

## **CABINET**

<b>DATE</b>	16/02/2022
<b>REPORT OF</b>	Councillor Stan Shreeve, Deputy Leader and Portfolio Holder for Finance, Resources and Assets
<b>RESPONSIBLE OFFICER</b>	Sharon Wroot, Executive Director – Environment, Economy and Resources
<b>SUBJECT</b>	Budget and Medium Term Financial Plan 2022/23 – 2024/25
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	CB02/22/03

### **CONTRIBUTION TO OUR AIMS**

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

### **EXECUTIVE SUMMARY**

The Finance and Commissioning Report outlines how the Council plans to deliver its agreed financial strategy over the coming three-year period. The document focuses on the delivery of core services at a time of continued uncertainty and outlines how we are investing for the future.

### **RECOMMENDATIONS**

That Cabinet recommends to Full Council:

1. Approval of the 2022/23 Budget and summary 2022/23 – 2024/25 Medium Term Financial Plan ('MTFP') contained within Appendix 1.
2. Approval of the proposed 1.98% increase in Council Tax.
3. Approval of the proposed 1% Adult Social Care precept in 2022/23
4. Approval of the Commissioning plans contained within Appendix 1 (Annex 1).
5. Approval of the Capital Investment Strategy included within Appendix 1 (Annex 3).
6. Approval of the 2022/23 - 2024/25 Capital Programme set out in Appendix 1 (Annex 2).
7. Approval of Flexible Use of Capital Receipts Policy included within Appendix 1 (Annex 7).
8. To note the uncertainty relating to the impact of COVID-19 and other significant external factors and requests the Executive Director for Environment, Economy and Resources to update Cabinet within quarterly monitoring reports.

## **REASONS FOR DECISION**

The Council must determine how it is to operate within the forecast financial resources over the medium term. To comply with its legal obligations, the Council must set a balanced budget for 2022/23 and provide a realistic financial forecast for the medium-term financial planning period.

### **1. BACKGROUND AND ISSUES**

- 1.1. This Budget, Finance and Commissioning Plan outlines how the Council will support the delivery of its strategic outcomes and priorities over the coming three years. It is acknowledged there are a number of significant uncertainties at present and as a consequence this plan will need to be subject to regular review and update throughout the period.
- 1.2. The Local Government Financial Settlement has provided the Council with a real terms increase in funding of 4%, taking into account additional tax raising powers. Specifically, the settlement incorporates a council tax referendum limit of 2% and the flexibility to apply a further 1% Social Care Precept to meet extra cost and demand-led pressures next year and keep providing services at pre-pandemic levels. Since the settlement was announced, the Government announced that residents living in properties in council tax bands A to D will receive a £150 payment to help alleviate the cost-of-living crisis.
- 1.3. As in 2021/22, the settlement only covers a single year with longer term changes to the local government financial model, including fair funding and business rate retention, being postponed. We are hopeful that funding reforms aligned to the Levelling up agenda will enable the Government to set out a multi-year settlement for local government next year. This will provide the Council with the certainty and freedoms necessary to effectively manage and plan its services at the same time as delivering high quality local services for our communities. At present we are modelling financial gaps in both 2023/24 and 2024/25 but the scale of the challenge will only be fully understood once the changes to the funding model have been announced. In the event these gaps cannot be closed more significant, top-down commissioning decisions and spending controls would need to be brought forward.
- 1.4. The plan itself is set within the context of significant change and challenge for the organisation. There are a wide range of issues, both local and national, which have been considered when developing the plan. Key issues include the continued and longer-term impacts of COVID 19, wider health and social care reform, demographic pressures on social care demand and the specific challenges currently faced within Children's Services.
- 1.5. In light of the above, the additional resources made available to the Council through the Local Government Financial settlement have been clearly aligned to the specific challenges being faced at present. In particular, social care demand remains a significant risk to the Council and the effective management and mitigation of those will be crucial to our future

## financial sustainability

- 1.6. The commissioning plans within this budget reflect the continued focus on transformation and change, designed to look at different ways of responding to demand. Historical short-term funding has not been an effective way of dealing with rising numbers, and it is imperative that these programmes continue, if we are to improve outcomes for those in the most vulnerable categories.
- 1.7. The Council has a responsibility to ensure it can respond quickly to risk and uncertainty and does so by holding a range of reserves specifically for that purpose. As can be seen in the detail of the plan, reserves have fallen consistently over the last few years as earmarked reserves have been utilised. The current level of reserves and continued uncertainty necessitates a review of the level of reserves to ensure the Council has sufficient capacity to deal with the risks and opportunities it currently faces. It is important to note that this level of uncertainty is likely to remain for some time, including the medium to long-term impact of the pandemic. Planned contributions to reserves in year of £1.8 Million are required to support the significant transformation and change agenda outlined in the commissioning plans, examples of costs which could be met from the reserve are additional capacity to support major programmes, pension strain and redundancy costs associated with change programmes, one off investment to support a business case. Such reserves ensure that service budgets are not further constrained by having to meet these costs directly.
- 1.8. Through the Capital Investment programme, the Council is continuing to take a more commercial approach and investments are anticipated to make a significant contribution to the Council's strategic objective of enabling the growth of a strong and sustainable local economy. The cleaner and greener agenda remains a key Council priority, alongside continued support to the renewables sector and the area's overall carbon footprint. The Council is working alongside Government and major private investors to accelerate economic and housing growth across the Borough. Major projects within the Port of Immingham, Stallingborough Enterprise Zone and in the Town Centres are underway and factored into the Council's capital investment programme. The recent announcement of the Humber Freeport will help to facilitate and support the positive work already progressed.
- 1.9. The Council will need to continue to invest in the growth and transformation of the Borough, building on successes to date by taking advantage of opportunities to bid for external funding, as well as investing directly, and working in partnership with the private sector to realise its growth ambitions.
- 1.10. Despite the current challenges, the Council's long term financial strategy remains focused on the achievement of financial sustainability by embracing the area's economic potential and growing the local tax base. This will ensure that the Council can recover from COVID 19, become financially resilient and ultimately generate the resources necessary to maintain and reinvest in quality public services.

## **2. RISKS AND OPPORTUNITIES**

- 2.1 The budget planning approach considers the most likely financial scenario faced by the Council over the next three financial years. External economic factors linked to COVID 19, demographics and potential changes in local government funding bring significant uncertainty and therefore risk into the financial planning process.
- 2.2 However the Council must avoid non-compliance with its fiduciary responsibilities to set a robust, balanced budget, maintain appropriate levels of reserves and secure value for money in service delivery.
- 2.3 In establishing the budget the Council needs to take account of its regulatory and legal requirements in relation to Equalities, Environmental Issues and Data Protection.
- 2.4 The budget consultation arrangements form part of the process of identifying and capturing legal and regulatory issues. Individual impact assessments will be undertaken for budget proposals.

## **3. OTHER OPTIONS CONSIDERED**

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

## **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

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

## **5. FINANCIAL CONSIDERATIONS**

- 5.1 As set out in the report

## **6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS**

- 6.1. The report provides details of the resources allocated towards Children and Young people across a range of Council services.

## **7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

- 7.1 Ultimately all resourcing decisions taken by the Council impact upon the environment. For this reason, the Council must take climate change and environmental issues into account in the establishment of its financial plans.
- 7.2 The Council's budget process looks towards consuming resources more efficiently, eliminating waste and supporting and developing the green

economy and infrastructure. This includes recognising and realising the economic and social benefits of a high-quality environment. By working towards a low carbon economy, the area will be prepared for, and resilient to, the impacts of climate change.

- 7.3 Budget consultation arrangements form part of the process of identifying and capturing environmental implications. Environmental impact assessments will be undertaken for individual budget proposals.

## **8. CONSULTATION WITH SCRUTINY**

- 8.1 The budget approach and draft proposals were shared with members for consultation during December 2021.
- 8.2 Following confirmation of the draft Local Government financial settlement in December 2021, the medium-term financial plan has been updated. This Budget, Finance and Commissioning Plan and supporting annexes were referred to Scrutiny and for public consultation in January 2022. The final budget is subject to Cabinet and Council approval in February 2022.

## **9. FINANCIAL IMPLICATIONS**

- 9.1 As set out in the report

## **10. LEGAL IMPLICATIONS**

- 10.1 The Council must set a balanced budget at the start of every year for the coming financial year. It is unlawful for the Council to spend more money than it has available. Section 114(3) of the Local Government Finance Act 1988 explains the consequences if it appears that the Council's expenditure in any particular financial year will exceed available resources.
- 10.2 The Council is under a number of duties in connection with how it carries out its functions which have to be balanced. These include the following duties of particular relevance to this report:
- The fiduciary duty to establish and maintain a balanced budget;
  - The duty for continuous improvement in the delivery of its functions having regard to strategic effectiveness, service quality and availability, fairness, sustainability, efficiency and innovation; and
  - The duty when making decisions to have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics.
- 10.3 The above report contains authoritative advice and guidance from s151 officer. Members are required to have regard to this advice when making their decisions.

## **11. HUMAN RESOURCES IMPLICATIONS**

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

## **12. WARD IMPLICATIONS**

- 12.1 All wards affected

## **13. BACKGROUND PAPERS**

- 13.1 Draft Finance and Commissioning Plan 2021/22 – 2023/24  
<https://democracy.nelincs.gov.uk/wp-content/uploads/2020/06/5.-Budget-Finance-and-Commissioning-Plan-2021-22-2023-24-1.pdf>

- 13.2 Financial Strategy 2020-2030

<https://www.nelincs.gov.uk/your-council/finances-spending-and-contracts/budgets-and-finance-strategy/>

## **14. CONTACT OFFICER(S)**

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**COUNCILLOR STAN SHREEVE**

**DEPUTY LEADER AND PORTFOLIO HOLDER FOR FINANCE,  
RESOURCES AND ASSETS**

# Budget, Finance and Commissioning Plan

2022/23 – 2024/25



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# Overview

This Budget, Finance and Commissioning Plan outlines how the Council will support the delivery of its strategic outcomes and priorities over the coming three years. It is acknowledged there are a number of significant uncertainties at present and as a consequence this plan will need to be subject to regular review and update throughout the period.

The Local Government Financial Settlement has provided the Council with a real terms increase in funding of 4%, taking into account additional tax raising powers. Specifically, the settlement incorporates a council tax referendum limit of 2% and the flexibility to apply a further 1% Social Care Precept to meet extra cost and demand-led pressures next year and keep providing services at pre-pandemic levels. Since the settlement was announced, the Government announced that residents living in properties in council tax bands A to D will receive a £150 payment to help alleviate the cost-of-living crisis.

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The plan itself is set within the context of significant change and challenge for the organisation. There are a wide range of issues, both local and national, which have been taken into account when developing the plan. Key issues include the continued and longer-term impacts of COVID 19, wider health and social care reform, demographic pressures on social care demand and the specific challenges currently faced within Children's Services.

In light of the above, the additional resources made available to the Council through the Local Government Financial settlement have been clearly aligned to the specific challenges being faced at present. In particular, social care demand remains a significant risk to the Council and the effective management and mitigation will be crucial to our future financial sustainability

## **Overview (continued)**

The commissioning plans within this budget reflect the continued focus on transformation and change, designed to look at different ways of responding to demand. Historical short-term funding has not been an effective way of dealing with rising numbers, and it is imperative that these programmes continue, if we are to improve outcomes for those in the most vulnerable categories.

The Council has a responsibility to ensure it can respond quickly to risk and uncertainty and does so by holding a range of reserves specifically for that purpose. As can be seen in the detail of the plan, reserves have fallen consistently over the last few years as earmarked reserves have been utilised. The current level of reserves and continued uncertainty necessitates a review of the level of reserves to ensure the Council has sufficient capacity to deal with the risks and opportunities it currently faces. It is important to note that this level of uncertainty is likely to remain for some time including the medium to long-term impact of the pandemic. Planned gross contributions to reserves in year of £2.0 Million are required to support the significant transformation and change agenda outlined in the commissioning plans, examples of costs which could be met from the reserve are additional capacity to support major programmes, pension strain and redundancy costs associated with change programmes, one off investment to support a business case. Such reserves ensure that service budgets are not further constrained by having to meet these costs directly

Through the Capital Investment programme, the Council is continuing to take a more commercial approach and investments are anticipated to make a significant contribution to the Council's strategic objective of enabling the growth of a strong and sustainable local economy. The cleaner and greener agenda remains a key Council priority, alongside continued support to the renewables sector and the area's overall carbon footprint. The Council is working alongside Government and major private investors to accelerate economic and housing growth across the Borough. Major projects within the Port of Immingham, Stallingborough Enterprise Zone and in the Town Centres are underway and factored into the Council's capital investment programme. The recent announcement of the Humber Freeport will help to facilitate and support the positive work already progressed.

Despite the current challenges, the Council's long term financial strategy remains focused on the achievement of financial sustainability by embracing the area's economic potential and growing the local tax base. This will ensure that the Council can recover from COVID 19, become financially resilient and ultimately generate the resources necessary to maintain and reinvest in quality public services.

**Sharon Wroot, Executive Director for Environment, Economy and Resources**

# Context

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



# **Introduction**

On 27 October 2021, the Government announced the outcome of Spending Review 2021. The Spending Review and settlement has again been drawn up in unique circumstances with the continuation of the COVID 19 pandemic. The Government continues to support councils in recovering from the impact of the pandemic, whilst also moving focus to the ambition to level up and reduce regional inequality.

Government plans to revisit the priorities for reform of the local government finance system over the coming year, taking account of wider work on the future of the business rates tax and the Social Care system and the levelling up agenda. We are expecting decisions will be taken in the context of next year's Spending Review, In the meantime, there will be no reset of accumulated business rates growth in 2022/23.

The Government's Budget and Provisional Local Government Finance Settlement announced in December 2021 confirmed that core spending on local services will increase by over 4% in real terms next year, with a focussed one-year settlement to provide certainty for 2022/23. This includes an inflationary uplift in Revenue support grant of £0.3M, a one-off 2022/23 Services Grant of £2.7M to support the vital services delivered by local government and continued Lower Tier Services grant of £0.3M. In addition, the Council has seen an additional £0.8M in New Homes Bonus.

Whilst the additional grant funding allocated to the Council is welcome, there is still much uncertainty about the future of local government finance and the Council continues it's need to secure recurrent income streams by embracing the area's economic potential and growing the local tax base. This is underpinned by an ambitious programme of investment within the Borough which has been progressing despite the local economic climate.

The increased funding coming through the latest financial settlement will support the known challenges within our Social Care Services. Increased complexities and demand within both Adults and Children's social care is a key risk for the authority, and one which despite additional funding will require close monitoring throughout 2022/23. Wider Health and Social Care reform and the introduction of Integrated Care Systems will need to be considered carefully to ensure the area maximises the opportunities available.

# Finance Strategy

Despite financial uncertainties brought about by the ongoing COVID 19 pandemic, increasing demand and rising costs within the Local Government sector, the Council remains committed to the achievement of long-term financial sustainability by embracing the area's economic potential and by growing its local tax base.

