manage its capital programme, in line with the Medium Term Financial Strategy (MTFS).

1.1.2 The Council's priorities provide the backdrop to the MTFS which in turn ensures all new resources, be they revenue or capital, are allocated through the principles on which they are based.

1.1.3 The early sections of this document describe the Council's financial position. These clearly suggest a need to ensure that the Council's Capital and Treasury Strategy supports the Council going forward. In addition, guidance around using capital for mixed/commercial purposes and a revision of treasury and investment guidance have recently been released to provide a platform to support and protect councils looking to work in different ways, driven by long term financial pressures. These are explored in the next sections of the document.

1.1.4 East Lindsey District Council produces and renews its Capital and Treasury Strategy on an annual basis. The Prudential Code 2021 recognises this as best practice and provides guidance to Local Authorities on how they should administer their Capital and Treasury activities. The Council had awaited this revised guidance to inform its new strategy which suggests a revised approach may be required going forward.

1.1.5 The Council expects continuous improvement in its performance and financial management. This requires strong executive leadership, strong challenge from scrutiny and commitment from employees. The Council's Organisational Improvement plans have provided the framework to help drive and embed the necessary improvements.

1.1.6 This strategy has nine sections;

- Legislative and Best Practice Framework
- About East Lindsey
- Aims of the Strategy
- Financial Position Statement
- Strategic Objectives
- Capital Expenditure
- Capital Resources, and Plans
- Stewardship
- Risk Management

1.1.7 This document sets out how we will support the Council's Corporate Strategy and objectives with the capital resources at our disposal. There are inevitably more demands on the money needed than resources available, meaning that best value has to be sought by the Council on behalf of its residents, local businesses and users of services.

PART 2

2.0 Legislative and Best Practice Framework

2.1 <u>Relevant Legislation</u>

2.1.1 Councils have the power potentially to do almost anything. This is enshrined through the General Power of Competence (GPOC) in the Localism Act 2011. It is a very broadly expressed power, which overlaps other powers. GPOC, however, has important limits. It cannot be used in breach of other legislation, and is therefore supplemental to specific powers that allow councils to borrow and invest. Councils have the general power to borrow under Section 1 of the Local Government Act 2003. The power to invest is set out in the Local Government Act 2003, Section 12, which gives the Council the power to invest for any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs. The power that allows councils to spend for capital purposes is included in the Local Government Act 2003.

2.2 Current Guidance & Best Practice

2.2.1 The Prudential Code 2021 summarises the overriding matters that should be considered in determining a Capital Strategy. The Prudential Code makes it clear that Councils' capital expenditure plans must be affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practive and in full understanding of the risks involved.

PART 3

3.0 About East Lindsey

3.1 Facts about the district

3.1.1 Extending over 1,762 square kilometres, East Lindsey is the third largest district in the UK. It is also one of the most sparsely populated, with its 142,300 population spread among some 200 settlements. The District does not have a single dominating urban centre. Instead, its distinctive widespread settlement pattern is a legacy of a history of small farming communities with local markets.

3.1.2 The District is home to a greater number of older people than the national norm and its coastal towns and villages are popular retirement destinations. The District is a safe and healthy place to live with low crime rates and very little noise, air, light, or water pollution. Many residents have migrated to the District for the quality of life.

3.1.3 There are pockets of social deprivation and unemployment is slightly higher than the national mean, average earnings are relatively low and dependence on benefits is high, particularly along the coast where seasonal and temporary employment is common.

3.1.4 Four settlements (Louth, Horncastle, Alford and Spilsby) have built on their historic market town roles to grow and serve wider rural hinterlands. On the coast, Mablethorpe and Skegness have grown to serve both a local rural hinterland and a vibrant but seasonal tourism market.

3.1.5 These two different groups of settlements have contrasting characters. The former have attractive town centres, with market squares, streets typified by red brick buildings with pantile or slate roofs. The latter have a much more mixed visual character.

3.1.6 The Lincolnshire Wolds is the only Area of Outstanding Natural Beauty in the East Midlands region and covers one third of the District's area.

3.1.7 The holiday coast between Mablethorpe and Skegness is characterised by lively seaside resort activity. Caravan parks along the coastal plain, accommodating upward of 32,000 static vans, are a popular feature. In addition, this area contains pockets of wild coast and now encompasses a coastal country park.

3.1.8 Farming remains the dominant land use across the District. Farm diversification is increasing with more farm based tourism activities becoming a growing feature in the countryside.

3.1.9 The District's relative isolation, dispersed settlements, and thinly spread public transport services all add to a high level of car dependency.

PART 4

4.0 Aims of the Strategy

4.1 The specific aims of this strategy are to ensure:

- Physical assets and related resources are efficiently and effectively used to support East Lindsey District Council's priorities. These inputs will then be reviewed against the outputs from capital schemes to demonstrate Value for Money;
- Issues related to property and other assets are fully reflected in the Council's planning, specifically adequate funds for maintenance are available;
- The strategy itself is a useful tool to assist stakeholders' understanding of the Council's decision-making processes and project management of its capital investments;
- Provision is made for delivering corporate priorities and this is demonstrated through effective resource allocation;
- Invest to save projects are encouraged;
- The Council works within the Prudential Code framework and demonstrates robust and linked capital and treasury management;
- Review of the Asset Management Strategic Framework to identify surplus assets which can move through a disposal process to generate new capital resources;
- Capital spending plans are affordable and integrated with the Medium Term Financial Strategy;
- We work effectively with our partners in the South and East Lincolnshire Councils Partnership (SELCP), sharing expert resources and maximising funding opportunities, increasing the voice of the sub-region; and,
- Support for our partners by acting as an enabler in drawing down external funding for community projects. To further act as a match fund provider.

PART 5

5.0 Financial Position Statement

5.1 Financial overview

5.1.1 When taking financial decisions the considerations are multi-faceted. This means a single decision may impact upon revenue, capital, treasury and assets. These areas are all interlinked and should be fully understood to ensure plans are in place to maintain the Council's financial standing.

5.2 Revenue

5.2.1 Through to 2029/30 the Council anticipates pressure on revenue budgets due to significant inflationary pressures, changes in customer requirements and reductions in income post covid and due to international events. Each year the ability to balance the budget is becoming more challenging, with options ranging from becoming more efficient, raising additional income and/or reducing services. The Council has an ongoing programme to develop plans to address the known challenges. In addition to this the impacts of changes to the localised business rate retention system, the proposed spending review and fairer funding from 2025/26 and beyond are unknown and have the potential to raise the budget gap significantly. There are no signs of an upturn in Council or indeed Government finances to provide optimism. Therefore the Council must continue to look to become self-financing by seeking alternative sources of finance. The Council will look towards its capital and treasury activities to mitigate and contribute towards relieving pressure on its future revenue budgets particularly as interest rates increase.

5.3 Capital

5.3.1 Annually the Council is required to invest in assets and projects which have a life of longer than one year. This investment, be it in IT systems, vehicles, property or equipment must be funded. The Council looks towards its capital and treasury activities to provide medium and long term resources for future capital expenditure. The Council also needs to consider ways of innovation that limit the amount of investment required during the timescale of this strategy in light of the significant pressures upon its resources, which may include new borrowing

5.4 Treasury

5.4.1 The Council holds surplus cash during the year. These funds are largely monies held in reserves or short term cash holdings before payments are made to major preceptors and currently average approximately £73m. Whilst cash is held it is invested with full appreciation of the Prudential Code which requires Councils to consider security, liquidity and yield (in that order). In addition, many councils participate in borrowing to fund their capital programme. The Council will look towards its treasury activities making the best use of borrowing and investing with all decisions being undertaken having an appropriate approach towards prudency and proportionality, as well as security, liquidity and yield. Treasury management will be expected to make a positive contribution towards both revenue and capital pressures.

5.5 Asset Management

5.5.1 The Council has a balance sheet with fixed assets valued at circa £117m. The Council has focused its attentions on areas such as investment in its Company, supporting significant grant funding bids, development of new and improving assets, disposal of surplus assets and developing its Organisational plans. In addition the Council has been successful in bidding for funding both as part of the new SELCP partnership and in its own right. These funds have and will significantly bolster the Councils capital programme and support future plans.

PART 6

6.0 Strategic Objectives

6.1 Strategic fit

6.1.1 The financial strategies must support and empower the corporate strategy and priorities of the Council. This intrinsic link works both ways. By adopting the new strategy the Council will be looking to ensure the ongoing provision of both statutory and discretionary services to local residents and businesses. It must have due regard to legislation and guidance. All strategies adopted must also have full regard to the legislative framework and best practice guidance adopted by the sector. These offer clear boundaries and exemplify considerations for decision making and risk management.

6.1.2 This strategy links to a number of other corporate strategies. The key strategies are:

- Treasury Management and Strategy Statement
- Medium Term Financial Strategy
- Risk Management Strategy
- Economic Development Strategic Framework
- Homelessness Strategy
- Asset Management Strategic Framework
- Crime and Disorder Strategy

PART 7

7.0 Capital Expenditure

7.1 Definition and considerations

7.1.1 The Local Government Act 2003 – which includes the legislation for the capital finance system – does not specify what precisely constitutes capital expenditure. Instead it:

- Refers to "expenditure of the authority which falls to be capitalised in accordance with proper practices".
- Enables the Secretary of State to prescribe by regulation which local authority expenditure shall be treated as capital expenditure and which shall not be treated as capital expenditure
- Enables the Secretary of State to prescribe by regulation that the spending of a particular local authority shall – or shall not – be treated as capital expenditure

7.1.2 For the purposes of this strategy document, capital expenditure is defined as expenditure to acquire or upgrade assets (such as property, plant and equipment), so that future economic benefit or service potential will flow from the asset for more than one year.

7.1.3 The Council has set a de minimis limit of £5,000 for equipment and £10,000 for land and buildings for expenditure to be considered for capitalisation. The following categories of expenditure will require capital resources to fund their purposes:

1. The acquisition, reclamation, enhancement or laying out of land exclusive of roads, buildings or other structures
2. The acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures
3. The acquisition, installation or replacement of movable or immovable plant, machinery and apparatus and vehicles and vessels
4. The making of advances, grants or other financial assistance towards expenditure incurred or to be incurred on items detailed in points 1 to 3 above or on the acquisition of investments
5. The acquisition of share capital or loan capital in any body corporate
6. The issue of loan instrument in respect of which not all repayments by the authority are due within 1 year of issue
7. Works to increase substantially the thermal insulation of a building
8. Works to increase substantially the extent to which a building can be used by a disabled or elderly person
9. The acquisition of computer software, plus the in-house preparation of it, provided that the intention is to use the software for at least 1 year

7.1.4 Regulations state that expenditure on repair and maintenance which does not increase the life, value or extent of use of an asset is not deemed as capital expenditure.

7.2 <u>Future expenditure plans</u>

7.2.1 The Council has approved a five year (short/medium term) funded capital programme. In addition the Council will have an ongoing need for capital expenditure for replacement and renewal of its key assets used in delivering services.

7.2.2 Future capital projects will need to be subject to suitable business cases which will include how such schemes support corporate/strategic priorities. One way of creating capital resources can be through the borrowing of funds and then spending it on capital or through internal borrowing supported by a Minimum Revenue Provision requirement.

7.3 <u>Capital Loans</u>

7.3.1 The council has discretion to make loans for a number of reasons, primarily for housing development. These loans are treated as capital expenditure.

7.3.2 In making loans the council is exposing itself to the risk that the borrower defaults on repayments. The council, in making these loans, must therefore ensure they are prudent and risk implications have been fully considered

7.3.3 The council will ensure that a full due diligence exercise is undertaken, and adequate security is in place. The business case will balance the benefits and the risks. All loans are agreed by Cabinet. All loan arrangements will be subject to close, regular monitoring and reporting.

PART 8

8.0 Capital resources, and plans

8.1 <u>Capital Expenditure and the Minimum Revenue Provision</u>

8.1.1 One important area of the Capital and Treasury guidance is the Minimum Revenue Provision (MRP) requirement. Where a Council undertakes capital expenditure, financed by borrowing, there is an expectation that each year the Council's revenue account should make a contribution to a reserve which will build up over time so that when the borrowing has to be repaid money is there to do so. Where the Council chooses to invest in assets which will not, or are unlikely to, have sufficient realisable value at the point of redemption to repay the borrowing, then this is essential for prudent management of the Council's affairs. The Council will ensure a suitable MRP policy is in place.

8.2 <u>Other Capital Considerations</u>

Capital Receipts

8.2.1 The forward availability of capital receipts will play an important part in both the timing and scope of the capital programme. The Council is looking at ways of obtaining capital receipts through the active marketing of its surplus assets and a review of how assets will be needed in the future to provide value for money services to the community.

Section 106 – Planning obligations

8.2.2 The Council has powers under Section 106 to provide for infrastructure and facilities to support the local community alongside planning and development projects.

8.3 External Grants and Contributions

8.3.1 A partnership approach to service delivery is a core approach for the Council. Through its services, partnership working, supportive funding and innovation, the Council will seek to attract investment into the District. Acquiring grants and external funding is of increasing importance given lower levels of resources through core government funding.

8.4 Borrowing

8.4.1 Under the 'Prudential' framework for local authority capital, the Council can determine what level of long term borrowing it wishes to undertake to finance its capital priorities, within the framework of prudent, sustainable and affordable borrowing. Given the diminishing resources available to it the Council has to make appropriate decisions regarding servicing the financing costs before it undertakes any new borrowing. Regulations require the Council to approve its 'Prudential Indicators' at least annually, and they are included with the Treasury Management Strategy Statement. As the Council is required to have a balanced revenue budget over the medium term it will be important that the Council robustly reviews future spending proposals and likely resources available before borrowing to finance future capital investment

8.5 Revenue contributions

8.5.1 The Council's budget and MTFS sets out the approach to the allocation of reserve balances and this Council's approach to managing its surplus cash. The budget makes provision for annual revenue contributions in support of some capital expenditure e.g. Vehicle Replacement. Where applicable specific contributions are identified from reserves or revenue contributions from specific services (such as ICT).

8.6 Balances and Reserves

8.6.1 East Lindsey District Council holds levels of both general and specific reserves.

8.7 New sources

8.7.1 The Council is aware of the need to be innovative and to work closely with the Private, Public and Voluntary Sectors to deliver outcomes for local people at a time when there will be reduced levels of capital resources.

PART 9

9.0 Stewardship

9.1 General Governance Issues

9.1.1 Annually the Council produces a medium term (five years) revenue budget, a medium term (five years) capital programme which is supported by a capital strategy, a treasury management and investment strategy. Sitting behind these are the financial procedure rules within the constitution and treasury management practices which provide day to day operational guidance. The Executive Board and Scrutiny Committees are not excluded from shaping these documents however the Audit and Governance Committee is charged with reviewing and recommending most of these documents to Full Council for approval. The requirement for Full Council to be involved is enshrined within statute.

9.1.2 The Council has adopted a risk management strategy which places the Council as having an open and aware approach towards risk. This should be reflected within the new Strategy.

9.2 Revised Internal Governance

9.2.1 The Capital Programme will continue to be monitored by the Capital Programme Working Group, with additions to the programme approved by the Executive Board, as part of its quarterly performance monitoring. Full Council will approve all capital additions over £300k, in line with the Council's financial procedure rules.

9.3 Revised External Governance

9.3.1 The views of the Council's treasury advisors, external auditors, counsel's opinion, professional bodies and peers have been considered in the production of this Strategy. Annually there will be a review of the Capital Strategy and formally approved as part of the budget setting process. This will ensure all matters of consideration and best practice are routinely acknowledged.

9.4 Performance measurement

9.4.1 The Council is determined to ensure high quality customer-focused services for all its residents and visitors to East Lindsey District Council. The Council also wants to deliver high quality services, although recognises the issues associated with reduced resources that are already impacting on its ability to deliver and maintain them.

9.4.2 Capital projects identify milestones and key outputs and these are used to integrate the delivery of Capital projects into the performance management framework.

9.5 Project evaluation

9.5.1 All capital projects need to be appraised and options appraisals are also required to ensure value for money in achieving the project objectives and realising benefits. Core principles to be followed, matters to be considered within the capital bidding process are:

- Council Objective/Priority
- Whole life cost of the proposal including the revenue effects
- Affordability and source of funding
- Partnership involvement
- Options appraisal
- Project appraisal
- Risks
- Improvements in service delivery
- Customer facing outcomes
- Other benefits and success criteria
- Efficiencies
- In principle support from the Director and Executive Board Portfolio Holder
- Exit strategy
- Timescales
- Environmental considerations

9.5.2 Project evaluation should include the following activities:

- Feasibility
- Appraisal (to include report, financial appraisal, risk appraisal)
- Budget
- Monitoring and review
- Outturn

9.5.3 These processes will ensure that any capital scheme that feeds into the programme will comply with the principles of the Prudential Code and have appropriate regard to:

- Affordability
- Sustainability
- Prudence
- Proportionality

- Security
- Liquidity
- Yield

9.6 Consultation and Communication

9.6.1 The consultation process used to inform our priorities has enabled the Council to identify its strategic objectives to allow prioritisation of resources. The Council also consults annually as part of the budget setting process. This includes a general consultation exercise with the community.

9.7 Sustainability

9.7.1 Sustainability Impact Assessments are completed for key Council projects.

9.8 Procurement

9.8.1 The purchase of capital assets should be conducted in accordance with Contract Procedure Rules, ensuring value for money, legality and sustainability at all times. Contract standing orders and rules governing the disposal or write off of assets are contained in the Constitution which is regularly reviewed.

9. Value for Money

9.9.1 The Council recognises that effective procurement lies at the heart of delivering value for money and is essential if the Council is to obtain real improvements to quality and service costs. The Council seeks to achieve value for money by applying rigorous procurement standards in the selection of suppliers and contractors to ensure efficiency, economy and effectiveness is received throughout the life of a contract. The significant resources applied to capital expenditure require the adopted principles of value for money to be at the heart of the Capital and Treasury Strategy. Specifically the Council will seek to strengthen the outcome indicators as part of post project reviews.

9.10 Invest to save

9.10.1 Whilst there are often revenue implications for investing in capital schemes, the Council is keen to invest in areas that result in long-term revenue savings and 'invest to save' schemes. It is also an aim to invest in assets that generate a revenue income in excess of that which could be earned by leaving funds on deposit.

9.11 Links to other partners

9.11.1 Partnership working is embedded in the organisation and the Council's approach to working with others has been commended. The Council's thrust in partnership working has three main strands being the SELCP as outlined about, the Greater Lincolnshire Local Economic Partnership, Strategic Service Delivery Partnerships and networking partnerships. In order to address the needs of the local community the integration of the Capital Strategy with those who the Council seeks to work with will be necessary to deliver on shared visions.

9.12 Equality

9.12.1 As part of the process of preparing business case for potential capital projects Equalities Impact Assessments will be completed when necessary. The Council recognises and values the diversity in the local community and the contribution that people from different backgrounds and cultures bring to the development and wellbeing of the District. East Lindsey District Council is therefore committed to principles of equality in its capacity as an employer and service provider to all sections of the community.

PART 10

10.0 Risks and their management

10.1 Risk Awareness

10.1.1 With the scale of the approach to ensuring that the Council will be better able to provide for future capital spend there are associated risks (and also opportunities).

10.1.2 All capital projects will have a risk log that is regularly reviewed and updated. All risks that may affect a project must be considered. These can include political, economic, legal, technological environmental and reputational as well as financial. Large projects will be managed in accordance with the Council's adopted project management principles.

10.1.3 A specific risk as a VAT registered body is the recovery of exempt VAT only up to a value of 5% of all the VAT it incurs. This is known as the de-minimis limit. Monitoring and control of exempt input tax is essential for the Council as where exempt input tax exceeds the 5% limit the whole amount is irrecoverable and will represent an additional cost to the Council. Each capital investment will be closely reviewed to assess its VAT implications.

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Treasury Management Policy Statement 2025/26

East Lindsey District Council defines its treasury management activities as:

1. The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

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East Lindsey
DISTRICT COUNCIL

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2025/26

1. Introduction

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

> *"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

The Council's treasury function is undertaken by Public Sector Partnership Services Ltd (PSPSL) on behalf of the Council. PSPSL is responsible for the:

- Production of the annual treasury management strategy
- Production of regular treasury management policy reports
- Production of treasury management practices
- Production of budget and budget variations relating to the treasury management function
- Production of management information reports
- Provision of adequate treasury management resources and skills, and effective division of responsibilities within the treasury management function
- Arrangement of the appointment of external service providers.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

- **Prudential and treasury indicators and treasury strategy** (this report) **-** The first, and most important report is forward looking and covers:
  - the capital plans (including prudential indicators);
  - a Minimum Revenue Provision (MRP) Policy (how residual capital expenditure is charged to revenue over time);
  - the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
  - an Annual Investment Strategy (the parameters on how investments are to be managed).

- **A mid year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Council will receive quarterly update reports.

- **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit and Governance Committee.

Quarterly reports

In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) has also been required. However, these additional reports do not have to be reported to Full Council/Executive Board but do require to be adequately scrutinised. This role is undertaken by the Audit and Governance Committee. The reports, specifically, should comprise updated Treasury/Prudential Indicators.

1.3 Treasury Management Strategy for 2025/26

The strategy for 2025/26 covers two main areas:

Capital Issues

- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, Department for Levelling Up, Housing and Communities (DLUHC now MHCLG) Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. The Council has addressed this by targeted training courses for relevant members.

The training needs of PSPSL treasury management officers are periodically reviewed and is supplemented by targeted training as necessary and technical advice from our treasury management advisors.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and members.
- Require treasury management officers and members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by Council).
- Have regular communication with officers and members, encouraging them to highlight training needs on an ongoing basis.

Training for members will be arranged as required and the training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by the Treasury and Investments Manager (PSPSL). Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Democratic Services.

1.5 Treasury management consultants

PSPSL uses MUFG Corporate Markets (previously Link Group)as its external treasury management advisors for the Council.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

2 The Capital Prudential Indicators 2025/65 – 2029/30

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 are prudent, affordable and sustainable.

2.1 Capital expenditure and financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members approve capital expenditure forecasts as part of the annual Budget report.

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The capital expenditure plans mirror those within the budget report and will be amended throughout the year as spending plans alter.

The following table summarises the capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital Expenditure £'000's	**2024/25 Estimate**	**2025/26 Estimate**	**2026/27 Estimate**	**2027/28 Estimate**	**2028/29 Estimate**	**2029/30 Estimate**
Towns Fund Projects	30,876	6,907	111	-	-	-
UKSPF Projects	2,351	-	-	-	-	-
LUF Projects	1,017	5,155	1,750	-	-	-
Other General Fund Projects	21,556	16,169	4,523	8,897	3,214	2,921
New Bids	-	3,241	(120)	(101)	593	811
Total	**55,800**	**31,472**	**6,264**	**8,796**	**3,807**	**3,732**
Financing	**(53,387)**	**(30,343)**	**(5,345)**	**(2,742)**	**(2,671)**	**(2,671)**
Net financing need for the year	**2,413**	**1,129**	**919**	**6,054**	**1,136**	**1,061**

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the MRP is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long term liabilities (e.g. Public Finance Initiative (PFI) schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

The CIPFA LAASAC Local Authority Accounting Code Board deferred implementation of IFRS16 Accounting for Leases until 1 April 2024, the 2024/25 financial year. Work is currently being undertaken to calculate the full value of lease liabilities which need to be included in the Council's CFR.

