Laura Allen

01507 613471

laura.allen@e-lindsey.gov.uk

15 January 2026

To All Members of the Overview Committee,
Internal and External Circulation and Press

Dear Councillor,

Re: Overview Committee Agenda - Tuesday, 20th January, 2026

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

Agenda Item	5.	Annual Budget Report 2026/27 - Draft Budget and Medium-Term Financial Strategy (MTFS) 2026-27 to 2030-31: (Pages 1 - 14) To receive a report from the Director of Finance and Section 151 Officer.
Agenda Item	6.	Terms and Conditions alignment - next phase: (Pages 15 - 28) To receive a report.

Please accept my apologies for any inconvenience caused.

Yours sincerely,

Laura Allen

Democratic Services Officer

Encs

This page is left intentionally blank

East Lindsey DISTRICT COUNCIL

Report To:	Overview Committee
Date:	20th January 2026
Subject:	Draft Budget and Medium-Term Financial Strategy (MTFS) 2026/27 to 2030/31
Purpose:	To review this report and provide feedback to Executive Board on 19th February 2026 prior to the finalisation of the budget and MTFS for 2026/27 to 2030/31
Key Decision:	N/A
Portfolio Holder:	Councillor Thomas Kemp, Portfolio Holder Finance
Report Of:	Russell Stone, Director of Finance & Section 151 Officer
Report Author:	Russell Stone, Director of Finance & Section 151 Officer
Ward(s) Affected:	All
Exempt Report:	No

Summary

This report has been prepared to support the Overview Committee in its consideration of the Council's draft budget proposals for 2026/27 to 2030/31 summarising the current position, the process undertaken to reach it, and the next steps towards finalising the budget. The purpose is to provide Members with an overview of the key components of the draft budget, the statutory framework governing the budget-setting process, and the wider financial context within which these proposals have been developed.

Recommendations

It is recommended that the Draft Budget and Medium-Term Financial Strategy for the period 2026/27 to 2030/31 is scrutinised by the Overview Committee and feedback is provided to Executive Board on 19th February 2026.

Reasons for Recommendations

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

Other Options Considered

It is best practice to consult with the Overview Committee as part of the budget setting process.

1 Introduction

1.1 This report has been prepared to support the Committee in its consideration of the Council's draft budget proposals for 2026/27 to 2030/31 summarising the current position, the process undertaken to reach it, and the next steps towards finalising the budget. The purpose is to provide Members with an overview of the key components of the draft budget, the statutory framework governing the budget-setting process, and the wider financial context within which these proposals have been developed.

1.2 The 2026/27 budget has been developed against a backdrop of significant financial pressure and with a sustained period of funding uncertainty now being replaced with the most far-reaching set of changes the Local Government finance system has seen.

1.3 In addition, the combination of economic uncertainty, inflationary pressures and rising demand for Council services is increasing the pressures being felt on Council Services. Despite these challenges the approach adopted seeks to preserve the Council's sound financial position and take a considered approach to mitigating these exceptional circumstances. With the steps taken the draft budgets present a sustainable financial position which continues to focus on delivering services.

2 Provisional Local Government Finance Settlement (LGF) 2026/27

2.1 The Provisional Local Government Finance Settlement for 2026/27 was released on 17th December 2025 with further supporting information following.

2.2 The 2026/27 Settlement includes provisional allocations for 2027/28 and 2028/29 and as such delivers the first multi-year settlement in a decade.

2.3 The settlement reflects changes made through the 2024 Autumn Budget & Spending Review, 2025 Budget and 20 November 2025 Policy Statement which collectively results in an unprecedented level of change to the Local Government Finance system and significant added complexity.

2.4 Amongst other changes, the spending comparisons made by Ministry of Housing, Communities and Local Government (MHCLG) within the settlement have been assessed against values from 2024/25 and not 2025/26. Given the scale of change being experienced, the main areas of change within the settlement are set out below.

3 Summary of main changes within the LGF Settlement (Tables 1 and 2)

3.1 **Fair Funding Assessment** – MHCLG has published the provisional outcome of the Fair Funding Review which sets the new levels of funding for Local Authorities. The settlement suggests that the Fair Funding Assessment amounts also include Simpler Recycling new burdens (primarily food waste), but this is not itemised, and analysis suggests there is little additional funding that could account for this.

3.2 **Funding Floor** – MHCLG has decided to implement a 2-tier system of funding floors. This means that some Local Authorities will receive varying levels of funding protection depending on how far from the newly assessed level of funding they are. East Lindsey will receive 95% protection of income, as the Fair Funding Assessment reduction of more than 15% by 2028/29, is anticipated.

3.3 **Funding Floor Cost** – Nationally the transitional protection amounts (floor payments), are £146.9m, £352.7m and £567.5m for the three years 2026/27 to 2028/29. This means that the transition from current funding to new funding amounts is not achieved over the three-year period and there would remain a high degree of uncertainty beyond 2028/29 for those in receipt of material 2028/29 floor payments. Local Government Reorganisation (LGR) may reduce this burden for 2029/30 if funding amounts were recalculated on new authorities (by diluting eligibility). East Lindsey will receive £1.376m in 2027/28 and £2.932m in 2028/29 before reducing to Nil from 2029/30 onwards.