The Council's Financial Strategy sits centrally to a number of internal and external planning influencers and as such is informed by the drivers and priorities within them. The strategy is closely aligned to the Council's local plan, economic strategy and housing delivery plan.

In light of the current risks and challenges faced, the financial strategy has been updated and will be focused on the 5 Cs detailed below.

Cost control	Commerciality	Commissioning	Collaboration	Capacity
A clear focus on managing the Council's cost base through strong internal controls and governance	Embedding a commercial mindset in key contractual discussions	Continued and disciplined approach to the application of the commissioning cycle	Explore opportunities to coproduce with public sector partners	Ensuring the Council has sufficient capacity to respond to emerging challenges (reserves)

# Budget Approach

North East Lincolnshire's Place Partnership, of which the Council is one stakeholder, has agreed an Outcomes Framework which outlines our approach to achieving our priorities for the borough – **Stronger Economy and Stronger Communities**. Underpinning the Outcomes Framework, a Council Plan has been developed that states the intended aims of North East Lincolnshire Council that support the agreed Place outcomes. Our Commissioning Proposals provide more detail about the activity that will support delivery of the Council Plan within agreed budget envelopes, enabling us to decide how best to use the total resources available in order to achieve our outcomes in the most efficient, effective, equitable and sustainable way.

The agreed outcomes, refreshed in 2021, are:

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<b>Learning and Skills</b>	All people in North East Lincolnshire reach their full potential through skills and learning
<b>Investing in our Future</b>	All people in North East Lincolnshire benefit from a green economy and high quality environment.
<b>Vitality &amp; Health</b>	All people in North East Lincolnshire enjoy good health and wellbeing
<b>Economic Recovery and Growth</b>	All people in North East Lincolnshire benefit from a strong local economy
<b>Sustainable &amp; Safe</b>	All people in North East Lincolnshire live in a safe environment, can have their say about things that are important to them and participate fully in their communities

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Our commissioning model is essentially about evidence-based decision making, based on good quality data and insight driven intelligence that enables us to deliver the right outcomes at the right cost. It is an on-going and inclusive process of strategic activities which determine where and how best to deploy the resources available. We are continuing to develop and refine our approach to commissioning, particularly in terms of bringing together resources and capability to make best use of data and insights, working more closely with our partners to co-produce solutions and understanding where it makes sense for the Council to enable others to deliver services in a more cost effective and responsive way.

# Budget Approach.

July 2021 to August 2021	September 2021 to October 2021	November 2021 to January 2022	February 2022
<ul style="list-style-type: none"><li>• Refresh Finance Strategy</li><li>• Agree key priorities</li><li>• Update medium term financial forecast</li><li>• Review key financial risks</li></ul>	<ul style="list-style-type: none"><li>• Portfolio Holders and Leadership Team analyse financial resilience and current performance</li><li>• Analysis of pressures, risks and savings opportunities</li><li>• Initial variations to budget envelopes, assumptions and high level delivery options</li></ul>	<ul style="list-style-type: none"><li>• Cabinet, Leadership team and Scrutiny refine proposals</li><li>• Star Chamber</li><li>• Government financial settlement confirmed</li><li>• Stakeholder briefings and engagement takes place.</li><li>• Council Tax Support Scheme and Council Tax Base agreed</li></ul>	<ul style="list-style-type: none"><li>• Robustness of estimates and adequacy of reserves assessed</li><li>• Cabinet recommend estimated budget to Council reflecting any further feedback received</li><li>• Council determine final budget and set Council Tax</li></ul>



# Local Government Finance Settlement

The Government's Budget and Provisional\* Local Government Finance Settlement announced in December 2021 confirmed that core spending on local services will increase in real terms by over 4% in 2022/23. This assumes increases in funding from both government grants and local taxation.

The key headlines from the settlement were:

- A one year settlement to prioritise certainty for 2022/23
- A percentage increase in Revenue Support Grant based upon the Consumer Prices index (CPI)
- Broader reforms to the local government funding model, including the Fair Funding Review and the business rates reset, have been delayed and will be revisited over the coming twelve months.
- Core council tax referendum principle of 2%, and a new 1% precept for Adult Social Care (ASC) with additional flexibility to add any unused parts of the 2021/22 3% ASC precept that was available.
- A two part increase in the Social Care Grant, consisting of an element in relation to equalisation against the Adult Social Care precept and the remaining being distributed using the Relative Needs Formulae (RNF)
- Inflationary uplift to the improved Better Care Fund (iBCF) funding when compared to the 2021/22 cash levels, with the distribution unchanged
- A new one-off 2022/23 Services Grant, this is an un-ringfenced grant and will be distributed in line with the Settlement Funding Assessment to provide funding in recognition of vital services delivered by local government
- Extension of the Lower Tier Services Grant which is distributed in accordance with assessed relative needs. This is an un-ringfenced grant for councils with responsibility for services such as homelessness, planning, recycling and refuse collection and leisure services.
- Continuation of New Homes Bonus (NHB), with no legacy payment in 2022/23, and no legacy payment in forthcoming years.
- Introduction of Market Sustainability and Fair Cost of Care Fund to support reform of the adult social care system.

\* At the time of preparing this report the final local government settlement had not been published

# Medium Term Financial Plan

In order to set our revenue budget and build the Medium-Term Financial Plan (MTFP) a number of factors are considered to ensure a balanced position can be achieved. Such factors include changes to funding levels, inflation, pay agreements and local demographics.

The Council holds strategic reserves to ensure it has the capacity to respond to emerging risks, policy change, or transformational initiatives and the level of reserves is reviewed as part of the planning process. Due to the high level of uncertainty over the forthcoming planning period it proposed to increase contributions to reserves. The current financial plan position is shown in the table below.

MTFP POSITION				
2021/22 £000		2022/23 £000	2023/24 £000	2024/25 £000
<b>FUNDING</b>				
9,192	Revenue Support Grant	9,477	9,667	9,857
43,667	Business Rates Retention	45,645	47,213	48,839
65,397	Council Tax Income	67,896	70,153	72,316
8,764	Cumulative ASC Precept	9,852	10,136	10,450
(258)	Collection Fund - Business Rates	(570)	0	0
1,009	Collection Fund - Council Tax	2,092	0	0
1,528	Local Council Tax Support Grant	0	0	0
61	New Homes Bonus	837	828	828
7,822	Improved Better Care Fund	8,058	8,219	8,383
6,068	Social Care Support Grant	8,226	8,226	8,226
257	Lower Tier Services Grant	270	270	270
0	Market Sustainability and Fair Cost of Care Fund	526	1,500	1,500
4,998	Covid -19 Funding	0	0	0
0	Services Grant	2,739	0	0
<b>148,505</b>	<b>TOTAL FUNDING</b>	<b>155,048</b>	<b>156,212</b>	<b>160,670</b>
125,758	Budget Envelopes	132,628	138,038	141,515
18,505	Other Budgets	21,210	23,267	24,147
<b>144,263</b>	<b>TOTAL REVENUE SPEND</b>	<b>153,838</b>	<b>161,305</b>	<b>165,662</b>
<b>4,242</b>	Net Contributions to Earmarked Reserves	<b>1,210</b>	<b>2,450</b>	<b>2,450</b>
<b>148,505</b>	<b>TOTAL BUDGET REQUIREMENT</b>	<b>155,048</b>	<b>163,755</b>	<b>168,112</b>
<b>(0)</b>	<b>Balance of funding available / (Savings Required)</b>	<b>0</b>	<b>(7,543)</b>	<b>(7,442)</b>

- i. The Government is planning to reform local government funding, therefore funding assumptions for 2023/24 onwards are included for illustration purposes only.

# Medium Term Financial Plan – Budget Envelopes

Budget envelopes define the level of investment across each core area of service delivery. Envelopes have been established by considering the forecast funding projections for the Council, current expenditure levels across services and our key priorities. In addition to the use of analytical tools to benchmark local performance against a range of national comparators, it has allowed focused allocation of resources to service areas.

With continued budget challenges there has been significant work undertaken to review the level of investment required across budget envelopes including intelligence from budget monitoring information. Ongoing pressures faced in strategic demand sensitive areas has seen significant levels of additional resources required, this has continued through 2021/22 and into the MTFP period.

Service Area	2022/23 £'000				2023/24 £'000	2024/25 £'000
	Opening Budget Envelope	Other Adjustments	Pressures	Savings	Closing Budget Envelope	Closing Budget Envelope
Resources	13,346	284	1,314	(471)	14,473	14,347
Environment	12,443	55	124	(320)	12,302	12,750
Economy and Growth	18,032	18	1,367	(462)	18,955	19,388
Children and Family Services	31,060	(40)	9,004	(3,512)	36,512	35,705
Public Health and Wellbeing	(64)	0	0	(235)	(299)	(64)
Adult Services	50,813	0	2,121	(2,249)	50,685	59,389
<b>Total</b>	<b>125,630</b>	<b>317</b>	<b>13,930</b>	<b>(7,249)</b>	<b>132,628</b>	<b>141,515</b>

Business and Commissioning Plans have been produced to identify priorities, spending pressures, efficiencies and savings opportunities. These have been through a series of challenge processes including leadership and Budget Scrutiny working groups.

Revised budget envelopes are proposed, as detailed in the table above. Several factors are considered in determining the budget envelopes, these include, changes to funding levels, national and local intelligence, inflation rates, pay agreements, local demographics, service demand, and contract inflation. Commissioning Plans are included in **Annex 1**. Due to the underlying risks in some key service areas close monitoring and scrutiny of delivery of the proposed savings opportunities will be required during 2022/23.

# **Funding – Retained Business Rates**

Under the current Business Rates Retention (BRR) scheme, the Council retains 49% of income collected locally, adjusted for write offs, bad debts and appeals. In addition, we receive a top up grant from Government which recognises we do not have the ability to raise sufficient funding locally to support our baseline need. Changes to the local government funding system have been postponed for a further year acknowledging emerging challenges in relation to social care demand and the business rate system. BRR is a key source of income for the Council with approximately £45.6M forecast for 2022/23. This represents just under a third of total funding. Reliance on this funding stream may increase as a result of changes to the local government funding model which is expected to be reviewed during 2022/23. The Council is continuing to drive and support economic and housing growth which in turn should deliver improved levels of local taxation. There remains uncertainty and risk in relation to economic growth levels as a result of COVID 19.

## **Growth and Outlook**

Business Rates growth has been planned into the MTFP over the next three years at around 2% per annum, this is in addition to normal inflationary uplifts which are also assumed. There are several key schemes in the Borough that are expected to contribute to this growth. In addition the announcement of the Freeport will stimulate growth across the Humber and Greater Lincolnshire areas. Funding has been secured to help develop the South Humber Infrastructure and Investment Programme (SHIIP), in conjunction with Humber and Greater Lincolnshire Local Enterprise Partnerships. This is a major programme of investment to enable large scale economic growth on the Humber bank. During 2021/22, MyEnergi became the first business located on the site with further developments aligned to the Council's Green Agenda are anticipated.

The Town Deal reflects a new approach to regeneration that is being taken forward by public and private sector partners to revitalise the town centre, increase skill levels and create new jobs and housing.

The Council is part way through the delivery phase of a multi-faceted regeneration programme for Cleethorpes which is funded through the National Lottery Heritage Fund, the Coastal Communities Fund, the Council's Capital Programme and Local Transport Plan grant. The programme of works aims to develop and diversify the economic role of the resort, enhance the visitor experience and increase developer confidence leading to new investment and jobs. We are also undertaking an extensive consultation to help inform next stages of regeneration and development within Cleethorpes, which will inform the Cleethorpes Masterplan

## **Collection Rates**

Collection performance for Business Rates was down slightly on previous years as at the mid-point of 2021/22, but has begun to improve over quarter 3. This position is considered when assessing the levels of bad debt provision required as part of the NNDR return which is submitted in January 2022 to central government. Forecasting the overall collection rate is particularly challenging in the current economic environment and is dependent on a number of factors including the level of business rate reliefs available to local business. For this reason, the Council maintains a business rate reserve to smooth any losses.

# Funding – Retained Business Rates.

## **Collection Fund Deficits**

In 2020/21, as part of its response to COVID 19, the Government announced that estimated deficits on the 2020/21 Collection Fund (both Council Tax and Business Rates) will be spread over three years, 2021/22-2023/24 rather than just in 2021/22. This adjustment is reflected in the figures presented within the MTFP for 2022/23.

The NNDR1 and Council Tax returns have been completed, these estimate the collection fund positions at the end of 2021/22 and the 2022/23 element has been reflected in the MTFP. The deficit (after retail relief) of £0.6M reported for NNDR will be met through drawdown of the Business Rates Equalisation Reserve

## **Retail Relief**

During 2020/21, the Government, in response to the COVID-19 pandemic, introduced extended retail relief to reduce business rates liabilities for businesses effected. Councils are to be fully compensated for this loss of income through Section 31 grant arrangements. This arrangement has continued during 2021/22.

The impact of this on the collection fund has resulted in a large deficit which will be met by use of the grant in 2022/23, through an earmarked reserve. As these are large exceptional items, they have not been reflected in the MTFP, these technical accounting adjustments do not impact the financial position of the Council overall and will be dealt with as part of the closure of accounts process.

The 2022/23 Business Rates income forecasts assume that ongoing government support for those affected businesses will remain in place where necessary. Any change to this support could impact our ability to raise and retain the levels of business rates included within the MTFP.

# **Funding – Council Tax**

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

The Council Tax Base report, was approved by Council on the 26th January 2022 and set the base for 2022/23. The increase in the tax base to 45,206.9 from the 2021/22 position of 44,405.4 equates to an additional 801.5 Band D equivalent properties. This delivers an extra £1.2M at the current North East Lincolnshire Council average band D level of tax. This is built into the medium-term financial plan.

## **Council Tax Support Scheme**

This report also recommends no further changes to the CTSS and to maintain the maximum discount at 65% for working age customers. The scheme remains under consideration for future years. In 2018/19 a Council Tax Hardship reserve was established to support Council Taxpayers within the scope of the scheme. It is proposed that this fund continues in 2022/23 and over the life of the MTFP and is aligned to anticipated need. Utilisation will continue to be monitored closely throughout the MTFP period. An empty property surcharge continues to be applied to encourage long-term empty properties to become sustainably occupied.

## **Rebate**

Following a Government announcement on 3rd February 2022, residents living in properties in council tax bands A to D will receive a £150 payment to help alleviate the cost-of-living crisis. It is estimated that 95% of households in North East Lincolnshire will receive the payment. In addition, there will be a discretionary fund for the Council to support vulnerable people and individuals on low incomes who do not pay council tax, or who do pay council tax and live in band E-H properties. It is understood the Council will be fully compensated by Government for the payments to be provided.