As part of the formal governance process, the Council approves the cumulative CFR projections as follows:

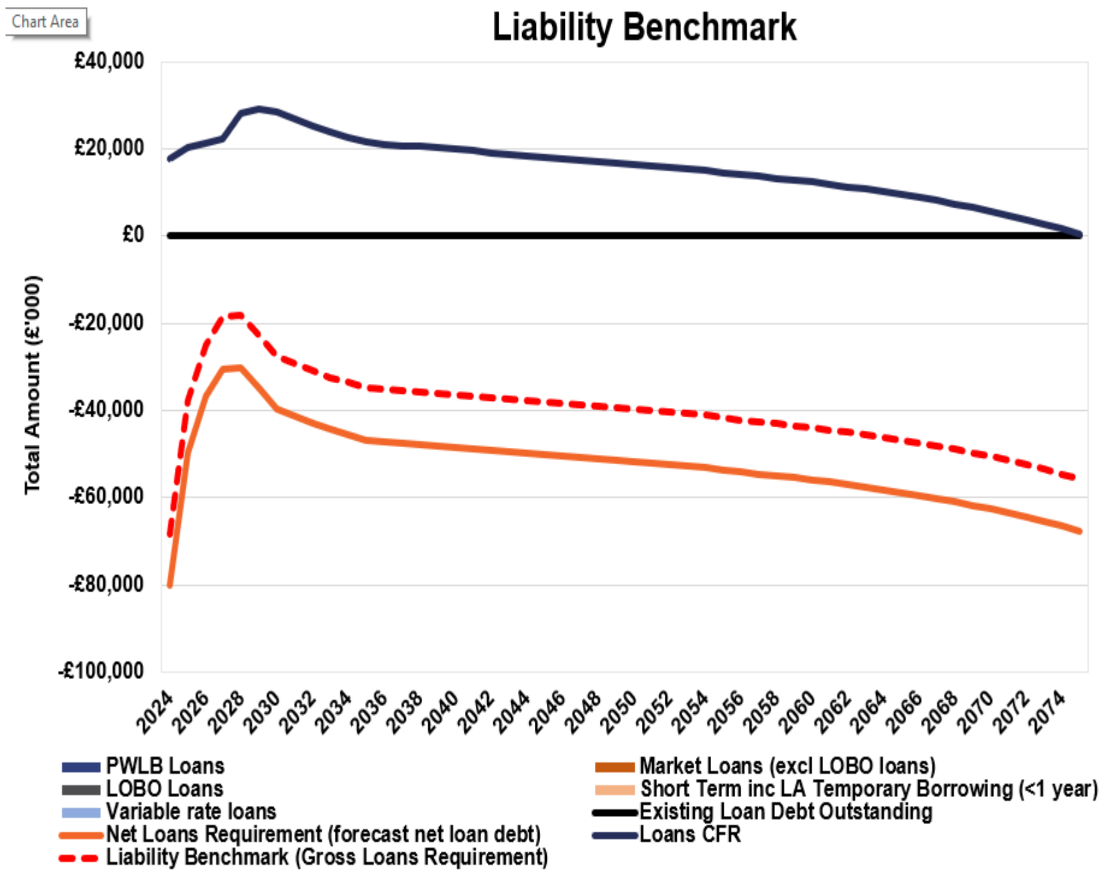
£000's	**2024/25 Estimate**	**2025/26 Estimate**	**2026/27 Estimate**	**2027/28 Estimate**	**2028/29 Estimate**	**2029/30 Estimate**
CFR – General Fund	2,669	3,470	3,948	9,464	9,213	8,796
CFR - Non-treasury investments	20,159	20,091	20,020	19,943	19,863	19,778
Voluntary Revenue Provision	(2,633)	(2,237)	(1,725)	(1,110)	-	-
Total CFR	**20,195**	**21,324**	**22,243**	**28,297**	**29,076**	**28,574**
Movement in CFR	**2,370**	**1,129**	**919**	**6,054**	**779**	**(502)**
Net financing need for the year above)	2,413	1,129	919	6,054	1,136	1,061
Less MRP and other financing movements	(43)	(396)	(512)	(615)	(1,467)	(1,563)
Reversal of VRP	-	396	512	615	1,110	-
Movement in CFR	**2,370**	**1,129**	**919**	**6,054**	**779**	**(502)**

2.3 Liability Benchmark

The Council is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. **Existing loan debt outstanding**: the Council's existing loans that are still outstanding in future years.
2. **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement**: this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources £m	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
General Fund Balance	1,822	1,822	1,822	1,822	1,822	1,822
Earmarked Reserves	32,294	32,742	37,044	42,108	47,529	52,219
Capital Grants Unapplied	10,582	4,762	3,550	3,550	3,550	3,550
Capital receipts	1,310	410	1,310	1,410	1,510	1,610
Total core funds	**46,008**	**39,736**	**43,726**	**48,890**	**54,411**	**59,201**
Working capital*	4,000	4,000	4,000	4,000	4,000	4,000
Under borrowing	(20,195)	(21,324)	(22,243)	(28,297)	(29,076)	(28,574)
Expected investment (excluding provisions)	**29,813**	**22,412**	**25,483**	**24,593**	**29,335**	**34,627**

2.5 Minimum revenue provision (MRP) policy statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP). The 2003 Regulations have been further amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of CFR from its calculation, unless by an exception set out in statute.

Appendix 5.7 at the back of this strategy document provides a copy of a report that went to Audit and Governance Committee on 29 January 2025 providing detailed information on the implications of this change to the Council.

The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) provides four ready-made options for calculating MRP. A Council can use a mix of these options if it considers it appropriate to do so.

The MRP policy statement requires Full Council approval in advance of each financial year.

The Council is recommended to approve the following MRP Statement:

For all unsupported borrowing from 1 April 2008 the MRP policy will be:

- Asset life method (straight line)

- Asset life method (annuity)
- Another method which the Authority has deemed a more suitable method after having regard to the MRP Guidance

Regulation 27(3) allows a local authority to charge MRP in the financial year following the one in which capital expenditure financed by debt was incurred.

Capital expenditure incurred during 2024/25 will not be subject to an MRP charge until 2025/26, or in the year after the asset becomes operational.

The Council will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

Leases/PFI

MRP in respect of assets acquired under Finance Leases or PFI will be charged at an amount equal to the principal element of the annual repayment.

Capital Receipts

Any unfinanced loans issued to Invest East Lindsey which are classed as capital expenditure will increase the Council's CFR. The Council will earmark the proceeds from the repayment of the loans to reduce the CFR.

Where no principal repayment is being made in a given year, the Council will make an MRP charge where there is an expected credit loss or impairment. This charge will be for the full amount of the loss being recognised in accordance with regulations.

Share Capital

Where a Council incurs expenditure that is capitalised on or after April 2008, which is financed by borrowing for the acquisition of share capital, Regulation 25(1)(d) Acquisition of share capital sets out the maximum period for an authority to provide MRP of 20 years. Where it can be proved that the underlying asset has a greater useful life than 20 years then the greater life can be used. This would have to be backed up by suitably qualified professional opinion.

As of 31 March 2025 the Council will have £19.199m of unfinanced property fund investments (excluding M&G and VRP) in this category. The M&G Property Fund is currently being liquidated and the sale proceeds will be used to finance an equivalent MRP charge to reduce this unfinanced capital expenditure.

As the underlying assets of the property funds are predominantly property, the Council will seek an appropriate professional opinion that confirms the acceptability of using a 50 year useful life.

The Council's MRP policy for its unfinanced equity stake in property funds will be to use Asset Life Method (Annuity) over a 50 year useful life. The appropriate annuity rate will be the PWLB 50 year annuity rate on the day the MRP Policy is approved by Council. So where the first MRP charge is in the 2025/26 financial year the appropriate date will be 27 February 2025.

The Council will ensure that any receipts generated from the sale of property fund units or liquidation of a fund will be earmarked and set aside when received to reduce the CFR liability by the amount of the original borrowing for units sold if MRP/VRP has not previously been provided for.

The Council will also monitor the performance of its Property Fund holdings on a regular basis with performance reported to the Audit and Governance Committee quarterly.

MRP Overpayments

Under the MRP guidance, charges can be made in excess of the statutory MRP, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

At the end of the 2023/24 financial year the Council had made VRP contributions of £2,631,565.19. If this changes during the 2024/25 financial year it will be reported in the Annual Treasury Report.

3. Borrowing

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the Annual Investment Strategy.

3.1 Current portfolio position

The overall treasury management portfolio as at 31 March 2024 and for the position as at 31 January 2025 based on cost are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	Actual	Actual	Current	Current
	31/03/24	**31/03/24**	**31/01/25**	**31/01/25**
Treasury Investments	**£000**	**%**	**£000**	**%**
Banks	6,406	8%	5,394	7%
Building Societies - Rated	0	0%	0	0%
Local Authorities	8,500	11%	23,500	32%
DMADF (H.M.Treasury)	0	0%	3,300	5%
Money Market Funds	1,750	2%	7,410	10%
Certificates of Deposit	40,000	50%	10,000	14%
Total Managed In House	**56,656**	**71%**	**49,604**	**68%**
Bond Funds	0	0%	0	0%
Property Funds (At Cost)	23,603	29%	23,603	32%
Total Managed Externally	**23,603**	**29%**	**23,603**	**32%**
Total Treasury Investments	**80,259**	**100%**	**73,207**	**100%**
Treasury External Borrowing				
Local Authorities	0		0	
PWLB	0		0	
LOBOs	0		0	
Total External Borrowing	**0**		**0**	
Net Treasury Investments / (Borrowing)	**80,259**		**73,207**	

In addition to the above the Council has made loans to Invest East Lindsey (wholly owned by the Council) totalling £3,891,551.51.

The following table shows the Council's forward projections for borrowing. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£'000's	**2024/25 Estimate**	**2025/26 Estimate**	**2026/27 Estimate**	**2027/28 Estimate**	**2028/29 Estimate**	**2029/30 Estimate**
Debt at 1 April	0	0	0	0	0	0
Expected change in Debt	0	0	0	0	0	0
Actual gross debt at 31 March	**0**	**0**	**0**	**0**	**0**	**0**
The Capital Financing Requirement	**20,195**	**21,324**	**22,243**	**28,297**	**29,076**	**28,574**
(Under) /over borrowing	**(20,195)**	**(21,324)**	**(22,243)**	**(28,297)**	**(29,076)**	**(28,574)**

Within the range of prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Section 151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary (£'000)	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
Debt	20,000	20,000	20,000	20,000	20,000	20,000
Other long term liabilities	5,000	5,000	5,000	5,000	5,000	5,000
Total	**25,000**	**25,000**	**25,000**	**25,000**	**25,000**	**25,000**

The authorised limit for external debt - This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt, which while not desired, could be afforded in the short term, but is not sustainable in the longer term.

- This is the 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.
- As part of the formal governance process, the Council approves the following indicators, as shown below:

Authorised Limit (£'000)	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
Borrowing	24,000	24,000	24,000	24,000	24,000	24,000
Other long term liabilities	5,000	5,000	5,000	5,000	5,000	5,000
Total	**29,000**	**29,000**	**29,000**	**29,000**	**29,000**	**29,000**

3.3 Prospects for interest rates

The Council has appointed MUFG as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. MUFG provided the following forecasts on 11 November 2024. These are forecasts for certainty rates, gilt yields plus 80 basis points (bps).

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

Additional notes by MUFG on this forecast table: -

Following the 30 October Budget, the outcome of the US Presidential election on 6 November, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7 November, we have significantly revised our central forecasts for the first time since May. In summary, our Bank Rate forecast is now 50bps – 75bps higher than was previously the case, whilst our PWLB forecasts have been materially lifted to not only reflect our increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.

If we reflect on the 30 October Budget, our central case is that those policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the consumer price index (CPI) measure of inflation hitting 2.5% year on year (y/y) by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be 2.7% y/y (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8% y/y.

The anticipated major investment in the public sector, according to the Bank, is expected to lift UK real gross domestic product (GDP) to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises, and a tepid GDP performance.

Our central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. We forecast the next reduction in Bank Rate to be made in February and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November).

Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025. The fact that the November MPC rate cut decision saw a split vote of 8-1 confirms that there are already some concerns around inflation's stickiness, and with recent public sector wage increases beginning to funnel their way into headline average earnings data, the market will be looking very closely at those releases.

Regarding our PWLB forecast, the short to medium part of the curve is forecast to remain elevated over the course of the next year, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to digest if the interest rates paid provide sufficient reward for that scenario.

So far, we have made little mention of the US President election. Nonetheless, Donald Trump's victory paves the way for the introduction/ extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts and an expansion of the current US budget deficit. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks abound in Europe, the Middle East and Asia.

Our revised PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps).

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are to the upsides. Our target borrowing rates are set two years forward (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out as follows:-

PWLB debt	Current borrowing rate as at 11.11.24 p.m.	Target borrowing rate now (end of Q3 2026)	Target borrowing rate previous (end of Q3 2026)
5 years	5.02%	4.30%	3.90%
10 years	5.23%	4.50%	4.10%
25 years	5.66%	4.90%	4.40%
50 years	5.42%	4.70%	4.20%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate has been increased to 3.25% (from 3%). As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed local authority (LA) to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are as follows: -

Average earnings in each year	Now	Previously
2024/25 (residual)	4.60%	4.25%
2025/26	4.10%	3.35%
2026/27	3.70%	3.10%
2027/28	3.50%	3.25%
2028/29	3.50%	3.25%
Years 6 to 10	3.50%	3.25%
Years 10+	3.50%	3.50%

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad hoc basis as required.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

(End of MUFG Group Commentary)

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels, albeit only once prevailing inflation concerns are addressed by restrictive near-term monetary policy. That is, Bank Rate remains relatively elevated in 2025 even if some rate cuts arise.

Against this background and the risks within the economic forecast, caution will be adopted with the 2025/26 treasury operations. The Section 151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates,* then borrowing will be postponed.
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast,* fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

3.5 Policy on borrowing in advance of need

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

Risks associated with any borrowing activity will be subject to prior appraisal and subsequent reporting through the mid-year and annual reporting mechanisms.

3.6 Debt rescheduling

The Council fully repaid its external borrowing with the PWLB in 2023/24 so rescheduling borrowing is not a consideration for this Council at the moment.

3.7 New financial institutions as a source of borrowing and / or types of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).

- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a "cost of carry" or to achieve refinancing certainty over the next few years).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long and Short-Term Borrowing

On Balance Sheet	**Fixed**	**Variable**
PWLB	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

4 Annual Investment Strategy

4.1 Investment policy – management of risk

The Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

The Council's investment policy has regard to the following:

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's funds are managed by PSPSL with reference to a detailed cash flow forecast on a daily basis. Protocols are in place to govern the movement of funds within specific limits.

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and within the Council's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

- **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as **"credit default swaps"** (CDS) and overlay that information on top of the credit ratings.

- **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

- This Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in **Appendix 5.3** under the categories of 'specified' and 'non-specified' investments.

  - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

- **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments to £10m of the total investment portfolio, (see paragraph 4.3).

- **Lending limits**, the maximum total investments to any individual financial institution or its parent group is £5m. The maximum limit for individual money market funds is £7.5m. There is no maximum limit for deposits with the UK Debt Management Agency Deposit Facility (DMADF) as this is effectively the UK Government. The maximum permitted duration of investments for each institution will be determined in accordance with paragraph 4.2.

- **Transaction limits** are set for each type of investment in paragraph 4.2.

- This Council will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 4.4).

- Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).

- PSPSL has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.

- All investments will be denominated in **sterling**.

- As a result of the change in accounting standards for 2023/24 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Subsequently, a further extension to the over-ride to **31/03/25** was agreed by Government.

However, this Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.

The above criteria are unchanged from last year.

4.2 Creditworthiness policy

This Council applies the creditworthiness service provided by MUFG. This service employs a sophisticated modelling approach utlilising credit ratings from the three main credit rating agencies - Fitch, Moody's, and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- "watches" and "outlooks" from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years*
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year

- Red 6 months
- Green 100 days
- No colour not to be used

** Please note: the yellow colour category is for UK Government debt, or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt.*

The MUFG creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Council uses will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored daily. PSPSL is alerted to changes to ratings of all three agencies through its use of the MUFG creditworthiness service.

- if a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

- in addition to the use of credit ratings PSPSL will be advised of information in movements in CDS spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis provided exclusively to it by MUFG. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information and information on any external support for banks to help support its decision making process.

Creditworthiness.

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. MUFG monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its MUFG provided Passport portal.

4.3 Limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- **Non-specified investment limit**. The Council has determined that it will limit the maximum total exposure to non-specified investments to £10m of the total investment portfolio (excluding non treasury investments).

- **Country limit**. The Council has determined that it will only use approved counterparties from the United Kingdom or countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in **Appendix 5.4**. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

- **Other limits**. In addition:
  - no more than £10m will be placed with any non-UK country at any time;
  - limits in place above will apply to a group of companies;
  - sector limits will be monitored regularly for appropriateness

4.4 Investment strategy

In-House Funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that the risks are relatively balanced between Bank Rate staying higher for longer, if inflation picks up markedly through 2025 post the 30 October 2024 Budget, or it may be cut quicker than expected if the economy stagnates. The economy only grew 0.1% in Q3 2024, but the CPI measure of inflation is now markedly above the 2% target rate set by the Bank of England's Monetary Policy Committee two to three years forward.

Accordingly, while some cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

Investment returns expectations

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to fall to a low of 3.5%.

£'000	2025/26	2026/27	2027/28	2028/29	2029/30
Principal sums invested > 365 days (excluding non-treasury investments)	10,000	10,000	10,000	10,000	10,000
Current treasury investments as at 31 January 2025 in excess of 1 year maturing in each year	0	0	0	0	0

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average earnings in each year	
2024/25 (residual)	4.25%
2025/26	3.35%
2026/27	3.10%
2027/28	3.25%
2028/29	3.25%
Years 6 to 10	3.25%
Years 10+	3.50%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

Investment treasury indicator and limit - Total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

As part of the formal governance process, the Council approves the treasury indicator and limit, as shown below:

Loans to and equity purchases in Invest East Lindsey do not count towards this limit.

4.5 Investment risk benchmarking

The Council has not adopted any formal benchmarks in this area. Officers believe that decisions on counterparties and maximum investment levels are adequate to monitor the current and trend position, and will amend the operational strategy to manage risk as conditions change.

This Council will use an investment benchmark to assess the investment performance of its investment portfolio of the 3 month Sterling Overnight Index Average (SONIA) rate.

4.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

5 Appendices

5.1 Prudential and treasury indicators

5.2 Interest rate forecasts

5.3 Treasury management practice 1 – credit and counterparty risk management

5.4 Approved countries for investments

5.5 Treasury management scheme of delegation

5.6 The treasury management role of the Section 151 Officer

5.7 Copy of Audit and Governance Committee Report providing an Update on changes to Statutory Guidance: “Capital Finance: Guidance on Minimum Revenue Provision” and its impact on the Council.

APPENDIX 5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2025/26 – 2029/30

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 are prudent, affordable and sustainable.

Full details are provided in paragraph 2.1 and summary totals are shown below.

5.1.1 Capital expenditure (subject to change during the budget setting process)

Capital Expenditure £'000's	**2024/25 Estimate**	**2025/26 Estimate**	**2026/27 Estimate**	**2027/28 Estimate**	**2028/29 Estimate**	**2029/30 Estimate**
Towns Fund Projects	30,876	6,907	111	-	-	-
UKSPF Projects	2,351	-	-	-	-	-
LUF Projects	1,017	5,155	1,750	-	-	-
Other General Fund Projects	21,556	16,169	4,523	8,897	3,214	2,921
New Bids	-	3,241	(120)	(101)	593	811
Total	**55,800**	**31,472**	**6,264**	**8,796**	**3,807**	**3,732**
Financing	**(53,387)**	**(30,343)**	**(5,345)**	**(2,742)**	**(2,671)**	**(2,671)**
Net financing need for the year	**2,413**	**1,129**	**919**	**6,054**	**1,136**	**1,061**

5.1.2 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

%	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
Treasury	(6.92%)	(4.31%)	(2.53%)	(1.91%)	(0.19%)	0.01%
Invest EL	(0.44%)	(0.41%)	(0.41%)	(0.40%)	(0.39%)	(0.38%)
Property Funds	(2.68%)	(3.56%)	(3.85%)	(4.02%)	(5.24%)	(2.23%)
Total	**(10.04%)**	**(8.28%)**	**(6.79%)**	**(6.33%)**	**(5.43%)**	**(2.62%)**

The estimates of financing costs include current commitments and the proposals in this budget report.

5.1.3 Maturity structure of borrowing

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed interest rate borrowing 2025/26		
	Lower	**Upper**
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%
Maturity structure of variable interest rate borrowing 2025/26		
	Lower	**Upper**
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%

5.1.4 Control of interest rate exposure

Please see paragraphs 3.3, 3.4 and 4.4.

APPENDIX 5.2 INTEREST RATE FORECASTS 2024-2027

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

PWLB forecasts are based on PWLB certainty rates.

APPENDIX 5.3 - Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months.)

	Minimum 'High' Credit Criteria	**Use**
Debt Management Agency Deposit Facility	N/A	In-house (no maximum limit)
Term Deposits – UK Local Authorities	N/A	In-house
Term Deposits – ELDC Parish Councils	N/A	In-house
Term Deposits – Banks and Building Societies	Minimum colour of green on our external treasury advisers credit rating matrix	In-house
Treasury Bills	UK sovereign rating	In-house
Certificates of Deposit Issued by Banks and Building Societies	Minimum colour of green on our external treasury advisers credit rating matrix	In-house
Bonds Issued by Multilateral Development Banks	AAA	In-house buy and hold
Money Market Funds – CCLA (Church, Charities & Local Authority)	AAA	In-house (£7.5m limit for cash flow purposes)
Money Market Funds CNAV (Constant Net Asset Value)	AAA	In-house
Money Market Funds LVAV (Low Volatility Asset Value)	AAA	In-house
Money Market Funds VNAV (Variable Net Asset Value)	AAA	In-house

Term deposits with nationalised banks and banks and building societies

	Minimum Credit Criteria	Use	Max of total investments	Max. maturity period
UK Part Nationalised Banks	Minimum colour of green on our external treasury advisers credit rating matrix	In-house	£5m	1 year
Banks Part Nationalised by AAA or AA- Sovereign Rating Countries – Non UK	Minimum colour of green on our external treasury advisers credit rating matrix	In-house	£5m	1 year

If forward deposits are to be made, the forward period plus the deal period should not exceed one year in aggregate.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the Specified Investment criteria. A maximum of £10m treasury investments can be held in aggregate in non-specified investment.

Maturities of ANY period

	Minimum Credit Criteria	Use	Max of non-specified investments	Max. maturity period
Fixed term deposits with variable rate and variable maturities: -Structured deposits	Sovereign rating of AAA to AA- and minimum colour of green on our external treasury advisers credit rating matrix	In-house	£5m	1 year
UK Government Gilts	UK sovereign rating	In-house buy and hold	£5m	2 year
Sovereign bond issues (other than the UK govt)	AAA	In-house buy and hold	£5m	2 year
Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government (e.g. National Rail)	UK sovereign rating	In-house buy and hold	£5m	2 year

Collateralised deposits (see note 1)	UK Sovereign rating	In-house	£5m	1 year
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)				
Property Funds: **(excluding non-treasury investments)**		In-house	£8m	
The use of property funds can be deemed capital expenditure, and as such will be an application (spending) of capital resources. This Council will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken. *The Section 151 and Deputy Section 151 Officer will have delegated authority to invest in property funds subject to consultation with the Portfolio Holder for Finance.*				

Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -				
	Minimum Credit Criteria	**Use**	**Max of non-specified investments**	**Max. maturity period**
1. Government Liquidity Funds	Long-term AAA volatility rating MR1+	In-house	£10m	1 month notice period
2. Ultra-Short Dated Bond Funds with a credit score of 1.25	Long-term AAA volatility rating MR1+	In-house	£10m	1 month notice period
3. Ultra-Short Dated Bond Funds with a credit score of 1.5	Long-term AAA volatility rating MR1+	In-house	£10m	1 month notice period
4. Bond Funds	Long-term AAA volatility rating MR1+	In-house	£10m	1 month notice period
5. Gilt Funds	Long-term AAA volatility rating MR1+	In-house	£10m	1 month notice period

Note 1 : as collateralised deposits are backed by collateral of AAA rated local authority LOBOs, this investment instrument is regarded as being a AAA rated investment as it is equivalent to lending to a local authority.

Maturities in excess of 1 year

	Minimum Credit Criteria	Use	Max. of total investments	Max. maturity period
Term Deposits – UK Local Authorities	N/A	In-house	£5m	5 year
Term Deposits – ELDC Parish Councils	N/A	In-house	£5m	5 year
Term Deposits - Registered Social Landlords	None	In-house subject to due diligence report by MUFG	£5m	5 year
Term deposits – Banks and Building Societies	Sovereign rating of AAA to AA- and minimum colour of orange on our external treasury advisers credit rating matrix	In-house	£5m	2 year
Certificates of Deposit issued by Banks and Building Societies	Sovereign rating of AAA to AA- and minimum colour of orange on our external treasury advisers credit rating matrix	In-house	£5m	2 year
Bonds issued by multilateral development banks	AAA	In-house	£5m	2 year

The maximum total investment to any individual financial institution or its parent group is £5m except for the instant access money market fund which has a limit of £7.5m and the UK Debt Management Agency Deposit Facility (UK Government) which has no maximum limit.

Barclays Bank provides banking services to the Council and the above limits do not include the day to day balance in the Council's current account.

Whilst these are maximum limits, under normal circumstances the Section 151 Officer will ensure lower limits are maintained. The higher limits are required to allow flexibility in the movement of funds if a particular issue or circumstance arose e.g. global banking crisis.

Environmental, Social and Governance Considerations

The Council continues to develop its strategy in this area.

The Council is interested in undertaking actions to reduce climate change and as an ethical investor will consider the environmental, social and governance issues.

Officers are working with the Council's external treasury advisors to establish how these issues can be taken into consideration when MUFG formulate their Suggested Credit List which is used by the Council.

APPENDIX 5.4 - Approved countries for investments

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the MUFG credit worthiness service.

Based on lowest available rating (as at 25.11.24)

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Qatar

AA-

- Belgium
- France
- U.K.

APPENDIX 5.5 - Treasury management scheme of delegation

Council	- Receive, Review and Approval of Treasury Policy Statement – February/March cycle - Receive, Review and Approval of Treasury Management Strategy Statement incorporating the Annual Investment Strategy and Minimum Revenue Provision Policy – February/March cycle followed by mid year report update. Updates or revisions at other times as required - Receive, Review and Approval of Annual Treasury Outturn Report by 30 September after the year end
Executive Board	- Recommend to Council a Treasury Policy Statement - Recommend to Council a Treasury Management Strategy Statement incorporating the Annual Investment Strategy and Minimum Revenue Provision Policy – February/March cycle followed by mid year report update - Extraordinary Activity and Investment Management arrangements – as soon as possible after significant change occurs - Recommend to Council a Treasury Management Outturn Report by 30 September after the year end
Audit and Governance Committee	- Receive Treasury Management Quarterly and Mid Term reports - Receive Treasury Management Outturn Report - Receive Treasury Management Practices annually if amended - Scrutiny of the Treasury Management Strategy before the commencement of each financial year - Scrutiny of Treasury Management performance as part of the Mid Term report and quarterly reports.

SCRUTINY AND MONITORING

Council delegates the scrutiny and monitoring of the Treasury Management function to the Audit and Governance Committee. As a minimum they will receive quarterly reports and a Mid Term Treasury report on investment issues and performance. Training will be made available for members of the Audit and Governance Committee to ensure they have the necessary skills to undertake this role. Recommendations will be reported to Executive Board.