3.4 **Recovery grant** – The 2025/26 Recovery Grant continues at a national level and certain authorities will receive an increase, adding up to no more than £35 million over three years, to lift up their core spending power by 5%, 6% and 7% respectively in each year of the settlement (this approximates to 5% + 1% + 1% in most cases). East Lindsey will see their Recovery Grant remain flat at £586k per annum, the same as 2025/26.

3.5 **Council Tax** – The Council Tax referendum limit in 2026/27 is the higher of 3% or £5 for shire district councils.

3.6 **Business Rates Reset, Revaluation and Multiplier Reform** – the split of Fair Funding Assessment to Baseline Funding Level and Revenue Support Grant, and the new top-up and tariff amounts, reflects MHCLG's latest analysis on the impact of the business rates revaluation, business rates reset and introduction of new business rates multipliers. As a result of the reset of the Business Rates Retention System from 1 April 2026 as part of the Government's Fair Funding Review, the net Retained Business Rates income has reduced significantly from prior years. This is compensated by an increase in Revenue Support Grant which is shown in Table 1 and Table 2.

Consolidated Grants in Core Spending Power

3.7 Changes from previous years include 4 new consolidated grants, bringing together 16 funding streams over the multi-year Settlement, alongside grants that have been rolled into the Revenue Support Grant. Of these 4 grants, 2 are applicable to East Lindsey District Council – Homelessness, Rough Sleeping & Domestic Abuse Grant and the Crisis & Resilience Fund.

3.8 Homelessness, Rough Sleeping & Domestic Abuse Grant consolidates the Homelessness Prevention Grant, Rough Sleeping Prevention and Recovery Grant, Rough Sleeping Accommodation Programme & the Domestic Abuse grant. This has been incorporated into the core spending power.

3.9 The Crisis & Resilience Fund now includes the Discretionary Housing Fund.

4 Financial implications

4.1 Tables 1 and 2 show how the Settlement impacts the Councils funding position.

4.2 Table 1 seeks to demonstrate the shift to how the settlement assumes funding will change over the settlement period.

4.3 This includes a number of key factors, which includes:

- The transition from the current funding methodology into the new Fair Funding allocation.
- The rate at which it is assumed Council Tax will rise.
- The new consolidated Homelessness, Rough Sleeping and Domestic Abuse grant.
- The Transitional Protection arrangements effective in 2027/28 and 2028/29.
- The value of existing grants which are being 'rolled in' to the funding settlement, and
- The recovery grant, which the Council will continue to receive.

4.4 The table demonstrates a decrease in funding at a Core Spending Power level in 2026/27 that remains relatively flat through to 2028/29; however, it should be noted that this calculation includes assumed increases in Council Tax and Transitional Protection in 2027/28 and 2028/29 that drops out entirely from 2029/30.

4.5 The funding levels also reflects receipt of the 'ringfenced' and consolidated Homelessness grant.

4.6 Given the Council has, and continues to experience high levels of inflation, the reduction in grant funding means that spending power will diminish over time and the settlement presents a real-terms cut to funding.

4.7 The assumed increase in Council Tax is based on nationally applied assumptions and Table 2 sets out this calculation.

Table 1 - Core Spending Power Breakdown

Core Spending Power	2024-25	2025-26	Change		2026-27	Change		2027-28	Change		2028-29
	£ millions	£ millions	£ millions	%	£ millions	£ millions	%	£ millions	£ millions	%	£ millions
Legacy Funding Assessment	18.613	17.971	-17.971	-100.00%							
Fair Funding Allocation			16.798		16.798	-1.891	-11.30%	14.907	-1.984	-13.30%	12.922
Council tax requirement	7.867	8.262	0.39	4.70%	8.653	0.409	4.70%	9.062	0.428	4.70%	9.489
Homelessness, Rough Sleeping and Domestic Abuse	1.022	1.115	0.008	0.70%	1.123	0.039	3.40%	1.162	0.034	2.90%	1.195
Total Transitional Protections						1.376		1.376	1.557	113.20%	2.932
Grants rolled in to Revenue Support Grant	0.375	0.476	-0.476	-100.00%							
Recovery Grant		0.586			0.586			0.586			0.586
Core Spending Power total	**27.876**	**28.41**	**-1.25**	**-4.40%**	**27.16**	**-0.068**	**-0.30%**	**27.092**	**0.034**	**0.10%**	**27.126**
Core Spending Power year-on-year change (£ millions)		0.5			-1.2			-0.1			0.0
Core Spending Power year-on-year change (%)		1.9%			-4.4%			-0.3%			-0.1%

Table 2 - Council Tax Analysis

Council Tax	£ millions	Band D Equivalent	£	%		
Council Tax Requirement 2025/26	8.262				A	
2025/26 Council Tax Base for tax setting purposes		48,166.00			B	
2025/26 Band D			£171.54		**C**	**= A / B**
Assumed increase (3%, 5%, or £5 equivalent)			£5.15	3.00%	D	
CSP assumed 2026/27 Band D			£176.69		**E**	**= C x (1+D) OR C + D, as applicable)**
CSP Council Tax	8.653				F	
CSP assumed Council Tax Base		48,971.80			G	= F / E
CSP assumed increase in Council Tax Base for 2026/27		805.8		**1.70%**	**H**	**= G - B**
Council Tax Base October 2025		49,844.60			I	No adjustment for collection rate is included on CTB form
2025/26 Budgeted Collection Rate				98.29%	J	Preceptors shown as average of billing authorities'
Estimated Council Tax Base		48,992.20			K	= I x J
Estimated change in Council Tax Base (CTR 2025/26 to now)		**826.2**		**1.70%**		**= K - B**
Amount CTB Above / (Below) CSP Assumed Council Tax Base	**0.004**	**20.4**			**M**	**= L - H**

5 Budget 2026/27 and MTFS

Journey to Date

5.1 May – July 2025 - Budget process started with Budget Managers asked to undertake a forward look into the next financial year 2026/27 and estimate the revenue pressures and saving opportunities that would need to be considered for addition to the MTFS.