## **Collection**

There is discretion in estimating the Council Tax collection rate. For 2021/22 it was considered prudent to assume a reduction in the level of collection by 1% to 97.2% given the ongoing economic challenges brought about as a result of the COVID 19 pandemic. Collection rates were monitored closely throughout the year and were shown not to have been impacted as strongly as expected. Therefore, the decision to raise the collection rate back to the original 98.2% from 2022/23 has been made. Both surplus and deficits can occur in year on the Collection Fund due to factors such as collection rates, levels of bad and outstanding debt, eligibility for council tax support; and tax base growth assumptions.

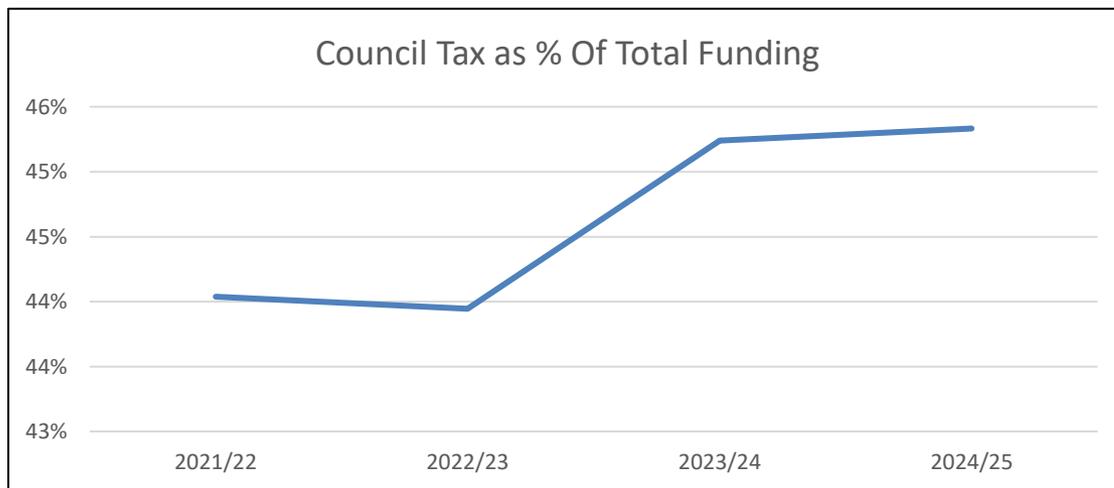
The Council Tax collection fund for 2021/22 has been reviewed during December 2021 and is forecast to be £2.1M in surplus for NELC by the end of the financial year. The position is reviewed annually and reflected within the financial plan.

# Funding – Council Tax.

The following table shows historical and forecast levels of Council Tax and associated tax base levels, this excludes the Adult Social Care precept. The planned Council Tax increase is to allow the Council to create sustainable recurrent income to fund frontline services, where central funding isn't necessarily available

Council Tax	Base	2021/22	2022/23	2023/24	2024/25
	Price Increase	44,405.4	45,206.9	45,606.9	46,106.9
	Funding £'000	1.98%	1.98%	1.98%	1.98%

Council Tax is a key source of income for the Council with approximately £67.9M forecast for 2022/23. This represents around 44% of total funding. The proportion of the Council's funding coming from Council Tax remains at just under half of total funding over the financial planning period.



Government grants are expected to be phased out under local government funding reforms. There is an expectation that local sources of taxation will increase to offset this reduction and minimise disruption to service delivery. This financial plan has a 1.98% increase to Council Tax built in for 2022/23, delivering an additional £1.3M. Current legislation allows general Council Tax increases of up to 2% without the need for a referendum.

In addition, a 1% Adult Social Care precept is factored into the MTFP in line with latest legislation. The ASC precept will raise a total of £9.9M in 2022/23 which will mitigate increased social care demand pressures.

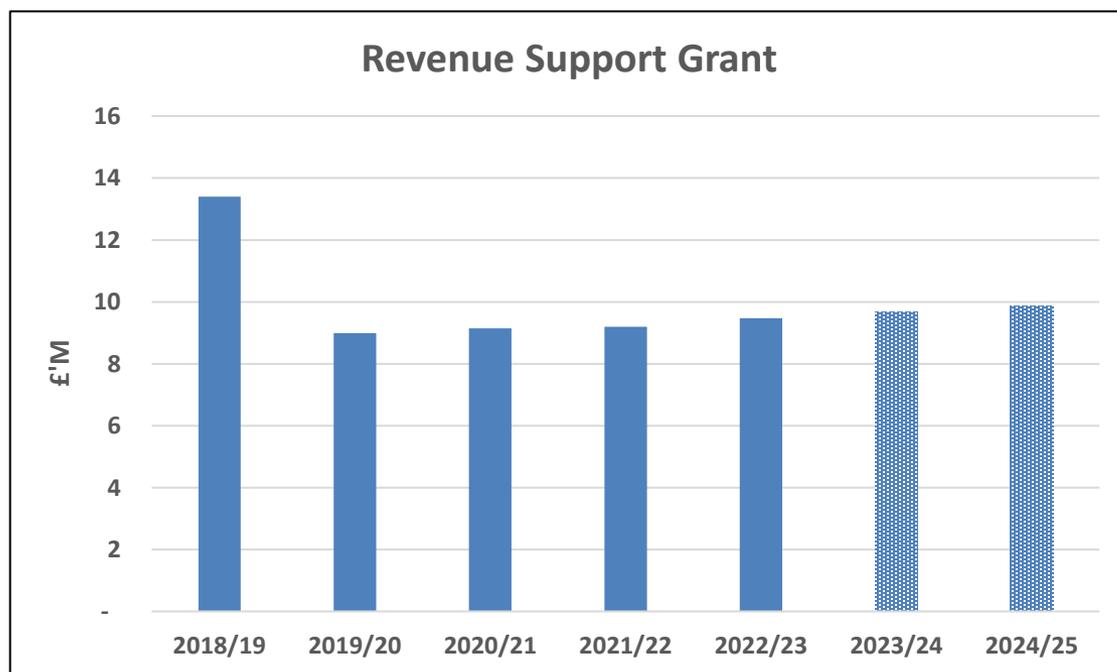
## Funding – Other Funding

The Council currently receives an annual **Revenue Support Grant** (RSG) allocation from the Government as part of its finance settlement. The settlement also includes a forecast for our Retained Business Rates.

There has been an increase in Revenue Support Grant in 2022/23 based upon the Consumer Prices index (CPI).

It has been assumed that this continues over the MTFP period as can be seen below:

RSG is expected to be phased out as part of wider changes to the local government funding model.



# **Funding - Other Funding**

## **Social Care Support Grant**

The provisional settlement has confirmed an uplift to the Social Care Support Grant in 2022/23 of £2.1M, the additional allocation has been put in place to deal with known demand pressures within the system. For NELC the total allocation is now £8.2M which is built into MTFP funding and has been used to address existing social care demand pressure within Childrens and Family and Adult services. For planning purposes it has been assumed that this grant continues at the same level over the MTFP period.

## **Lower Tier Services Grant**

For 2022/23 the government has continued the Lower Tier Services Grant, first received in 2021/22. This provides additional funding for councils with responsibility for services such as homelessness, planning, recycling and refuse collection and leisure services. NELC has been allocated funding of £0.27M, which is assumed to continue over the MTFP.

## **The Improved Better Care Fund (iBCF)**

Core iBCF allocations for 2022/23 have been uplifted by CPI from last year's settlement. The Council works closely with the Health and Wellbeing Board to ensure the funds are targeted effectively to meet Adult Social Care needs, reducing pressures on the NHS and ensuring the local care provider market is supported. The 2022/23 allocation for NELC is £8.1M.

## **2022/23 Services Grant**

Government has announced a new one-off funding stream, 2022/23 Services Grant. This has been distributed using the existing Settlement Funding Assessment, and provides additional funding in recognition of vital services delivered by local government. The allocation for NELC is £2.7M, for 2022/23 only.

## **New Homes Bonus**

New Homes Bonus is paid as an incentive to encourage housing growth by rewarding local authorities for net additional homes to the council tax base. For NELC this has been calculated as £0.8M for 2022/23. For planning purposes it is assumed that this level of funding continues over the MTFP

## **Market Sustainability & Fair Cost of Care Fund**

The government is committed to a wide-ranging and ambitious reform of the adult social care system that protects people from unpredictable costs; offers more choice and control over care received; offers outstanding quality; and is accessible to those who need it. A sustainable care market is fundamental to underpinning this ambition. The funding provided is to facilitate the efficient and effective operation of local care markets, to support them, where necessary, to address issues affecting their markets, and move to a more stable footing. The allocation for 2022/23 is £0.5M , with estimates included for future years.

# **Funding – Service Grants**

## **Public Health**

The 27<sup>th</sup> October 2021 statement by the Chancellor announced that the value of the Public Health grant would be maintained in real terms over the SR21 period. The precise amount the Council will receive has not been confirmed at this time.

## **Education Funding**

The national funding formula for each of the Dedicated Schools Grant notional blocks introduced in 2018/19 remains in place. Further details of the impact of these are given below.

## **Schools Block**

On the 27<sup>th</sup> October 2021 the Chancellor announced that nationally schools would receive an additional **£4.7 billion** by 2024-25, **£2.6 billion** will be spent on creating 30,000 new school places for children with special educational needs and disabilities. Funding for each pupil will be returned to 2010 levels, in an increase worth £1,500 in pupil led funding. In respect of the National Funding Formula (NFF) the soft national funding formula will remain in place and Councils will continue to set a funding formula which will be used to distribute funding to all schools across the Borough. The Department for Education (DfE) has stated that for the 2023-24 formula all LA's will be required to adopt the NFF values.

In addition to the above an additional £4m will be received by schools across the borough from the new Schools Supplementary grant. This is one off additional funding for 2022-23 only to provide support for the costs of the Health and Social Care Levy and wider costs.

## **High Needs Block**

The 2022/23 indicative high needs block allocation is £19.4M, after deductions, which is an increase on 2021/22 of £2M (11%). Whilst this increase is welcome and an increase was anticipated in light of the Chancellors statement on the 27<sup>th</sup> October 2021 it is still expected that the high needs block will face increasing financial pressures as a result of increasing demand and complexity, and the financial pressures first experienced since 2017/18 will continue into 2022/23. The Council continues to take actions to mitigate these pressures. Balancing the high needs block will remain very challenging.

As per the Schools Block in addition to the above an additional £1m will be allocated to the High Needs Block funding received by the Council from the new Schools Supplementary grant. This is one off additional funding for 2022/23 only to provide support for the costs of the Health and Social Care Levy and wider costs.

# Funding – Service Grants.

## Early Years Funding

The comprehensive changes introduced in 2017/18 are now firmly embedded and the funding of Early Years is now based on participation. As in 2021/22 the amount that Councils can centrally retain from the Early Years Block allocation to fund central services is capped at 5% with the agreement of the Schools Forum but this reduction had already been factored into the Council's budgetary process.

The Chancellor announced new funding of **£208 million** by 2024/25, including, **£170 million** by 2024/25 to increase the hourly rate to be paid to early years providers to deliver the government's free hours offers. In respect of 2022/23 the amount that LA's receive will increase by 21p per hour for 2 year olds and 17p per hour for 3 & 4 year olds.

The area of concern referred to in the previous budget reports was the transitional funding for maintained nursery schools. In particular the longevity of the transition period and the fact that the amount of funding is participation based means the amount will fall if take up hours fall in the nursery schools. These concerns remain, however the latest position is that an increase of 3.5% on the supplementary funding hourly rate for maintained nursery schools was announced. The detail in respect of the permanency is still being researched.

The impact of COVID 19 on take up of hours and the potential impact on funding is an area of concern. Early Years funding is based on head count at a point in time and should numbers not return to early settings then the Early Years Block allocation could reduce. Central Government are aware of this potential issue and final details on mitigations if any are awaited. Previous Early Years block allocations have been around £10.1M.

## Pupil Premium

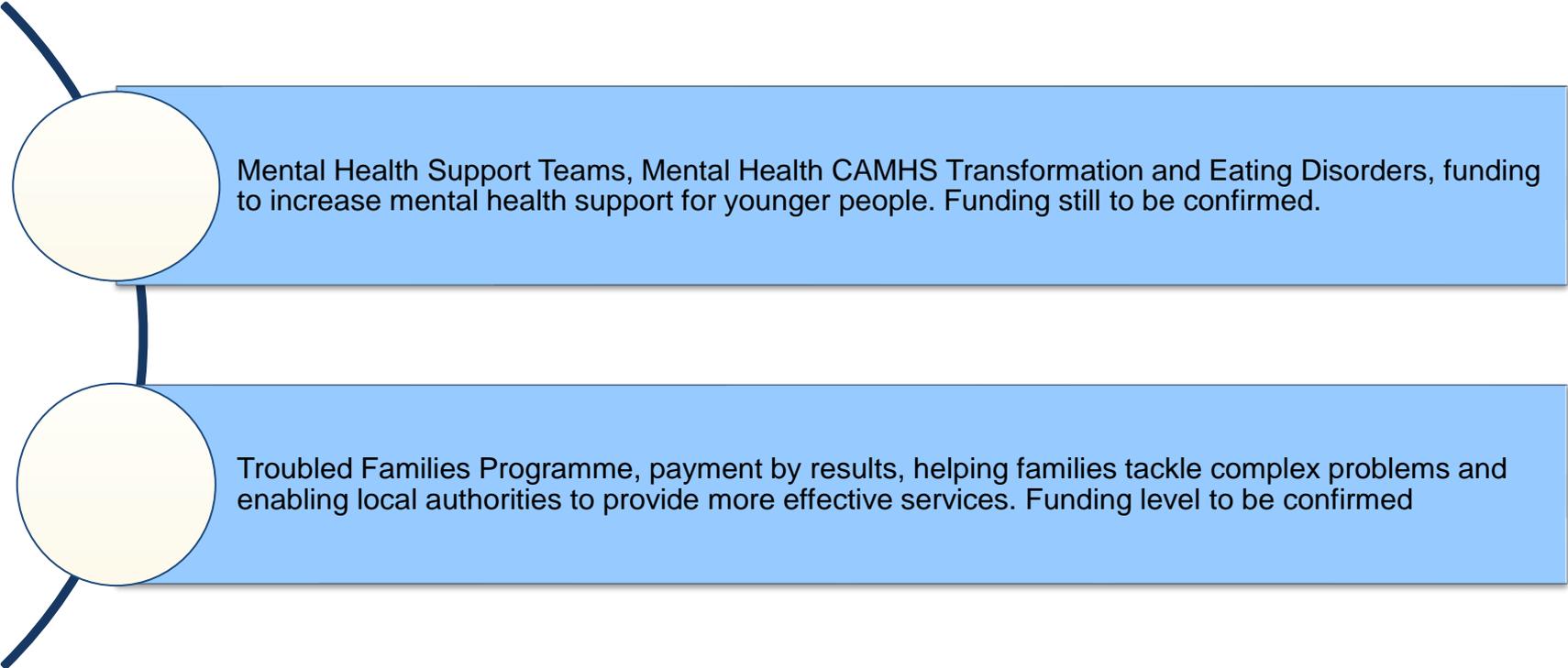
The following changes were announced:

- Early Years Pupil Premium of up to £342 per eligible child will be paid.
- Primary Schools rate is now £1,385 and for secondary schools £985 per eligible child
- Looked after children and children who have ceased to be looked after rate is £2,410 per eligible child
- Service children rate is £320 per eligible child

## Funding – Social Care

The Council has been proactive over the past year in generating external funding to support a range of initiatives linked to its key outcomes. Funding has been generated from a number of different sources and will contribute towards longer term financial sustainability.