The Audit and Governance Committee will also have access to professional and independent advice and support as required in order to undertake this role.

APPENDIX 5.6 - The treasury management role of the section 151 officer and deputy

The S151 Officer's main functions with regards to treasury are to:

- recommend clauses, treasury management policy/practices for approval, review the same regularly, and monitor compliance
- submit regular treasury management policy reports
- submit budgets and budget variations
- receive and review management information reports
- review the performance of the treasury management function
- ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensure the adequacy of internal audit, and liaise with external audit
- recommending the appointment of external service providers
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Council
- ensure that the Council has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the Council does not undertake a level of investing which exposes the Council to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the Council
- ensuring that the Council has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:

  - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;

  - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;

- Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;

- Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;

- Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

As an added safeguard, as part of the Section 151's statutory responsibility, the Chief Finance Officer (CFO) is obliged to notify the Monitoring Officer of any material change proposed to approved treasury policies and of any major breaches which have occurred.

Any significant operational or other changes will be notified and discussed with the relevant Portfolio Holder. This is currently the Portfolio Holder for Finance. Any actions resulting from this will be reported to Audit and Governance. If timescales are such that due to urgency, the formal reporting process cannot be utilised, then emergency authorisation will be sought through existing mechanisms.

The CFO has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to take the most appropriate form of investments in approved instruments.

The CFO may delegate power to borrow and invest to members of staff. All dealing transactions must be conducted by the CFO, or staff authorised by the CFO, to act as temporary cover for leave/sickness. All transactions must be authorised by at least two authorised signatories, one of which must be employed by ELDC.

The CFO and the Monitoring Officer will ensure that the Policy is adhered to, and if not, will bring the matter to the attention of Councillors as soon as possible.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the CFO to be satisfied, by reference to the Monitoring Officer, the Council's Legal Department and external advisors, as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.

It is also the responsibility of the CFO to ensure that the Council complies with the requirements of the Non Investment Products Code for principals and broking firms in the wholesale markets as well as the Financial Services Authority's Code of Market Conduct.

The CFO will ensure an accurate record of daily notifications received and document all investment decisions.

The treasury management function is administered by Public Sector Partnership Services Limited and they will supply the following information to the CFO:

- treasury management strategy statements and practices for approval
- capital strategy reports
- regular treasury management policy reports
- budget and budget variation reports
- management information reports
- adequate treasury management resources and skills, and effective division of responsibilities within the treasury management function, and;
- arranging the appointment of external treasury management advisors.

Where the use of particular instant access accounts, notice accounts and money market funds has been approved by the Section 151 Officer, PSPSL treasury officers have delegated authority to withdraw and deposit funds within the agreed limits contained in this strategy.

APPENDIX 5.7 – Copy of Audit and Governance Committee Report Providing an Update on Changes to Statutory Guidance: "Capital Finance: Guidance on Minimum Revenue Provision"

East Lindsey
DISTRICT COUNCIL

Report To:	Audit and Governance Committee.
Date:	Wednesday, 29 January 2025.
Subject:	Update on changes to Statutory Guidance: "Capital Finance: Guidance on Minimum Revenue Provision" and the IFRS9 Statutory Accounting Override for Pooled Investments
Purpose:	To provide Members with an update on changes to the Statutory Guidance: "Capital Finance: Guidance on Minimum Revenue Provision", the IFRS9 Statutory Accounting Override for Pooled Investments and the impact of these on the Council.
Key Decision:	No
Portfolio Holder:	Cllr Thomas Kemp, Portfolio Holder for Finance.
Report Of:	Christine Marshall, Deputy Chief Executive - Corporate Development (S151).
Report Author:	Sean Howsam, Interim Treasury Manager (PSPSL).
Ward(s) Affected:	None directly.
Exempt Report:	No

Summary

This report updates Members on recent changes to Statutory Guidance "Capital Finance: Guidance on Statutory Minimum Revenue Provision" which is mainly effective from the 2025/26 financial year.

Statutory Guidance on Minimum Revenue Provision prescribes how Council's calculate their annual Minimum Revenue Provision (MRP) charge for all unfinanced capital expenditure which makes up its Capital Financing Requirement (CFR).

The Statutory Accounting Override in relation to Pooled Investments ends on 31 March 2025 and this report updates on the current Government stance which is that they are not minded to extend the override.

As this report is a Treasury Management Report it is being brought to Audit and Governance for scrutiny prior to its submission to Council on 5 March 2025.

Recommendations

It is recommended that Members of the Audit and Governance Committee:

1) Note the changes to Statutory Guidance “Capital Finance: Guidance on Statutory Minimum Revenue Provision”.
2) Consider the proposed changes to the 2025/26 MRP Policy (paragraph 2.7) which will be recommended to Council as part of the budget setting report (included in the Treasury Management Strategy 2025/26) which will detail how MRP will be calculated on the unfinanced capital equity investments in Property Funds.
3) Note the increased MRP budget pressure on the Council in relation to its total unfinanced capital equity investment in Property Funds starting from the 2025/26 financial year.
4) Note the implications to the Council resulting from the ending of the Statutory Accounting Override for pooled investments from the 2025/26 financial year.

Reasons for Recommendations

The CIPFA Code of Practice for Treasury Management suggests that members should be informed of Treasury Management activity. As there is legislation and statutory guidance change in relation to Treasury Management with financial implications to the Council, this report is being brought to Audit and Governance for scrutiny, prior to its submission to Council. This report therefore ensures this Council is embracing Best Practice in accordance with CIPFA’s revised Code of Practice.

Other Options Considered

As this is an update report there are no further options for consideration, but Members of the Audit and Governance Committee will be able to make any observations or comments to Council for its consideration as they see fit.

1. Background

1.1 The Council approves a Capital Programme each year as part of the budget setting report. This capital expenditure can be financed from grant receipts or the use of reserve balances such as capital receipts or other reserves. Expenditure financed in this way does not increase the Council's Capital Financing Requirement (CFR) (also referred to as an underlying need to borrow). Where the capital expenditure is financed, there is no requirement to make a Minimum Revenue Provision (MRP) charge annually over the lifetime of the asset because it has been paid for.

1.2 Where capital expenditure is "unfinanced" this creates an "underlying need to borrow" which subsequently increases the Council's CFR and this requires the Council to charge MRP annually over the lifetime of the asset. Where there is a borrowing requirement, the Council has the option to externally borrow (usually from the Public Works Loan Board (PWLB)) to cover the expenditure or it can internally borrow (utilise its cash balances) if it is a Council which is generally a net lender.

1.3 The Council is required to approve its MRP Policy ahead of each financial year as part of the budget setting report. This policy explains how the Council will calculate the MRP charge on its unfinanced capital expenditure.

2. Report

<u>Statutory Minimum Revenue Provision Changes</u>

2.1 On 10 April 2024, the Secretary of State issued "Capital Finance: Guidance on Minimum Revenue Provision (5th edition) which replaced the previous version of this guidance.

2.2 The new guidance is effective for accounting periods on or after 1 April 2025 except for any new capital loan issued from 7 May 2024. MRP on these new loans must be calculated based on the new guidance.

2.3 The first charge of MRP is made in the first full financial year after the year in which the expenditure is incurred and there is no change to this under the new guidance.

2.4 Where applicable, MRP in respect of assets acquired under Finance Leases or Private Finance Initiative (not applicable) will continue to be charged at an amount equal to the principal element of the annual repayment under the new guidance.

2.5 Unfinanced Capital Loans

Where a Council has unfinanced capital loans, under the new guidance it has been made clear that where a loan repayment is used to reduce the MRP charge it can only be used to reduce the MRP charge relating to the loan for which the payment is received.
From April 2025 for all new and existing capital loans other than commercial capital loans the amended 2003 Regulations provide local authorities a policy choice as to whether to charge MRP with respect to any debt used to finance a capital loan.

The treatment of Expected Credit Losses (ECL) and impairment on capital loans has been clarified as follows:

> The use of capital receipts (which are loan repayments) to be used in lieu of MRP charges with respect to ECL's or impairments has been clarified that this is not permitted.

There is now a requirement to include in the MRP charge an amount equal to any ECL or impairment (subject to permitted reductions) but this only applies to capital loans made by a local authority from the 7 May 2024 and not to any loan made prior to that date. The Council issued £385k of unfinanced capital loans to Invest East Lindsey prior to 7 May 2024.

Where new unfinanced capital loans have been issued on or after 7 May 2024, there is now a requirement to make an MRP charge with respect to the ECL or impairments which must be charged in full in the same year that the loss is recognised. There is no option to spread that charge over future years.

As of 31 December 2024 the Council had no unfinanced capital loans issued on or after 7 May 2024.

2.6 Unfinanced Equity Investments (e.g. Property Fund Investments)

Under the new guidance the Council must make MRP and cannot defer making MRP on the basis that the debt is associated with an investment asset that the authority believes will retain or increase capital value which is the approach taken by this Council currently.

The Council currently makes an annual MRP charge of £1 and makes an additional voluntary revenue provision (VRP) charge equal to the change in the net asset value of the funds each year. At 31 March 24 the Council had made cumulative MRP of £3 and cumulative VRP of £2,631,565.19.

From 2025/26 the Council must make an annual MRP charge based on the lifetime of the asset and guidance states for equity this must be charged over a maximum useful life of 20 years. Where it can be proved that the underlying asset has a greater useful life than 20 years then the greater life can be used. This would have to be backed up by suitably qualified professional opinion.

As the underlying assets of the Property Fund investments are property, it will be recommended that the Council uses an expected life of 50 years when calculating MRP rather than 20 years and seek an appropriate professional opinion that confirms the acceptability of this approach.

The Council has the option to use the Straight Line Method or the Annuity Method for calculating its annual MRP charge but will need to clearly define its chosen method in its 2025/26 Minimum Revenue Provision Policy to be approved by Council in March 2025 as part of the Treasury Management Strategy Statement included as part of the budget setting report.

Where the annuity method is used guidance states that an Authority should use “an appropriate interest rate” within their annuity calculations. Typically, other Local Authorities use an annuity rate which is based on either of the following:

- Weighted average rate of the authority’s external borrowing
- PWLB annuity rate at the date of the change in MRP Policy
- Average PWLB annuity rate for the financial year

Council will be recommended to use the annuity method for equity investments based on the PWLB annuity rate at the date of the change in MRP Policy. Based on a 50 year term this rate is currently 5.94%.

Officers have been in discussions with KPMG with a view to obtaining confirmation from them that they are in agreement with this approach being taken by the Council.

As of 31 December 2024, the Council has £19,199,053.15 of unfinanced Property Fund investments (excluding M&G) which will be subject to an annual MRP charge from 2025/26 and will need to be included in the budget. **Appendix 1** provides details of the annual MRP charge over 50 years using the asset life “annuity” method and a rate of 5.94%.

The M&G Property Fund is currently being liquidated and the sale proceeds are being used to finance an equivalent MRP charge to reduce this unfinanced capital expenditure. Expectations are that there will be a small surplus over and above the purchase cost.

It can be seen from **Appendix 1** that over the next five financial years the annual MRP charge and budget pressure based on the unfinanced equity position on 31 December 2025 will be:

Financial Year	New MRP Charge	Previous MRP Charge	Budget Pressure
2025/26	67,456.77	1.00	67,455.77
2026/27	71,463.70	1.00	71,462.70
2027/28	75,708.65	1.00	75,707.65
2028/29	80,205.74	1.00	80,204.74
2029/30	84,969.96	1.00	84,968.96

As VRP has been made in the past, the Council will be able to finance this higher MRP charge each year by reversing an equivalent amount from its cumulative VRP of £2,631,565.19 (as at 31 December 2024) until such time as the full amount of VRP has been reversed.

This MRP money which will be set aside cannot be recovered to the Councils revenue account at a future point as the rules stand currently, irrespective of the fact that when the assets are sold it is anticipated that full recovery of capital will be received.

Statutory Accounting Override for Pooled Investments

2.7 The original Statutory Accounting Override has been in place since 2018. The original override was a temporary measure due to end 31 March 2023, later extended by two years following consultation with the sector. The override is currently due to end March 2025.

2.8 MHCLG recently issued the consultation on the provisional local government finance settlement 2025/26 and question 10 of this consultation was in relation to the IFRS Statutory Accounting Override. The government is minded to not extend the override beyond March 2025.

2.9 The Council's investments of £3,999,951.46 in the Federated Hermes Property Fund are classified as Pooled Investments and therefore revenue expenditure.

2.10 At the end of each financial year these investments are recorded in the Council's accounts at fair value. As a result of the override, any increases or decreases in the value of these investments are taken to the balance sheet and held in the Pooled Investment Funds Adjustment

Account. On 31 March 2024 there was a negative balance of £235k in this reserve because of the reduction in the fair value of the Federated Hermes Property Fund investments. At the 31 December 2024 the reduction in value compared with book cost had reduced to £173k.

2.11 As part of the 2025/26 budget setting process, the Council will include a provision of £200k resulting from the expiry of the Statutory Accounting Override. It will be proposed that a corresponding transfer be made from the Investments Volatility Reserve.

2.12 From 1 April 2025 any change in the fair value of the Federated Hermes Fund will be charged to the Councils revenue account.

2.13 The Council will be reviewing its capital and revenue investments in property funds following these recent changes in accounting regulations and this will be subject to a separate report.

3. Conclusion

3.1 This report provides an update to Members on recent changes to Statutory Guidance “Capital Finance: Guidance on Statutory Minimum Revenue Provision” which is mainly effective from the 2025/26 financial year and the financial implications to the Council.

3.2 The revised MRP Guidance is expected to create a budget pressure in 2025/26 of £67,455.77 as the Council will be required to make a higher annual MRP charge for its unfinanced capital equity investments in Property Funds. This additional budget pressure will be offset by running down the VRP balances made in previous years.

3.3 The expiry of the Statutory Accounting Override for Pooled Investments will require an approximate £200k charge to be included in the Council’s 2025/26 budget which will be offset by a proposed corresponding transfer from the Investments Volatility Reserve.

Implications

South and East Lincolnshire Councils Partnership

None

Corporate Priorities

None

Staffing

None

Workforce Capacity Implications

None

Constitutional and Legal Implications

The Council is required to adhere to regulations and statutory guidance. The regulations are mainly effective from the 2025/26 so the Council will be required to include any financial implications of the legislation in its 2025/26 budget setting process.

Data Protection

None

Financial

The financial implications are covered in detail in **Appendix 1** and in section 2 above.

Risk Management

The Council will consider the financial implications of this report when setting its budget for 2025/26.

It will also consider the increased annual revenue costs charged to the ELDC budget which are attributable to its overall investment in Property Funds and consider these costs when reviewing its investments in Property Funds.

Stakeholder / Consultation / Timescales

The Portfolio Holder for Finance is briefed on treasury matters on a regular basis.

Link Group, who are external treasury advisors to the Council, have been consulted in the production of this report.

Reputation

None.

Contracts

None

Crime and Disorder

None

Equality and Diversity / Human Rights / Safeguarding

None

Health and Wellbeing

None

Climate Change and Environmental Implications

None

Acronyms
CFR – Capital Financing Requirement
CIPFA - Chartered Institute of Public Finance and Accountancy
ECL – Expected Credit Loss
MRP – Minimum Revenue Provision
PWLB - Public Works Loan Board

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1 - Property Funds Equity, MRP Based on Annuity Rate 5.94% Over 50 Years

Background Papers

Background papers used in the production of this report are listed below: -

Document title.	**Where the document can be viewed.**
Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.	CIPFA Website
Statutory Instrument 2004 no. 478 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2024	The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2024
Guidance on MRP (5th edition)	Capital finance: guidance on minimum revenue provision (5th edition) - GOV.UK
ELDC Treasury Management Strategy Statement for 2024/25	(Public Pack)Agenda Document for Council, 28/02/2024 14:00

Chronological History of this Report

Name of Body	**Date**
Audit and Governance	29 January 2025 (this report)

Report Approval

Report author:	Sean Howsam – Interim Treasury Manager (PSPSL) Sean.Howsam@pspsl.co.uk
Signed off by:	Christine Marshall – Deputy Chief Executive (Corporate Development) & S151 christine.marshall@sholland.gov.uk
Approved for publication:	Cllr Thomas Kemp, Portfolio Holder for Finance.

Checklist – Complete before submission to Democratic Services

S151 Officer consulted on financial implications:	Yes
Monitoring Officer consulted on legal and constitutional implications:	Yes
Have PSPS been consulted in regard to any aspect of this report that night require action on their part?	Yes
Portfolio Holder consulted:	Yes
Ward Member consulted:	N/A

ELDC Property Funds MRP Based On Annuity Rate 5.94% (Excluding M&G)

Property Fund Unfinanced Capital Expenditure		19,199,053.15
Adjustment A (£000)		0.000
Annuity rate		5.94%
Period (years)		50

	Year	Opening CFR Balance	MRP charge @ Annuity	Closing CFR Balance
1	2025/26	19,199,053.15	67,456.77	19,131,596.38
2	2026/27	19,131,596.38	71,463.70	19,060,132.68
3	2027/28	19,060,132.68	75,708.65	18,984,424.03
4	2028/29	18,984,424.03	80,205.74	18,904,218.29
5	2029/30	18,904,218.29	84,969.96	18,819,248.32
6	2030/31	18,819,248.32	90,017.18	18,729,231.15
7	2031/32	18,729,231.15	95,364.20	18,633,866.95
8	2032/33	18,633,866.95	101,028.83	18,532,838.12
9	2033/34	18,532,838.12	107,029.94	18,425,808.17
10	2034/35	18,425,808.17	113,387.52	18,312,420.65
11	2035/36	18,312,420.65	120,122.74	18,192,297.91
12	2036/37	18,192,297.91	127,258.03	18,065,039.88
13	2037/38	18,065,039.88	134,817.16	17,930,222.72
14	2038/39	17,930,222.72	142,825.30	17,787,397.42
15	2039/40	17,787,397.42	151,309.12	17,636,088.29
16	2040/41	17,636,088.29	160,296.88	17,475,791.41
17	2041/42	17,475,791.41	169,818.52	17,305,972.89
18	2042/43	17,305,972.89	179,905.74	17,126,067.15
19	2043/44	17,126,067.15	190,592.14	16,935,475.01
20	2044/45	16,935,475.01	201,913.31	16,733,561.70
21	2045/46	16,733,561.70	213,906.96	16,519,654.74
22	2046/47	16,519,654.74	226,613.04	16,293,041.70
23	2047/48	16,293,041.70	240,073.85	16,052,967.85
24	2048/49	16,052,967.85	254,334.24	15,798,633.61
25	2049/50	15,798,633.61	269,441.69	15,529,191.92
26	2050/51	15,529,191.92	285,446.53	15,243,745.39
27	2051/52	15,243,745.39	302,402.05	14,941,343.34
28	2052/53	14,941,343.34	320,364.73	14,620,978.61
29	2053/54	14,620,978.61	339,394.40	14,281,584.21
30	2054/55	14,281,584.21	359,554.43	13,922,029.78
31	2055/56	13,922,029.78	380,911.96	13,541,117.82
32	2056/57	13,541,117.82	403,538.13	13,137,579.69
33	2057/58	13,137,579.69	427,508.29	12,710,071.40
34	2058/59	12,710,071.40	452,902.29	12,257,169.11
35	2059/60	12,257,169.11	479,804.68	11,777,364.43
36	2060/61	11,777,364.43	508,305.08	11,269,059.35
37	2061/62	11,269,059.35	538,498.40	10,730,560.94
38	2062/63	10,730,560.94	570,485.21	10,160,075.73
39	2063/64	10,160,075.73	604,372.03	9,555,703.70
40	2064/65	9,555,703.70	640,271.73	8,915,431.98
41	2065/66	8,915,431.98	678,303.87	8,237,128.11
42	2066/67	8,237,128.11	718,595.12	7,518,532.99
43	2067/68	7,518,532.99	761,279.67	6,757,253.32
44	2068/69	6,757,253.32	806,499.68	5,950,753.64
45	2069/70	5,950,753.64	854,405.76	5,096,347.87
46	2070/71	5,096,347.87	905,157.46	4,191,190.41
47	2071/72	4,191,190.41	958,923.82	3,232,266.59
48	2072/73	3,232,266.59	1,015,883.89	2,216,382.70
49	2073/74	2,216,382.70	1,076,227.40	1,140,155.30
50	2074/75	1,140,155.30	1,140,155.30	-

EAST LINDSEY DISTRICT COUNCIL - TABLE OF FEES AND CHARGES

Appendix 5

Description	2024/25 Fee Exclusive of VAT	2024/25 VAT 5%/20%	2024/25 Fee Inclusive of VAT	2025/26 Fee Exclusive of VAT	2025/26 VAT 5%/20%	2025/26 Fee Inclusive of VAT
Public Protection						
Alcohol & Entertainment Licences						
New Premises Licence			Based on rateable value	£0.00	£0.00	£0.00
Premise licence annual fee			Based on rateable value	£0.00	£0.00	£0.00
Alcohol Personal Licence	£37.00	£0.00	£37.00	£37.00	£0.00	£37.00
Alcohol Personal Licence - change of details/replacement	£10.50	£0.00	£10.50	£10.50	£0.00	£10.50
Temporary Event Notice - Alcohol & entertainment	£21.00	£0.00	£21.00	£21.00	£0.00	£21.00
Gaming Licences						
Gaming Machine Permit (2 Machines)	£50.00	£0.00	£50.00	£50.00	£0.00	£50.00
Gaming Machine Permit (>2 Machines)	£150.00	£0.00	£150.00	£150.00	£0.00	£150.00
Transfer of LPGM	£25.00	£0.00	£25.00	£25.00	£0.00	£25.00
Variation of LPGM	£100.00	£0.00	£100.00	£100.00	£0.00	£100.00
New Family Entertainment Centre Permit (Grant)	£300.00	£0.00	£300.00	£300.00	£0.00	£300.00
Renewal Family Entertainment Centre Permit	£300.00	£0.00	£300.00	£300.00	£0.00	£300.00
Small Lottery & Societies	£40.00	£0.00	£40.00	£40.00	£0.00	£40.00
Bingo Premises licence						
Application fee for provisional statement	£409.00	£0.00	£409.00	£584.00	£0.00	£584.00
Application fee new premises	£409.00	£0.00	£409.00	£584.00	£0.00	£584.00
Annual Premises fee (first year)	£174.00	£0.00	£174.00	£235.00	£0.00	£235.00
Annual premises fee (renewal)	£324.00	£0.00	£324.00	£385.00	£0.00	£385.00
Variation of licence	£409.00	£0.00	£409.00	£584.00	£0.00	£584.00
Transfer fee	£409.00	£0.00	£409.00	£584.00	£0.00	£584.00
Application for reinstatement	£409.00	£0.00	£409.00	£584.00	£0.00	£584.00
Adult Gaming Centre or FEC Premises						
Application fee for provisional statement	£389.00	£0.00	£389.00	£564.00	£0.00	£564.00
Application fee new premises	£389.00	£0.00	£389.00	£564.00	£0.00	£564.00
Annual Premises fee (first year)	£124.00	£0.00	£124.00	£185.00	£0.00	£185.00
Annual premises fee (renewal)	£224.00	£0.00	£224.00	£285.00	£0.00	£285.00
Variation of licence	£389.00	£0.00	£389.00	£564.00	£0.00	£564.00
Transfer fee	£389.00	£0.00	£389.00	£564.00	£0.00	£564.00
Application for reinstatement	£389.00	£0.00	£389.00	£564.00	£0.00	£564.00
Betting Premises						
Application fee for provisional statement	£409.00	£0.00	£409.00	£584.00	£0.00	£584.00
Application fee new premises	£409.00	£0.00	£409.00	£584.00	£0.00	£584.00
Annual Premises fee (first year)	£174.00	£0.00	£174.00	£235.00	£0.00	£235.00
Annual premises fee (renewal)	£274.00	£0.00	£274.00	£335.00	£0.00	£335.00
Variation of licence	£409.00	£0.00	£409.00	£584.00	£0.00	£584.00
Transfer fee	£409.00	£0.00	£409.00	£584.00	£0.00	£584.00
Application for reinstatement	£409.00	£0.00	£409.00	£584.00	£0.00	£584.00
Small Casino Premises Licence						
Application for New Premises	£8,000.00	£0.00	£8,000.00	£8,000.00	£0.00	£8,000.00
Premises (New) - with existing provisional statement	£3,000.00	£0.00	£3,000.00	£3,000.00	£0.00	£3,000.00
Provisional statement	£8,000.00	£0.00	£8,000.00	£8,000.00	£0.00	£8,000.00
Premises (Transfer fee)	£1,800.00	£0.00	£1,800.00	£1,800.00	£0.00	£1,800.00
Premises (Reinstatement fee)	£1,800.00	£0.00	£1,800.00	£1,800.00	£0.00	£1,800.00
Premises (Variation)	£4,000.00	£0.00	£4,000.00	£4,000.00	£0.00	£4,000.00
Premises (Annual Fee)	£5,000.00	£0.00	£5,000.00	£5,000.00	£0.00	£5,000.00
Sex Establishment Licences						
New Sex establishment licence	£1,200.00	£0.00	£1,200.00	£1,550.00	£0.00	£1,550.00
Renewal Sex establishment licence	£200.00	£0.00	£200.00	£400.00	£0.00	£400.00
Transfer Sex establishment licence	£200.00	£0.00	£200.00	£400.00	£0.00	£400.00