5.2 August 2025 - Star Chamber Meetings - A comprehensive review of both pressures and cost reductions were brought to the Star Chamber panels and collated for further SLT review. The review focused on assessing the structure, scale and purpose of budgets within service areas to evaluate benefits and resource use. It examined whether services are statutory or discretionary and their alignment to local priorities. The process identified emerging budget pressures, new opportunities, and evaluated how savings from service reviews contribute to the overall targets.

5.3 September onwards – Services reviewed and refined pressures and efficiency savings' proposals to be incorporated into the 2026/27 Budget and MTFS.

Items included within 2026/27 Budget and MTFS (Tables 5 and 6)

5.4 Pressures and Efficiencies as outlined in Tables 3 and 4.

5.5 **Pension Triennial Review -** As a result of the latest pension triennial review received in November 2025 covering 2026/27 to 2028/29, the primary rate has decreased from 23.8% to 18.4% resulting in a saving of (£774k) for 2026/27. Savings in future years are as follows: 2027/28 (£784k), 2028/29 (£764k), 2029/30 (£787k) and 2030/31 (£813k) and secondary contribution rates of £700k have reduced to £105k in 2026/27 with minor fluctuations in future years.

5.6 **Business Rates Renewable Energy –** Following the reform of Business Rates as outlined in paragraph 3.6 East Lindsey have been informed that they will retain those Renewable Energy business rates that have previously been received going forward. In 2026/27 the draft budget includes £6.111m for Business Rate linked to Renewable Energy.

5.7 **Internal Drainage Board Funding** - is assumed to continue throughout the MTFS at the 2025/26 level of £1.164m.

5.8 **Inflation -** 3.7% inflation has been built into the 2026/27 budget and 2.0% built in from 2027/28 to 2030/31.

5.9 **Fees and Charges** - 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 uncertainty around levels of government grant support and business rates income, it is proposed that the budget should apply 5% increases to all discretionary fees and charges on an annual basis where appropriate. Where income pressures have been identified, uplifts have not been applied.

5.10 **Pay Award -** Throughout the MTFS a 3.0% pay award has been assumed.

5.11 **Salary Efficiency -** A vacancy factor equivalent to 4% of the staffing budget has been included in each year. This equates to £700k in 2026/27.

5.12 **New Leisure Facility Contract –**effective from mid-year 2027/28 – indicative savings are assumed as follows: 2027/28 (£33k), 2028/29 (£940k), 2029/30 (£345k) and 2030/31 (£116k).

5.13 **Future Tax Base -** Estimated 1.5% annual growth in tax base.

5.14 The following information is required/being worked on to finalise the 2026/27 Budget and MTFS.

- NNDR 1 outstanding, due 31 January 2026 and associated assumptions.
- Final LGF Settlement information.
- Capital programme and reserves position.
- Revenue implications of capital projects.
- Impact of Food Waste and future funding opportunities.
- Finalisation of investment income and interest on borrowing.
- Fees and charges final review.
- PSPS Contract Price and Transformation Plan.

6 CONCLUSION AND RECOMMENDATION

6.1 This has been a challenging year for the Council and the LGF Settlement has not been brilliant for Local Government as a whole.

6.2 However, for East Lindsey District Council the 2026/27 Budget process was started early and a lot of progress has been made towards developing the draft budget.

6.3 Members of the Committee are asked to review this report and provide feedback to the Executive Board on the 19th February 2026 prior to the finalisation of the Budget and MTFS for 2026/27 to 2030/31.

Table 3- Pressures incorporated in the 2026/27 Budget and MTFS

	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
Pressures Included					
Corporate	104	115	112	124	128
Communities & Housing	8	8	8	9	9
Finance	2	8	2	9	2
General Fund Assets	160	70	0	0	0
Governance	33	40	46	53	53
Leisure & Local Services	86	83	0	0	0
Neighbourhoods	486	138	140	141	143
Planning & Strategic Infrastructure	281	44	38	38	38
Regulatory	10	10	10	10	10
Total	**1,170**	**516**	**356**	**384**	**384**

Table 4 – Savings incorporated in the 2026/27 Budget and MTFS

	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
Savings Included					
Corporate	(76)	(59)	(59)	(59)	(59)
Communities & Housing Services	(93)	(110)	(115)	(118)	(120)
Finance	(99)	(99)	(100)	(101)	(101)
General Fund Assets	(211)	(217)	(222)	(228)	(233)
Neighbourhoods	(521)	(531)	(543)	(553)	(559)
Planning & Strategic Infrastructure	(100)	(103)	(105)	(108)	(110)
Regulatory	(136)	(67)	(70)	(73)	(76)
Culture & Regeneration	(4)	(4)	(4)	(4)	(4)
Total	**(1,240)**	**(1,190)**	**(1,218)**	**(1,244)**	**(1,262)**