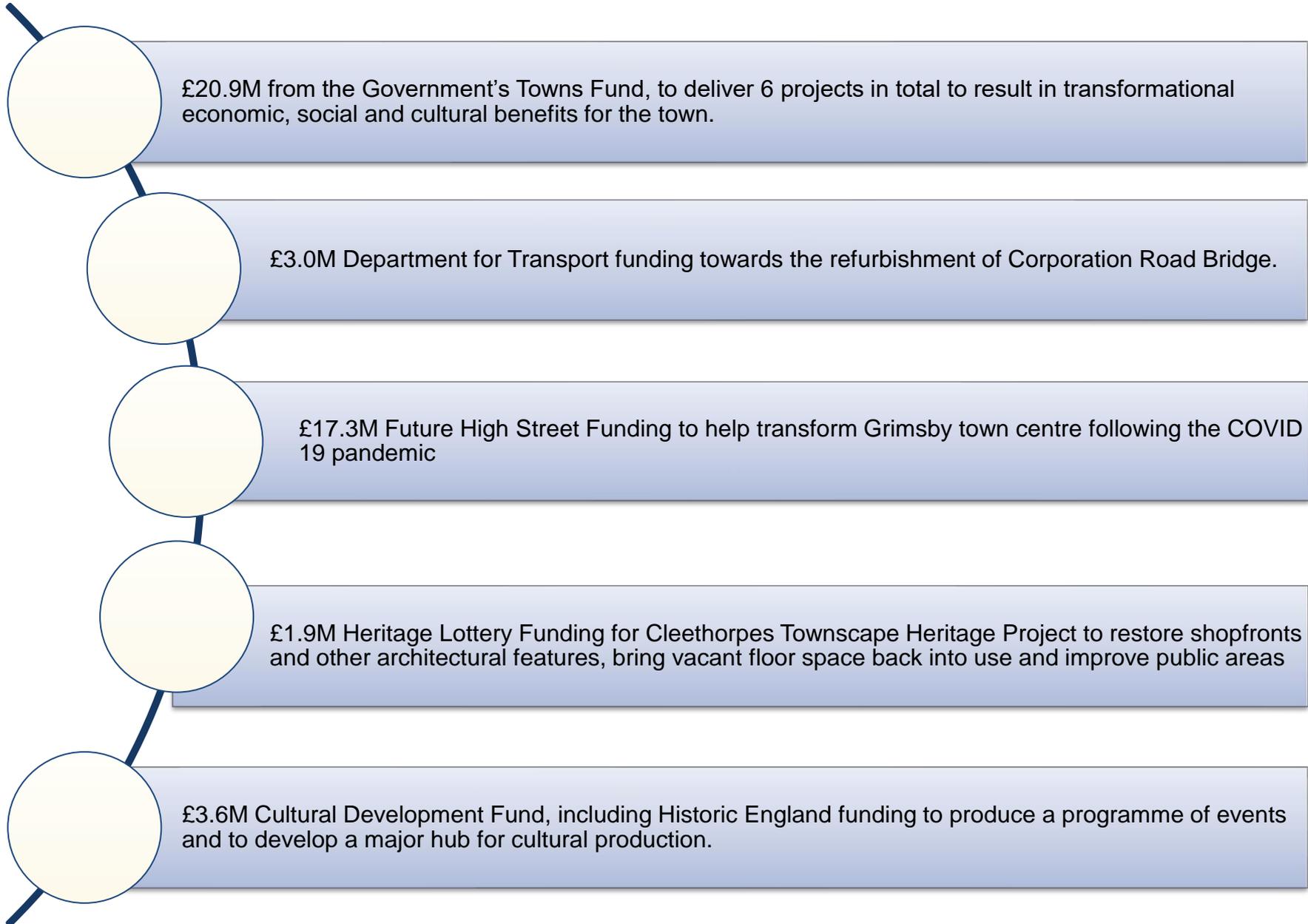
Listed below are just some of the most significant areas where the Council has already secured external funding to support future service delivery. These sources of external funding are reflected within commissioning plans and cover areas of both revenue and capital expenditure. In terms of future opportunities, the Council is continuing to be proactive in identifying further external funding opportunities. These will be reflected within the medium term financial plan as the funding is secured.



Mental Health Support Teams, Mental Health CAMHS Transformation and Eating Disorders, funding to increase mental health support for younger people. Funding still to be confirmed.

Troubled Families Programme, payment by results, helping families tackle complex problems and enabling local authorities to provide more effective services. Funding level to be confirmed

## Funding – Other Areas



£20.9M from the Government's Towns Fund, to deliver 6 projects in total to result in transformational economic, social and cultural benefits for the town.

£3.0M Department for Transport funding towards the refurbishment of Corporation Road Bridge.

£17.3M Future High Street Funding to help transform Grimsby town centre following the COVID 19 pandemic

£1.9M Heritage Lottery Funding for Cleethorpes Townscape Heritage Project to restore shopfronts and other architectural features, bring vacant floor space back into use and improve public areas

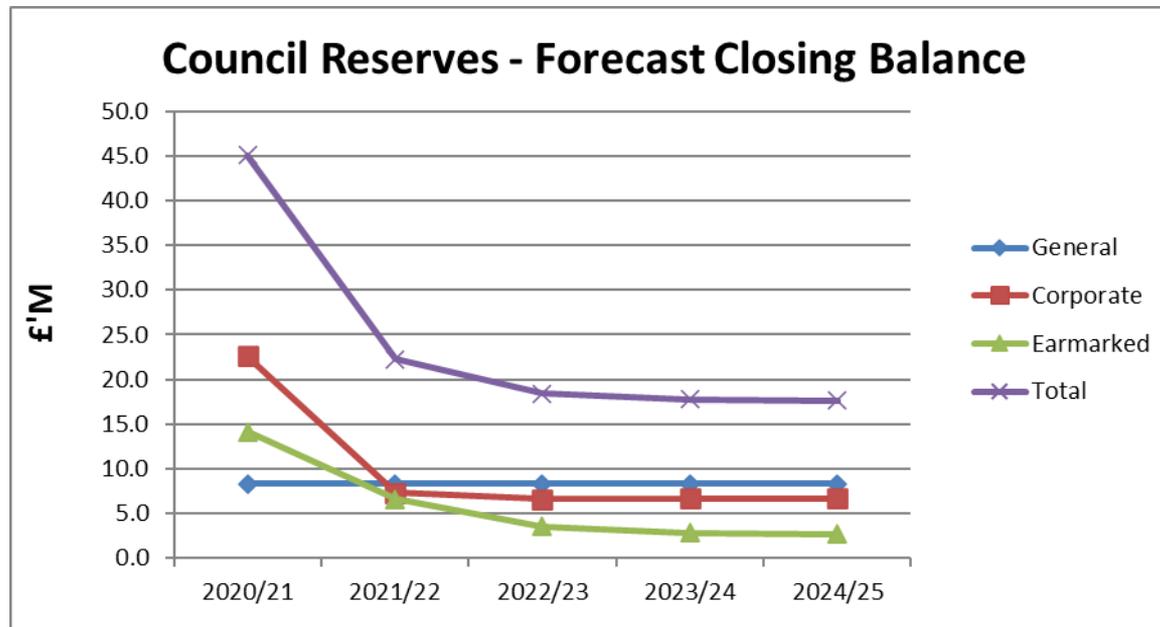
£3.6M Cultural Development Fund, including Historic England funding to produce a programme of events and to develop a major hub for cultural production.

# Reserves

The financial plan is supported by reserves and general fund balances. There are three main categories of reserves held:

- **General Fund Reserve** – retained to deal with unexpected events. The level is reviewed annually as part of budget setting to ensure it is adequate and appropriate.
- **Partner & Service Reserves** - held for specific purposes relating to delivery. These are held in addition to defined budget envelope and used to support clearly defined activity and outcomes over and above business as usual
- **Corporate and Technical Reserves** – used to smooth the Council's financial position and prevent knee-jerk reactions that would otherwise impact on service budgets. These include reserves to support strategic change and transformation. This approach, coupled with budget envelopes has created more stability in the planning process.

As part of the financial planning process all reserves, general and earmarked, are reviewed in detail. The graph below shows the current forecast closing balance in each year of the financial plan and will be updated throughout the process.



Whilst service reserves are being utilised in line with plans, the overall capacity within reserves has reduced over recent years. In the current economic environment it is essential that the Council continues to review corporate and technical reserves.

# Reserves.

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

Corporate and Technical Reserves		Forecast Closing Balance			
		2021/22	2022/23	2023/24	2024/25
		£'000	£'000	£'000	£'000
ESFA Apprentice - Incent Payment	Apprenticeship incentive payments	16	16	16	16
Transformation Reserve	To Support costs of key transformation projects	1,231	1,231	1,231	1,231
Pension Fund Reserve	To mitigate costs of future pension scheme reviews	372	372	372	372
Self Insurance Reserve	To mitigate insurance claims	1,283	1,283	1,283	1,283
Debt Financing Reserve as MTFP	Used to mitigate costs of borrowing and capital programme activity	1,804	1,804	1,804	1,804
Children's Heart Surgery Unit	Strategic response to NHS service delivery proposals	5	5	5	5
BRR Equalisation Reserve	Used to mitigate fluctuations in Business Rate income	1,892	1,322	1,322	1,322
Strategic Change Reserve	To cover initial costs of establishing the Town Deal	28	28	28	28
Council Tax Hardship Fund	Used to support Council Tax hardship claims	215	284	353	353
Joint Arrangements - Safety Camera Partnership	Technical reserve in relation to the Safety Camera Partnership	255	255	255	255
Childrens Services Recruitment	Childrens Services Recruitment	27	-	-	-
Enterprise Zone Relief	Usage on investment opportunities via LEP	169	-	-	-
<b>Total</b>		<b>7,297</b>	<b>6,600</b>	<b>6,669</b>	<b>6,669</b>

The on-going risk and uncertainty around COVID 19 and other economic factors may mean we incur additional expenditure over the period of the MTFP, but as yet this is unknown. It is important to ensure that our reserves remain robust to be able to respond to such calls on expenditure, whilst being able to minimise the impact on planned service delivery.

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

Service and Partner Reserves	Forecast Closing Balance			
	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Resources	433	8	8	8
Economy and Growth	963	410	178	101
Envinment	35	6	-	-
Children and Family Services	263	103	103	103
Public Health and Leisure	1,411	650	192	116
Adult Services	839	804	804	804
Partner Reserves	2,684	1,545	1,545	1,545
<b>Total</b>	<b>6,628</b>	<b>3,525</b>	<b>2,829</b>	<b>2,676</b>

# Capital and Long Term Investment

Capital and long term investment has both legal and regulatory requirements which sets out the powers the Council has and the frameworks it must comply with and operate within for capital investments. The Council is guided by the Local Government Finance Act, DLUHC guidance and CIPFA Codes of Practice. CIPFA has launched a revised Prudential Code of Practice 2021. It creates three new classification of investment, Treasury Management, Service Delivery and Commercial Return. The term 'investments' in the code covers all financial investments of the authority, together with other assets held primarily for financial return such as commercial property. It brings in new restrictions on borrowing which are focused on just one of these categories – investments that are made 'primarily for financial return', including commercial property. The Capital Investment Strategy is the umbrella document that covers both the Service Delivery and Commercial Return elements of the councils investments.

Capital and long term investment is necessary to deliver the Council's key priorities and ambitions. The **Capital Investment Strategy** sits centrally to a number of internal and external influencers and as such must reflect and be informed by the drivers and priorities within them.

The underlying principles of the capital strategy follow the financial strategy:

- Commissioning – Aligning capital investment to support priorities that contribute to the outcomes framework
- Stimulate Regeneration and Economic growth through local investment
- Cost control – Supporting the economic and efficient delivery of core services

The Prudential Code requires Local Authorities to ensure Capital investment is:

- Linked to Strategic Planning
- Clear Asset Management understanding
- Delivers Value for Money
- Investment is prudent and sustainable
- An affordability assessment
- Practical delivery

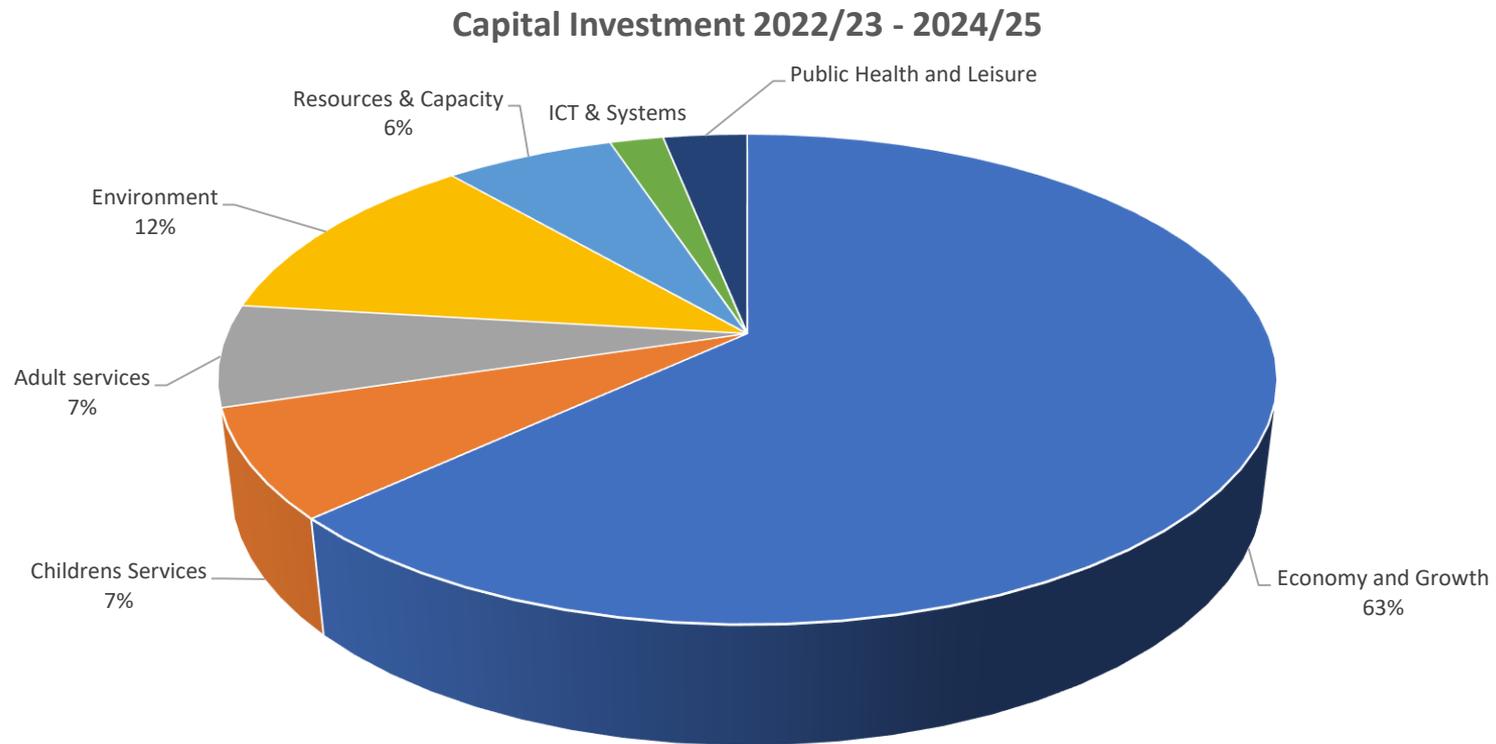
The CIPFA Prudential Code of Practice 2021 requires councils to produce a Capital Investment Strategy for non-treasury related investments. It provides the opportunity to ensure overall strategy is widely understood including the governance and assurance process and clearly defined risk appetite.