EAST LINDSEY DISTRICT COUNCIL - TABLE OF FEES AND CHARGES

Appendix 5

Description	2024/25 Fee Exclusive of VAT	2024/25 VAT 5%/20%	2024/25 Fee Inclusive of VAT	2025/26 Fee Exclusive of VAT	2025/26 VAT 5%/20%	2025/26 Fee Inclusive of VAT
Sexual Entertainment Venue						
New sexual entertainment licence	£1,200.00	£0.00	£1,200.00	£1,550.00	£0.00	£1,550.00
Transfer of sexual entertainment licence	£200.00	£0.00	£200.00	£400.00	£0.00	£400.00
Renewal of sexual entertainment licence	£200.00	£0.00	£200.00	£400.00	£0.00	£400.00
Animal welfare licences						
Animal welfare/activity licence	£350.00	£0.00	£350.00	£350.00	£0.00	£350.00
Pet shop & pet vending	£350.00	£0.00	£350.00	£350.00	£0.00	£350.00
Riding Establishment Licence	£350.00	£0.00	£350.00	£350.00	£0.00	£350.00
Zoo Licence	£1,000.00	£0.00	£1,000.00	£1,041.00	£0.00	£1,041.00
Performing Animal Licence	£350.00	£0.00	£350.00	£350.00	£0.00	£350.00
Animal Boarding	£350.00	£0.00	£350.00	£350.00	£0.00	£350.00
Dangerous Wild Animal Licence	£350.00	£0.00	£350.00	£365.00	£0.00	£365.00
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Street Collection			No fee	£0.00	£0.00	£0.00
House to House Collection			No fee	£0.00	£0.00	£0.00
Street trading licence	£500.00	£0.00	£500.00	£521.00	£0.00	£521.00
Competitive Bidding Licence	£98.00	£0.00	£98.00	£103.00	£0.00	£103.00
Hackney Carriage (HC) & Private Hire (PH) Licences						
Hackney Carriage Licence (**New HCV Drivers Licence**)	£130.00	£0.00	£130.00	£187.00	£0.00	£187.00
Hackney Carriage Licence (**Renewal HCV Drivers Licence**)	£120.00	£0.00	£120.00	£159.00	£0.00	£159.00
PHV Operator Licence	£335.00	£0.00	£335.00	£356.00	£0.00	£356.00
PHV Vehicle Licence	£139.00	£0.00	£139.00	£162.00	£0.00	£162.00
Drivers badge Lost	£2.00	£0.00	£2.00	£10.00	£0.00	£10.00
Enhanced DBS Disclosure	£44.00	£0.00	£44.00	£44.00	£0.00	£44.00
Replacement HCV or PHV (including I/D Plate)	£40.00	£0.00	£40.00	£48.00	£0.00	£48.00
ID Plate (new)	£20.00	£0.00	£20.00	£25.00	£0.00	£25.00
ID Plate (renewal)	£12.50	£0.00	£12.50	£15.00	£0.00	£15.00
Bracket for ID Plate	£11.00	£0.00	£11.00	£15.00	£0.00	£15.00
Caravan Site Licences						
Annual site licence (+£2.15 per unit)	£336.40	£0.00	£336.40	£350.19	£0.00	£350.19
Issuing of new site licence	£522.00	£0.00	£522.00	£543.40	£0.00	£543.40
Transfer site licence	£424.85	£0.00	£424.85	£442.27	£0.00	£442.27
Amend site licence	£320.20	£0.00	£320.20	£333.33	£0.00	£333.33
Fee for depositing site rules	£81.80	£0.00	£81.80	£85.15	£0.00	£85.15
Request copy of licence	£52.00	£0.00	£52.00	£54.13	£0.00	£54.13
Fit and Proper Person fee	£335.35	£0.00	£335.35	£349.10	£0.00	£349.10
Enforcement costs (case basis)			Full recovery		£0.00	Full recovery
Scrap Metal Operator Licence						
Scrap Metal Licence - Site licence	£1,600.00	£0.00	£1,600.00	£1,600.00	£0.00	£1,600.00
Scrap Metal Licence - Collectors' licence	£540.00	£0.00	£540.00	£540.00	£0.00	£540.00
Scrap Metal Licence - change to trading name	£50.00	£0.00	£50.00	£50.00	£0.00	£50.00
Scrap Metal Licence - replacement of existing licence	£25.00	£0.00	£25.00	£25.00	£0.00	£25.00
NEW Scrap Metal Licence - change of name and/or address	£25.00	£0.00	£25.00	£25.00	£0.00	£25.00
NEW Scrap Metal Licence - change of site manager	£75.00	£0.00	£75.00	£75.00	£0.00	£75.00
Permits for small waste incineration						
Application fee for Permit for each Part A(2) activity	£3,363.00	£0.00	£3,363.00	£3,363.00	£0.00	£3,363.00
Application fee for mobile small waste incineration plant	£3,363.00	£0.00	£3,363.00	£3,363.00	£0.00	£3,363.00
Fee for late application	£1,188.00	£0.00	£1,188.00	£1,188.00	£0.00	£1,188.00
Variation to permit	£1,368.00	£0.00	£1,368.00	£1,368.00	£0.00	£1,368.00
Transfer of permit (total transfer)	£235.00	£0.00	£235.00	£235.00	£0.00	£235.00
Transfer of permit (partial transfer)	£698.00	£0.00	£698.00	£698.00	£0.00	£698.00
Surrender of permit	£698.00	£0.00	£698.00	£698.00	£0.00	£698.00
Annual subsistence charge per each low risk activity	£1,343.00	£0.00	£1,343.00	£1,343.00	£0.00	£1,343.00
Annual subsistence charge per each medium risk activity	£1,507.00	£0.00	£1,507.00	£1,507.00	£0.00	£1,507.00
Annual subsistence charge per each high risk activity	£2,230.00	£0.00	£2,230.00	£2,230.00	£0.00	£2,230.00
Permit applications for solvent emissions						
I.) Any **Part 1** reduced fee activity	£155.00	£0.00	£155.00	£155.00	£0.00	£155.00
II.) PVR I and PVR II activities	£257.00	£0.00	£257.00	£257.00	£0.00	£257.00
III.) Vehicle refinishers	£362.00	£0.00	£362.00	£362.00	£0.00	£362.00
IV.) Any other **Part B** activity or any other solvent emission activity	£1,650.00	£0.00	£1,650.00	£1,650.00	£0.00	£1,650.00

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Appendix 5

Description	2024/25 Fee Exclusive of VAT	2024/25 VAT 5%/20%	2024/25 Fee Inclusive of VAT	2025/26 Fee Exclusive of VAT	2025/26 VAT 5%/20%	2025/26 Fee Inclusive of VAT
Permit applications for mobile solvent emissions						
Fee payable for each permit to operate mobile plant (1st permit)	£1,650.00	£0.00	£1,650.00	£1,650.00	£0.00	£1,650.00
Fee payable for each permit to operate mobile plant (2nd permit)	£1,650.00	£0.00	£1,650.00	£1,650.00	£0.00	£1,650.00
Fee payable for each permit to operate mobile plant (3rd to 7th permit)	£985.00	£0.00	£985.00	£985.00	£0.00	£985.00
Fee payable for each permit to operate mobile plant (8th and subsequent permit)	£498.00	£0.00	£498.00	£498.00	£0.00	£498.00
Late application fee - permit authorising reduced fee activity	£71.00	£0.00	£71.00	£71.00	£0.00	£71.00
Late application fee - permit authorising any Part B or any other solvnt emnisssion activity	£1,188.00	£0.00	£1,188.00	£1,188.00	£0.00	£1,188.00
Variation of permit - (reduced fee activity)	£102.00	£0.00	£102.00	£102.00	£0.00	£102.00
Variation of permit - (Part B or solvent emission activity)	£1,050.00	£0.00	£1,050.00	£1,050.00	£0.00	£1,050.00
Partial Transfer of permit - (Reduced fee activity)	£47.00	£0.00	£47.00	£47.00	£0.00	£47.00
Partial Transfer of permit - (Part B activity)	£497.00	£0.00	£497.00	£497.00	£0.00	£497.00
Total Transfer of permit - (Part B activity)	£169.00	£0.00	£169.00	£169.00	£0.00	£169.00
Subsistence Charge - (Any Part 1 reduced fee actvity) - LOW RISK	£79.00	£0.00	£79.00	£79.00	£0.00	£79.00
Subsistence Charge - (Any Part 1 reduced fee actvity) - MEDIUM RISK	£158.00	£0.00	£158.00	£158.00	£0.00	£158.00
Subsistence Charge - (Any Part 1 reduced fee actvity) - HIGH RISK	£237.00	£0.00	£237.00	£237.00	£0.00	£237.00
Subsistence Charge - (II. PVR I & II activities carried on at same service station) - LOW RISK	£113.00	£0.00	£113.00	£113.00	£0.00	£113.00
Subsistence Charge -(II. PVR I & II activities carried on at same service station) - MEDIUM RISK	£226.00	£0.00	£226.00	£226.00	£0.00	£226.00
Subsistence Charge - (II. PVR I & II activities carried on at same service station) - HIGH RISK	£341.00	£0.00	£341.00	£341.00	£0.00	£341.00
Vehicle refinishers, Any Part 2,3 or 4 reduced fee activity - LOW RISK	£772.00	£0.00	£772.00	£772.00	£0.00	£772.00
Vehicle refinishers, Any Part 2,3 or 4 reduced fee activity - MEDIUM RISK	£1,161.00	£0.00	£1,161.00	£1,161.00	£0.00	£1,161.00
Vehicle refinishers, Any Part 2,3 or 4 reduced fee activity - HIGH RISK	£1,747.00	£0.00	£1,747.00	£1,747.00	£0.00	£1,747.00
Subistence charge for each mobile permit (1st & 2nd Permit) - LOW RISK	£626.00	£0.00	£626.00	£626.00	£0.00	£626.00
Subistence charge for each mobile permit (1st & 2nd Permit) - MEDIUM RISK	£1,034.00	£0.00	£1,034.00	£1,034.00	£0.00	£1,034.00
Subistence charge for each mobile permit (1st & 2nd Permit) - HIGH RISK	£1,551.00	£0.00	£1,551.00	£1,551.00	£0.00	£1,551.00
Subistence charge for each mobile permit (3rd to 7th Permit) - LOW RISK	£385.00	£0.00	£385.00	£385.00	£0.00	£385.00
Subistence charge for each mobile permit (3rd to 7th Permit) - MEDIUM RISK	£617.00	£0.00	£617.00	£617.00	£0.00	£617.00
Subistence charge for each mobile permit (3rd to 7th Permit) - HIGH RISK	£924.00	£0.00	£924.00	£924.00	£0.00	£924.00
Food Safety						
Safer Food Service	£150.00	£30.00	£180.00	£157.00	£31.40	£188.40
Penalty - failure to register food business	£400.00	£0.00	£400.00	£400.00	£0.00	£400.00
CIEH Level 2 - Food Safety training (business)	£45.00	£0.00	£45.00	£47.00	£0.00	£47.00
CIEH Level 2 - Food Safety training (Voluntary/Community)	£25.00	£0.00	£25.00	£27.00	£0.00	£27.00
CIEH Level 3 - Food Safety training (Voluntary/Community)	£150.00	£0.00	£150.00	£157.00	£0.00	£157.00
CIEH Level 3 - Food Safety training (Business)	£150.00	£0.00	£150.00	£157.00	£0.00	£157.00
Beauty and Fashion						
Tattooist & Beauty Salons Premise	£120.00	£0.00	£120.00	£125.00	£0.00	£125.00
Tattooist & Beauty Salons Personal	£55.00	£0.00	£55.00	£58.00	£0.00	£58.00

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Land charges						
CON29R	£71.00	£14.20	£85.20	£79.17	£15.83	£95.00
CON29O Q4	£20.00	£4.00	£24.00	£21.00	£4.20	£25.20
CON29O Q8	£10.00	£2.00	£12.00	£10.25	£2.05	£12.30
CON29O Q21	£6.60	£1.32	£7.92	£10.00	£2.00	£12.00
CON29O Q22	£10.00	£2.00	£12.00	£16.67	£3.33	£20.00
CON29O Others	£10.00	£2.00	£12.00	£10.50	£2.10	£12.60
Additional Parcels of Land (CON29R)	£10.00	£2.00	£12.00	£10.50	£2.10	£12.60
Houses of Multiple Occupation (HMO's)						
Houses of Multiple Occupation (New licence) + £60 for the 6th and each additional unit	£687.72	£0.00	£687.72	£715.92	£0.00	£715.92
Houses of Multiple Occupation (Renewal) + £60 for the 6th and each additional unit	£500.16	£0.00	£500.16	£520.67	£0.00	£520.67
Houses of Multiple Occupation (Variation)	£125.04	£0.00	£125.04	£130.17	£0.00	£130.17
Printed copy of register of HMO's (collection)	£10.42	£0.00	10.42	£10.85	£0.00	£10.85
Printed copy of register of HMO's (posted)	£12.50	£0.00	12.50	£13.02	£0.00	£13.02
Housing Standards						
Service of enforcement notice	£375.12	£0.00	£375.12	£390.50	£0.00	£390.50
Remedial works recovery of costs - full costs + £30p/h admin fee	£31.26	£0.00	£31.26	£32.54	£0.00	£32.54
Immigration Inspection charge	£120.00	£0.00	£120.00	£124.92	£0.00	£124.92
Penalty Charge Notice - Remedial action - Smoke and Carbon Monoxide (1-3 alarms required)	£310.00	£0.00	£310.00	£310.00	£0.00	£310.00
Penalty Charge Notice - Remedial action - Smoke and Carbon Monoxide (4 or more alarms)	£328.00	£0.00	£328.00	£328.00	£0.00	£328.00
Failure to comply with remedial notice - First occasion	£300.00	£0.00	£300.00	£300.00	£0.00	£300.00
Penalty fine - Failure to comply with remedial notice - Second occasion	£1,000.00	£0.00	£1,000.00	£1,000.00	£0.00	£1,000.00
Penalty fine - Failure to comply with remedial notice - third and subsequent occasion	£3,000.00	£0.00	£3,000.00	£3,000.00	£0.00	£3,000.00
Penalty Charge Notice - civil penalty as an alternative to prosecution under Housing Act						
Score range 4-10	£1,000.00	£0.00	£1,000.00	£1,000.00	£0.00	£1,000.00
Score range 10-15	£1,500.00	£0.00	£1,500.00	£1,500.00	£0.00	£1,500.00
Score range 16-20	£2,000.00	£0.00	£2,000.00	£2,000.00	£0.00	£2,000.00
Score range 21-25	£2,500.00	£0.00	£2,500.00	£2,500.00	£0.00	£2,500.00
Score range 26-30	£3,000.00	£0.00	£3,000.00	£3,000.00	£0.00	£3,000.00
Score range 31-35	£5,000.00	£0.00	£5,000.00	£5,000.00	£0.00	£5,000.00
Score range 36-40	£7,500.00	£0.00	£7,500.00	£7,500.00	£0.00	£7,500.00
Score range 41-45	£10,000.00	£0.00	£10,000.00	£10,000.00	£0.00	£10,000.00
Score range 46-50 (2 or 3 category 1 hazards)	£15,000.00	£0.00	£15,000.00	£15,000.00	£0.00	£15,000.00
Score range 46-50 (4 or 5 category 1 hazards)	£20,000.00	£0.00	£20,000.00	£20,000.00	£0.00	£20,000.00
Score range 46-50 (6 or more category 1 hazards)	£30,000.00	£0.00	£30,000.00	£30,000.00	£0.00	£30,000.00
Penalty charge notice - Failure to comply with Energy Efficiency Compliance Notice						
Failure to comply - first occasion	£500.00	£0.00	£500.00	£500.00	£0.00	£500.00
Failure to comply - second occasion	£1,000.00	£0.00	£1,000.00	£1,000.00	£0.00	£1,000.00
Failure to comply - third and subsequent occasion	£1,500.00	£0.00	£1,500.00	£1,500.00	£0.00	£1,500.00
Where the landlord has registered false or misleading information - first occasion	£500.00	£0.00	£500.00	£500.00	£0.00	£500.00
Where the landlord has registered false or misleading information - second occasion	£750.00	£0.00	£750.00	£750.00	£0.00	£750.00
Where the landlord has registered false or misleading information - third and subsequent occassion	£1,000.00	£0.00	£1,000.00	£1,000.00	£0.00	£1,000.00
Where a landlord has let a property in contravention to regulations for less than 3 months - first occasion	£1,000.00	£0.00	£1,000.00	£1,000.00	£0.00	£1,000.00
Where a landlord has let a property in contravention to regulations for less than 3 months - second occasion	£1,500.00	£0.00	£1,500.00	£1,500.00	£0.00	£1,500.00
Where a landlord has let a property in contravention to regulations for less than 3 months - third and subsequent occasions	£2,000.00	£0.00	£2,000.00	£2,000.00	£0.00	£2,000.00
Where a landlord has let a property in contravention to regulations for more than 3 months - first occasion	£1,500.00	£0.00	£1,500.00	£1,500.00	£0.00	£1,500.00
Where a landlord has let a property in contravention to regulations for more than 3 months - second occasion	£2,500.00	£0.00	£2,500.00	£2,500.00	£0.00	£2,500.00
Where a landlord has let a property in contravention to regulations for more than 3 months - third and subsequent occasions	£4,000.00	£0.00	£4,000.00	£4,000.00	£0.00	£4,000.00

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Penalty charge notice - The Redress Scheme - Lettings Agency Work and Property Management Work						
Not belonging to redress scheme - first occasion	£1,000.00	£0.00	£1,000.00	£1,000.00	£0.00	£1,000.00
Not belonging to redress scheme - second occasion	£2,500.00	£0.00	£2,500.00	£2,500.00	£0.00	£2,500.00
Not belonging to redress scheme - third and subsequent occasions	£5,000.00	£0.00	£5,000.00	£5,000.00	£0.00	£5,000.00
Waste Services						
Green waste collection	£50.00	£0.00	£50.00	£52.50	£0.00	£52.50
Replacement bin	£27.00	£0.00	£27.00	£30.00	£0.00	£30.00
Bin delivery	£20.83	£4.17	£25.00	£20.83	£4.17	£25.00
Bulky waste (4 items)	£35.00	£0.00	£35.00	£37.00	£0.00	£37.00
Healthcare waste			No fee	£0.00	£0.00	£0.00
Needles/Sharps collection			No fee	£0.00	£0.00	£0.00
Larger bin	£25.00	£0.00	£25.00	£25.00	£0.00	£25.00
Market Stalls						
New trader pitch/stall hire	£13.75	£1.25	£15.00	£13.75	£2.75	£16.50
Regular trader pitch/stall hire (Spilsby)	£15.00	£0.00	£15.00	£7.50	£0.00	£7.50
Regular trader pitch/stall hire	£13.75	£1.25	£15.00	£13.75	£2.75	£16.50
Casual trader pitch/stall hire (Spilsby)	£18.00	£0.00	£18.00	£9.00	£0.00	£9.00
Regular trader pitch/stall hire	£13.75	£1.25	£15.00	£13.75	£2.75	£16.50
Pitch/Stall Hire (January/February)	£9.17	£0.83	£10.00	£9.17	£1.83	£11.00
Neighbourhood Services						
FASTTRACK - Tree Preservation Order Copy	£20.00	£0.00	£20.00	£20.00	£0.00	£20.00
Tree Preservation Order Copy	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Hedgerow Removal Notice	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Tree Survey	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Public Toilets - operated in partnership with DANFO	£0.40	£0.00	£0.40	£0.40	£0.00	£0.40
Purchase of disabled toilets RADAR key	£4.00	£0.00	£4.00	£4.00	£0.00	£4.00
Dog warden services						
Stray dog release fee	£45.00	£0.00	£45.00	£50.00	£0.00	£50.00
Kennelling (per day)	£10.00	£0.00	£10.00	£12.50	£0.00	£12.50
Veterinary fees			Full Cost			Full Cost
Fixed penalty notice for fouling	£100.00	£0.00	£100.00	£100.00	£0.00	£100.00
Climate Change						
EPC	£64.48	£12.90	£77.38	£64.48	£12.90	£77.38
Retrofit Assessment	£135.00	£27.00	£162.00	£135.00	£27.00	£162.00
Housing						
Accommodation						
Homelessness Temporary Accommodation - 1 bed shared	£71.66	£0.00	£71.66	£71.66	£0.00	£71.66
Homelessness Temporary Accommodation - 1 bed shared - Service Charge	£40.32	£0.00	£40.32	£41.97	£0.00	£41.97
Homelessness Temporary Accommodation - 1 bed self contained	£71.66	£0.00	£71.66	£71.66	£0.00	£71.66
Homelessness Temporary Accommodation - 1 bed self contained - Service Charge	£40.32	£0.00	£40.32	£41.97	£0.00	£41.97
Homelessness Temporary Accommodation - 2 bed shared	£87.22	£0.00	£87.22	£87.22	£0.00	£59.56
Homelessness Temporary Accommodation - 2 bed shared - Service Charge	£59.56	£0.00	£59.56	£62.00	£0.00	£62.00
Homelessness Temporary Accommodation - 2 bed self contained	£87.22	£0.00	£87.22	£87.22	£0.00	£59.56
Homelessness Temporary Accommodation - 2 bed self contained - Service Charge	£59.56	£0.00	£59.56	£62.00	£0.00	£62.00
Homelessness Temporary Accommodation - 3 bed self contained	£92.52	£0.00	£92.52	£92.52	£0.00	£79.91
Homelessness Temporary Accommodation - 3 bed self contained - Service Charge	£79.91	£0.00	£79.91	£83.18	£0.00	£83.18
Homelessness Temporary Accommodation - 3 bed shared	£92.52	£0.00	£92.52	£92.52	£0.00	£79.91
Homelessness Temporary Accommodation - 3 bed shared - Service Charge	£79.91	£0.00	£79.91	£83.18	£0.00	£83.18
Homelessness Temporary Accommodation - 4 bed self contained	£124.61	£0.00	£124.61	£124.61	£0.00	£101.88
Homelessness Temporary Accommodation - 4 bed self contained - Service Charge	£79.91	£0.00	£79.91	£83.18	£0.00	£105.98
Local Authority Housing Fund Accommodation - 2 bed	£113.92	£0.00	£113.92	£116.99	£0.00	£116.99
Local Authority Housing Fund Accommodation - 3 bed	£138.08	£0.00	£138.08	£141.80	£0.00	£141.80
First Homes Costs (Application Processing Fee)	£150.00	£0.00	£150.00	£243.38	£0.00	£243.38
Bed and Breakfast	NA		NA	NA		NA
Building Control						