Table 5 – Medium Term Financial Strategy 2026 – 2031 By Account

Area	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000
Employee Related Expenditure	21,853	22,051	22,388	21,957	22,698	23,497
Premises Related Expenditure	3,770	3,623	3,568	3,506	3,529	3,552
Transport Related Expenditure	1,268	1,651	1,344	1,352	1,364	1,377
Supplies & Services	7,900	7,403	7,279	7,137	7,213	7,272
Drainage Board Levies	5,391	5,661	5,944	6,241	6,553	6,881
Third Party Payments	12,635	13,203	13,548	13,128	13,233	13,124
Transfer Payments	30,631	22,614	18,215	14,783	12,119	10,056
Depreciation and Impairment Losses	(834)	(834)	(834)	(834)	(834)	(834)
Income	(63,663)	(56,760)	(48,941)	(43,581)	(42,014)	(39,411)
Investment Income	(2,348)	(1,555)	(1,057)	(950)	(961)	(999)
Efficiencies Required	(2,296)	4,453	3,998	3,336	679	1,186
COUNCIL SUB-TOTAL	**14,307**	**21,510**	**25,452**	**26,075**	**23,579**	**25,701**
Direct Revenue Financing of Capital Expenditure	5,929	985	217	95	40	40
Capital Charges Contra Entry	11,598	10,639	6,446	3,959	4,061	2,531
Minimum Revenue Provision	396	626	1,476	1,845	1,988	2,102
Voluntary Revenue Provision	(396)	(626)	(1,450)	0	0	0
Statutory Override	200	0	0	0	0	0
Interest on borrowing	10	10	10	10	10	10
Contributions to/(from) Reserves	(431)	(504)	50	324	379	379
NET COST OF SERVICES	**31,613**	**32,640**	**32,201**	**32,308**	**30,057**	**30,763**
Financing						
Net Retained Business rates	(13,673)	(12,018)	(12,258)	(12,503)	(12,753)	(13,008)
Section 31 Grant	(7,795)	0	0	0	0	0
less Pooling Levy returned to LCC	1,355	0	0	0	0	0
NNDR share of Collection Fund (Surplus)/Deficit	173	(281)	0	0	0	0
Revenue Support Grant	(1,441)	(10,892)	(8,865)	(6,759)	(6,759)	(6,759)
New Homes Bonus Grant	(635)	0	0	0	0	0
Specific Grants	(1,251)	(586)	(1,962)	(3,518)	(586)	(586)
Share of C Tax Collection Fund (Surplus)/Deficit	(84)	(139)	0	0	0	0
Council Tax	(8,262)	(8,724)	(9,116)	(9,528)	(9,959)	(10,410)
FUNDING	**(31,613)**	**(32,640)**	**(32,201)**	**(32,308)**	**(30,057)**	**(30,763)**
TAX BASE	**48,166**	**49,379**	**50,120**	**50,871**	**51,635**	**52,409**
EAST LINDSEY BAND D COUNCIL TAX	**172**	**177**	**182**	**187**	**193**	**199**
Total Council Tax	**8,262**	**8,724**	**9,116**	**9,528**	**9,959**	**10,410**

Table 6 – Medium Term Financial Strategy 2026 – 2031 By Service

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Area	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Communities & Housing Services	763	2,238	1,944	1,695	1,781	1,868
Corporate	591	569	593	559	597	623
Culture & Regeneration	(1,837)	(3,850)	(930)	(618)	(685)	878
Finance	7,607	8,931	10,012	10,745	11,446	11,716
General Fund Assets	1,245	162	(228)	(663)	(997)	(1,348)
Governance	1,851	1,653	1,947	1,657	1,693	1,714
Leisure & Local Services	2,548	2,682	2,454	1,404	1,060	949
Neighbourhoods	6,924	5,535	6,534	6,675	6,775	6,859
Planning & Strategic Infrastructure	1,999	1,682	1,531	1,437	1,443	1,447
Regulatory	(2,828)	(186)	(44)	2,225	2,152	2,159
Strategic Growth & Development	(2,260)	(2,359)	(2,359)	(2,377)	(2,364)	(2,351)
Efficiencies Required	(2,296)	4,453	3,998	3,336	678	1,187
COUNCIL SUB-TOTAL	**14,307**	**21,510**	**25,452**	**26,075**	**23,579**	**25,701**
Direct Revenue Financing of Capital Expenditure	5,929	985	217	95	40	40
Capital Charges Contra Entry	11,598	10,639	6,446	3,959	4,061	2,531
Minimum Revenue Provision	396	626	1,476	1,845	1,988	2,102
Voluntary Revenue Provision	(396)	(626)	(1,450)	0	0	0
Statutory Override	200	0	0	0	0	0
Interest on borrowing	10	10	10	10	10	10
Contributions to Reserves	7,581	782	763	666	666	666
Contributions From Reserves	(8,012)	(1,286)	(713)	(342)	(287)	(287)
NET COST OF SERVICES	**31,613**	**32,640**	**32,201**	**32,308**	**30,057**	**30,763**
Financing						
Net Retained Business rates	(13,673)	(12,018)	(12,258)	(12,503)	(12,753)	(13,008)
Section 31 Grant	(7,795)	0	0	0	0	0
less Pooling Levy returned to LCC	1,355	0	0	0	0	0
NNDR share of Collection Fund (Deficit)/Surplus	173	(281)	0	0	0	0
Revenue Support Grant	(1,441)	(10,892)	(8,865)	(6,759)	(6,759)	(6,759)
New Homes Bonus Grant	(635)	0	0	0	0	0
Specific Grants	(1,251)	(586)	(1,960)	(3,518)	(587)	(586)
Share of C Tax Collection Fund (Deficit)/Surplus	(84)	(139)	0	0	0	0
Council Tax	(8,262)	(8,724)	(9,117)	(9,528)	(9,958)	(10,410)
FUNDING	**(31,613)**	**(32,640)**	**(32,200)**	**(32,308)**	**(30,057)**	**(30,763)**
TAX BASE	**48,166**	**49,379**	**50,120**	**50,871**	**51,635**	**52,409**
EAST LINDSEY BAND D COUNCIL TAX	**172**	**177**	**182**	**187**	**193**	**199**
Total Council Tax	**8,262**	**8,724**	**9,116**	**9,528**	**9,959**	**10,410**