# Capital and Long-Term Investment.

The Council's long term financial strategy remains focused on the achievement of financial sustainability by embracing the area's economic potential and growing the local tax base. The focus of investment is:-

- Investing in Business Growth and building on the areas industry strengths.
- A green economy maximising low carbon and healthy initiatives in industry and the place.
- Skills and investing in the workforce
- Place-Making ensuring the towns are great places to live, work and stay.



The latest capital programme totals £131.0M and is included at **Annex 2**. The capital programme is subject to ongoing review and in line with the Council's focus on enabling the growth of a strong and sustainable local economy, there are a number of further opportunities on the horizon which may require additional investment over and above that already detailed.

# Consultation and Engagement

Throughout the budget setting process both formal and informal consultation is carried out with key stakeholders using a variety of different approaches in order to ensure a wide cross section of views and comments inform and influence the budget.

## Members Overview & Scrutiny

- Budget scrutiny informal workshop to consider the initial budget papers during December 2021.
- Following the receipt of the Government Settlement, the Scrutiny Panels formally consider the business and commissioning plans as part of the budget consultation in January 2022 and make recommendations to Cabinet in February 2022.

## Member Briefings

- Finance information provided for member briefings prior to major meetings

## Cabinet & Council Meetings

- Cabinet January 2022 (Council Tax Base Inc. Support Scheme)
- Council January 2022 (Council Tax Base Inc. Support Scheme)
- Cabinet January 2022 (Post Settlement Draft budget)
- Cabinet February 2022 (Final Budget)
- Council February 2022 (Final Budget)

## Local Consultation & Engagement

## Political Group Meetings

- Targeted Budget Setting Meetings held between Finance Officers and Service areas to discuss budget detail

## Residents

- Any Comments? – Speak to your Councillor
- Information included within Council Tax Bills
- Media releases
- Social Media
- Survey

## Engagement Events with Other Stakeholder Groups

- “Let’s Talk” –engagement with website link asking for residents/business views of tackling resource challenges
- Budget issues and survey to be publicised via local and social media channels
- More widely, survey will be shared within NELC, other public organisations, partners and local businesses

# Robustness of Estimates and Adequacy of Reserves

## Underlying budget assumptions

The Council's budget approach is to set financially sustainable budgets across outcome areas. Commissioning plans outlining the approach to delivery within the envelopes have been prepared and are included within the budget report. Budget envelopes take into account forecast funding projections for the Council, current expenditure levels across services and external factors.

The reasonableness of the underlying budget assumptions is challenged throughout the budget setting processes. Specific considerations when testing the reasonableness of budget assumptions include:

- Financial pressures experienced in the previous financial year;
- Provisions for inflationary pressures;
- Extent to which known trends and demand pressures have been provided for;
- Achievability of changes built into the budget;
- Realism of income targets; and
- Alignment of resources with the Council's service priorities.

The current budget envelopes may need to flex over the budget planning process and as a result the Council holds strategic reserves to ensure it has the capacity to respond to emerging issues, policy change, risk or transformational change. The overall level of risk within the 2022/23 budget is considered to be very high in relative terms. Whilst this level of risk can be considered manageable, it must be on the understanding that key decisions are taken and, where identified savings are not delivered, alternative savings options will be needed.

In terms of the longer medium-term financial planning period, Local Government and wider NHS reform, the longer-term impacts of COVID 19 and rising social care demand are significant challenges. The established governance arrangements in place within the Council will ensure that monitoring of delivery of budget envelopes and service priorities will take place. These include Overview and Scrutiny Panels, Cabinet and Council Meetings, Leadership Team, Resource Monitoring Process and the financial planning process itself.

Continued uncertainty within both the public sector and the wider economy bring both risks and opportunities to the Council, both in terms of the current planning period and future years. As a consequence, we are making plans to try and manage those, but its likely to remain beyond the current planning period. The Council will therefore be required to revisit its financial plans on a more regular basis. Through the risk and opportunity management framework, the significant risks impacting on the budget are recognised.

# **Robustness of Estimates and Adequacy of Reserves**

The major risks associated with the current budget and medium-term financial plan are detailed below.

## **COVID19**

Despite the roll out of the vaccination programme, COVID19 continues to have a longer lasting impact on local economies and communities. Further financial support measures from central Government have been distributed in 2021/22 and this has mitigated the financial impacts associated with managing the pandemic at local level to a degree. We are continuing to monitor and report the key financial impacts in terms of service demand, delayed delivery of transformation plans, reduced fees and charges and impaired collection rates.

## **Local Government Financial model**

There are some key funding reforms expected in the public sector which could have significant impact on our funding profile. These include the Fair Funding Review, Local Government reform and the Business Rate System review. The Fair Funding review will see the introduction of a new system for allocating funding between Councils, which will be based on the updated and improved methods of estimating Councils differing revenue raising capacities and differing spending needs. A key Government aim is that it will be simpler, more transparent and be robust and evidence based. The outcome of this could have a significant impact on the Council's funding capacity and scope to provide services. The Government has confirmed that it plans to revisit the priorities for reform of the local government finance system, taking account of wider work on the future of the business rates tax and on the Adult Social Care system. Final decisions will be taken in the context of next year's Spending Review. The outcome of this process could have significant implications for the Council's future funding.

## **Children's Services**

Pressures have continued to be encountered within Children's service during 2021/22 including higher than budgeted for numbers of Children Looked After (CLA), increasing costs associated with placements and challenges in recruitment and retention of staff. A strategic improvement plan has been developed to address the wide range of challenges across the service. The Council remains particularly mindful of the potential costs and consequences associated with the transition from children's to adults services.

# **Robustness of Estimates and Adequacy of Reserves**

In October 2021, OfSted inspectors judged Children's Services to be inadequate. The judgement followed an earlier improvement notice which required the Council to develop an improvement plan. The Council had made progress against its original improvement plan and is continuing to develop its response alongside an appointed commissioner. The Council has invested additional capacity in this area to support delivery of the improvement plan.

A strategic transformation plan has also been developed to address the wide range of challenges across the whole service. Robust governance arrangements are in place to monitor the plan, with a range of corporate support arrangements in place to support implementation and delivery.

## **Adult Social Care**

Adult service provision within the public sector is one of increasing demand and complexity against a backdrop of financial constraint. Delivering safe and effective Adult Social Care services within this context presents an ongoing challenge in maintaining service quality and also sustainable care markets to meet need. COVID 19 has impacted on the staff costs, demand for services and will impact on the on-going need/demand for services; it has also impacted on the delivery of savings programmes and will create additional pressures in future years.

Income generated through the Adult Social Care Precept continues to be being used to support sustainable service delivery alongside improved Better Care Fund, social care and winter pressure allocations. The Council has appropriate arrangements in place to monitor social care pressures and has committed to taking action to mitigate and manage the impact of increasing demands within the social care system through identification of efficiencies to investment in transformation and system change leading to reduction in cost or avoidance in spend. Planned health and social care reform will need to be carefully managed to ensure opportunities are maximised.

## **Capital and long-term investment**

Capital and long-term investment is necessary to deliver the Council's priorities and ambitions around economic growth and stronger communities. Affordability is a key factor when considering any long-term investment. Based upon the current capital programme, financing costs are forecast to be maintained within an affordable envelope. However, with reducing net revenue budgets, the percentage of spend already tied up in borrowing costs may steadily increase even without additional borrowing. Borrowing therefore needs to be undertaken in accordance with prudential borrowing principles.

Following a recent review of the Prudential Framework, Councils now need to be better at explaining why, not just what they are doing with their investment activity, needing to demonstrate more transparency and openness in how good governance has been exercised. The Council has well established appraisal processes in place and any new borrowing will be predicated on the preparation of a sound business case which is closely aligned to the Council's key outcomes and financial strategy.

# Robustness of Estimates and Adequacy of Reserves

## **Economic environment**

The Council is continuing to operate in a challenging economic environment as a result of the COVID 19 which is impacting on individuals, businesses and communities. Dependent on the pace at which the local economy recovers, there is likely to be a continued impact on the Council's medium to longer term financial planning assumptions. Nevertheless the Council remains committed to the achievement of long-term growth and financial sustainability and this has been demonstrated through continued growth in the council tax base. Furthermore capital investment is anticipated to make a significant contribution to the Council's strategic objective of enabling the growth of a strong and sustainable local economy.

## **Adequacy and availability of reserves**

The Council holds reserves for three specific purposes:

- *General reserves* to deal with unexpected events and help smooth the impact of uneven cash flows
- *Corporate and technical reserves* to smooth the Council's financial position; and
- *Partner and Service Reserves* - held for specific purposes relating to service delivery.

It is proposed that the level of prudent General Fund reserves is maintained at £8.3 Million for the current year. This balance reflects the level of risk within our current planning assumptions. The General Fund balance will be reviewed during 2022/23, taking into account the overall adequacy of reserves and the latest financial position.

As part of the financial planning process all reserves, general and earmarked, have been reviewed. The Council's Corporate and General reserves are held to provide more stability in the financial planning process. These include reserves to support strategic change, fluctuations in business rates and borrowing costs.

The insurance provision is a balance between external premiums and internal funds to self-insure. This is mitigated through effective emergency planning arrangements and an earmarked insurance reserve. The arrangements in place to advise and manage our insurance arrangements ensures regular assessment of our insurance arrangements and provisions.

# Robustness of Estimates and Adequacy of Reserves

## Financial management and reporting arrangements

The Council has well-established financial reporting arrangements in place which are set out within Financial Procedure Rules. Arrangements are reviewed on an annual basis taking into account changes in Council responsibilities and the comments from both internal and external audit. The Council's budget monitoring arrangements require services to prepare budget action plans to deal with spending variations on budgets. Each quarter the Cabinet and Leadership Team receive a report covering each service setting out spending to date and projected to the year-end. Action plans are utilised to manage and minimise any significant variations.

The capital programme is also monitored in the quarterly budget monitoring report and a specific capital focussed performance report is provided to the leadership team quarterly. The capital programme is actively managed with requests for slippage challenged, expenditure brought forward where necessary and schemes decommissioned where necessary. There is a robust process for the submission and prioritisation of capital bids

In relation to Value for Money, the Council is continuing to test its performance in terms of economy, efficiency and effectiveness and has arrangements bult into its key commissioning and partnership arrangements. This principle is particularly important given the current level of risk and uncertainty.

## Key Accountabilities

Budget holders/service managers are accountable for managing and reporting the performance of services or contracts, and ensuring that mechanisms are in place to give assurance that the data used for reporting is robust, and that performance is reported at an appropriate frequency.

An important part of a budget holder's responsibility for resource management is to ensure that spend is targeted at the Council's desired outcomes and to seek positive assurances that spend and income is compliant with Council's policy and procedures, financial rules and regulations, and that services and contracts are operating at an agreed standard to contribute to delivery of outcomes. Budget holders/service manager are accountable for:

- **Delivering agreed service outcomes** within the Commissioning Plan, relevant service plan and other plans within the performance management framework.
- **Monitoring the budget** (both capital and revenue allocations) and performance **on a regular basis**.
- **Identifying and reporting overspends and underspends and performance exceptions** at the earliest foreseeable date in line with corporate reporting requirements.

# Robustness of Estimates and Adequacy of Reserves

## Key Accountabilities (continued)

- **Managing resources** in line with Council procedures and requirements, in particular the Council's HR policies and project management guidance.
- **Complying with the Council's Contract Procedure Rules and Financial Regulations** (including seeking positive assurance within the service over their operation through review and testing).
- **Ensuring that all financial transactions are properly authorised** and coded in accordance with Financial Regulations and Report any control breaches.
- **Delivering value for money** in your service area through continuous improvement activity to capture and report on efficiency gains including improved outcomes at no extra cost.
- **Working closely with Resources** to ensure that decisions are made in a timely way, based on robust financial and management information, are risk assessed and have resources allocated before commitments are made.

The Council introduced a Star chamber process whereby the administration and leadership team worked together closely to discuss and challenge budget decisions and the allocation of resources.

## Partnership governance

The Council has numerous partnership agreements with significant levels of contractual budget arrangements. There are risks associated both with the financial management arrangements and in terms of delivering the outcomes which have been agreed between both parties. Strategic and operational governance and monitoring arrangements are put in place to ensure that members and officers receive assurances that where risks are identified, mitigating actions are in place to address them. The Council's key partnership arrangements will be subject to regular review throughout the MTFP period.

## Treasury management

The Council has adopted the CIPFA Code of Practice for Treasury Management and has a Treasury Management Strategy which sets security as the primary principle to mitigate against current instability within financial markets. Risk is mitigated by effective treasury management procedures, scrutiny by the Audit and Governance Committee, engagement of external advisors and monthly review and challenge by S151 officer on Treasury activity.

# Robustness of Estimates and Adequacy of Reserves

## Financial resilience assessment

Local context must be taken into account when forming an overall picture of financial resilience. Whilst the view is that Council's financial strategy is sustainable, it must still be tested. This includes an analysis of future demand, performance, a focus on the key longer-term revenues and expenditure and the key risks to which the Council will be exposed to.

A resilient financial plan is built around a strong local taxation base, less reliance on government funding grants, defined service expenditure and adequate reserve levels. For North East Lincolnshire Council, local taxation represents the majority of total funding, with a significant proportion of this coming from Council Tax which allows the greatest level of local determination.