EAST LINDSEY DISTRICT COUNCIL - TABLE OF FEES AND CHARGES

Appendix 5

Description	2024/25 Fee Exclusive of VAT	2024/25 VAT 5%/20%	2024/25 Fee Inclusive of VAT	2025/26 Fee Exclusive of VAT	2025/26 VAT 5%/20%	2025/26 Fee Inclusive of VAT
Building Control Domestic fees - Table A						
BC Domestic - Plan - 1 House type	£250.00	£50.00	£300.00	£315.00	£63.00	£378.00
BC Domestic - Plan - 2 House type	£340.00	£68.00	£408.00	£420.00	£84.00	£504.00
BC Domestic - Plan - 3 House type	£440.00	£88.00	£528.00	£525.00	£105.00	£630.00
BC Domestic - Plan - 4 House type	£520.00	£104.00	£624.00	£630.00	£126.00	£756.00
BC Domestic - Plan - 5 House type	£610.00	£122.00	£732.00	£735.00	£147.00	£882.00
BC Domestic - Plan - 6 House type	£700.00	£140.00	£840.00	£840.00	£168.00	£1,008.00
BC Domestic - Plan - 7 House type	£780.00	£156.00	£936.00	£945.00	£189.00	£1,134.00
BC Domestic - Plan - 8 House type	£850.00	£170.00	£1,020.00	£1,050.00	£210.00	£1,260.00
BC Domestic - Plan - 9 House type	£930.00	£186.00	£1,116.00	£1,155.00	£231.00	£1,386.00
BC Domestic - Plan - 10 House type	£1,000.00	£200.00	£1,200.00	£1,260.00	£252.00	£1,512.00
BC Domestic - Inspection - 1 House type	£370.00	£74.00	£444.00	£525.00	£105.00	£630.00
BC Domestic - Inspection - 2 House type	£510.00	£102.00	£612.00	£630.00	£126.00	£756.00
BC Domestic - Inspection - 3 House type	£660.00	£132.00	£792.00	£770.00	£154.00	£924.00
BC Domestic - Inspection - 4 House type	£790.00	£158.00	£948.00	£945.00	£189.00	£1,134.00
BC Domestic - Inspection - 5 House type	£920.00	£184.00	£1,104.00	£1,120.00	£224.00	£1,344.00
BC Domestic - Inspection - 6 House type	£1,050.00	£210.00	£1,260.00	£1,330.00	£266.00	£1,596.00
BC Domestic - Inspection - 7 House type	£1,160.00	£232.00	£1,392.00	£1,470.00	£294.00	£1,764.00
BC Domestic - Inspection - 8 House type	£1,270.00	£254.00	£1,524.00	£1,610.00	£322.00	£1,932.00
BC Domestic - Inspection - 9 House type	£1,380.00	£276.00	£1,656.00	£1,750.00	£350.00	£2,100.00
BC Domestic - Inspection - 10 House type	£1,500.00	£300.00	£1,800.00	£1,820.00	£364.00	£2,184.00
Building Control Domestic fees - Table B						
BC Domestic - Plan - Extension of floor area not exceeding 10m2	£340.00	£68.00	£408.00	£455.00	£91.00	£546.00
BC Domestic - Plan - Extension of floor area exceeding 10m2 but not exceeding 40m2	£470.00	£94.00	£564.00	£560.00	£112.00	£672.00
BC Domestic - Plan - Extension of floor area exceeding 40m2 but not exceeding 60m2	£0.00	£0.00	£0.00	£665.00	£133.00	£798.00
BC Domestic - Plan - Extension of floor area exceeding 60m2 but not exceeding 100m2	£240.00	£48.00	£288.00	£315.00	£63.00	£378.00
BC Domestic - Plan - Erection or extension of a detached or attached building which consists of a garage, car port or out building having a floor area not exceeding 100m² in total and intended to be used in common with an existing building, and which is not an exempt building	£280.00	£56.00	£336.00	£280.00	£56.00	£336.00
BC Domestic - Plan - Conversion of a garage in a dwelling to habitable room(s)	£300.00	£60.00	£360.00	£300.00	£60.00	£360.00
BC Domestic - Plan - Provision of one or more rooms in a roof space	£0.00	£0.00	£0.00	£560.00	£112.00	£672.00
BC Domestic - Plan - Plan - Underpinning	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
BC Domestic - Plan - Internal alterations/installation of fittings (< £2k)	£170.00	£34.00	£204.00	£170.00	£34.00	£204.00
BC Domestic - Plan - Internal alterations/installation of fittings (< £5k)	£235.00	£47.00	£282.00	£235.00	£47.00	£282.00
BC Domestic - Plan - Internal alterations/installation of fittings (< £25k)	£340.00	£68.00	£408.00	£340.00	£68.00	£408.00
BC Domestic - Plan - Internal alterations/installation of fittings (< £50k)	£225.00	£45.00	£270.00	£225.00	£45.00	£270.00
BC Domestic - Plan - Internal alterations/installation of fittings (< £75k)	£260.00	£52.00	£312.00	£260.00	£52.00	£312.00
BC Domestic - Plan - Internal alterations/installation of fittings (£25,001 - 50,000)	£555.00	£111.00	£666.00	£805.00	£161.00	£966.00
BC Domestic - Plan - Internal alterations/installation of fittings (£50,001 - 75,000)	£670.00	£134.00	£804.00	£770.00	£154.00	£924.00
BC Domestic - Plan - Window replacement (up to 20 windows)	£120.00	£24.00	£144.00	£120.00	£24.00	£144.00
BC Domestic - Plan - Re-roof (non competent person scheme)	£140.00	£28.00	£168.00	£140.00	£28.00	£168.00
BC Domestic - Plan - Electrical Installation (non competent person scheme)	£660.00	£132.00	£792.00	£660.00	£132.00	£792.00
BC Domestic - Inspection - Internal alterations/installation of fittings (< £50k)	£330.00	£66.00	£396.00	£330.00	£66.00	£396.00
BC Domestic - Inspection - Internal alterations/installation of fittings (< £75k)	£410.00	£82.00	£492.00	£410.00	£82.00	£492.00
BC Domestic - Inspection - Extension of floor area exceeding 60m2 but not exceeding 100m2	£360.00	£72.00	£432.00	£420.00	£84.00	£504.00
BC Domestic - BC Notice - Extension of floor area not exceeding 10m2	£430.00	£86.00	£516.00	£560.00	£112.00	£672.00
BC Domestic - BC Notice - Extension of floor area between 10m2 and 40m2	£590.00	£118.00	£708.00	£700.00	£140.00	£840.00
BC Domestic - BC Notice - Extension of floor area between 40m2 and 60m2	£0.00	£0.00	£0.00	£770.00	£154.00	£924.00
BC Domestic - BC Notice - Extension of floor area between 60m2 and 100m2	£750.00	£150.00	£900.00	£875.00	£175.00	£1,050.00
BC Domestic - BC Notice - Erection or extension of a detached or attached building which consists of a garage, car port or out building having a floor area not exceeding 100m² in total and intended to be used in common with an existing building, and which is not an exempt building	£350.00	£70.00	£420.00	£420.00	£84.00	£504.00
BC Domestic - BC Notice - Conversion of a garage in a dwelling to habitable room(s)	£300.00	£60.00	£360.00	£350.00	£70.00	£420.00
BC Domestic BC Notice - Provision of one or more rooms in a roof space	£0.00	£0.00	£0.00	£700.00	£140.00	£840.00
BC Domestic - BC Notice - BC Notice - Underpinning	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
BC Domestic - BC Notice - Internal alterations/installation of fittings (< £2k)	£220.00	£44.00	£264.00	£280.00	£56.00	£336.00
BC Domestic - BC Notice - Internal alterations/installation of fittings (< £5k)	£0.00	£0.00	£0.00	£385.00	£77.00	£462.00
BC Domestic - BC Notice - Internal alterations/installation of fittings (< £25k)	£430.00	£86.00	£516.00	£490.00	£98.00	£588.00
BC Domestic - BC Notice - Internal alterations/installation of fittings (< £50k)	£700.00	£140.00	£840.00	£805.00	£161.00	£966.00
BC Domestic - BC Notice - Internal alterations/installation of fittings (< £75k)	£830.00	£166.00	£996.00	£980.00	£196.00	£1,176.00
BC Domestic - BC Notice - Window replacement (up to 20 windows)	£120.00	£24.00	£144.00	£140.00	£28.00	£168.00
BC Domestic - BC Notice - Re-roof (non competent person scheme)	£140.00	£28.00	£168.00	£175.00	£35.00	£210.00
BC Domestic - BC Notice - Electrical Installation (non competent person scheme)	£660.00	£132.00	£792.00	£660.00	£132.00	£792.00
BC Domestic - BC Notice - Replacement Sewage Treatment Plant	£0.00	£0.00	£0.00	£175.00	£35.00	£210.00
BC Domestic - BC Notice - Domestic Sewer Connection	£0.00	£0.00	£0.00	£175.00	£35.00	£210.00
BC Domestic - BC Notice - Multi Fuel Stove	£0.00	£0.00	£0.00	£175.00	£35.00	£210.00
BC Domestic - BC Notice - Renovation of a Thermal Element	£0.00	£0.00	£0.00	£210.00	£42.00	£252.00
Building Control Commercial fees - Table C						
BC Commercial - Plan < $40m^2$	£200.00	£40.00	£240.00	£280.00	£56.00	£336.00
BC Commercial - Extension & New Build - Plan < $100m^2$	£260.00	£52.00	£312.00	£420.00	£84.00	£504.00
BC Commercial - Extension & New Build - Plan < $200m^2$	£360.00	£72.00	£432.00	£490.00	£98.00	£588.00
BC Commercial - Extension & New Build - Inspection < $40m^2$	£300.00	£60.00	£360.00	£420.00	£84.00	£504.00

EAST LINDSEY DISTRICT COUNCIL - TABLE OF FEES AND CHARGES

Appendix 5

Description	2024/25 Fee Exclusive of VAT	2024/25 VAT 5%/20%	2024/25 Fee Inclusive of VAT	2025/26 Fee Exclusive of VAT	2025/26 VAT 5%/20%	2025/26 Fee Inclusive of VAT
BC Commercial - Extension & New Build - Inspection < $100m^2$	£410.00	£82.00	£492.00	£560.00	£112.00	£672.00
BC Commercial - Extension & New Build - Inspection < $200m^2$	£540.00	£108.00	£648.00	£700.00	£140.00	£840.00
Building Control Commercial fees - Table D						
BC Commercial - Plan - Windows & Doors (1-20)	£220.00	£44.00	£264.00	£220.00	£44.00	£264.00
BC Commercial - Plan - Other alterations up to £5,000	£240.00	£48.00	£288.00	£420.00	£84.00	£504.00
BC Commercial - Plan - Other alterations up to £25,000	£340.00	£68.00	£408.00	£560.00	£112.00	£672.00
BC Commercial - Plan - Other alterations up to £50,000	£190.00	£38.00	£228.00	£280.00	£56.00	£336.00
BC Commercial - Inspection charge - Other alterations £25,001 up to £50,000	£290.00	£58.00	£348.00	£490.00	£98.00	£588.00
Dangerous Structure						
Dangerous Structure - Emergency site visit hourly rate under statutory duty	£0.00	£0.00	£0.00	£105.00	£21.00	£126.00
Dangerous Structure - Emergency site visit hourly rate with agreement of owner	£0.00	£0.00	£0.00	£105.00	£21.00	£126.00
Demolition control (Section 81 Notice)	£0.00	£0.00	£0.00	£235.00	£47.00	£282.00
Street naming and numbering						
Renaming/ renumbering of an individual house	£40.00	£0.00	£40.00	£60.00	-	£60.00
Development renumbering due to change in plot numbers or plot positions (Per Plot)	£25.00	£0.00	£25.00	£30.00	-	£30.00
Renaming/ renumbering of street at request of residents			POA	£0.00	-	POA
Street Naming/ numbering - up to 5 new properties (+£25 per plot)	£150.00	£0.00	£150.00	£200.00	-	£200.00
Street Naming/ numbering - between 6 - 25 new properties (+£20 per plot)	£150.00	£0.00	£150.00	£200.00	-	£200.00
Street Naming/ numbering - between 26 - 75 new properties (+£15 per plot)	£150.00	£0.00	£150.00	£200.00	-	£200.00
Street Naming/ numbering - more than 75 new properties (+£10 per plot)	£150.00	£0.00	£150.00	£200.00	-	£200.00
Naming numbering following division of an existing property	£150.00	£0.00	£150.00	£200.00	-	£200.00
Additional charge where naming of new street is required	£100.00	£0.00	£100.00	£120.00	-	£120.00
Additional charge where naming of new building is required	£100.00	£0.00	£100.00	£120.00	-	£120.00
Reissuing of address following demolition and reconstruction	£50.00	£0.00	£50.00	£60.00	-	£60.00
Confirmation of address to solicitors/conveyances/occupiers	£25.00	£0.00	£25.00	£30.00	-	£30.00
Dangerous structure - emergency site visit	£0.00	£0.00	£0.00	£0.00	-	£0.00
Demolition control (Section 81 notice)	£0.00	£0.00	£0.00	£0.00	-	£0.00

EAST LINDSEY DISTRICT COUNCIL - TABLE OF FEES AND CHARGES

Appendix 5

Description	2024/25 Fee Exclusive of VAT	2024/25 VAT 5%/20%	2024/25 Fee Inclusive of VAT	2025/26 Fee Exclusive of VAT	2025/26 VAT 5%/20%	2025/26 Fee Inclusive of VAT
Development Control						
Pre-Planning advice - Householder development including alterations and extensions	£75.92	£15.18	£91.10	£79.03	£15.81	£94.84
Pre-Planning advice - Changes of use including siting of caravans	£158.12	£31.62	£189.75	£164.61	£32.92	£197.53
Pre-Planning advice - Development of 1 dwelling	£165.00	£33.00	£198.00	£171.77	£34.35	£206.12
Pre-Planning advice - Development of 2-9 dwellings, or residential development on sites of less than 0.50 hectare including changes of use to residential	£458.33	£91.67	£550.00	£477.12	£95.42	£572.55
Pre-Planning advice - Development of 10-49 dwellings, or residential development on sites of between 0.51 and 1.0 hectare including changes of use to residential of 2-9 units	£916.67	£183.33	£1,100.00	£954.25	£190.85	£1,145.10
Pre-Planning - Development of 50+ dwellings, or residential development on sites of more than 1.1 hectare inclosing changes of use to residential	£1,833.33	£366.67	£2,200.00	£1,908.50	£381.70	£2,290.20
Pre-Planning - Non residential development up to 499 sqm	£158.12	£31.62	£189.75	£164.61	£32.92	£197.53
Pre-Planning - Non residential development between 500 and 999 sqm	£458.33	£91.67	£550.00	£477.12	£95.42	£572.55
Pre-Planning - Non residential development between 1000 and 4,999 sqm	£916.67	£183.33	£1,100.00	£954.25	£190.85	£1,145.10
Pre-Planning - Non residential development over 5,000sqm floor area	£1,833.33	£366.67	£2,200.00	£1,908.50	£381.70	£2,290.20
Pre-Planning - alterations to non-residential development with no new floor space	£75.92	£15.18	£91.10	£79.03	£15.81	£94.84
Pre-Planning - variation or removal of planning conditions	£75.92	£15.18	£91.10	£79.03	£15.81	£94.84
Pre-Planning - Telecommunications development	£137.50	£27.50	£165.00	£143.14	£28.63	£171.77
Pre-Planning - Certificates of lawful development	£137.50	£27.50	£165.00	£143.14	£28.63	£171.77
Pre-Planning - Advertisements	£75.92	£15.18	£91.10	£79.03	£15.81	£94.84
Pre-Planning - Listed building advice	£137.50	£27.50	£165.00	£143.14	£28.63	£171.77
Pre-Planning - 'Start-up' business enquiries	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Pre-Planning - Town & Parish Council enquiries	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Pre-Planning - Proposals relating to the needs of persons with disabilities	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Pre-planning - proposals by registered social landlords (50% discount)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Planning Permission						
Advertisement - Relating to the business on the premises	£165.00	£0.00	£165.00	£168.00	£0.00	£168.00
Advertisement - Advance signs which are not situated on or visible from the site, directing the public to a business	£165.00	£0.00	£165.00	£168.00	£0.00	£168.00
Advertisement - all other adverts	£577.50	£0.00	£577.50	£587.50	£0.00	£587.50
HOUSEHOLDER APPLICATIONS - Alterations / extensions to a single dwellinghouse, including works within boundary	£258.00	£0.00	£258.00	£528.00	£0.00	£528.00
OUTLINE APPLICATION - Site Area - Not more than 0.5 hectares, £578 for each 0.1 hectare (or part thereof)	£578.00	£0.00	£578.00	£588.00	£0.00	£588.00
OUTLINE APPLICATION - Site Area - Between 0.5 hectares and 2.5, £624 for each 0.1 hectare (or part thereof)	£624.00	£0.00	£624.00	£635.00	£0.00	£635.00
OUTLINE APPLICATION - Site Area - More than 2.5 hectares. £15,433 + £186 for each additional 0.1 hectare (or part thereof) in excess of 2.5 hectares Maximum fee of £202,500	£15,433.00 £186.00	£0.00	£15,433.00 £186.00	£15,695.00 £189.00	£0.00	£15,695.00 £189.00
OUTLINE APPLICATIONS - Erection of Building (Not dwellinghouses) - Not more than 1 hectare. £578 for each 0.1 hectare (or part thereof)	£578.00	£0.00	£578.00	£588.00	£0.00	£588.00
OUTLINE APPLICATIONS - Erection of Building (Not dwellinghouses) - Between 1 hectare and 2.5 hectare. £624 for each 0.1 hectare (or part thereof)	£624.00	£0.00	£624.00	£635.00	£0.00	£635.00
OUTLINE APPLICATIONS - Erection of Building (Not dwellinghouses) - More than 2.5 hectares. £15,433 + £186 for each additional 0.1 hectare (or part thereof) in excess of 2.5 hectares Maximum fee of £202,500	£15,433.00 £186.00	£0.00	£15,433.00 £186.00	£15,695.00 £189.00	£0.00	£15,695.00 £189.00
FULL APPLICATIONS - Alterations or extensions to existing dwellinghouses, including works within boundaries - Single dwellinghouse (or single flat)	£258.00	£0.00	£258.00	£528.00	£0.00	£528.00
FULL APPLICATIONS - Alterations or extensions to existing dwellinghouses, including works within boundaries - 2 or more dwellinghouses (or two or more flats)	£509.00	£0.00	£509.00	£1,043.00	£0.00	£1,043.00
FULL APPLICATIONS works within/along the boundary of an existing dwellinghouse	£258.00	£0.00	£258.00	£268.58	£0.00	£268.58
FULL APPLICATIONS - New dwellinghouses - Not more then 10 new dwellinghouses. £578 for each dwellinghouse	£577.50	£0.00	£577.50	£587.50	£0.00	£587.50
FULL APPLICATIONS - New dwellinghouses - Between 10 and 50 dwellinghouses. £624 for each dwellinghouse	£624.00	£0.00	£624.00	£635.00	£0.00	£635.00
FULL APPLICATIONS - New dwellinghouses - More than 50 new dwellinghouses. £30,860 + £186 for each additional dwellinghouse in excess of 50 Maximum fee of £405,000	£30,860.00 £186.00	£0.00	£30,860.00 £186.00	£31385.00 £189.00	£0.00	£31385.00 £189.00
Erection of buildings (not dwellings, plant and machinery, agricultural buildings or glasshouses)- Gross floor space to be created by development - No increase in gross floor space or no more than 40 sq m	£293.00	£0.00	£293.00	£298.00	£0.00	£298.00
Erection of buildings (not dwellings, plant and machinery, agricultural buildings or glasshouses)- Gross floor space to be created by development - More than 40 sqm but no more than 1,000 sqm. £578 for each 75 sqm (or part thereof)	£578.00	£0.00	£578.00	£588.00	£0.00	£588.00
Erection of buildings (not dwellings, plant and machinery, agricultural buildings or glasshouses)- Gross floor space to be created by development - Between 1,000 sq m and 3,750 sq m. £624 for each 75 square metres (or part thereof)	£624.00	£0.00	£624.00	£635.00	£0.00	£635.00
Erection of buildings (not dwellings, plant and machinery, agricultural buildings or glasshouses)- Gross floor space to be created by development - More than 3,750 sq m. £30,680 + £186 for each additional 75 square metres (or part thereof) in excess of 3,750 square metres Maximum fee of £405,000	£30,860.00 £186.00	£0.00	£30,860.00 £186.00	£31,565.00 £189.00	£0.00	£31,565.00 £189.00
Erection of buildings (on land used for agriculture or agricultural purposes) - Gross floor space to be created by development - Not more than 465 sq m	£120.00	£0.00	£120.00	£122.00	£0.00	£122.00
Erection of buildings on land used for agriculture or for agricultural purposes - Gross floor space to be created by development - More than 465 sq m but not more than 540 sq m	£578.00	£0.00	£578.00	£588.00	£0.00	£588.00

	2024/25			2025/26		
Description	**Fee Exclusive of VAT**	**VAT 5%/20%**	**Fee Inclusive of VAT**	**Fee Exclusive of VAT**	**VAT 5%/20%**	**Fee Inclusive of VAT**
Erection of buildings on land used for agriculture or for agricultural purposes - Gross floor space to be created by development - More than 540 sq m but not more than 1,000 sq m. £578 for first 540 sq m + £578 for each additional 75 sq m in exess of 540 sq m	£578.00	£0.00	£578.00	£588.00	£0.00	£588.00
Erection of buildings on land used for agriculture or for agricultural purposes. Gross floor space to be created by development - Between 1,000 sq m and 4.215 sq m. £624 for first 1,000 sq m + £624 for each additional 75 sq m in excess of 1,000 sq m	£624.00 £624.00	£0.00	£624.00 £624.00	£5,077.00 £635.00	£0.00	£5,077.00 £635.00
Erection of buildings on land used for agriculture or for agricultural purposes. Gross floor space to be created by development - More than 4,215 sq m. £30,860 + £186 for each additional square metres (or part thereof) in excess of 4,215 square metres Maximum fee of £405,000	£30,860.00 £186.00	£0.00	£30,860.00 £186.00	£31,385.00 £189.00	£0.00	£31,385.00 £189.00
Agricultural glasshouses (on land used for purposes of agriculture). Gross floor space to be created by development - Not more than 465 sq m	£120.00	£0.00	£120.00	£122.00	£0.00	£122.00
Agricultural glasshouses (on land used for purposes of agriculture). Gross floor space to be created by development - More than 465 sq m but not more than 1,000 sq m	£3,225.00	£0.00	£3,225.00	£3,280.00	£0.00	£3,280.00
Agricultural glasshouses (on land used for purposes of agriculture). Gross floor space to be created by development - 1,000 sq m or more	£3,483.00	£0.00	£3,483.00	£3,542.00	£0.00	£3,542.00
Erection/alteration/replacement of plant and machinery - Site area - Not more than 1 hectares. £578 for each 0.1 hectare (or part thereof)	£578.00	£0.00	£578.00	£588.00	£0.00	£588.00
Erection/alteration/replacement of plant and machinery - Site area - More than 1 hectare but not more than 5 hectares. £624 for each 0.1 hectare (or part thereof)	£624.00	£0.00	£624.00	£635.00	£0.00	£635.00
Erection/alteration/replacement of plant and machinery - Site area - More than 5 hectares. £30,860 + £186 for each additional 0.1 hectares (or part thereof) in excess of 5 hectares Maximum fee of £405,000	£30,860.00 £186.00	£0.00	£30,860.00 £186.00	£31385.00 £189.00	£0.00	£31385.00 £189.00
Reserved matters where applicant's earlier reserved matters applications have incurred total fee equalling that for a full application for entire scheme	£577.50	£0.00	£577.50	£601.18	£0.00	£601.18
APPLICATIONS FOR WORKS OTHER THAN BUILDING WORKS - Car parks, service roads or other accesses - For existing uses	£293.00	£0.00	£293.00	£298.00	£0.00	£298.00
OTHER APPLICATIONS - Variation or removal of condition	£292.50	£0.00	£292.50	£292.50	£0.00	£292.50
FULL APPLICATIONS Erection of dwellinghouses & changes of use to create new dwellings from existing buildings. Erection of dwellinghouses fewer than 10 dwellinghouses £578.00 for each dwellinghouse.	£578.00	£0.00	£578.00	£578.00	£0.00	£578.00
FULL APPLICATIONS Erection of dwellinghouses & changes of use to create new dwellings from existing buildings. Between 10 and 50 dwellinghouses £624.00 for each dwellinghouse	£624.00	£0.00	£624.00	£624.00	£0.00	£624.00
FULL APPLICATIONS Erection of dwellinghouses & changes of use to create new dwellings from existing buildings. More than 50 dwellinghouses £30,860.00 + £186.00 for each additional dwellinghouse in excess of 50 Max fee of £405,000.00	£30,860.00 £186.00	£0.00	£30,860.00 £186.00	£32,126.00 £194.00	£0.00	£32,126.00 £194.00
Other changes of use of a building or land	£578.00	£0.00	£578.00	£588.00	£0.00	£588.00
Other operations (not coming within anty of the above categories) - Any site area. £293 for each 0.1 hectare (or part thereof) Maximum fee of £2,535	£293.00	£0.00	£293.00	£298.00	£0.00	£298.00
Request for determination as to whether the prior approval of the Council will be required for agricultural/forestry buildings and roads or material change of use of any building or other land (Part 3 of GPDO 2015) or Demolition of building (s)	£120.00	£0.00	£120.00	£120.00	£0.00	£120.00
Change of use and to carry out building operations for classes C,M,N & Q (Part 3 of GDPO 2015)	£257.50	£0.00	£257.50	£257.50	£0.00	£257.50
Development by Telecommunication code system operators	£577.50	£0.00	£577.50	£577.50	£0.00	£577.50
Request for written confirmation of compliance with condition(s) attached to a grant of planning permission (Householder development)	£42.50	£0.00	£42.50	£42.50	£0.00	£42.50
Request for written confirmation of compliance with condition(s) attached to a grant of planning permission (All other development)	£145.00	£0.00	£145.00	£145.00	£0.00	£145.00
Application for a Non-material Amendment Following a Grant of Planning Permission - Applications in respect of householder developments	£42.50	£0.00	£42.50	£43.50	£0.00	£43.50
Application for a Non-material Amendment Following a Grant of Planning Permission - Applications in respect of other developments	£292.50	£0.00	£292.50	£297.50	£0.00	£297.50
Planning Performance Agreements - negotiated on a case-by-case basis. The charges incurred are to be negotiated between the Council and the development proposer, following an initial understanding of both the scheme and the resource implications. The Council will seek to recover costs associated with the resourcing of the			Negotiated on case-by-case basis			Negotiated on case-by-case basis

Section 106						
Minor Developments – less than 10 residential units and where the gross floor space to be built is up to 1,000 square metres, or where the site area is less than 1 hectare. Where the number of dwellings to be constructed or floor area proposed is not given in the application, a site area of less than 0.5 hectares is classed as a minor development.	£1,750.00	£0.00	£1,750.00	£1,821.75	£0.00	£1,821.75
Small scale Major Developments – 10-199 residential units (inclusive) and where the gross floor space to be built is 1,000 – 9,999 square metres, or where the site area is 1 hectare and less than 2 hectares. Where the number of dwellings to be constructed or floor area proposed is not given in the application, a site area of between 0.5 hectares and less than 4 hectares is classed as a small scale major development.	£2,915.00	£0.00	£2,915.00	£3,034.52	£0.00	£3,034.52
Large scale Major Developments – 200 or more residential units and where the gross floor space to be built is 10,000 square metres or more, or where the site area is 2 hectares or more. Where the number of dwellings to be constructed or floor area proposed is not given in the application, a site area of 4 hectares or more is classed as a large scale major development.	£4,028.00	£0.00	£4,028.00	£4,193.15	£0.00	£4,193.15
Deeds of Variations – For all Deeds of Variation agreements.	£424.00	£0.00	£424.00	£441.38	£0.00	£441.38
Confirmation of compliance with Section 106 planning obligations (desktop assessment)* per property	£88.00	£0.00	£110.00	£91.61	£18.32	£109.93