Implications

South and East Lincolnshire Councils Partnership (SELCP)

This budget supports 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.

Workforce Capacity Implications

Contained within the budget that is being set.

Constitutional and Legal Implications

The draft budget 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 Wellbeing

None.

Climate Change and Environment Impact Assessment

None

Acronyms

MTFS – Medium Term Financial Strategy
LGF – Provisional Local Government Financial Settlement
MHCLG – Ministry of Housing, Communities and Local Government

Appendices

None

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

None

Report Approval	
Report author:	Russell Stone Director of Finance and Section 151 Officer Russell.Stone@sholland.gov.uk
Signed off by:	Russell Stone Director of Finance and Section 151 Officer Russell.Stone@sholland.gov.uk
Consultation complete:	Councillor Tom Kemp Portfolio Holder for Finance

This page is left intentionally blank

Report To:	Overview Committee
Date:	20 January 2026
Subject:	Terms and Conditions alignment – Next Phase.
Purpose:	To consult the Committee on the proposed alignment to policies prior to Council.
Key Decision:	N/a
Portfolio Holder:	Lead Councillor Craig Layland, Portfolio Holder
Report Of:	Aileen Whatmore, Head of HR & OD - PSPS
Report Author:	Angela Posey, HR Transformation Manager - PSPS
Ward(s) Affected:	N/a
Exempt Report:	No

Summary

In line with the South & East Lincolnshire Councils Partnership Business Case and Alignment and Delivery Plan, the Partnership Councils are undertaking a phased programme of work to align workforce terms and conditions of employment across Boston Borough Council, East Lindsey District Council and South Holland District Council.

Phase 1 has already been undertaken. To facilitate the alignment of the terms and conditions in Phase 2, there is the need for the Council to adopt a series of revised HR policies, as described in this report. Consultation with Unions and Colleagues would be undertaken if Council approval is confirmed.

Recommendations

- That the Overview Committee provides feedback on the proposals in this report to facilitate Phase 2 of alignment of terms and conditions of employment across the South & East Lincolnshire Councils Partnership Councils.

Reasons for Recommendations

- This would deliver on the commitment, where possible, of aligning terms and conditions of employment for the workforce across all three Councils.

Other Options Considered

- Do nothing – discounted as this would be contrary to commitments previously made by the Council.

1. Background

1.1 In May 2024, Boston Borough Council, East Lindsey District Council and South Holland District Council – the South & East Lincolnshire Councils Partnership – all agreed to take forward a phased programme of work to align employee terms and conditions of employment as far as possible.

1.2 This is something recognised as being important to the workforce, particularly given that many officers are shared between Councils.

1.3 Whilst a number of terms and conditions have now been aligned through the initial phase of work, this report brings forward further terms and conditions for alignment.

2. Report

2.1 Phase 2 of the alignment proposes changes to the following terms and conditions. If agreed by Council a 45-day period of consultation would be undertaken.

Those in grey in the table below are where there is no impact to ELDC colleagues as they are already aligned to the proposed term and condition. They have been included in this table for completeness.

2.2 .

Ref	Phase 2 Terms & Conditions	Current ELDC Policy position	Phase 2 Summary of changes proposed
1	**Overtime (worked over FTE hours)**	Over 37 hours - Monday to Saturday: 1.5 x hourly pay Sunday: 2 x hourly pay Bank Holiday: 2 x hourly pay plus a day off in lieu (or triple pay)	No change (In contracts no appendix)
2	**Car Loan/Purchase Assistance Policy**	Max loan for new car - £10597.00 Max loan for used car - 80% of car value to max £8795 No more than 20% of gross monthly pay Length of Loan - 4 years or expected life of car (whichever is shorter) or if age of car no more than 3 years - Max 5 years Interest charged 1.5% per annum on full amount of loan	• Set max price to reduce risk of debt to Council and to employee. Avg. second hand car is circa £16,780 – 80% - £13,424. New car price would also need to account for immediate depreciation from the forecourt, therefore apply 80% to new car price. Consider max amount of lending against salary level – max 20% gross monthly salary (ELDC). • Eligibility – for the purposes of supporting with work duties and commuting to work e.g. not a performance vehicle. • Interest rate to be a minimum of HMRC rate (otherwise is a taxable benefit and submission through P11D processing) • Length of Loan – 4 years max except in the case of cars not more than 3 years old at the date of purchase - max 5 years. (ELDC/SHDC).

