East Lindsey District Council

served by One Team

South & East Lincolnshire Councils Partnership

Overview Committee
20th January 2026

LGC Awards 2022 WINNER

2026/27 Budget

Agenda

- Role of Overview and Scrutiny
- Recap
  - Starting point & process
- Provisional Finance Settlement
  - Significant changes
- Pressures & Savings / Efficiencies
- Draft Budget position
- Consideration
- Timeline

Role of Overview and Scrutiny

- A key role in developing and shaping the budget
  - Review / challenge of the draft budgets
  - Providing an alternative perspective
  - Bringing new ideas

Journey to Date

- May - Budget process started.
- Initial efficiencies required for 2026/27
  - £3.771m (as per 2025/26 Budget Report)
- May- July 2025 – Services reviewed their Budgets:
  - Cost Pressures
  - Efficiencies
- August 2025 - Star Chamber Meetings
- September onwards – Services reviewing pressures and efficiency savings' proposals
- November – December 2025 – verify proposals

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

- Majority released 17 December 2025.
- Includes illustrative figures to 2028/29
- Spending changes assessed against 2024/25
- More complicated
  - Lots of changes
  - Reflects the 2024 Autumn Budget & Spending Review, 2025 Budget and 20 November Policy Statement

Main Headlines

- **Fair Funding Review** – implemented
- **Core spending power** – includes Council Tax & rolled in grants
- **Business rates**
  - Full reset / redistribution of Growth,
  - Full revaluation of all property rates
  - Move to 5 multipliers (from 2)
  - Change to funding based on Gross rates payable
  - Pooling to cease for 2026/27
- **Council Tax** – referendum principles remain
- **Funding floor** – Two tier system – cash flat or -5%
  - Funding Floor Cost – could be an issue beyond 2028
- **Recovery grant** – the 2025/26 Recovery Grant will continue.
- **Homelessness, Rough Sleeping and Domestic Abuse grant**
  - Ringfenced & consolidated into settlement

ELDC - 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%

Summary of Budget Pressures

	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**

- Waste and transition to Food waste (inc. extended warranties) - £435k
- Establishment costs (temp) - £344k
- Various ITC costs - £96k
- Grounds Maintenance - Colonnade - £51k

Summary of Efficiency Proposals

	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)**

- Green Waste Income - £166k
- Planning & Building Control income – £139k
- Car Parking Income - £164k
- Finance (various) - £99k
- Building control Safety Levy - £71k
- ICT – Various - £59k

Provisional Draft Budget By Account

Area	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Employee Related Expenditure	21,853	22,051	22,388	21,957
Premises Related Expenditure	3,770	3,623	3,568	3,506
Transport Related Expenditure	1,268	1,651	1,344	1,352
Supplies & Services	7,900	7,403	7,278	7,137
Drainage Board Levies	5,391	5,661	5,944	6,241
Third Party Payments	12,635	13,203	13,548	13,128
Transfer Payments	30,631	22,614	18,215	14,783
Depreciation and Impairment Losses	(834)	(834)	(834)	(834)
Income	(63,663)	(56,760)	(48,941)	(43,581)
Investment Income	(2,348)	(1,555)	(1,057)	(950)
Efficiencies Required	**(2,296)**	**4,453**	**3,998**	**3,336**
COUNCIL SUB-TOTAL	**14,307**	**21,510**	**25,451**	**26,075**
Direct Revenue Financing of Capital Expenditure	5,929	985	217	95
Capital Charges Contra Entry	11,598	10,639	6,446	3,959
Minimum Revenue Provision	396	626	1,476	1,845
Voluntary Revenue Provision	(396)	(626)	(1,450)	0
Statutory Override	200	0	0	0
Interest on borrowing	10	10	10	10
Contributions to/(from) Reserves	(431)	(504)	50	324
NET COST OF SERVICES	**31,613**	**32,640**	**32,200**	**32,308**

Provisional Draft Budget By Account

Area	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Financing				
Net Retained Business rates	(13,673)	(12,018)	(12,258)	(12,503)
Section 31 Grant	(7,795)	0	0	0
less Pooling Levy returned to LCC	1,355	0	0	0
NNDR share of Collection Fund (Surplus)/Deficit	173	(281)	0	0
Revenue Support Grant	(1,441)	(10,892)	(8,865)	(6,759)
New Homes Bonus Grant	(635)	0	0	0
Specific Grants	(1,251)	(586)	(1,962)	(3,518)
Share of C Tax Collection Fund (Surplus)/Deficit	(84)	(139)	0	0
Council Tax	(8,262)	(8,724)	(9,116)	(9,528)
FUNDING	**(31,613)**	**(32,640)**	**(32,201)**	**(32,308)**
TAX BASE	**48,166**	**49,379**	**50,120**	**50,871**
EAST LINDSEY BAND D COUNCIL TAX	**172**	**177**	**182**	**187**
Total Council Tax	**8,262**	**8,724**	**9,116**	**9,528**

Key Dates 2026/27

- 19th February 2026 – Executive Board Meeting – Recommend Budget to Council

- 4th March 2026 – Full Council – Agree Budget and Set Council Tax

Consideration

Would the Panel want Cabinet to consider:

- Adding any additional items into the budget?

or

- Items to reduce costs or generate income?

Questions