Description	2024/25 Fee Exclusive of VAT	2024/25 VAT 5%/20%	2024/25 Fee Inclusive of VAT	2025/26 Fee Exclusive of VAT	2025/26 VAT 5%/20%	2025/26 Fee Inclusive of VAT
Compliance checks on subsequent properties	£27.50	£0.00	£27.50	£28.63	£0.00	£28.63
*Site Visit associated with Confirmation of Compliance with Section 106 planning obligations	£93.20	£0.00	£116.50	£97.02	£19.40	£116.43
S106 application admin recharge - newly brought in for 2022-23	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Legal						
Section 106 / Unilateral Undertaking	£1,250.00	£0.00	£1,000.00	£1,300.00	£0.00	£1,300.00
Deed of Variation / Deed of Release	£650.00	£0.00	£2,500.00	£675.00	£0.00	£675.00
Checking fee - Unilateral Undertaking for self build	£150.00	£0.00	£5,000.00	£155.00	£0.00	£155.00
Parking permits - ELDC Car parks						
12 Months - Parking permit (All areas)	£345.83	£69.17	£415.00	£345.83	£69.17	£415.00
12 Months -Parking permit (Skegness)	£208.33	£41.67	£250.00	£208.33	£41.67	£250.00
12 Months -Parking permit (Louth)	£208.33	£41.67	£250.00	£208.33	£41.67	£250.00
12 Months -Parking permit (Mablethorpe)	£208.33	£41.67	£250.00	£208.33	£41.67	£250.00
12 Months -Parking permit (Horncastle, W.Spa & Coningsby Tattershall)	£208.33	£41.67	£250.00	£208.33	£41.67	£250.00
12 Months -Parking permit (Spilsby)	£138.33	£27.67	£166.00	£138.33	£27.67	£166.00
12 Months -Parking permit (Alford)	£138.33	£27.67	£166.00	£138.33	£27.67	£166.00
9 Months - Parking permit (All areas)	£268.33	£53.67	£322.00	£268.33	£53.67	£322.00
9 Months -Parking permit (Skegness)	£164.17	£32.83	£197.00	£164.17	£32.83	£197.00
9 Months -Parking permit (Louth)	£164.17	£32.83	£197.00	£164.17	£32.83	£197.00
9 Months -Parking permit (Mablethorpe)	£164.17	£32.83	£197.00	£164.17	£32.83	£197.00
9 Months -Parking permit (Horncastle, W.Spa & Coningsby Tattershall)	£164.17	£32.83	£197.00	£164.17	£32.83	£197.00
9 Months -Parking permit (Spilsby)	£113.33	£22.67	£136.00	£113.33	£22.67	£136.00
9 Months -Parking permit (Alford)	£113.33	£22.67	£136.00	£113.33	£22.67	£136.00
6 Months - Parking permit (All areas)	£180.83	£36.17	£217.00	£180.83	£36.17	£217.00
6 Months -Parking permit (Skegness)	£113.33	£22.67	£136.00	£113.33	£22.67	£136.00
6 Months -Parking permit (Louth)	£113.33	£22.67	£136.00	£113.33	£22.67	£136.00
6 Months -Parking permit (Mablethorpe)	£113.33	£22.67	£136.00	£113.33	£22.67	£136.00
6 Months -Parking permit (Horncastle, W.Spa & Coningsby Tattershall)	£113.33	£22.67	£136.00	£113.33	£22.67	£136.00
6 Months -Parking permit (Spilsby)	£78.33	£15.67	£94.00	£78.33	£15.67	£94.00
6 Months -Parking permit (Alford)	£78.33	£15.67	£94.00	£78.33	£15.67	£94.00
3 Months - Parking permit (All areas)	£95.00	£19.00	£114.00	£95.00	£19.00	£114.00
3 Months -Parking permit (Skegness)	£60.00	£12.00	£72.00	£60.00	£12.00	£72.00
3 Months -Parking permit (Louth)	£60.00	£12.00	£72.00	£60.00	£12.00	£72.00
3 Months -Parking permit (Mablethorpe)	£60.00	£12.00	£72.00	£60.00	£12.00	£72.00
3 Months -Parking permit (Horncastle, W.Spa & Coningsby Tattershall)	£60.00	£12.00	£72.00	£60.00	£12.00	£72.00
3 Months -Parking permit (Spilsby)	£43.33	£8.67	£52.00	£43.33	£8.67	£52.00
3 Months -Parking permit (Alford)	£43.33	£8.67	£52.00	£43.33	£8.67	£52.00
Replace Lost permit	£12.50	£2.50	£15.00	£12.50	£2.50	£15.00
Business Centres						
Fairfield Enterprise Centre Louth						
Conference room hire - full day	**£130.00**	£26.00	£156.00	**£140.00**	**£28.00**	**£168.00**
Conference room hire - half day	**£70.00**	£14.00	£84.00	**£75.00**	**£15.00**	**£90.00**
Conference room hire - per hour	**£20.00**	£4.00	£24.00	**£21.00**	**£4.20**	**£25.20**
Small meeting room hire - full day	**£80.00**	£16.00	£96.00	**£85.00**	**£17.00**	**£102.00**
Small meeting room hire - half day	**£45.00**	£9.00	£54.00	**£45.00**	**£9.00**	**£54.00**
Small meeting room hire - per hour	**£12.50**	£2.50	£15.00	**£13.50**	**£2.70**	**£16.20**
Pod room hire - per hour	**£4.17**	£0.83	£5.00	**£5.00**	**£1.00**	**£6.00**
Large booth hire - half day	**£12.50**	£2.50	£15.00	**£12.50**	**£2.50**	**£15.00**
large booth hire - full day	**£45.00**	£9.00	£54.00	**£45.00**	**£9.00**	**£54.00**
Refreshment package - Standard (per person)	**£3.50**	£0.70	£4.20	**£3.65**	**£0.73**	**£4.38**
Refreshment package - Buffet lunch (per person)	**£8.75**	£1.75	£10.50	**£10.00**	**£2.00**	**£12.00**
Office unit (Rent & services) 1 (per week)	£138.36	£27.67	£166.03	£170.58	£34.12	£204.70
Office unit (Rent & services) 2 (per week)	£124.11	£24.82	£148.93	£153.01	£30.60	£183.61
Office unit (Rent & services) 3 (per week)	£83.51	£16.70	£100.21	£102.92	£20.58	£123.50
Office unit (Rent & services) 4 (per week)	£79.09	£15.82	£94.91	£92.98	£18.60	£111.58
Office unit (Rent & services) 5 (per week)	£79.09	£15.82	£94.91	£92.98	£18.60	£111.58
Office unit (Rent & services) 6 (per week)	£83.51	£16.70	£100.21	£102.92	£20.58	£123.50
Office unit (Rent & services) 7 (per week)	£124.11	£24.82	£148.93	£153.01	£30.60	£183.61
Office unit (Rent & services) 8 (per week)	£138.36	£27.67	£166.03	£170.58	£34.12	£204.70
Office unit (Rent & services) 9 (per week)	£143.48	£28.70	£172.18	£182.11	£36.42	£218.53
Office unit (Rent & services) 10 (per week)	£140.69	£28.14	£168.83	£175.97	£35.19	£211.17
Office unit (Rent & services) 11 (per week)	£126.44	£25.29	£151.73	£158.03	£31.61	£189.64
Office unit (Rent & services) 12 (per week)	£128.76	£25.75	£154.51	£163.24	£32.65	£195.89
Office unit (Rent & services) 13 (per week)	£123.41	£24.68	£148.09	£151.24	£30.25	£181.49
Office unit (Rent & services) 14 (per week)	£125.74	£25.15	£150.89	£156.51	£31.30	£187.82
Office unit (Rent & services) 15 (per week)	£140.69	£28.14	£168.83	£175.95	£35.19	£211.14
Office unit (Rent & services) 17 (per week)	£118.99	£23.80	£142.79	£141.44	£28.29	£169.73
Office unit (Rent & services) 18 (per week)	£113.88	£22.78	£136.66	£130.05	£26.01	£156.06
Office unit (Rent & services) 19 (per week)	£83.51	£16.70	£100.21	£102.92	£20.58	£123.50
Office unit (Rent & services) 20 (per week)	£79.33	£15.87	£95.20	£93.40	£18.68	£112.08
Office unit (Rent & services) 21 (per week)	£79.33	£15.87	£95.20	£93.40	£18.68	£112.08
Office unit (Rent & services) 22 (per week)	£83.51	£16.70	£100.21	£102.92	£20.58	£123.50
Office unit (Rent & services) 23 (per week)	£140.69	£28.14	£168.83	£175.97	£35.19	£211.17
Office unit (Rent & services) 24 (per week)	£161.73	£32.35	£194.08	£199.41	£39.88	£239.29
Office unit (Rent & services) 25/26 (per week)	£251.45	£50.29	£301.74	£269.76	£53.95	£323.71
Office unit (Rent & services) 27 (per week)	£142.78	£28.56	£171.34	£180.60	£36.12	£216.72
Office unit (Rent & services) 28 (per week)	£167.78	£33.56	£201.34	£212.98	£42.60	£255.58
Office unit (Rent & services) 29 (per week)	£164.76	£32.95	£197.71	£206.11	£41.22	£247.34
Office unit (Rent & services) 30 (per week)	£142.09	£28.42	£170.51	£179.02	£35.80	£214.83
Office unit (Rent & services) 31 (per week)	£125.74	£25.15	£150.89	£156.49	£31.30	£187.79
Office unit (Rent & services) 32 (per week)	£123.18	£24.64	£147.82	£150.83	£30.17	£180.99
Office unit (Rent & services) 33 (per week)	£116.43	£23.29	£139.72	£135.72	£27.14	£162.86
Office unit (Rent & services) 34 (per week)	£121.09	£24.22	£145.31	£146.11	£29.22	£175.33

Description	2024/25 Fee Exclusive of VAT	2024/25 VAT 5%/20%	2024/25 Fee Inclusive of VAT	2025/26 Fee Exclusive of VAT	2025/26 VAT 5%/20%	2025/26 Fee Inclusive of VAT
Office unit (Rent & services) 35 (per week)	£123.18	£24.64	£147.82	£150.93	£30.19	£181.11
Office unit (Rent & services) 36 (per week)	£91.19	£18.24	£109.43	£119.94	£23.99	£143.93
Mablethorpe Business Centre						
Office unit (Rent & services) 1 (per week)	£91.98	£18.40	£110.38	£123.38	£24.68	£148.05
Office unit (Rent & services) 2 (per week)	£86.26	£17.25	£103.51	£115.59	£23.12	£138.70
Office unit (Rent & services) 3 (per week)	£109.65	£21.93	£131.58	£147.08	£29.42	£176.49
Office unit (Rent & services) 4 (per week)	£40.22	£8.04	£48.26	£54.01	£10.80	£64.82
Office unit (Rent & services) 5 (per week)	£44.04	£8.81	£52.85	£59.19	£11.84	£71.03
Office unit (Rent & services) 6 (per week)	£44.29	£8.86	£53.15	£59.44	£11.89	£71.33
Office unit (Rent & services) 7 (per week)	£43.83	£8.77	£52.60	£58.85	£11.77	£70.62
Office unit (Rent & services) 8 (per week)	£46.54	£9.31	£55.85	£62.53	£12.51	£75.04
Office unit (Rent & services) 9 (per week)	£41.67	£8.33	£50.00	£56.04	£11.21	£67.25
Office unit (Rent & services) 10 (per week)	£42.71	£8.54	£51.25	£57.74	£11.55	£69.28
Office unit (Rent & services) 11 (per week)	£46.54	£9.31	£55.85	£62.53	£12.51	£75.04
Office unit (Rent & services) 12 (per week)	£43.83	£8.77	£52.60	£58.85	£11.77	£70.62
Office unit (Rent & services) 13 (per week)	£44.17	£8.83	£53.00	£59.32	£11.86	£71.19
Office unit (Rent & services) 14 (per week)	£44.29	£8.86	£53.15	£59.44	£11.89	£71.33
Office unit (Rent & services) 15 (per week)	£40.54	£8.11	£48.65	£54.52	£10.90	£65.43
Office unit (Rent & services) 16 (per week)	£86.90	£17.38	£104.28	£110.27	£22.05	£132.32
Office unit (Rent & services) 17 (per week)	£84.78	£16.96	£101.74	£114.11	£22.82	£136.93
Office unit (Rent & services) 18 (per week)	£93.61	£18.72	£112.33	£125.01	£25.00	£150.02
Office unit (Rent & services) 19 (per week)	£38.55	£7.71	£46.26	£52.08	£10.42	£62.50
Workshop Unit 1 (Rent & Services) (per week)	£128.39	£25.68	£154.07	£170.74	£34.15	£204.88
Workshop Unit 2 (Rent & Services) (per week)	£99.34	£19.87	£119.21	£132.30	£26.46	£158.76
Workshop Unit 3 (Rent & Services) (per week)	£100.21	£20.04	£120.25	£133.36	£26.67	£160.04
Workshop Unit 4 (Rent & Services) (per week)	£82.27	£16.45	£98.72	£108.56	£21.71	£130.27
Workshop Unit 5 (Rent & Services) (per week)	£75.11	£15.02	£90.13	£99.19	£19.84	£119.03
Workshop Unit 6 (Rent & Services) (per week)	£79.68	£15.94	£95.62	£104.87	£20.97	£125.84
Workshop Unit 7 (Rent & Services) (per week)	£101.75	£20.35	£122.10	£135.16	£27.03	£162.19
Workshop Unit 8 (Rent & Services) (per week)	£128.35	£25.67	£154.02	£168.82	£33.76	£202.58
Virtual Office - Bronze (per month)	**£35.00**	£7.00	£42.00	**£37.50**	**£7.50**	**£45.00**
Virtual Office - Silver (per month)	**£60.00**	£12.00	£72.00	**£65.00**	**£13.00**	**£78.00**
Virtual Office - Gold (per month)	**£80.00**	£16.00	£96.00	**£85.00**	**£17.00**	**£102.00**
Kingfisher Caravan Park						
Ground rent - standard plot, including water & sewerage	£2,905.12	£581.02	£3,486.14	£3,020.16	£604.03	£3,624.19
Ground rent - Premium plot, including water and sewerage	£3,197.37	£639.47	£3,836.84	£3,323.99	£664.80	£3,988.79
Laundrette fees - washing machines - Programme 1	£3.33	£0.67	£4.00	£4.17	£0.83	£5.00
Laundrette fees - washing machines - Programme 2	£4.17	£0.83	£5.00	£5.00	£1.00	£6.00
Laundrette fees - drier £1 then 20p top up after that	£0.83	£0.17	£1.00	£1.67	£0.33	£2.00
Barrier cards	£8.33	£1.67	£10.00	£10.00	£2.00	£12.00
Property						
Beach Chalet site licence	£125.00	£25.00	£150.00	£175.00	£35.00	£210.00
Beach Chalet site licence	£250.00	£50.00	£300.00	£250.00	£50.00	£300.00
Other Miscellaneous Fees						
Purchase of empty sandbags (per unit)	£0.25	£0.05	£0.30	£0.26	£0.05	£0.31
Full register - data format (plus £1.50 for each 1000 entreis)	£20.00	£0.00	£20.00	£20.00	£0.00	£20.00
Full register - printed format (plus £5.00 for each 1000 entries)	£10.00	£0.00	£10.00	£10.00	£0.00	£10.00
Overseas electors list - data format (plus £1.50 for each 100 entries)	£20.00	£0.00	£20.00	£20.00	£0.00	£20.00
Overseas electrions list - printed format (plus £5.00 for each 100 entries)	£10.00	£0.00	£10.00	£10.00	£0.00	£10.00
Edited register - data format (plus £1.50 for each 1000 entries)	£20.00	£0.00	£20.00	£20.00	£0.00	£20.00
Edited register - printed format (plus £5.00 for each 1000 entries)	£10.00	£0.00	£10.00	£10.00	£0.00	£10.00
Marked registers (plus £2.00 for printed version and £1.00 for data version per 1000)	£10.00	£0.00	£10.00	£10.00	£0.00	£10.00
Metal detecting on beaches			No fee	£0.00	£0.00	£0.00
Enforcement - High Hedge Fees	£500.00	£0.00	£500.00	£500.00	£0.00	£500.00
Hire of beach wheelchair				£0.00	£0.00	£0.00

Other Planning Fees

Description	2024/25 Fee Exclusive of VAT	2024/25 VAT 5%/20%	2024/25 Fee Inclusive of VAT	2025/26 Fee Exclusive of VAT	2025/26 VAT 5%/20%	2025/26 Fee Inclusive of VAT
Waste						
Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals - Site area - Not more than 15 hectares. £316 for each 0.1 hectare (or part thereof)	£316.00	£0.00	£316.00	£321.00	£0.00	£321.00
Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals - Site area - More then 15 hectares. £47,161 + £186 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares Maximum fee of £105,300	£47161 £186	£0.00	£47161 £186	£47,963.00 £189.00	£0.00	£47,963.00 £189.00
Operations connected with exploratory drilling for oil or natural gas						
Site area - Not more than 7.5 hectares. £686 for each 0.1 hectare (or part thereof)	£686.00	£0.00	£686.00	£691.00	£0.00	£691.00
Site area - More than 7.5 hectares. £51,395 + £204 for each additional 0.1 hectare (or part thereof) in excess of 7.5 hectares. Maximum fee of £405,000	£51,395.00 £204	£0.00	£51,395.00 £204	£52,269.00 £207.00	£0.00	£52,269.00 £207.00
Operations (other than exploratory drilling) for the winning and working of oil or natural gas						
Site area - Not more than 15 hectares. £347 for each 0.1 hectare (or part thereof)	£347.00	£0.00	£347.00	£353.00	£0.00	£353.00
Site area - More than 15 hectares. £52,002 + additional £204 for each 0.1 hectare in excess of 15 hectares Maximum fee of £105,300	£52,002.00 £204	£0.00	£52,002.00 £204	£52,886.00 £207.00	£0.00	£52,886.00 £207.00

EAST LINDSEY DISTRICT COUNCIL - TABLE OF FEES AND CHARGES

Appendix 5

Description	2024/25 Fee Exclusive of VAT	2024/25 VAT 5%/20%	2024/25 Fee Inclusive of VAT	2025/26 Fee Exclusive of VAT	2025/26 VAT 5%/20%	2025/26 Fee Inclusive of VAT
Other operations (winning & working of minerals) excluding oil and natural gas						
Site area - Not more than 15 hectares. £316 for each 0.1 hectare (or part thereof)	£316.00	£0.00	£316.00	£322.00	£0.00	£322.00
Site area - More than 15 hectares. £47,161 + additional £186 for each 0.1 hectare in excess of 15 hectares Maximum fee of £105,300	£47,161.00 £186	£0.00	£47,161.00 £186	£47,963.00 £189.00	£0.00	£47,963.00 £189.00
Lawful Development Certificates						
Existing use or operation	Same as Full	£0.00		Same as Full	£0.00	
Existing use or operation - lawful not to comply with any condition or limitation	£293.00	£0.00	£293.00	£298.00	£0.00	£298.00
Proposed use or operation	Half the normal Planning Fee	£0.00	Half the normal Planning Fee	Half the normal Planning Fee	£0.00	Half the normal Planning Fee
Prior Approval						
Larger Home Extensions (from 19 August 2019)	£120.00	£0.00	£120.00	£240.00	£0.00	£240.00
Agriculture and Forestry buildings & operations	£120.00	£0.00	£120.00	£240.00	£0.00	£240.00
Demolition of buildings	£120.00	£0.00	£120.00	£240.00	£0.00	£240.00
Communications (previously referred to as 'Telecommunications Code Systems Operators')	£578.00	£0.00	£578.00	£588.00	£0.00	£588.00
Change of use *refer to guidance	£120.00	£0.00	£120.00	£240.00	£0.00	£240.00
Change of use of a building and any land within its curtilage from Commercial/Business/Service (Use Class E) to Dwellinghouses (Use Class C3) £125 for each dwellinghouse	£125.00	£0.00	£125.00	£250.00	£0.00	£250.00
Change of use including building operations * refer to guidance	£258.00	£0.00	£258.00	£516.00	£0.00	£516.00
Collection facility within the curtilage of a shop	£120.00	£0.00	£120.00	£122.00	£0.00	£122.00
Temporary Buildings or use	£120.00	£0.00	£120.00	£240.00	£0.00	£240.00
Non-Domestic Extensions, alterations etc	£120.00	£0.00	£120.00	£240.00	£0.00	£240.00
Heritage and Demolition	£120.00	£0.00	£120.00	£240.00	£0.00	£240.00
Renewable Energy	£120.00	£0.00	£120.00	£240.00	£0.00	£240.00
Construction of new dwellinghouses - Not more than 10 dwellinghouses. £418 for each dwellinghouse	£418.00	£0.00	£418.00	£539.00	£0.00	£539.00
Construction of new dwellinghouses - Between 10 and 50 dwellinghouses. £451 for	£451.00	£90.20	£541.20	£466.15	£0.00	£466.15
Construction of new dwellinghouses - More than 50 Dwellinghouses. £22,309 + £135 for each dwellinghouse in excess of 50 Maximum fee of £405,000	£22,309.00 £135.00	£0.00	£22,309.00 £135.00	£22,688.00 £137.00	£0.00	£22,688.00 £137.00
Reserved Matters						
Application for approval of reserved matters following outline approval - Full fee due or if full fee already paid then £578 due	£578.00	£0.00	£578.00	£588.00	£0.00	£588.00
Approval / Variation / discharge of condition						
Application for removal or variation of a condition following grant of planning permission - Householder Development	£8.00	£0.00	£8.00	£128.00	£0.00	£128.00
Application for removal or variation of a condition following grant of planning permission - Major Development	£2,000.00	£0.00	£2,000.00	£2,010.00	£0.00	£2,010.00
Application for removal or variation of a condition following grant of planning permission - Any Other Case	£586.00	£0.00	£586.00	£706.00	£0.00	£706.00
Request for confirmation that one or more planning conditions have been complied with. £43 per request for householder otherwise £145 per request	£43.00 £145.00	£0.00	£43.00 £145.00	£86.00 £298.00	£0.00	£86.00 £298.00
Change of Use of a building to use as one or more separate dwellinghouses, or other cases						
Number of dwellinghouses - Not more than 10 dwellinghouses. £578 for each dwellinghouse	£578.00	£0.00	£578.00	£698.00	£0.00	£698.00
Number of dwellinghouses - Between 10 and 50 dwellinghouses. £624 for each dwellinghouse	£624.00	£0.00	£624.00	£634.00	£0.00	£634.00
Number of dwellinghouses - More than 50 dwellinghouses. £30,860 + £186 for each additional dwellinghouse in excess of 50. Maximum fee of £405,000	£30,860.00 £186.00	£0.00	£30,860.00 £186.00	£31,385.00 £189.00	£0.00	£31,385.00 £189.00
Application for Permission in Principle						
Site area - £503 for each 0.1 hectare (or part thereof)	£503.00	£0.00	£503.00	£512.00	£0.00	£512.00
Application under Section 257 for diversion of Public Right of Way						
Application under Section 257 for diversion of Public Right of Way - £3500 (Developer may be required to pay additional costs such as advertising)	£3,500.00	£0.00	£3,500.00	£3,644.00	£0.00	£3,644.00

EAST LINDSEY DISTRICT COUNCIL - TABLE OF FEES AND CHARGES

Appendix 5

Description	2024/25 Fee Exclusive of VAT	2024/25 VAT 5%/20%	2024/25 Fee Inclusive of VAT	2025/26 Fee Exclusive of VAT	2025/26 VAT 5%/20%	2025/26 Fee Inclusive of VAT

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South & East Lincolnshire Councils Partnership

Partnership Alignment and Delivery Plan 2025/26

South & East Lincolnshire Councils Partnership

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Golden Thread

Vision → Purpose → Objectives → Priorities → Actions → Outcomes / Outputs

From Partnership Business Case

Sub-regional Strategy

Alignment & Delivery Plan

Performance Management Framework

Partnership's Sub-regional Strategy priorities

South Holland District Council
Boston Borough Council
East Lindsey District Council
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South & East Lincolnshire Councils Partnership

Sub-region	Growth and Prosperity	Healthy Lives	Safe and Resilient Communities	Environment
Corporate	Efficiency and Effectiveness			
Local	Local Council Priorities			

Our Partnership's Sub-regional Strategy can be viewed at www.selcp.co.uk/SRS

Purpose of this Plan and tracking

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South & East Lincolnshire Councils Partnership

The Partnership needs to agree a programme of work annually for the following key reasons:

- To provide direction for Members and Officers;
- To deliver on the agreed Partnership priorities, both financial and non-financial; and
- To help direct and manage resources effectively and efficiently across the Partnership.

Note:

1. At this time the new Government's policies are still being developed. As the new policies come forward this may result in additional areas of work for the Partnership/Councils.

2. The Alignment and Delivery Plan sets out projects that Members support the principle of progressing. Some projects will require further decision making as they come forward.

3. Whilst most projects are allocated to a specific Directorate in this plan, many projects involve cross-Directorate working to facilitate their delivery.

4. Some projects span multiple financial years.

Action Status	
Completed	C
Not started	NS
On plan	
Off plan but mitigation in place to get back on plan	
Off plan and no mitigation	

Devolution / Local Government Re-organisation

It is acknowledged that some projects in this plan may be impacted by Devolution / Local Government Re-organisation.

Those that may be impacted will require further consideration in advance of delivery and are marked with an *.