The key conclusions from the Council's assessment of financial resilience include:

- Local taxation, as a proportion of total funding, has been steadily rising. However this has reduced from 2021/22 by 3% due to the additional grant funding received from the government due to the Covid 19 pandemic. We have seen a cumulative increase in Council Tax of 20.01% since 2009/10, this compares to an increase in the consumer price inflation (CPI) index of 27.4% since 2009.
- The General fund as a percentage of net current expenditure is in line with the unitary council average. Whilst the Council's earmarked reserves are reducing, the general fund provides resilience. The General Fund, as a percentage of net current expenditure is currently 3.59% in 2021/22
- There are a number of significant and complex schemes approved in the capital programme. These require considerable negotiation and project management. Whilst delivery of them is vital, it is recognised they have long term delivery profiles which can move significantly.
- Projections show that the 65 year olds and over 80 year old population is growing. At the end of the latest MTFP period, projections show the over 65's to reach 22.61%, and 6.33% for the over 80's. The projections for North East Lincolnshire follow the same trend as both the Yorkshire and Humber and England. However the percentage of older people within our area remains higher than average for both.
- At the end of the current planning period, projections show the number of young people (aged 0-19) remain stable. Children Looked After (CLA) numbers continue to put pressure on Council budgets. CLA numbers risen by 427 since 2010. This is a key challenge for the Council.

# **Robustness of Estimates and Adequacy of Reserves**

## **Conclusion**

There is a clear understanding of the duties of the Council's statutory Financial Officer and the implications of them being exercised are fully understood.

The proposed budget for 2022/23 is considered to be based upon robust estimates and supported by an adequate level of reserves given the risks the Council currently faces. Indicative budget allocations for 2023/24 and 2024/25 are considered to be reasonable based upon planning information available at the present time.

Whilst deficits are currently forecast over the medium term these will be addressed as part of next years budget round. Clearly though there is increased risk and uncertainty relating to the future of the local government financial model and the impact that other external factors, including the continued impact of COVID 19, will have on the Council's finances and the wider economy.

Whilst the commissioning plans contain challenging actions, they have been risk assessed and will be subject to continuous monitoring by the Council's leadership throughout the year. Well established budget monitoring processes are in place which include arrangements for the identification of variances and implementation of remedial actions where necessary.

**Sharon Wroot**

**Executive Director – Environment, Economy and Resources**

# Impact Assessment

## **Assessments**

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

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

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

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

## **The decision making process**

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

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

The full Council meeting in February 2022 will make decisions on the Council's Budget for 2022/25 based on recommendations from Cabinet

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

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

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

# **Impact Assessment**

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

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

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

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

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

## **Financial decisions**

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

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

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

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



# Commissioning Proposals 2022/23

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# **Commissioning Proposal 2022/23**

## **ADULT SERVICES**

### **Vision**

***All adults in North East Lincolnshire will have healthy and independent lives with easy access to joined up advice and support, helping them to help themselves.***

### **Section 1 – Summary of areas covered by this proposal**

The adult services budget provides resources for the council to meet its duties to support vulnerable adults (over 18) of all ages in North East Lincolnshire under the Care Act 2014. This includes statutory duties to meet “eligible” needs defined in the Care Act, as well as wider duties to support the wellbeing of all residents in North East Lincolnshire. The council is required to meet these duties by law, it is not optional. This essential support helps vulnerable people to meet basic daily living needs such as personal care, nutrition, mobilising, participating in work or social activities, that they would otherwise be unable to perform.

Other council services (outside of this budget envelope) are also bound by the duty to support the wellbeing of residents and to prevent and reduce the need for care and support. This includes public health, children’s services, housing, housing related support and local planning. These further services are outside of the scope of this commissioning template.

Adult social care services were commissioned by North East Lincolnshire CCG under previous delegated arrangements. The purpose of these arrangements was to ensure that the needs described above, combined with people’s health needs could be met in an integrated way. The integration of health and social care services enables peoples’ needs to be met in a more personalised, and co-ordinated way.

All services included in the budget envelope, as well as the social work functions, are contracted out to third party providers. The council has a duty to ensure that appropriate arrangements are in place for safeguarding adults, including support to the safeguarding adults board.

The council has a duty to ensure that appropriate services are available to meet local needs and that the market for care and support is safe and sustainable. Councils which fail to meet these duties can be challenged by the courts. In addition, the council has safeguarding duties to protect vulnerable people from harm and to ensure that services provided make people feel safe and secure.

Health service reforms taking effect from July 2022 mean that the council will in future either:

- 1) Contract directly with service providers for the delivery of the functions
- 2) Contract jointly with health partners for integrated services

The government has signalled its proposals for social care reform, commencing in 2022 with an increase in National Insurance contributions. In the following years, the reforms will mean that more social workers will be required to assess those “self- funders” who wish to create a care account and for their personal care costs to be counted towards the £86k “cap” on care costs. The government proposals also create more generous allowances in relation to means testing, meaning that more people will be eligible for state funded care. To support the implementation of these proposals, and in addition to local revenue raising, the government is providing further funding for councils though it is not known whether this will meet the full cost of implementation.

The areas of service covered by this proposal are adult social services and disabled facilities grants.

The following services are included:

- Single point of access (SPA)
- Home based care and support (domiciliary care)
- Residential care
- Intermediate bed-based care
- Extra care housing
- Supported living
- Rehabilitation and re-ablement
- Aids, adaptations (assisted living) and telecare
- Carers’ support services
- Mental health, connected mental health act functions and learning disability support,
- adult mental health practitioners, guardianship and appropriate adult functions
- Disability residential, and day services
- Social work statutory functions
- Specialist community transport
- Safeguarding
- Charging functions
- Deputyship
- Mental Capacity Act/deprivation of liberty safeguards
- Preventative services

- Market intelligence, care market sustainability

## Section 2 – Budget information

### 2021/22 Current Budget £'000s

Adult Services	Pay	Non-Pay Expenditure	Fees and Charges	Grants and Other Income	Non-Cash (recharges etc)	Total
Adult Social Care	121	49,102	0	(930)	149	48,442
Prevention And Wellbeing	64	300	0	(182)	21	203
<b>Total</b>	<b>185</b>	<b>49,402</b>	<b>0</b>	<b>(1,112)</b>	<b>170</b>	<b>48,645</b>

SCHEME	2021/22 Approved Capital Programme £000's	2022/23 Approved Capital Programme £000's	2023/24 Approved Capital Programme £000's	2024/25 Approved Capital Programme £000's
<b>Adult Services</b>				
Disabled Facilities Grants	4,499	3,214	2,685	0
Social Care - Better Care Fund	10	0	0	0
<b>Total</b>	<b>4.509</b>	<b>3,214</b>	<b>2,685</b>	<b>0</b>

### Section 3 – Update on previously agreed plans/programmes/proposals

Project title	Outcomes being sought	Progress
<p><b>1) Rehabilitation and reablement review</b></p>	<p>The purpose of the review, which was started during 2019-20 is to ensure we have a flexible and responsive health and care system. The aim will be to ensure that the system offers efficient and effective re-ablement, reducing reliance on long term care packages and formal services. This will offer greater independence for service users as well as aiming to avoid costs to the adult social care budget. During the next year the rehabilitation and re-ablement review will progress to its service re-design phase and propose new models and options for commissioners.</p>	<p>32 of the 50 beds are operational; the service has struggled to meet CQC requirements regarding quality expectations and during the past year there has been service disruption due to COVID and other outbreaks; CPG has struggled to recruit to all of the posts needed for full implementation owing to wage rates in other health and social care services; the CCG is still negotiating on the unit cost to deliver the service.</p> <p>Phase 2 of rehab review (community based) - dates TBC as dependent on COVID-19; we are commissioning some work on demand management approaches which will focus on the rehab pathway; work planned to start Nov 2021</p>

Project title	Outcomes being sought	Progress
<p><b>2) Getting better value from care (amalgamation of <i>high-cost placements/transitions work</i> in previous budget round)</b></p>	<p>This work commenced in 2019 and will review outcomes and value for money through a systematic review of care packages over £50k per annum. Following completion of this initial phase of work, lessons learned from the process, including new service models will be taken forward where possible. A second phase of work will then commence looking at the review of placements between 30K and 50K. Taken together with the rehabilitation and re-ablement review this should see a significant increase in value for money and enable us to meet some of the demand pressures within adult social care.</p>	<p>Phase 1 reviews completed and benefits realised; date dependent on COVID implications Phase 2 reviews commenced/completed We are working with children's service on the implementation of an in-borough support model (supported living plus) for a cohort of 8 complex individuals</p>
<p><b>3) Supported living plus</b></p>	<p>Delivery of a "plus model" for supported living clients to enable the diversification of the local housing and support market in NEL, reducing reliance on out of area placements</p>	<p>Specification developed and market engagement commenced – all on track</p>
<p><b>4) Social work practice development/adult social care commissioning</b></p>	<p>As far as the law allows, the council delegated social work functions to the CCG. With the union arrangements in place and changes to NHS services the council needs to consider whether this model of social work is fit for purpose. As a result of previous arrangements, social work practice is fragmented across a range of agencies which is leading to inconsistent practice. From a user perspective these inconsistencies can give rise to inequitable treatment and inconsistencies in care planning and consequently delivery. It also leads to a proliferation of assessments and duplication of processes. Planned NHS service changes creates the opportunity to review adult social care commissioning arrangements. We will consider a business case for change to make best use of our resources.</p>	<p>Case for change developed and socialised with leadership team; principal social worker leading on the development of an assurance framework for social work practice with a view to implementation of framework by end March 2022. Provider engagement around case for change and options Spring 2021 – deferred during pandemic. Decision making regarding preferred option and delivery plan prepared – deferred due to pandemic. Implementation phase</p>

<b>Project title</b>	<b>Outcomes being sought</b>	<b>Progress</b>
<b>5) Extra care housing programme delivery</b>	Delivery of further 2 x 90 bed schemes	Planning application for Davenport Drive site March 2021 – delayed due to constraints with the land offered to the developer Deliver 1 x feasibility study for additional site June 2021 – work commenced in relation to proposals at Western School site
<b>6) Implementation of the liberty protection safeguards (formerly DOL and DOLS)</b>	We will work towards the implementation of the replacement legislation and guidance for DOL and DOLS. This will include ensuring the appropriate workforce capacity is in place as well as relevant systems, processes, guidance and training. To contain the cost of social care delivery within the budget envelope, it will not be possible to clear the backlog of applications for authorisation. However, we will continue to prioritise processing based on an assessment of risk.	Still awaiting government guidance however preparatory work underway; there are resource implications in terms of additional capacity for the new system and there is a need to co-ordinate the work across the Humber Coast and Vale footprint due to the dispersal of responsibilities under the new arrangements.
<b>7) Day opportunities and specialist community transport review</b>	A review will be commissioned to look at how we make best use of resources to enable people to access support to meet their social needs as an alternative to day-centre based activity. Linked to this we will examine how our specialist community transport can be re-configured to offer a more flexible and responsive service for people with complex needs.	Work was deferred during the pandemic and restarted. Initial user insight and data collection work is completed; formal consultation to understand needs has been launched. Options development and appraisal – March 2022 Implementation planning and transition to new models April 2022 – March 2023 User insight commences for phase 2 (disability day services)

<p><b>8) Provider savings (Navigo)</b></p>	<p>Re-provide Floral Hall service – lease cost removed and staff team</p> <p>Navigo occupies the Floral Hall buildings in People’s Park under a lease with the Council. Floral Hall plays a key role in providing meaningful social activity and engagement for a range of services users who are and who will remain outside of the employment market either due to their age or due to the severity of their mental health condition. This includes a range of activities including horticultural therapy, walking groups, etc.</p> <p>Impacts on People’s Park from having this large set of glass buildings empty - it would reduce the range of activities available to the public in the park and may well attract additional vandalism. Floral Hall currently acts as a place where Access visits can take place. The Floral Hall is used by the more vulnerable clients who access Tukes for meaningful occupation of their time, engaging in therapeutic horticultural &amp; woodworking activities, the closure of the Floral Hall will initially impact around 37% of our long-term horticultural attendees. These services users can be supported with alternative activities at the garden centre owned by Navigo.</p> <p>Cease mental health caseworker support to night shelter. This post was established to work with the hostels and homelessness service to ensure that service users under the Care Programme Approach were supported into accessing stable accommodation (one of the key national performance indicators for local mental health services).</p> <p>The post is currently vacant so redundancy costs will not be payable but clear protocols would need to be put in place to ensure that the needs of people with a</p>	<p>Completed</p>
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Project title	Outcomes being sought	Progress
	<p>serious mental health conditions are being met within the wider homeless support system. It will remove the mental health support to Harbour Place and other partners working with those experiencing homelessness.</p> <p>User impact – many individuals with mental health, both our local population and those that present in North East Lincolnshire end up homeless and requiring urgent assessment especially when our partner services raise concern. Over the last 3 years, 142 service users discharged from NAViGO were classed as homeless at a point in their care and received a period of treatment. 17% were in more settled accommodation when they were discharged.</p> <p>Partnership Delivery of Tukes Recovery College - currently Tukes provides an internal provision of dyslexia screening, bespoke literacy, numeracy, ICT training and a portfolio of in-house certificated training programmes delivered via a blended learning approach. This supports 15-20 service users at a time. Alternative provision can be made in partnership with Lincoln College;</p>	
<b>9) Provider savings (Focus)</b>	Efficiency savings generated from review of direct payment support/improved systems	Development pre-paid card system and spec for direct payment support – June 2021; implementation delayed due to COVID but now underway with the first cards having been issued
<b>10) Provider savings (CPG)</b>	Reduce allocation of funding to Employability and Supported Employment service which currently supports c.125 service users.	Completed

<b>Project title</b>	<b>Outcomes being sought</b>	<b>Progress</b>
<b>11) Provider savings (CPG)</b>	<p>Reduce allocation of funding to Adult Learning Disability service (social care element) which currently supports 1,932 referrals/10,523 face to face contacts/6,185 non face to face contacts (2019/20). Potential for cost increases to other parts of the health and care system - individuals may require additional social care support and increased health provision.</p> <p>Review out of area placements and support the development of local support services</p>	Completed
<b>12) Partnership savings: reduce CCG service charge to ASC budget</b>	Through negotiation and review of support to ASC reduce the service charge to the ASC budget; to be considered together with ASC commissioning review (4)	Additional capacity has been added due to the demands of the pandemic therefore not delivered; further capacity will be needed to meet the new duties proposed by the government.
<b>13) Review health service contribution to learning disabled clients</b>	Undertake a review of all learning disability packages of care to examine whether there is scope to enhance the level of funded support from health budgets	Create business case for "investment to save" in focusing on appropriate support for learning disabled clients – not started due to pandemic demands/capacity Benchmarking data to be obtained from comparable councils regarding the split of ASC/health funding – not started due to pandemic demands/capacity Subject to business case, programme of case reviews to be undertaken commencing April 2021 – April 2022 – not started due to pandemic demands