			• Loans are not offered to employees within their probation period. • Repayment of loan required by last date of employment if employment ended (by either party) • Civil proceedings to apply should payment remain outstanding along with interest. • Application to be submitted in full to HR for due diligence on pay, Assistant Director to sign to approve, Finance to pay vendor and notify of the date payment will be BACS so employee can advise seller. • Option to transfer loan across the Partnership. (See Appendix A)
3	**Employer and Employee Notice Period**	One week (less than two years' service) One week for each year of cont. service (two years to 12 years' service) 12 weeks (12 weeks cont. service or more)	Align to BBC (Except Prob Period) • *Grade 1-3 = 1mth • Grade 4-5 = 2 mths • Grade 6-9 = 3 mths • AD, Directors/DCX = 4 mths • CEX = 6 mths Probation notice remains at one weeks' notice. This along with the below proposals to amend Senior management notice provisions are consistent with industry standards and ensures operational resilience. Employee notice period to be equivalent to Employer notice period. **Consideration would need to be given to the Council's own grading convention to be equivalent to role level.* To be amended in Contract template (there is no Policy to share with Committee)
4	**Redundancy**	ELDC - calculated by age and length of service and Uses a multiplier of x2 Capped at 60 weeks	No Change
5	**Pay Protection**	Year 1 = 100%, Year 2 = 100% Year 3 = 50%	No Change
6	**First Aid Payments**	ELDC - £10.61 per month	Align to BBC - £17.43 per month Increase annually in line with NJC awards (Paid as a fixed monthly payment - No Policy)

7	**Annual Leave**	Up to SCP 11: 24 days up to 5 years; 29 days 5+ years service; SCP 12-22: 25 days up to 5 yrs; 29 days after 5 yrs; SCP 23-35: 28 days up to 5 years 29 days 5-10 years; 31 days over 10 years. SCP 36-43: 31 Days rising to 34 after 10 years.	Align to BBC Standard Entitlement Year 1 - 29 Days Year 2 - 30 Days Year 3+ - 31 Days **Service Mgrs Entitlement no change (30 Days rising to 33 after 10 years) ***Consideration would need to be given to job titles so that notice is equivalent to role level.* To be amended in Contracts and Appendix of Time Off Policy only – no change to main body of Policy (Appendix B)
8	**Mobility Clause**	New Contract templates are updated and already aligned when issued for new employees, these set mobility as any location in SELCP partnership. Many employees have older contracts, with varying different mobility clause arrangements. "Your principal place of work will be [insert location and first line of address e.g. Municipal Buildings, Boston; Priory Road, Spalding or Horncastle Hub, Horncastle, Aura Business Centre, Skegness etc], or at such other place of employment in the service of the Council as reasonably required. The address of the Council is given above. Employees may be required to work, either temporarily or permanently, at any other location specified by the Council inclusive of all 'South & East Lincolnshire Partnership' locations which are within a reasonable distance (reasonable being determined solely by the Council) as the needs of the business reasonably requires. An employee's usual place of work may be changed on reasonable notice."	Change only to older contracts that have varying different mobility clause arrangements – standardised to new wording for all by issuing new contracts. To be amended in Contracts (no Policy Appendix)
9	**Injury Award Scheme**	All 3 Councils are aligned. However, the Councils use slightly different wording, so we are proposing we standardise the	No Change

		wording to match the current provision of the Green Book.	

2.3 To implement the aligned terms and conditions of employment, there is the need to make revisions / to HR policies at each Council. These will be common policies for all three Councils.

2.4 The cost associated with amendments to these terms and conditions is set out in the implications section of this report.

3. Conclusion

3.1. That to achieve alignment of workforce terms and conditions it is necessary to bring forward the proposals in this report. This is another positive step in the journey to align terms and conditions of employment Partnership-wide.

Expected Benefits to the Partnership

The alignment of workforce terms and conditions of employment is necessary to support the embedding of the Partnership, particularly as more teams come together in shared Partnership service structures.

Implications

South and East Lincolnshire Councils Partnership

As in 'Expected Benefits to the Partnership'

Corporate Priorities

This supports our ambition to continually be more Efficient and Effective.

Staffing

PSPS HR are supporting the Head of Paid Service and Assistant Director – Corporate in delivering the consultation and process to bring together terms and conditions of employment.

For staff directly, there will be a move to new terms and conditions of employment, but this should be positive for the workforce.

Workforce Capacity Implications

None

Constitutional and Legal Implications

None arising from this report as Council has previously approved the programme of work and delegated authority to the Head of Paid Service.

PSPS HR, as our Partnership's HR experts, are supporting this work and will take legal advice where required.

Data Protection

None

Financial

Term	ELDC £ Cost
TOTAL (Exc Allowances)	£ 47,142.72
First Aid Payments	£ 654.72
Annual Leave	£ 46,488.00

Risk Management

PSPS HR, as our Partnership's HR experts, are supporting this work and flag to the Head of Paid Service and Assistant Director – Corporate any emerging risks.

Stakeholder / Consultation / Timescales

Consultation will be undertaken with the workforce and Unions if Council agrees to proceed with the changes.

Senior Leadership Team, Portfolio Holders and the Partnership's Stakeholder Board have been consulted.