Strategic Partnership deliverables (1 of 3)

South & East Lincolnshire Councils Partnership

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Project title	Purpose	Project type	Strategic Priority	Delivery by date	Saving (-) / cost (+)	Priority Board	Assistant Director	Tracking
Internal Drainage Boards SIG	Continue to lead the LGA Special Interest Group to seek a new funding mechanism for IDBs.	Partnership	Partnership	Ongoing	N/A	N/a	Corporate	
Warm Homes Local Grant*	Prepare for and deliver a retrofit programme of home energy efficiency improvements – subject to Government funding.	Partnership	Environment	Q1 25/26	+£5.7m capital +£1.1m revenue	Environment/ SELCAN	Regulatory	
Community Safety Partnership Activity	Work with our partners across the system to tackle crime and disorder in South and East Lincolnshire. Focusing on reducing Anti-Social Behaviour, raise awareness of hate crime and reporting, increasing the safety of our streets with a focus on the safety of women and girls; and supporting those most vulnerable in our communities as defined by our South and East Lincolnshire Community Safety Partnership's Priorities and associated action plan.	Partnership	Safe and Resilience	Q4 25/26	TBC	Safer Communities	Communities and Housing Services	
Working with the Voluntary and Community Sector	Commission the Voluntary and Community Sector to deliver a programme of work that supports Community Leadership, Community Cohesion and Resilience.	Partnership	Healthy Lives	Q2 25/26	£0	Safer Communities/ Healthy Living	Communities and Housing Services	
Houses in Multiple Occupation Policy	Development and approval of a Houses in Multiple Occupation Policy to ensure shared understanding and consistency of standards across the sub region.	Policy Review	Healthy Lives / Safe and Resilient	Q4 25 /26	-£10k	Safer Communities	Communities and Housing Services	
Delivery of Cultural Framework for Renewal*	Deliver the action plans of the Cultural Framework and develop a Heritage Strategy to support cultural regeneration, including delivery of the year 3 National Portfolio Organisation programme and year 2 Cultural Development Fund.	Partnership	Growth and Prosperity	Ongoing	Externally funded	Economic Development	Economic Development	
Delivery of Growth and Prosperity Plan*	Ongoing delivery of the Growth and Prosperity Plan, which reflects the principles and strategic priorities of the adopted Plan.	Partnership	Growth and Prosperity	Ongoing	TBC	Economic Development	Strategic Growth	

South & East Lincolnshire Councils Partnership

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Strategic Partnership deliverables (2 of 3)

Project title	Purpose	Project type	Strategic Priority	Delivery by date	**Saving (-) / cost (+)**	**Priority Board**	Assistant Director	Tracking
Delivery of Destination Management Plan*	Implementation of the SELCP Destination Management Plan to support growth of the visitor economy in partnership with the Local Visitor Economy Partnership.	Partnership	Growth and Prosperity	Ongoing	TBC	Economic Development	Economic Development	
Implementation of National Planning changes*	Implement any changes required from the updated NPPF and any secondary planning legislation.	Legislative	Growth and Prosperity	Ongoing	NA	Economic Development	Planning	
Partnership Working with Town Boards	Continued support of three Town Boards (Connected Coast, Boston and Spalding) to oversee the delivery of funded projects and leveraging partnership working to enable further funding and investment.	Partnership	Growth and Prosperity	Ongoing	Externally funded	Economic Development	Economic Development	
Long Term Plan for Towns Programme	With partners, develop and commence delivery of plans to maximise the use of the £20m (each) awarded to Boston, Skegness and Spalding over the next 10 years. *From 24/25 A&DP*	Partnership	Growth and Prosperity	Q2 25/26	TBC	Economic Development		
Inward investment proposition*	Development and implementation of a sub-regional inward investment proposition, which maximises investment from the funding leveraged into the sub-region and is complimentary to the place branding work.	Partnership	Growth and Prosperity	Ongoing	TBC	Economic Development	Strategic Growth/ Economic Development	
Business engagement proposition	Development and implementation of a sub-regional business engagement proposition, which seeks to strengthen the relationship between the SELCP and its business community	Partnership	Growth and Prosperity	Q1 25/26	TBC	Economic Development	Strategic Growth	
UKSPF (Including Advice4Growth / Grants4Growth Business Support programme)*	To deliver the extended UKSPF programme to March 2026, across the themes of a) Communities and Place, b) Supporting Local Business and c) People and Skills. Including the extended A4G / G4G programme SELCP-wide.	Partnership	Growth and Prosperity	Q4 25/26	TBC	Economic Development	Strategic Growth	

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Strategic Partnership deliverables (3 of 3)

Project title	Purpose	Project type	Strategic Priority	Delivery by date	**Saving (-) / cost (+)**	Priority Board	Assistant Director	Tracking
Environment Act – Waste Collection	Implement the waste collection requirements under the Environment Act across the Partnership.	Legislative	Environment	Q3 26/27	TBC	Environment	Neighbourhoods	
Sub-regional Neighbourhoods Service	Develop a strategy for future service delivery models across the sub-region, incorporating waste and street scene services (including policy alignment).	Service Review	Efficient and Effective	Q4 25/26	TBC	Environment	Neighbourhoods	
Rough Sleeping Initiative	Develop a business case for a partnership-wide scheme that provides support to those sleeping rough or at risk of rough sleeping – subject to Government funding.	Partnership	Healthy Lives/ Safe and Resilient	Q4 25/26	£0	Healthy Lives	Communities and Housing Services	
Healthy Living Activity	Work with our partners across the health system to ensure earlier interventions for our residents are in place, focusing on improving mental and physical wellbeing across the sub region as defined in our Health Living Board's Priorities and associated action plan.	Partnership	Healthy Lives	Q4 25/26	£0	Healthy Lives	Communities and Housing Services	
Deliver a sub-regional Leisure and Culture Offer*	Deliver an opportunity for an external leisure and culture service across the sub-region for the three Councils consideration – tender & contract award.	Service Review	Efficient and Effective	Q4 25/26	Subject to tender & contract award	Healthy Lives	Leisure and Culture	

Corporate deliverables (1 of 3)

Project title	Purpose	Project type	Strategic Priority	Delivery by date	Saving (-) / cost (+)	Directorate	Assistant Director	Tracking
Uniform implementation Partnership-wide	To complete initial phases of the Uniform implementation into SHDC and BBC	Digital	Efficient and Effective	Q4 25/26	Partnership -£514,679 (project total)	Corp Dev, Communities & Growth	Corporate, Regulatory & Planning	
Shared Server Room*	To move the Boston Borough Council ICT server room to South Holland District Council server room to address risks and improve resilience.	Digital	Efficient and Effective	Q1 25/26	BBC +£19,542 SHDC -£18,560	Corporate Development	Corporate (Head of Digital)	
Future ICT infrastructure*	Scope the future ICT infrastructure specification for the Partnership	Digital	Efficient and Effective	Q4 25/26	N/A	Corporate Development	Corporate (Head of Digital)	
Bring Your Own Device*	Explore the opportunity for Bring Your Own Device, which could result in reduced hardware costs through personal ICT equipment being used through a secure ICT environment.	Digital	Efficient and Effective	Q4 25/26	N/A	Corporate Development	Corporate (Head of Digital)	
Artificial Intelligence	Continue to explore how AI can benefit customers and add capacity to the Council through testing its use, where appropriate, in services. Also, consider any associated retention policies.	Digital	Efficient and Effective	Q4 25/26		Corporate Development	Corporate	
Shared Officer Pay*	Complete the implementation of a shared officer pay structure *From 24/25 A&DP*	Partnership	Efficient and Effective	Q3 25/26	TBC	Corporate Development	Corporate (Head of HR)	
Implement Terms and Conditions alignment*	Complete the implementation of the terms and conditions alignment *From 24/25 A&DP*	Partnership	Efficient and Effective	Q4 25/26	TBC	Corporate Development	Corporate (Head of HR)	
Automated approach to translation services	Explore means to reduce cost and speed up translation of written documents via Artificial Intelligence. To also consider braille and large print documents.	Partnership	Efficient and Effective	Q4 25/26	TBC	Corporate Development	Assistant Director – Corporate	
PSPS Service Modernisation Programme*	Support the delivery of the PSPS Service Modernisation Programme, subject to individual Business Cases and Equality Impact Assessments	Partnership	Efficient and Effective	2031	Partnership -£4.5m (SMP total)	Corporate Development	Assistant Director – Corporate	

Corporate deliverables (2 of 3)

Project title	Purpose	Project type	Strategic Priority	Delivery by date	Saving (-) / cost (+)	Directorate	Assistant Director	Tracking
Discretionary Rate Relief Policy alignment	Bring forward for consideration an alignment opportunity. *From 24/25 A&DP*	Policy Review	Efficient and Effective & People	Q4 25/26	Partnership +£2,500 (for the review)	Corporate Development	Finance	
LCC and Mayoral Elections	Successfully deliver the elections.	Legislative	Efficient and Effective	Q1 25/26	Externally funded	Corporate Development	Governance	
Constitutional Review	Alignment of constitutions (as far as practicable). *From 24/25 A&DP*	Policy Review	Efficient and Effective	Q1 25/26	Partnership +£12,500	Corporate Development	Governance	
Service Review (Democratic Services)	To consider alignment of service provision.	Service Review	Efficient and Effective	Q3 25/26	TBC	Corporate Development	Governance	
Partnership-wide residents' survey	Undertake Residents' Survey to provide an evidence base to shape future policy.	People	Efficient and Effective	Q2 25/26	N/A	Corporate Development	Corporate	
Cautionary Contact arrangements	Develop Partnership working arrangements, policy and digital system for management of cautionary contacts.	Digital	Efficient and Effective	Q1 25/26	N/A	Corp Dev / Communities	Corporate and Regulatory	
Safety Advisory Group (SAG)	Develop options and business case for adopting a Partnership approach to Safety Advisory Groups (SAG).	Partnership	Efficient and Effective / Safe and Resilient	Q3 25/26	-£20,000 ELDC	Communities	Regulatory	
Fully implement the Communities and Housing Services service review	To ensure the full implementation of the service review.	Service Review	Efficient and Effective	Q4 25/26	TBC	Communities	Communities and Housing Services	
Empty Homes Policy	Adopt an Empty Homes Policy to increase housing supply whilst enhancing local environments.	Policy Review	Efficient and Effective /Healthy Lives / Safe and Resilient	Q4 25/26	TBC	Communities	Communities and Housing Services	

Corporate deliverables (3 of 3)

South & East Lincolnshire Councils Partnership

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Project title	Purpose	Project type	Strategic Priority	Delivery by date	Saving (-) / cost (+)	Directorate	Assistant Director	Tracking
Public Conveniences Efficiency Assessment*	To ensure the provision of public conveniences in each Council area are served by the most efficient and effective service delivery model. *From 24/25 A&DP*	Assets & People	Efficient and Effective	Q3 25/26	TBC	Communities	Neighborhoods	
Partnership Play & Playing Fields Strategy	Develop a Partnership Play & Playing Fields Strategy (Dependent on the delivery of the Planning and Assets review of play provision during 24/25). *From 24/25 A&DP*	Policy Review	Healthy Lives	Q4 25/26	£0	Communities	Leisure and Culture / Neighborhoods	
Fully Implement the GF Assets Service Review.	To ensure the full implementation of the service review given the IT alignment achieved. *From 24/25 A&DP*	Service Review	Efficient and Effective	Q4 25/26	TBC	Programme Delivery	GF Assets	
Growth Directorate Service Reviews*	Planning (Phases I and II), Culture and Regeneration and Strategic Growth Service Review implementation.	Service Review	Efficient and Effective / Growth and Prosperity	Q4 25/26	TBC £100k – Planning (later phases)	Economic Development	Planning/ Economic Development / Strategic Growth	

Local deliverables – Boston (1 of 2)

South & East Lincolnshire Councils Partnership

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Project title	Purpose	Project type	Delivery by date	Saving (-) / cost (+)	Portfolio Holder	Directorate	Assistant Director	Tracking
Borough Plan	Adopt a Borough-wide Plan for the Borough of Boston.	Partnership	Q1 25/26	TBC	Leader	Multi-department		
Town Centre Strategy	Continue to deliver Boston's Town Centre Strategy.	Partnership	Ongoing	TBC	Deputy Leader	Multi-department		
BBC Peer Review follow up	Deliver the 12-month LGA Peer Review follow up.	Partnership	Q1 25/26	+£100	Leader	Corporate Development	Corporate	
Green Flag Award Central Park	Develop Green Flag standard for Central Park.	Asset Project	Q4 25/26	TBC	Deputy Leader	Communities	Leisure and Culture	
Place Partnerships (Active Lincolnshire)	Working with Active Lincolnshire and health system partners to deliver a programme of activity that focuses on the health and wellbeing of Boston communities.	Local	Q4 25/26	£0	Communities (People), Culture	Communities	Communities and Housing Services	
PE21 – Crown House	Complete the demolition and reprovision of 'Crown House'.	Asset Project	Q4 25/26	TBC	Leader	Programme Delivery	Strategic Projects/GF Assets	
PE21 – Public Realm	Complete the PE21 public realm redevelopment.	Asset Project	Q4 25/26	TBC	Leader	Programme Delivery	Strategic Projects/GF Assets	
Boston Leisure	Completion of Boston Leisure.	Asset Project	Q3 26/27	TBC	Finance	Programme Delivery	Strategic Projects	
BBC Depot Extension	Secure and bring into operation the additional property assets required to accommodate the introduction of food waste collection across the Borough from April 2026.	Asset Project	Q4	TBC	Housing and Property	Programme Delivery	GF Assets	

South Holland District Council · Boston Borough Council · East Lindsey District Council
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Local deliverables – Boston (2 of 2)

Project title	Purpose	Project type	Delivery by date	Saving (-) / cost (+)	Portfolio Holder	Directorate	Assistant Director	Tracking
Boston Town Deal	Delivery of Towns Fund projects (internal and external led) and continued monitoring and evaluation with MHCLG.	Partnership	Q4 25/26	Externally funded	Leader	Economic Development	Economic Development	
Levelling Up Partnership	Implementation and delivery of eight funded projects (3 led by BBC and 5 externally led projects); monitoring and evaluation with MHCLG.	Partnership	Q4 25/26	Externally funded	Leader	Economic Development	Economic Development	
Future funding opportunities (LTPFT)*	Development of an evidence base for further investment and ensuring readiness for future funding opportunities.	Partnership	Ongoing	TBC	Leader	Economic Development	Economic Development	
Boston 2030*	Delivery of the Boston 2030 Plan.	Partnership	Q4 25/26	TBC	Culture	Economic Development	Economic Development	
Local Plan*	Consideration of options for review of the South East Lincolnshire Local Plan *From 24/25 A&DP*	Legislative	Q4 25/26	£500k (subject to new NPPF, devolution etc)	Planning	Economic Development	Planning	

Local deliverables – East Lindsey (1 of 3)

Project title	Purpose	Project type	Delivery by date	Saving (-) / cost (+)	Portfolio Holder	Directorate	Assistant Director	Tracking
ELDC Peer Review follow up	Deliver the 12 month LGA Peer Review follow up	Partnership	Q3 25/26	+£100	Leader	Corporate Development	Corporate	
Solar Scheme	Complete the Hub solar PV scheme to include Ground PV and Canopy PV to further move the Hub to net zero.	Asset Project	Q3 25/26	-£30,000 per annum	Leader	Programme Delivery	GF Assets	
Sutton Sea Colonnade	Successfully let the Sutton Sea Colonnade to one or more commercial organisations and bring into operation.	Asset Project	Q1 2025/26	TBC	Leader	Programme Delivery	GF Assets	
Car Park Machine Communications Upgrade	Convert all residual 3G communication units across the Parking Machine fleet to 4G specification.	Asset Project	Q2	TBA	Operational Services	Programme Delivery	GF Assets	
Mablethorpe Mobihub project	Deliver the outputs of the Phase 1 Mobihub project	Asset project	Q4 2026	£1.65m (£850k Externally funded)	TBC	Programme Delivery	Strategic Growth	
King George Playing Field, Sutton on Sea	The introduction of new facilities. *Still awaiting outcome of funding application. From 24/25 A&DP*	Asset Project	TBC	TBC	Operational Services	Programme Delivery	Strategic Projects	
	A revised sustainable management arrangement. *From 24/25 A&DP*		TBC	TBC				
ELDC Depot Extension*	Complete an options appraisal reconciling the additional space requirements at the Louth Depot to accommodate food waste collection and implement a sustainable solution to support food waste collection from April 2026.	Asset Project	Q4	TBC	Leader/ Operational Services	Programme Delivery	GF Assets	

Local deliverables – East Lindsey (2 of 3)

South & East Lincolnshire Councils Partnership

Project title	Purpose	Project type	Delivery by date	Saving (-) / cost (+)	Portfolio Holder	Directorate	Assistant Director	Tracking
Connected Coast Board	Delivery and continued support of monitoring and evaluation of Towns Fund and Cultural Development Fund	Partnership	Q4 25/26	Externally funded	Coastal Economy	Economic Development	Economic Development	
East Lindsey Investment Plan	Delivery of themed action plans and support for both the Connected Coast Board and the newly established Connected Wolds Group.	Partnership	Ongoing	TBC	Leader/ Coastal and Rural Economy	Economic Development	Economic Development	
Wolds Culture and Heritage Programme	(Levelling Up Funding) Delivery of three projects and monitoring and evaluation with MHCLG.	Partnership	Q4 25/26	Externally funded	Deputy Leader	Economic Development	Economic Development	
Lincs Coast 2100*	Working with Partners on emerging coastal strategy	Partnership	Ongoing	Externally funded	Leader	Economic Development	Planning	
Review of Local Plan*	Progress on Local Plan in the context of NPPF and emerging Coastal strategy *From 24/25 A&DP*	Legislative	Q4 25/26	£500k (subject to new NPPF, devolution etc)	Planning	Economic Development	Planning	
Future funding opportunities (LTPFT)*	Development of an evidence base for further investment and ensuring readiness for future funding opportunities.	Partnership	Ongoing	TBC	Coastal Economy & Market Towns and Rural Economy	Economic Development		
ELDC Temporary Accommodation Investment project	To deliver £2m investment in new temporary accommodation in East Lindsey and further opportunities as they arise	Asset project	Q4 2026	£2.065m (£1.06m Externally funded)	Communities and Better Ageing	Communities / Economic Development	Communities / Strategic Growth	

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Local deliverables – East Lindsey (3 of 3)

Project title	Purpose	Project type	Delivery by date	Saving (-) / cost (+)	Portfolio Holder	Directorate	Assistant Director	Tracking
Place Partnerships (Active Lincolnshire)	Working with Active Lincolnshire and Health System Partners to deliver a programme of activity that focuses on the health and wellbeing of East Lindsey Communities	Local	Q4 25/26	£0	Leisure and Culture	Communities	Communities and Housing Services	
Campus for Future Living	Through the Campus for Future Living Partnership Board, continue to work with partners to explore opportunities for full outcome delivery	Local	Q4 25/26	N/A	Communities and Better Ageing	Communities	Communities and Housing Services	
Wellbeing Service	Embedding new Wellbeing Service contract and implementing new service criteria in respect to digital support	Contract	Q4 25/26	£0	Communities and Better Ageing	Communities	Communities and Housing Services	
3g Pitch Development	Deliver a 3g Pitch project in the district. Live planning application in for Louth. *From 24/25 A&DP*	Asset Project	Q4 25/26	+£1.4m (70% grant funded)	Deputy Leader	Communities	Leisure and Culture	

Local deliverables – South Holland (1 of 4)

South & East Lincolnshire Councils Partnership

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Project title	Purpose	Project type	Delivery by date	Saving (-) / cost (+)	Portfolio Holder	Directorate	Assistant Director	Tracking
External funding to support the HRA business plan*	Seek external funding to enhance viability of the HRA business plan	Policy Review	Ongoing	TBC	Strategic and Operational Housing	Corporate Development	Housing	
HRA internally commissioned services	Undertake a financial assessment of HRA internally commissioned services	Service Review	Q2 25/26	TBC	Strategic and Operational Housing	Corporate Development	Housing	
Develop a Housing Strategy and Landlord Strategy (HRA)	New Strategy to replace existing Strategy in consultation with tenants	Policy Review	Q4 25/26	N/A	Strategic and Operational Housing	Corporate Development	Housing	
Workforce Development (HRA)	Compliance with new Regulatory requirements for Competence and Conduct Standard	People	Q3 25/26	TBC	Strategic and Operational Housing	Corporate Development	Housing	
Aids and Adaptations (HRA)	Benchmark existing offer and look to develop further	Policy Review	Q2 25/26	TBC	Strategic and Operational Housing	Corporate Development	Housing	
Strategic Asset Management for the HRA	Fit for purpose model for delivering investment and strategic decision making	Policy Review	Q3 25/26	TBC	Strategic and Operational Housing	Corporate Development	Housing	
Deliver housing Transformation Programme (HRA)	Deliver year 2 of the Housing Transformation Programme	Service Review	Ongoing	N/A	Strategic and Operational Housing	Corporate Development	Housing	
Tenant-led Engagement Strategy (HRA)	Develop strategy to replace existing framework	Policy Review	Q3 25/26	TBC	Strategic and Operational Housing	Corporate Development	Housing	

South & East Lincolnshire Councils Partnership

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Local deliverables – South Holland (2 of 4)

Project title	Purpose	Project type	Delivery by date	Saving (-) / cost (+)	Portfolio Holder	Directorate	Assistant Director	Tracking
Sewage treatment works (HRA)	Establish a programme of investment to ensure sewage treatment works are at the industry adoptable standard.	Service Review	Ongoing	TBC	Strategic and Operational Housing	Corporate Development	Housing	
Boundary Commission Review	District Boundary Review for South Holland by the Boundary Commission for England	Legislative	Q4 25/26	TBC	Corporate, Governance and Communication	Corporate Development	Governance	
Land Charges HMLR Migration	To migrate the local land charges register to HM Land Registry. *From 24/25 A&DP*	Digital	Q2 25/26	+£60,000 External Funding +£20,000 new burdens	Public Protection	Communities	Regulatory	
Carbon Reduction	Following completion of a Carbon Reduction Plan, develop and seek approval for associated delivery plan.	Policy Review	Q3 25/26	N/A	Health, wellbeing, conservation & heritage	Communities	Regulatory	
Waste Collection Transformation*	To deliver a transformed waste collection service that meets legislative requirements and is optimum efficiency.	Service Review / Partnerships	Q4 26/27	TBC	Environmental Services	Communities	Neighbourhoods	
Technology Forge	Complete migration to Technology Forge to run day to day as the default IT application for all GF property data.	IT	Q2 25/26	TBC	Assets and Strategic Planning	Programme Delivery	GF Assets	
Belnie Meadows	Complete a lease of Belnie Meadows to support the development of a 'Men's shed' model in South Holland.	Assets	Q2 35/26	TBC	Assets and Strategic Planning	Programme Delivery	GF Assets	
Garage Site Disposal	Enable the marketing of three further garage sites in the South Holland Area	Assets	Q4 25/26	TBC	Assets and Strategic Planning	Programme Delivery	GF Assets	

South & East Lincolnshire Councils Partnership

Local deliverables – South Holland (3 of 4)

Project title	Purpose	Project type	Delivery by date	Saving (-) / cost (+)	Portfolio Holder	Directorate	Assistant Director	Tracking
South Holland Health and Wellbeing Hub	Progress delivery of the SHHWBH project	Partnership	Q2 26/27	TBC	Leader / Finance / Communities	Programme Delivery	Strategic Growth	
Spalding Reconnected	Implementation of recommendations from the Heritage Strategy for future funding opportunities.	Partnership	Ongoing	TBC	Housing, Wellbeing, Conservation, Tourism and Heritage	Economic Development	Culture and Regeneration	
Spalding Town Board	Ensuring continued partnership working and the development of an evidence base for further investment and ensuring readiness for future funding opportunities.	Partnership	Ongoing	TBC	Leader	Economic Development	Economic Development	
Holbeach FEZ	To continue to advance the delivery of the Holbeach FEZ, working with LCC, UoL and GLLEP.	Partnership	Ongoing	TBC	Leader	Economic Development	Strategic Growth	
SWRR	To continue to advance the delivery of the Spalding Western Relief Road, working in partnership with LCC	Partnership	Ongoing	TBC	Leader	Economic Development	Strategic Growth	
Spalding Gateway	Progress delivery of the Spalding Gateway allocated employment land, working with partners	Partnership	Ongoing	TBC	Leader	Economic Development	Strategic Growth	
Chequers Yard	Bring forward proposal for the delivery of the regeneration of the Chequers Yard, Holbeach	Partnership	Ongoing	TBC	Leader	Economic Development	Strategic Growth	

Local deliverables – South Holland (4 of 4)

South & East Lincolnshire Councils Partnership

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Project title	Purpose	Project type	Delivery by date	Saving (-) / cost (+)	Portfolio Holder	Directorate	Assistant Director	Tracking
Mobilisation of Spalding BID	Support in the mobilisation of Y1 of the Spalding BID, as a partner to the businesses involved	Partnership	Ongoing	TBC	Leader	Economic Development	Strategic Growth	
Local Plan*	Consideration of options for review of the South East Lincolnshire Local Plan *From 24/25 A&DP*	Legislative	Q4 25/26	£500k (subject to new NPPF, devolution etc)	Assets and Strategic Planning	Economic Development	Planning	

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APPENDIX 7

East Lindsey District Council Budget 2025-26

Consultation Report

Published

Introduction to this consultation

1. This report details the responses received for the Budget 2025/26 consultation undertaken between 5th December 2024 to 6th January 2025.

2. The exercise was performed to seek residents' views on the Council's Budget proposals for 2025/26.

Methodology

3. A media release was issued to local newspapers to promote the consultation and social media activity was ongoing throughout the consultation period.

4. A link to the electronic questionnaire was made available on the Council's website and in the e-Messenger. Paper copies of the questionnaire were available on request.