<b>Project title</b>	<b>Outcomes being sought</b>	<b>Progress</b>
<b>14) Delivery of single-handed care project</b>	Reduce the number of care packages reliant on two carer calls through a programme of training in relation to handling techniques and the use of aids and adaptations	Work programme delayed due to difficulties in obtaining a suitably trained occupational therapist (OT); OT has now been recruited; this programme will support the care at home teams to manage their workforce capacity more effectively
<b>15) Review of respite charges</b>	Following the cost of care exercise and charging review there is a need to consider the base charge for residential respite and how means testing will be applied to that	This has been deferred due to the complexity of the Norfolk judgement in relation to charging, and follow-on work that will need to be done to mitigate risks to the council from a legal challenge; the council may have to consult and make changes to its charging policy in the light of legal advice Cabinet consultation on Norfolk judgement has resulted in the need to seek counsel opinion Decision making in response to legal advice on council charging policy - TBC Policy implementation from April 2022 – deferred pending the above;
<b>16) Optimise the use of the DFG budget</b>	Explore options for alternative uses of the DFG budget	Awaiting confirmation of approach from finance colleagues in NELC

## Section 4 – New plans/programmes/proposals

<b>Scheme/project area</b>	<b>Links to council plan and expected impact</b>	<b>Timescales</b>	<b>Cost implications or cost benefits</b>
Implementation of next phase of extra care housing	Extra care housing will enable people to remain supported in their own home for longer, contributing to their safety and wellbeing	Davenport Drive planning application submitted	Benefits include the ability to support people in their own homes for longer, reducing or delaying the need for residential care.
Social work practice development	Vulnerable people will be supported to be safe in the borough and have improved health and wellbeing; they will be able to access work and other opportunities within the community	Assurance framework for social work practice developed end March 2022; Options paper concerning the ending of the CCG/section 75 arrangements considered	Effective social work practice should demonstrate optimal use of resources in meeting local needs
Disabled facilities grant	The DFG resource is used flexibly to meet a range of needs in supporting improved health and wellbeing	Extend transfer of funding to support the assisted living centre	Subject to ratification with finance colleagues in relation to 2021 work, up to £1.2m offset; however high risk; if not deliverable we do not have alternative proposals to deliver this value of savings
Rehabilitation and re-ablement review	More effective support to people as part of the recovery will reduce and delay the need for care and support	Input from external provider in Nov 2021 was stopped due to moratorium on expenditure.	Work in Nov 2021 will quantify the size of opportunity and where it will impact on longer term care needs with the potential to reduce/divert care costs to lower/no cost options;
Supported living plus	People with significant disability will be able to be supported to live closer to their families and support networks improving health, well-being and safety	Mid 2022 scheme commencement	Cost avoidance c 230k in 2023

Scheme/project area	Links to council plan and expected impact	Timescales	Cost implications or cost benefits
Single handed care	The council will be able to meet care and support needs more efficiently, sustaining the care workforce capacity	Benefits realisation in 2022	This will help to stabilise the care at home team capacity by reducing the number of double handed care calls and increase the responsiveness of teams; cost avoidance up to £300k in 2022/23
Workforce capacity and sustainability	Skills and economy	Investment in the care workforce to ensure an adequate and sustainable supply of care workers from March 2022	Investment to ensure that care providers in NEL can offer an attractive rate of pay which is comparable with other roles such as retail/hospitality; current levels of vacancies in the support at home workforce (126/503 posts) are leading to the inability of care companies to meet need within the current fee rates, which are amongst the lowest nationally; if needs cannot be met at home (average cost £190 pw) then more costly and inappropriate services such as residential care (minimum cost £535.00 pw) will need to be sourced

## Section 5 – What are the risks and opportunities associated with the proposals?

Adult social care is experiencing significant pressures and risks associated with the continuance of measures implemented during the pandemic, as well as demand pressures across all areas of service. Due to other factors in the economy, the sector, which typically operates to a minimum wage workforce, is now critically short of care workers, competing with higher rates of pay and better terms and conditions offered for comparable work in retail or hospitality. In some areas (outside of NEL) this has led to care providers returning their care contracts to the

local council. In North East Lincolnshire, care at home in particular is experiencing up to 20 percent shortages in staff numbers, at the same time as demand is increasing. One provider is on the edge of financial viability due to unsustainable costs. The council has a duty to ensure it supports a sustainable market for care and support. This includes meeting wage increases and other inflationary pressures as well as changed needs.

In addition, further pressure has been placed on adult social care to meet pressures within health services, most notably hospital discharge. The two systems must work together to ensure that health and care services remain available for those who need it, especially critical care.

During the pandemic, significant additional monies enabled the implementation of infection control measures including enhanced hours of work. It is not envisaged that this support will continue into 2022, though the government has signalled further funding into the longer term via proposed reforms to social care. Councils which have assessed the on-going costs of the pandemic suggest that provider costs have increased by as much as 25%. There is not the ability within the current negotiated fee base in NEL to meet these additional costs. The risk to the council is that providers do not agree to meet care needs within the current fee structure and return their contracts to the council with attendant risks to on-going care deliver for vulnerable adults. There is a further risk of care provider failure due to insufficient financial support from the council.

Additional risks to the delivery of the council's duties within the current allocated resource include:

- 1) The outcome of the Norfolk judgement on local authority charging policies; counsel opinion is being sought in relation to the risks and issues with the council's current policy and work is being undertaken to identify the potential likely costs if any; for this reason and due to capacity constraints further work on the respite charging review has been suspended.
- 2) The implementation of the liberty protection safeguards has major implications for councils and health bodies; guidelines are awaited from the government
- 3) The recent announcement of reforms to social care will increase demand for assessments by self-funders, a process for setting up care accounts will be needed, and on-going assessment and review of all cases will be needed annually, increasing the need for social workers and financial assessment workers. Proposed charging reforms will also adversely impact on charging income, with the amount of people eligible for state funded care at the same time likely to increase significantly. The implementation of these reforms will require additional staff capacity.
- 4) The council will be subject to external assessment and challenge from the CQC under new assurance arrangements, similar to those which exist for children's services.

The commissioning plans aim to enhance the efficiency and effectiveness of the local offer by:

- 1) Reducing the need for care and support (home adaptations, single handed care, rehabilitation and reablement support)
- 2) Sustaining the care market, by investing in the workforce
- 3) Developing alternative local solutions to help people to live in their own homes for longer (extra care housing, enhanced support at home, supported living plus)

We are also aiming to improve our use of resources by working to improve value for money (getting better value from care programme and preparing for adulthood work).

### Annex 1 Savings and Transformation Proposals

Proposal	Saving 2022/23 £'000	Saving 2023/24 £'000	Saving 2024/25 £'000	Risk (H/M/L)
Complexity	250	250	0	M
Transitions	499	499	499	M
Use of DFG to support community equipment	1,200	0	0	H
Single handed care	300	300	300	M
Additional efficiency savings requirement - to be identified	172	0	0	H
<b>Total</b>	<b>2,421</b>	<b>1,049</b>	<b>799</b>	

### Annex 2 – Additional Funding Allocated

Pressures	2022/23 £000	2023/24 £000	2024/25 £000
Transitions from Children's Services	0	232	1,022
Inflationary pressures	500	939	3,078
Workforce retention and sustainability	867	867	867
Intermediate Tier costs	400	400	400
<b>Total</b>	<b>1,767</b>	<b>2,438</b>	<b>5,367</b>

# **Commissioning Proposal 2022/23**

## **CHILDREN AND FAMILY SERVICES**

### **Vision**

***All North East Lincolnshire's children and young people will be healthy, resilient, and safe, and are supported to achieve in school.  
They should reach their full potential.***

### **Section 1 – Summary of areas covered by this proposal**

The areas covered by this proposal covers all areas of Children and Family Services: -

- Children's Social Care
- Prevention and Early Help
- North East Lincs Safeguarding Children's Board (NELSCP)
- Special Educational Needs and Disability (SEND)
- Children's Emotional health and wellbeing
- Children's Complex Care
- Children's Public Health Provision
- Safer & Partnerships – Strategic Support for the Safeguarding Children Partnership & Community Safety Partnership and strategic response to domestic abuse, contextual safeguarding, anti-social behaviour, youth offending & youth engagement, Preventing violent extremism and modern slavery.
- Education & skills

Children's Services have developed a transformation plan that sets out the ambition and priorities over the next 12 – 24 months. The plan identifies priorities and is underpinned by the actions to be undertaken to deliver the priorities and vision.

Priorities:

- Priority 1: Provide the right level of care and support where all children feel and are safe and have the opportunity to reach their full potential
- Priority 2: Participation and engagement of Young People

- Priority 3: Ensure the workforce is well resourced, trained, supported to follow identified processes, to build positive relationships with families for sustainable change and decision making is informed by good evidence and data
- Priority 4: Ensuring Managers are supported, highly skilled and lead their teams with confidence using sound information and intelligence
- Priority 5: Work Alongside our statutory, voluntary & community sector partners to achieve success for our families

## Section 2 – Budget information

### 2021/22 Current Budget £'000s

CHILDRENS AND FAMILY SERVICES	Pay	Non-Pay Expenditure	Fees and Charges	Grants and Other	Non-Cash (recharges)	Total	2021/22 FTE's
Education Transport	789	1,726	(25)	(16)	480	2,954	35.9
Employability & Skills	729	111	(18)	(325)	246	743	21.7
Sen/Inclusion	2,420	15,518	(509)	(182)	962	18,209	51.6
Asset Rents	0	0	0	0	1,640	1,640	0
Funding	0	1,471	0	(38,917)	116	(37,330)	0
Pensions	0	1,728	0	0	116	1,844	0
Schools	8,998	3,301	(71)	(1,589)	0	10,639	0
Attainment & Progress	421	907	(211)	(1,086)	67	98	7.0
Pupil Supp Safeguard/Wellbeing	762	19	(101)	(153)	283	810	21.0
Young And Safe	921	400	(133)	(1,048)	347	487	25.3
Safeguard Board / Dom Violence	192	371	(15)	(315)	76	309	4.5
Child Safeguarding Review Serv	802	72	0	0	204	1,078	13.6
Graft	174	63	0	(237)	72	72	5.5
Palliative / Complex Care	148	317	0	(465)	44	44	3.0
Childrens Mental & Emot Health	115	5,130	0	(4,821)	128	552	3.0
Director Children & Fam Serv	500	351	(40)	(522)	73	362	5.0
Childrens Health	3,308	344	0	(3,524)	725	853	73.6
Corporate Parenting	449	1,093	(8)	(948)	117	703	9.5
Safeguarding	2,739	107	0	(14)	1,395	4,227	66.4
Court And Cp Service	2,622	(76)	0	0	644	3,190	58.1
Principal Social Workers	220	38	0	0	68	326	5.7

<b>CHILDRENS AND FAMILY SERVICES</b>	<b>Pay</b>	<b>Non-Pay Expenditure</b>	<b>Fees and Charges</b>	<b>Grants and Other</b>	<b>Non-Cash (recharges)</b>	<b>Total</b>	<b>2021/22 FTE's</b>
Advice And Inspection	355	1	0	0	71	427	5.0
Cs Commissioning Service	234	3,695	0	(81)	67	3,915	0
Early Help Team	4,071	9,815	(514)	(3,162)	2,116	12,326	122.8
Children In Care & Disability	1,191	866	(6)	(47)	474	2,478	31.3
Cs Residential Homes	4,165	865	(26)	(733)	1,438	5,709	117.8
Fostering & Adoption	989	7,511	0	(48)	591	9,043	23.6
<b>Total</b>	<b>37,314</b>	<b>55,744</b>	<b>(1,677)</b>	<b>(58,233)</b>	<b>12,560</b>	<b>45,708</b>	<b>710.9</b>

<b>SCHEME</b>	<b>2021/22 Approved Capital Programme £000's</b>	<b>2022/23 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>	<b>2024/25 Approved Capital Programme £000's</b>
<b>Childrens and Family Services</b>				
Schools - Devolved Formula Cap Grant	112	100	0	0
Schools - Backlog Maintenance	753	400	400	400
Schools - Basic Need Sufficiency of Places	637	1,860	3,500	0
Special Educational Needs and Disability Fund	227	1,283	883	883
Lincs2 Portal System Inv.	1	0	0	0
Nursery Places	140	0	0	0
Service Improvement Education	31	30	0	0
CCTV Review and Upgrade	955	0	0	0
Safer Streets 2	382	0	0	0
<b>Total</b>	<b>3,238</b>	<b>3,673</b>	<b>4,783</b>	<b>1,283</b>

## **Section 3 – Update on previously agreed plans/programmes/proposals**

### **Review of CCTV Provision**

During 2021 work has continued to commission a new Public Space CCTV system following £1m of capital investment approved by Cabinet. A revised strategy combined with the capital investment will improve working practices and partnership working and enable the latest digital CCTV technology to be utilised to prevent & detect crime, environmental crime, and anti-social behaviour, enhancing the personal safety of residents and visitors to the local area. It is anticipated that the upgrade will be completed by June 2022. Covid 19 has not impacted on the ability to undertake this activity.

### **Domestic Abuse**

Domestic abuse remains a serious challenge for all Public Sector organisations across North East Lincolnshire. A revised multi-agency strategy was agreed in 2021 which provides greater focus on prevention and protection for victims and their children, in addition to providing sustainable levels of provision. Additional funding has been provided from central government to provide safe accommodation. This has been further supported by wider external funding to provide support for high-risk victims. Within Children Services a dedicated team is now established as part of the Early Help offer, with wider provision being developed across the whole service. This is something that affects us all, in all our service levels and in the wider community.

### **Anti-Social Behaviour**

The revised ASB strategy has enabled a staged approach to be taken utilising legislative tools and powers available to the Council and wider Partnership to improve the quality of life for our local communities. The Provision has been further enhanced during 2021 by the secondment of a dedicated Police Officer. ASB remains a priority for the Council and wider Community Safety Partnership.

### **Special Educational Needs & Disabilities (SEND)**

COVID 19 has impacted our ability to deliver SEND services as we would wish, and has meant we are not in line with meeting some of the government's statutory timescales, as follows:

Due to the pandemic, we have seen a marked increase in the number of requests for Education Health and Care Plans (EHCP) and requests from families wishing to electively home educate (EHE) their children during the pandemic. This has created a significant strain on the capacity

of our services who are required to work towards stringent statutory timeframes, to deliver these plans and requests. We are undertaking regular discussions with DfE to explore the guidance and seek solutions to this pressure. The organisation and provision of transport have also been challenging during the pandemic, with social distancing guidance creating difficulties in ensuring we transport our students to school. Other challenges relate to the lack of provision in the Borough to support our young people, particularly those young people with social, emotional, and mental health (SEMH) needs.