Reputation

None

Contracts

Revised terms and conditions of employment.

Crime and Disorder

None

Equality and Diversity / Human Rights / Safeguarding

Equality Impact Assessments will be undertaken where a need is identified.

Health and Wellbeing

The revised terms and conditions may have a positive impact on some colleagues' health and wellbeing.

Climate Change and Environmental Implications

None

Acronyms
HR – Human Resources
PSPS – Public Sector Partnership Services Ltd
SELCP – South & East Lincolnshire Partnership

Appendices

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

Appendix A	SELCP Vehicle Purchase Assistance Policy
Appendix B	SELCP Time Off Policy – Appendix only

Background Papers
None

Report Approval

Report author:	Angela Posey, HR Transformation Manager - PSPS
Signed off by:	Rob Barlow, Chief Executive / Head of Paid Service
Approved for publication:	Lead Councillor Craig Leyland, Portfolio Holder

Vehicle Purchase Assistance Policy

served by One Team

South & East Lincolnshire Councils Partnership

The Council recognises that its people are its greatest asset. To enable employees to deliver high-quality services and meet operational demands, we are committed to supporting safe, reliable, and responsible vehicle use for work and commuting purposes. This policy sets out our approach to assisting employees in acquiring and maintaining suitable vehicles, ensuring that access to vehicle loans is fair, equitable, and transparent.

Our approach balances the needs of employees with the Council's duty to manage financial and operational risks. The policy is fully compliant with equality and diversity standards, giving due care and consideration to individual circumstances while ensuring that vehicle provision aligns with the Council's business requirements.

Supporting employees with appropriate vehicle access is not only about enabling individual effectiveness, but also about strengthening organisational resilience and service continuity. This policy applies to all eligible employees and ensures fair, transparent access to vehicle support, balancing individual needs with those of the Council and offered to eligible employees as an alternative to the Councils salary sacrifice car scheme.

Policy	Vehicle Purchase Assistance Policy
Policy Author	HR Team – PSPS Limited
Policy Issue date	January 2026
Policy Review date	January 2030, or earlier if required
Policy Consultation	Trade Unions recognised by the Council Council Reader Panel Senior Leadership Team
Policy Sign-off	Head of Paid Service (at SHDC – in consultation with Portfolio Holder and PDP)

Vehicle Purchase Assistance Policy

Introduction

The Council recognises that its people are its greatest asset. To support the delivery of high-quality services and ensure operational continuity, this Vehicle Purchase Assistance Policy sets out the conditions under which employees may apply for financial support to purchase a suitable vehicle for work and commuting. It will promote responsible lending that minimises financial risk to both the Council and employees. The policy aims to provide fair access to loans for eligible employees, supporting operational needs while maintaining financial prudence.

Aim

The purpose of this policy is to ensure that vehicle loans are managed fairly, consistently, and in accordance with statutory and best practice standards. The policy aims to financially support employees in acquiring a suitable vehicle for work-related travel and commuting, while safeguarding the Council's financial interests and adhering to any prevalent regulations, including HMRC.

Scope

This policy applies to all employees of the Council, including those employed on fixed-term contracts, who require a vehicle for work duties and commuting. The policy does not apply to agency workers, self-employed contractors, or consultants. Cycles are not within the scope of this policy, but the council offer a separate provision under its salary sacrifice 'Cycle to Work' scheme.

Where it is possible, the Salary Sacrifice Car scheme may first be explored as a more viable financial option for vehicle purchase, prior to an application for a loan being made.

Eligibility

- Employees must have successfully completed their probation period.
- Fixed Term Contract employees will need to be within employment for the duration of the loan period, therefore the loan term should not exceed your contract end date.
- The vehicle must be the employee's primary mode of transport for work duties and/or commuting.
- Loans will not be granted for performance vehicles, performance motorcycles, or secondary vehicles.
- Vehicles must be purchased from a Motor Vehicle Retailer or Dealership registered under Companies House who accept BACs payment. Private sellers will not be permitted.
- Employees seeking alternative transport options may use the Cycle to Work Scheme.

Loan Amount and Financial Limits

Maximum Loan Value:

- For second-hand cars: 80% of the average market price (currently as at Oct '25 approx. £16,780), capped at £13,424. The Council will review the average market price annually on or around October, or if there is market conditions that indicate a need to review sooner e.g. shortage of new vehicles forcing an increase in demand for second hand cars shifting market price). Information on the updated Market evaluation will be published on employee FAQ.
- For new cars: 80% of the purchase price to account for immediate depreciation.

**as at October 2025*

Salary-Based Cap: Monthly Loan deductions must not exceed 20% of the employee's gross monthly salary.
Only one vehicle loan may be held at any time. Council will take into consider other salary commitments that the employee has, when looking at this application to support with responsible lending.

Any loan confirmed over the value of £10,000.00 may be taxable, which will be submitted by Payroll via a P11D.

Interest Rate

The interest rate will be set at a minimum of the HMRC official rate, as at the date of the loan issue. Should the initial interest rate fall below future HMRC annual rates, this would then become taxable via a P11D.

Loan Term

- Maximum loan term: **4 years**. Except for vehicles less than 3 years old at purchase: loan term can then be **up to 5 years.**
- Vehicle age is determined by Date of registration of the vehicle.