5. It should be noted that base data has been rounded to the nearest number (so may add up to between 99% and 101%).

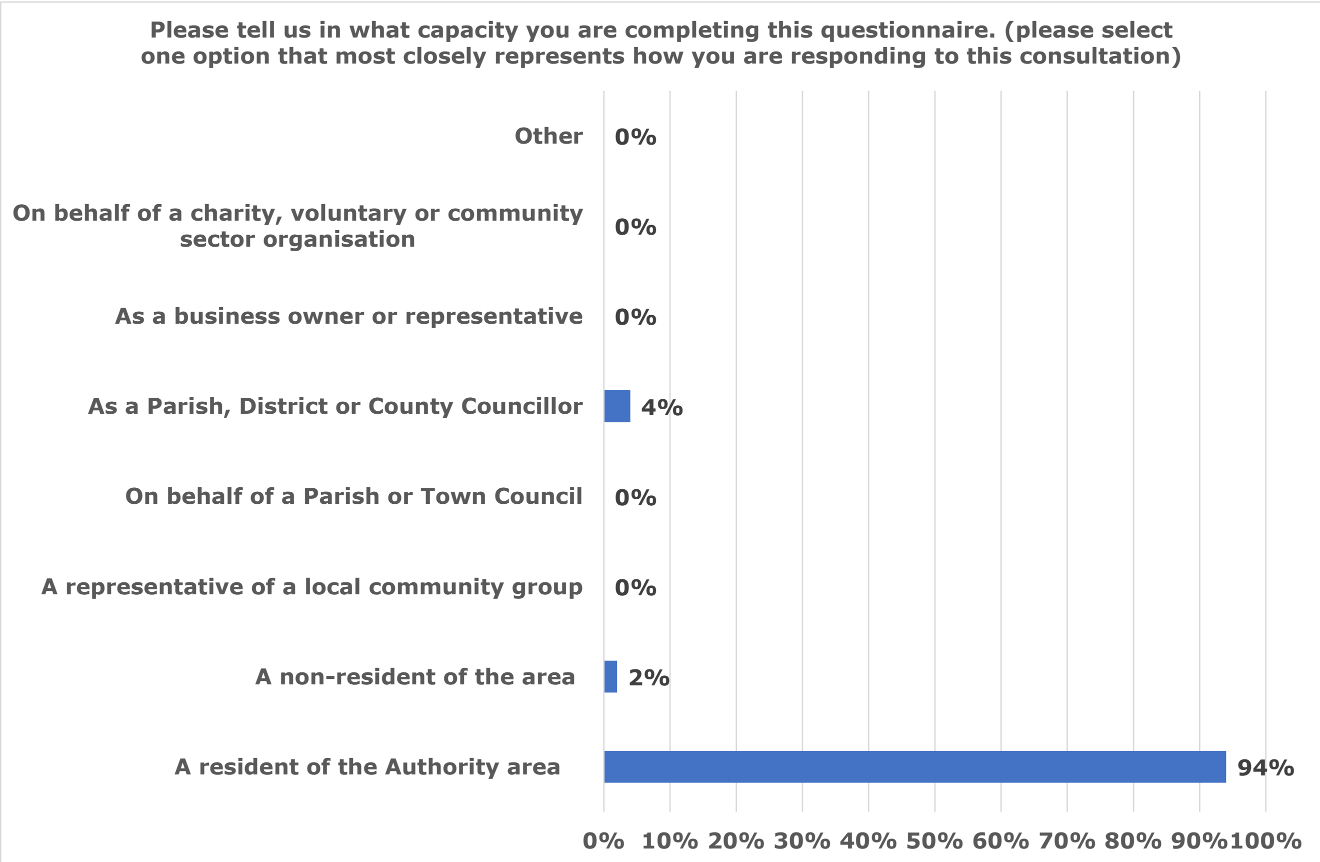
6. No comparisons have been made to the previous consultation exercise undertaken in 2023/24 as the questions in this survey were different.

Response Rate

7. 51 electronic responses were received; an increase of 14 responses when compared with the previous consultation exercise undertaken in 2023/24.

Results and Analysis

8. All respondents were asked in what capacity they had responded to the consultation. The chart below shows that the majority (94%) of all respondents responded as 'A resident in the Authority area'. It also shows that 4% responded as 'A Parish, District or County Councillor' and the remaining 2% responded to the consultation as 'A non-resident of the area'.



9. All respondents were advised that to deliver on the agreed priorities, both financial and non-financial; and to help direct and manage resources effectively and efficiently, the Council set an annual delivery plan (a link was provided to the current version on the partnership's website). They were then advised that following a period of high inflation and financial pressures that both residents and businesses were experiencing, the Council was looking to find different and innovative ways of working. All respondents were given the opportunity to state what changes they thought the Council could implement in order to support this. A number of suggestions were made such as reviewing the services the Council offered, exploring more funding opportunities, looking at new low risk ways of using reserves to generate revenue and increasing parking charges. A few respondents felt the Council should stop spending on vanity projects and another suggested that there should be a charge to use all toilets across the district and not just some toilets. There were two suggestions relating to roads which are not under the remit of the District Council but the County Council, and some negative comments

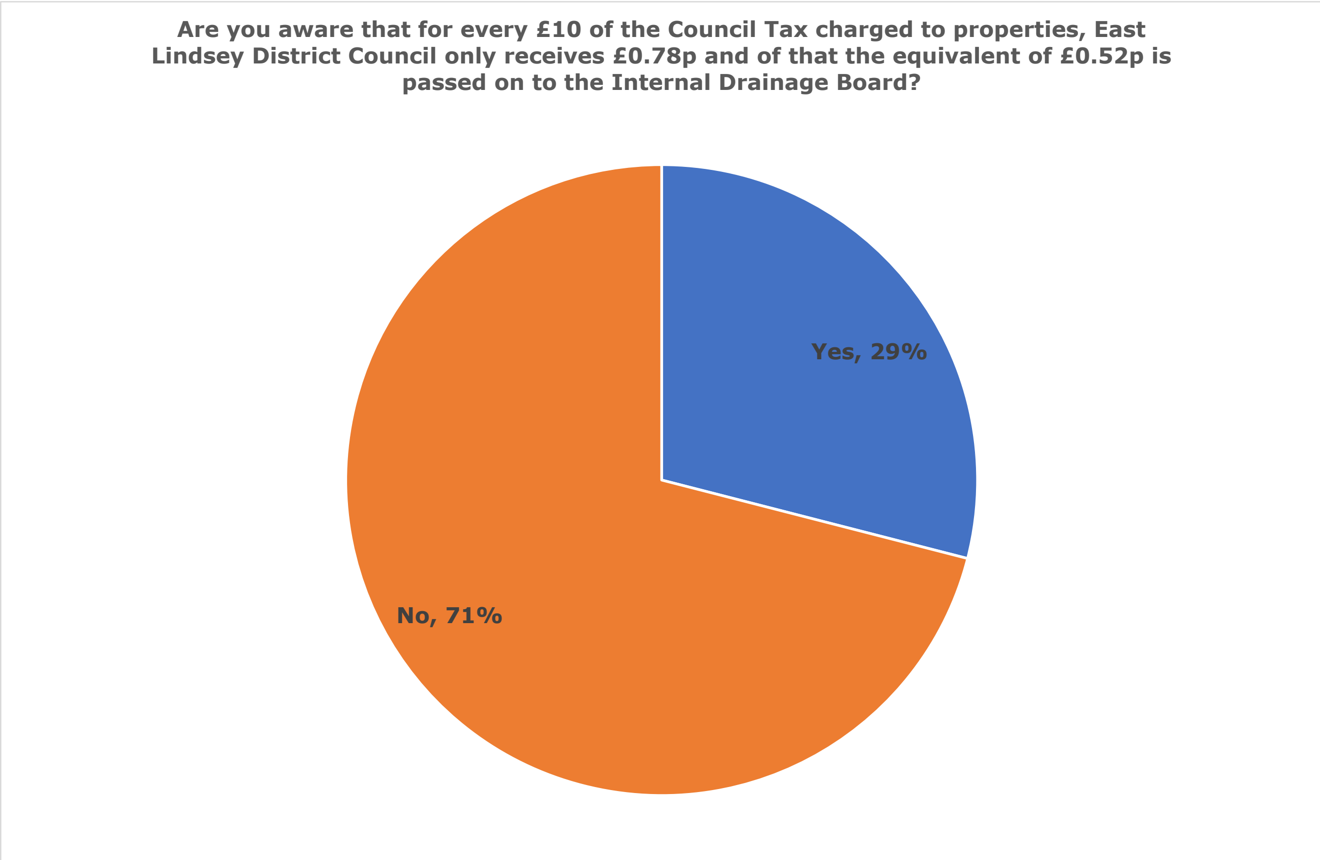
suggesting the Council should employ less staff and review pay structures. A full list of suggestions are included below.

- I think that the wages structure in the new partnership should be reviewed and those on the higher scales should get lower pay rises so that the staff in PSPS who get very little can have more - this would lead to less wasted time interviewing staff who leave due to the dismal pay
- Ensure there is a charge on all ELDC toilets, not just some. Keep it fair for all users.
- Less officer's as they seem to only do what they want and not what is needed by the residents
- Explore more funding from alternative funding pots and encourage local people to take more ownership on their area and make changes to improve the district.
- Look for new low risk ways of using reserves to generate revenue.
- Ring fence the amounts of money for specific work.ie roads
- Cut the bureaucracy! Too many paper pushers on high wages doing nothing, yet customer service is horrible, wasted money on parishes (for what??)- let each parish support itself. I pay for what??? Review your services- do you really need to offer what you do. Council Tax is far too high for nothing!!!
- Support merger into greater council / combine into one council.
- Less high paid executives who don't represent the community they are elected in
- Ask councillors to take a cut in their financial awards/pay
- Stop wasting money on vanity projects!
- Road maintenance
- Don’t waste on vanity projects
- Concentrate on the youth
- reduce staff, don't spend money on vanity projects, maybe not have Parish Councils
- Get people who are living in their caravans full time to pay Council Tax too.
- Continue as you are doing as far as possible, you do a good job
- charge caravans and holiday accommodation more to actually benefit local people with the burden of holiday makers /unlawful (non-contributing) residents
- Stop giving planning permission to people who never finish the house they are supposed to build. Leaving it like a dump, a large bird house with vermin coming and going.
- Increase parking charges. Drop some non-statutory duties. Look for engagement from the private sector. More efficient working practices and automation of tasks.
- Concentrate on a few core activities and offer quality provision on those. For example, a dog warden who works from home/office and can only act if she’s/he sees the dog in question, is not a lot of use.

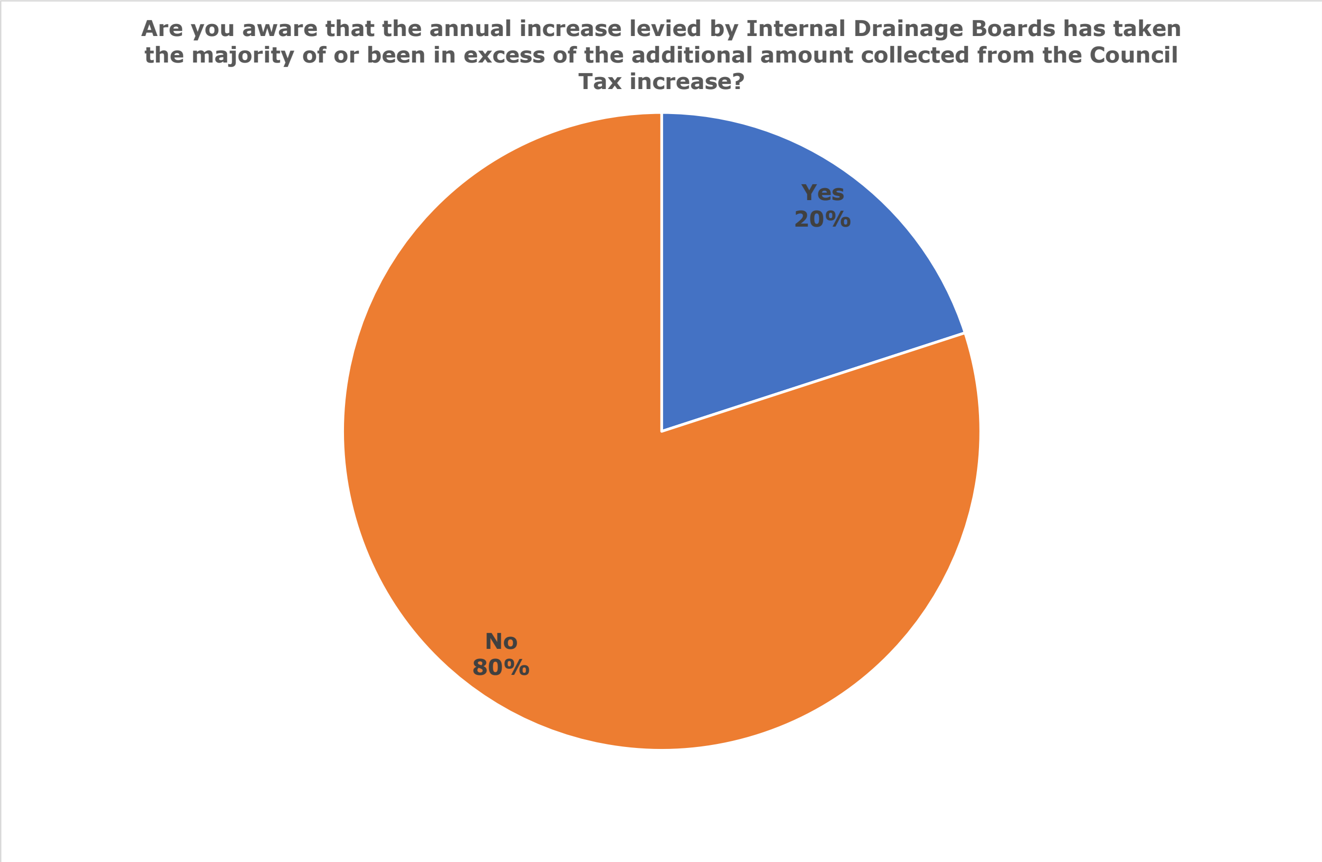
10. All respondents were informed that at times of high river and canal levels, pumping stations played a vital role in reducing the impact of flooding to homes, businesses, and farmland. Furthermore, these stations and some waterways were managed by public bodies called Internal Drainage Boards (IDBs). Like households and

businesses, the IDBs have seen their costs and utility bills increase significantly, with these expecting to rise more next year. This would mean that even less money may be available for services through the money collected from Council Tax.

All respondents were asked if they were aware that for the equivalent of every £10 of the Council Tax charged to properties, East Lindsey District Council only received £0.78p and of that the equivalent of £0.52p was passed on to the Internal Drainage Boards? The pie chart below shows that 29% of all respondents were aware that for every £10 of the Council Tax charged to properties, East Lindsey District Council only received £0.78p and of that the equivalent of £0.52p was passed on to the Internal Drainage Board, with the remaining 71% stating they were not aware.

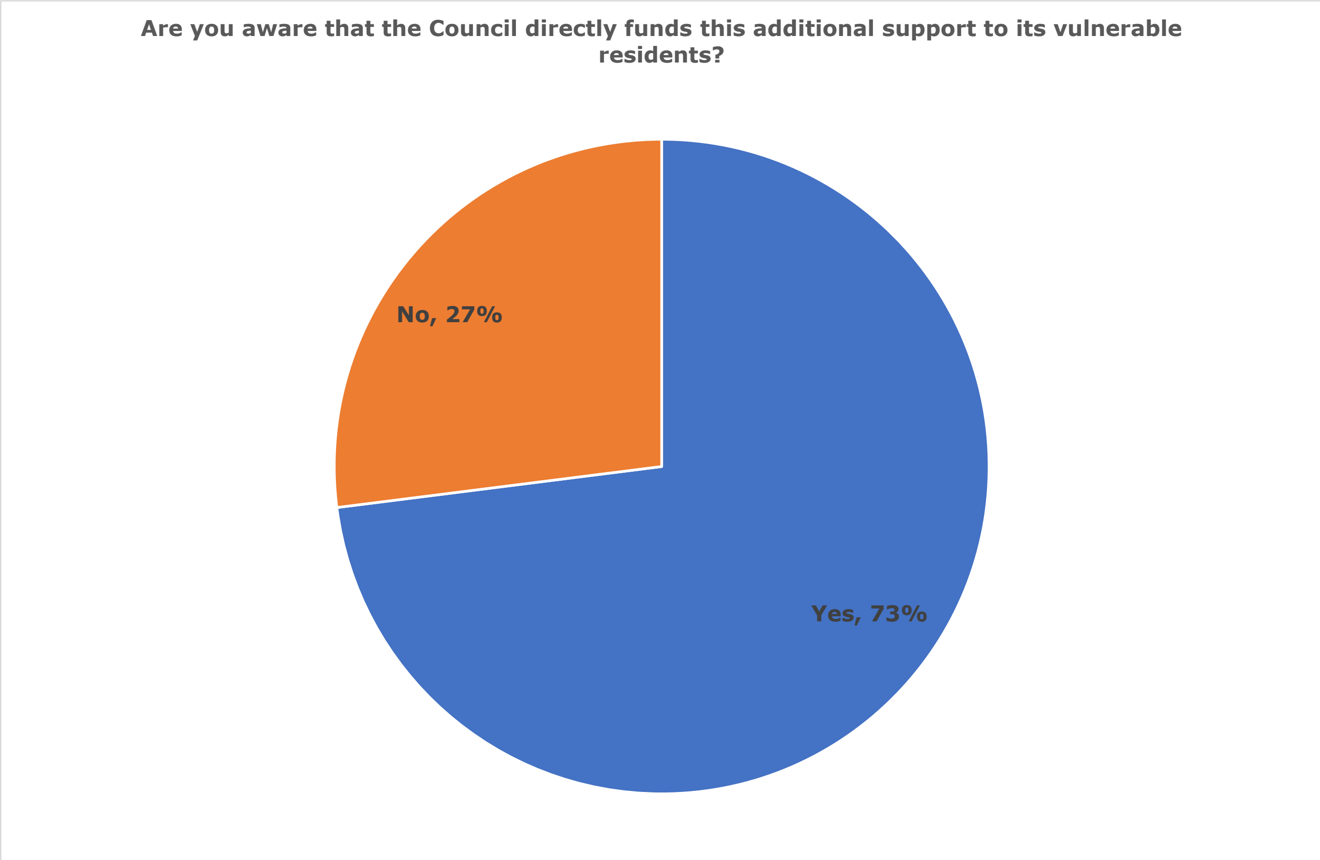


11. The pie chart below shows that 20% of all respondents were aware that the annual increase levied by Internal Drainage Boards had taken the majority of or been in excess of the additional amount collected from the Council Tax increase, with the remaining 80% stating they were not aware.



12. All respondents were advised that the Council Tax Support Scheme provided financial assistance through a reduction in Council Tax bills for households on a low income or receiving certain benefits. East Lindsey's scheme for working-age applicants was means-tested, with special consideration for vulnerable groups, including families with children, individuals with disabilities, and those with caring responsibilities. Additionally, the scheme protected War Disablement Pensioners, War Widows, War Widowers and Care Leavers. They were also advised that since 2013, the Council had offered a support scheme that covered up to 75% of Council Tax for working-age households on low incomes. Currently, the scheme supported around 11,900 households at a cost of approximately £11.4 million annually. A link to the Council Tax Support Scheme web page was provided, should respondents need more information.

    All respondents were then asked if they were aware that the Council directly funded the additional support to its vulnerable residents? The pie chart below shows that 73% of all respondents were aware that the Council directly funded the additional support to its vulnerable residents; with the remaining 27% stating that they were not aware.



13. All respondents were given the opportunity to make any comments. The majority of comments were about Council Tax Support; most respondents felt that families on low incomes and benefits were paid too much thus not encouraging them to be self-sufficient. A couple of respondents commented that there should be a reduction for pensioners, and another respondent felt that if there were good paid jobs available all year round then there would be no low incomes and people would be able to pay their own way. One respondent did not know what the Internal Drainage Board was, and a further respondent suggested there should be a public consultation on how the drainage board uses rate payers money, particularly as the vast majority of Council Tax is passed to them. A full list of comments are listed below.
    - How on one hand ELDC say that they are wanting to promote more events in the area but have now decided to close the toilets in tower gardens which is the event area for Skegness does not make sense please ELDC come clean and tell the truth to the residents what is going on
    - Whilst this is desirable everyone is feeling the financial pressures and the amount in total, allocated here needs to be kept the same in coming financial year
    - Council Tax should be based on both a flat rate and variable elements, where the variable elements relate fairly to the services used by those that use them, with on-going safeguards to guard against genuine hardship.
    - Do not feel that the large grants you have received could have been better spent i.e. bowling green's. received, should have been for better

- I would like to see transparency in all things the council and the inland drainage board do in. Future planned maintenance improvements and emergency repairs
- Too much money is paid out for "low" income families and those on benefits, yet you only offer a lousy 25% discount for single occupants who use far less services! Hardly fair!!! By offering to pay so much money on benefit recipients you do not encourage them to become more self-sufficient, especially for families who have loads of kids and use far more services. On balance the system is very unfair.
- If there was good paying all year-round work & descent educational prospects wouldn’t have low incomes & be able to pay their way.
- Council Tax should be zero for those on benefits that are unable to work
- A lot of these households don't need this support but prioritise their spending
- Never made aware. What is the criteria
- Stop building houses in Mablethorpe for immigrants and start looking after our pensioners who have paid into the system
- Lower the amount and make the tax lower fairness.
- I would be happy to pay more towards my Council Tax,
- The district attracts vulnerable/deprived people, this funding arrangement is trapped in a spiral of decline, change is needed
- Support the elderly and those who make the effort to work. Reduce the support for those who choose a benefits lifestyle rather than work.
- What is the Internal drainage board ?
- Perhaps a public consultation on how the drainage board is using our money might be useful, party as that is where the vast majority of our tax is being used. Or perhaps consider returning to the separation of ELDC and land drainage, so the public is more aware of how their money is being spent.
- There should be a reduction for pensioners

82. ANNUAL BUDGET REPORT 2025/26, MEDIUM TERM FINANCIAL STRATEGY AND CAPITAL PROGRAMME:

The Chairman welcomed Christine Marshall, Deputy Chief Executive (Corporate Development) and Section 151 Officer and Carl Holland, Head of Finance (Client), PSPS Limited to the Meeting.

The report highlighted to Members the final details of the 2025/26 budget, the 5-year Medium Term Financial Strategy (MTFS) from 2025/26 to 2029/30 and Capital Programme which included the recommended level of Council Tax for 2025/26 when considering budgetary pressures including that from the IDB levy, pages 1 to 52 of the Supplementary Agenda refer.

Members received a presentation that provided an overview of budget progress which included highlighting budget pressures, risks and considerations, improvements and further opportunities and a summary of the consultation response. A copy of the presentation is attached at Appendix A to the Minutes.

Members were invited to put their comments and questions forward.

- Councillor Craig Leyland as Leader of the Council and Portfolio Holder for Corporate Affairs advised Members that increasing uncertainty approached with future local government re-organisation and that he was satisfied that the Council were well prepared to deal with the challenges through a carefully considered budget proposal.
- The Chairman further commented that East Lindsey District Council was in a better position than many other Councils across the country. In response, the Section 151 Officer further supported that the Council's budget was in a good position for facing future challenges.
- A Member expressed concern about local government reorganisation and considered the measures that could be implemented to ensure that residents funds remained for the benefit of residents in East Lindsey and were not dispersed into other district areas.
- A Member expressed concern on increases in carparking fees. In response, the Section 151 Officer advised Members that Full Council had previously agreed RPI increases across all fees and charges and that costs were increasing for all services to keep in line with inflation.
- A Member further commented that increasing parking fees would not help struggling businesses especially those in rural market towns. In response, the Chairman highlighted that many businesses were facing difficult challenges with National Insurance Contribution and wage increases.

- A Member referred to public comments for Councillors to receive a reduction in their allowances.

- A Member queried the number of dog wardens in East Lindsey district and their ability to cover such a wide area. In response, Councillor Craig Leyland as Leader of the Council and Portfolio Holder for Corporate Affairs explained to Members that one dog warden was assigned to East Lindsey district and that there were three dog wardens across the Partnership who were supported by enforcement officers.

- Members commented on the negative impact on the Partnership of Councillors approving pay rises at Boston Borough Council. In, response, Councillor Craig Leyland as Leader of the Council and Portfolio Holder for Corporate Affairs advised Members that Councillor pay increases had been recommended by the Independent Remuneration Panel and had been considered at each respective Full Council.

- A Member commented on the lack of financial support for rural areas and queried whether the government was taking the issues into account. In response, the Section 151 Officer advised Members that funding modelling had shifted away from rural areas to areas that were in higher need and had higher levels of deprivation, however lobbying was being undertaken to increase support for rural services.

- The Chairman queried the opportunities available for becoming involved in lobbying for support. In response, the Section 151 Officer advised Members that the pathway for becoming involved was through the Local Government Association (LGA) and the Rural Services Network (RSN).

  Councillor Craig Leyland as Leader of the Council and Portfolio Holder for Corporate Affairs explained to Members that he was a Board Member on the District Councils Network and that lobbying for a rural voice was continuing and would consider the effects of local government reorganisation

- A Member commented that the report provided confidence in the financial competency of the Council and took the opportunity to complement the work of the Finance team.

- The Chairman advised Members of the Section 151 Officer's leaving date and provided thanks and appreciation for all her work over the past few years.

No further comments or questions were received.

The Chairman thanked Christine Marshall, Deputy Chief Executive (Corporate Development) and Section 151 Officer and Carl Holland, the Head of Finance (Client), PSPS Limited for attending the Meeting and for the extensive work going into the budget.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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