1. Responsibilities under this Policy

1.1. The Council

- Provide fair access to vehicle loans for eligible employees, supporting operational needs while maintaining financial prudence.
- Understand the requirements of the employee's application and provide responsible financial support, while safeguarding the Council's financial interests.
- Provide clear and transparent information to the employee throughout the application process.
- Inform and offer the employee alternative or more suitable solutions to lending where possible, e.g. Cycle to Work scheme, Salary Sacrifice Car Scheme etc.

1.2. Employees

- Provide accurate, timely, and transparent information for the application of the loan.
- Carefully consider the impact of repayments and current financial commitments alongside the loan period.
- Understand the limits of the Policy and commit to the requirements of the repayments.

- Understand that the spirit of the Policy is to provide financial support to employees who may not be able to obtain private or reputable financial borrowing.

1.3. Managers

- Support employees in understanding the policy and application process.
- Verify that the vehicle is required for work duties and/or commuting.
- Liaise with HR and Finance as needed.
- Signpost employees to alternative schemes where appropriate.

2. Conditions

2.1. Full loan repayment must be completed by the employee's last working day if employment ends for any reason. In situations of a termination the Council reserve the right to deduct remaining balance from any settlement payments made to employee.

2.2. Civil proceedings, including interest charges, will apply for any outstanding repayments, after the last date of employment with the lending Council

2.3. The loan liability is with the employees' employing Council.

2.4. Loans are transferable across the Partnership only with approval of the incoming Directorate.

2.5. Where an employee transfers to another Council **outside** the Partnership, the outstanding balance of the vehicle loan must be repaid in full on or before their last day of employment with the lending Council, regardless of whether continuous service is preserved for employment purposes. It does not extend to financial agreements such as vehicle loans, which remain the responsibility of the original employing Council.

2.6. Should the vehicle become unroadworthy, written off or unusable, the loan will continue to be payable in full to the Council.

2.7. Employees must maintain an appropriate level of vehicle insurance for the duration of the loan, and thereafter if you use the vehicle for work related duties.

2.8. Early repayment is permitted without penalty; employees may request an early repayment calculation.

2.9. Employee must provide a fully completed Application Form along with supporting documentation requested for supplier/vendor set up (please refer to the Application form for details).

2. Application Process

2.9. Employees must submit a fully completed application to HR for due diligence checks on pay, general income, and affordability.

2.10. Employees must declare all relevant information in full to the Council; failure to do so may delay the application and any false disclosure may be treated as a misconduct issue and dealt with under councils Disciplinary Procedure.

2.11. HR will confirm eligibility before proceeding to Assistant Director (AD) approval.

2.12. Approval must be signed by the relevant Assistant Director (AD) and 151.

2.13. Finance will pay the vendor directly and will require new vendors to be set up as a supplier and notify the employee of the BACS payment date so the employee can inform the seller and make arrangements to collect the vehicle, once the money has been received by the seller.

2.14. Only one loan application may be active at any one time.

2.15. Employees should typically allow 2 weeks for a vehicle loan application; and should apply with sufficient time. Applications may take longer if more information is required; absence of approving AD; delays in setting new suppliers up.

2.16. The Employee should not confirm a collection of the vehicle until a payment date to the seller has been confirmed.

2.17. When the application has been approved, and details of the loan finalised, you will be notified

of the loan amount and monthly deductions, in writing, which will need your signature as confirmation of the deductions, prior to the seller being paid.

3. Deductions

Loan payment Deductions will be made automatically from salary on a monthly basis. Deductions will start from the next payroll cycle after loan approval.
In case of resignation or termination:

- Outstanding balance becomes immediately payable.
- Company reserves the right to deduct from final settlement.

If an employee, due to reduction in salary (e.g. due to period of Parental leave or long-term sickness absence), cannot afford to cover the loan deductions, the Council will either reduce deductions or suspend deductions. On return to work, the Employee will receive an amended loan repayment schedule. Or the Employee may choose to settle or pay the Council directly, when salary deductions are not possible.

4. Decline following Application

4.9. If the loan is declined, the employee will receive the reason for this decision.

4.10. The decision on lending is solely at the discretion of the employing Council holding the liability, and to the incoming Council in the case where an employee may transfer within the Partnership.

4.11. There is no appeal procedure against the decline of the loan. Employees may reapply after six months or if their circumstances change.

5. Data Protection

The Council processes personal data in accordance with its Data Protection policy. Data collected is held securely and accessed by, and disclosed to, individuals only for the purposes of managing the car loan process effectively. Inappropriate access or disclosure of applicant data constitutes a data breach and should be reported in accordance with the Council's Data Protection policy immediately.

6. Review and Amendments

This Policy is non contractual and may be reviewed, amended or withdrawn at any time the Council feels is necessary.

This page is left intentionally blank

SELCP Time Off Policy Appendix

Appendix 1 – Annual Leave Entitlements

SELCP Annual Leave Entitlement			
Years of Service	Entitlement Days (Excluding Bank Holidays)	Entitlement in Hours (Excluding Bank Holidays)	Entitlement in Hours (Including Bank Holidays)
Year 1	29	214.6	273.8
Year 2	30	222	281.2
Year 3+	31	229.4	288.6

SELCP Service Managers Annual Leave Entitlement		
	Service under 10 years	Service 10 years and over
Service Managers	30	33
Assistant Directors	30	33
Chief Officers (DCX)	33	36
Chief Officers (CEX)	34	37

This page is left intentionally blank