### **Written Statement of Action (WSOA):**

Progress on the WSOA has continued throughout the pandemic albeit at a slower pace. We have developed strong governance arrangements which oversee the progress on all SEND activities. Some of our successes are:

- The recruitment of a full time Designated Clinical Officer (DCO) to ensure the health needs of children and young people with Education Health & Care Plans (EHCP) are being identified and met. Parents/carers are offering positive feedback and educational settings have welcomed the appointment of a specialist nurse for complex health care needs.
- The design and implementation of a 'working together' co-production strategy across NELC and NELCCG to ensure families and those that provide services work together to make decisions or create a service which works for them all.
- The implementation of the EHCP hub a new online virtual way to streamline the existing EHCP process, which will be significantly more efficient for parents and professionals, than the existing paper-based approach.
- The launch of Valuing SEND, a methodology to help professionals further understand young peoples need and the services they require to meet those needs.
- The new Local Offer Website has been launched and has been received well by families
- Progress in terms of a review of access to therapy services was significantly impacted due to the pandemic. Based on national guidance clinical staff were re-directed to support front line hospital services which affected their ability to deliver the service and engage with Commissioners regarding the review. This has affected waiting times for all therapy and equipment services, so commissioners have worked with SLC services to prioritise appointments based on needs.

### **Valuing Care, Family Values, and the Single Placements Team**

The Valuing Care (VC) project has been used to better reflect the needs of young people in children's homes who could reasonably step across to living in a foster family. Young people's needs and vulnerabilities are illustrated to both in-house and external providers using the VC toolkit.

As part of the Valuing Care project, we have held several provider events where children's VC profiles are shared with provider organisations, and they are given the chance to have discussions with social care staff about young people who are ready to move on from children's homes.

Whilst we have had positive feedback from providers about the VC events, it has been labour intensive for social workers and so far, has resulted in very few moves.

The Family Values Project is aimed to increase our inhouse foster care capacity. In North East Lincolnshire we require additional carers to meet the current need of Children looked after that require a family setting and local to their family, school, and Community as possible. This Project is currently refreshing the offer to our Carers, updating the training programme to support them and ensure we have the appropriate infrastructure required to ensure safe and effective recruitment, assessment, and support to Carers.

### **Children's Commissioning Team**

The development of a children commissioning team has been agreed by the authority to: -

- Secure the right resources for local children, young people and families including ensuring local sufficiency of social care and education places.
- Ensure that all services constitute excellent value for money
- Contribute to service improvement through robust QA of all contracts
- Develop integrated commissioning with local partners from both the statutory and voluntary sectors
- Promote the development and sharing of best practice amongst local in-house and external service providers
- Ensure that there is a tight grip on social care and SEND expenditure and that resources used to support children, young people and families are proportionate to need.

The team is currently still being recruited but expects this to be completed by early 2022.

### **Co-location of children's community services to reduce the number of localities buildings, rationalise Family Hubs**

Analysis of all Family Hubs has been undertaken and Cabinet considered the recommendations at the January 2021 meeting. Since this time there has been a need to engage in a public consultation in respect of the hubs, this took place in July and August 2021. The information from the consultation has now been collated and a report will be available in order that decisions can be made in respect of rationalisation of estates. If there is a decision to close hubs there is the potential for saving to be made within the authority.

### **Children's Emotional Health and Wellbeing:**

Working collaboratively with LPFT to deliver year 5 of the contract for children's mental health and emotional wellbeing service, Young Minds Matter. A series of consultation and engagement sessions with key partners is underway to ensure services meet the needs of children and young people and identify future commissioning intentions.

The key findings are being pulled into a thematic analysis and are forming part of the children's mental health and emotional wellbeing strategic plan.

### **Childrens Complex Health Care:**

A continuing care package is required when a child or young person has needs arising from disability, accident or illness that cannot be met by existing services available to all (universal) or specialist services alone as mandated by NHS England.

In NEL all children & young people who meet the above criteria have bespoke individual support plans developed with the child and family. In line with the Government mandate for personalisation, all families have the opportunity to have a personal health budget, this is discussed with them, in NEL all but one of our families has a personal health budget supported by a managed account. All packages are implemented timely and reviewed at least annually.

The impact of having a bespoke package designed around the family's needs is significant, family are confident in the competence of their care team as they are sourced and selected by them and trained individually by the Children's Nurse Educator this includes pre-clinical training and hands on training with the individual child.

## **Section 4 – New plans/programmes/proposals**

### **Redesign of fostering services**

The redesign of fostering services has now been agreed which will allow for the fostering services to consist of three teams addressing the three areas of statutory responsibility. This course of action will allow each team to appropriately prioritise their area of work ensuring that we continue to recruit and retain carers who are able to provide for the needs of our children. There are initial positive indications that this approach has increased the level of expressions of interest (EOI) provided by prospective carers.

The creation of more foster homes for our children in need of care will reduce the reliance on external foster placement. In addition, it is anticipated the increase in house fostering resource will allow for more of our children to remain within their local communities and further reduce the need to utilise expensive external placements. There is a target of 20 new foster placements being identified each year for the next three years.

### **Review and redesign of residential children's homes**

This project is in the preliminary stages of development. It is based on the recognition of a need to review the current in-house residential provision with a view to ensuring that it is fit to meet the needs of our children. This includes ensuring that there is some resilience in the homes in terms of staffing but also that the homes are cost effective in meeting the needs of our children.

The proposal is that in terms of improving the quality of care we need to reduce the number of homes whilst maintaining the same level of capacity. This would result in some of the small homes being mothballed whilst we seek to improve the training of the staff team to better enable them to work with our children in a therapeutic manner. A larger home (housing a maximum of five children) would create greater efficiencies than the smaller one and two bedroomed homes.

### **Review and redesign of the family time service**

The current support offered to children in care and their families is one which is based on observations of the interaction between a parent and their child. There is a need for the service to be more proactive to facilitate improvements in parenting which in turn increases the prospects of children being rehabilitated back to the care of their parents.

A business case is currently being developed which will modernise the service and ensure that we are able to meet the need of our children to maintain meaningful relationships with their families.

## **Commissioning of Safe Families**

In 2018 we commissioned Safe Families, a local based organisation that works to support children and Families as part of our early help and prevention offer. They have proved crucial to Children Services by assisting us in appropriately moving children and Families out to assistance in accessing universal services. In 2019 we agreed a 3 -year contract paid for by Education, Local Authority, and the Clinical Commissioning group (CCG). NELC therefore will contribute £30k for this work and is subject to regular contract review with numerical footfall reviewed – (60 Families is the target per annum) and outcomes to reduce the need for statutory services monitored.

### **Impact measures**

We are now seeing a reduction in numbers of those children that are subject to a CP plan and those children classed as CIN. This programme will continue to work with families so that their needs can be addressed at much lower levels. For example Early Help. There is an ongoing schedule of briefings which are planned with agencies to ensure that the referral numbers remain at the anticipated level.

The continued commission of safe families for three years working in our teams in the council have led to a decrease of children subject to Children protection plans as they have made significant change from 450 in 2019 to 209 (September 2021). The service has undertaken work with women who have experienced removal of children as a means of engaging them in intervention which will maximise the prospects of them being able to retain the care of any further children that they have. this has been a positive piece of work and whilst the numbers are low it serves to reduce the children who need local authority care.

## **Education Provision**

We are exploring the development of an SEMH (Social/Emotional & Mental Health) provision within North East Lincolnshire as this is an area of growing demand. This will enable us to provide the education for our children locally and reduce the need to send out of area. We have received the High Needs Support grant from Government to assist us in these developments for 2021/2022.

## **Valuing SEND**

Valuing SEND is an approach we use in schools, which seeks to understand the needs of our young people and ensure that we can use those identified needs to commission services to support that ever-growing demand. Valuing SEND, once embedded, will improve the experience of children, young people with additional needs in North East Lincolnshire

Valuing SEND aims to enable this by:

- Developing an overview of the needs of children and young people in receipt of EHCPs,

- Understanding the current places and provision available across the Borough
- Understanding the future numbers of young people, their needs and the current financial spend.

Valuing SEND alongside the new Sufficiency Strategy, aims to provide information for a long-term sustainable plan and approach for specialist SEND places. The strategy forms part of wider plans for Value in SEND and Together for All, to promote inclusivity across all education settings in North East Lincolnshire.

Impact measures: The delivery of the WSOA and the new SEND sufficiency strategy provides a thorough understanding of our demographics, the needs of our young people, and the existing provision in the Borough. This provides us with the opportunity to co-produce and recommission services matched to need.

We have introduced a digital platform for families, professionals, and education settings to engage, contribute and collaborate on Education, Health and Care (EHC) assessments, plans and reviews to improve the writing and reviewing of plans and facilitating parental contribution and co-production

- We now have a co-produced SEND Strategy which has been informed by the currently underway health needs assessment (HNA) of vulnerability in children and young people including those with SEND
- We now have in place a co-produced SEND Sufficiency Strategy which plans for the current and future needs of children and young people aged 0-25 with SEND.
- Following the appointment of an officer for Supported Internships, NELC will offer Supported Internships Study Programmes to young people aged 16-24 with an EHCP to achieve sustainable paid employment through equipping them with the skills they need for work through learning in the workplace

### **Speech, Language & Communication Needs (SLCN) for Children and Young People (CYP):**

In response to the SEND Inspection, the resulting Children's Joint Strategic Needs Assessment (JSNA) and the pressures on SLCN services brought about by Covid a Children and Young People (CYP) Speech, Language and Community Needs (SLCN) Strategic Group has been established. Its purpose is to agree the vision and strategy for future SLCN 0-19 (25) services that meets current and emerging needs, improve outcomes and life choices by making sure that CYP have access to the right support at the earliest possible point.

The group is made up of membership from key stakeholders and commissioners across education, health, and social care with a joint commitment to ensure appropriate engagement and co-production with service users and the community in accordance with the 'Talking, Listening and Working Together – Meeting the North East Lincolnshire Commitment – A Community Engagement Strategy'.

The Group is mapping current provision across the range of commissioned services, looking at best practice and considering gaps to inform the commissioning plans from April 2022.

### Children’s Emotional Health and Wellbeing:

Project	Summary of project	Workforce/ LD needs	Timescales	Commissioning requirements
Neurodevelopment	Revalidate and enhance the local model for neurodevelopmental, working with key partners, partners/carers, and young people to ensure there is co-production throughout	Whole system approach to raising awareness and competencies - part of SEND programme	1 <sup>st</sup> April 2022	Additional funding through CCG for model - internal SLA/Deed of variations with NELC contracts and CCG approach TBC
Mental Health Support Teams	Continue to embed and deliver the MHSTs to ensure there is a comprehensive offer of early intervention and prevention support		Current funding agreed until 2023/24	Local decision to be considered on the commissioning arrangements after year 3
Lincolnshire Partnership Foundation Trust, Young Minds Matter	Working with the provider to implement year 5 of the contract and looking at gaps within commissioning to meet the needs of children and young people and to reflect changes since COVID-19	Raise awareness of service offer and how to access support within NELC staff	Until 31 <sup>st</sup> March 2023	Local decision to be considered on the commissioning arrangements after Year 5
Kooth	Continue to deliver an online counselling service	Raise awareness of service offer and how to access support within NELC staff	Contract until November 2022	Working across HCV ICP currently looking at digital offer
Autism in Schools	Deliver on the autism in schools’ pilot with the 10 selected educational settings to build relationships, networks of support, learning opportunities, neuro self-awareness and skills development to improve outcomes for children who have a diagnosis of autism	Training for neuro-typical conditions has been included as part of one of the themed areas	End of August 2022	DOV with Compass Go and LPFT to deliver 4 themed areas

All projects link to Vitality & Health in the Council Plan.

## **Children's Complex Health Care:**

Continuing health assessments are now being considered at the SEND panel, this enables the team to ensure there is no duplication of care or provision, it facilitates discussion with education and social care and ensures a more transparent approach. By considering holistically we may be able to trim down elements of costs to health, education, or social care by no longer duplicating and ensuring support of whatever kind is proportionate and equitably provided. This also serves to support children who are ineligible to continuing health care support and allows discussion as to which if any service could offer support.

Children's Complex Care are working more collaboratively with adult care and ensuring early identification and flagging of young people, so they have a seamless transition we are doing this on a dual fronted approach by the Complex health Nurse/Nurse in school and DCO (Designated Clinical Officer) identifying young people and advising adult services of the need to complete a decision support tool around adult care. This work has also been commenced by the Education Health & Care plan coordinators to ensure needs and outcomes are fed through timely. Progress of this is to be reviewed by the DCO.

## **Horizon On Side Youth Zone**

Supporting the Council Plan around a place "where young people have choice and are equipped with the skills to exercise that choice", the planned Youth Zone for North East Lincolnshire will enable a state-of-the-art facility to be built in the Town Centre providing exceptional opportunities for young people to thrive, gain new life skills, confidence, and friendships. Based on the timescales provided by Horizon Youth Zone of drawdown of finance set against what is allocated in the base funding by the Council, a saving will be achieved in 22/23. Horizon anticipate a building start date of June 2022.

## **Section 5 – What are the risks and opportunities associated with the proposals?**

### **Risks in children services**

It is imperative that children services can provide a high-quality safeguarding service to children and families. A failure to do so has the risks of children being left in unsafe situations which could result in them suffering harm. Equally there are significant reputational risks should the authority fail to deliver. The current demand on children's services, against the reduction in local resources significantly heightens the risks associated with children's social care. However, within this context there is the prospect of opportunities being identified which include the followings.

## **Opportunities**

The review and development of residential services which will potentially result in a saving.

The increase in local fostering resources will allow us to return children who are placed in expensive external provision.

It is anticipated that as we seek to reduce the number of children who are looked after there is an opportunity to create further saving.

## **Greater accessibility to SEND services**

The main SEND risks for children, young people and families is their inability to access the services they need.

- A key area of focus in NEL is our approach to co-production, good progress had been made prior to lockdown however due to the tight social distancing requirements our ability to effectively engage with our parents, carers and young people has been massively affected. Additionally, the closure of schools during the early waves of COVID brought extra pressure onto our parents and carers ability to give their time to engagement and co-production events. We are reviewing some services to ensure they are configured to maximise the best outcomes for children. This has identified service change proposals which will require additional resource following business case submission which is a risk in the current climate.
- Potential additional costs and re-commissioning of Speech, Language & Communication services following the conclusion of the mapping and gap analysis in 2022.

## **Education Provision**

We have distinct staffing pressures now across our education services, particularly in Educational Psychology, this is an issue facing many Local Authorities, who are also struggling to recruit staff. This pressure impacts our ability to meet some of our key performance targets.

## **Children's Emotional Health and Wellbeing:**

- A funding gap has been identified within year 5 of the LPFT contract resulting in a risk to the full offer being delivered in year 5
- On-going funding for the neuro-development specialist team (SMDT) and the capacity and resource to support the pathway from education, social care, and early help.
- Due to the creation of the statutory HCV ICB body, there may be changes to the current funding processes of CCGs, future commissioning intentions regarding the NHS contracts have yet to be communicated

- Difficulties with recruiting into clinical roles (e.g., Neurodevelopmental model) this is a national issue across the NHS

### **Children's Complex Health Care:**

- Discussions are underway regarding the contribution made by the service to Cromwell House as parents/cares have elected not to use this facility as they have their own managed budgets.
- Due to the impending retirement of 2 established team members (The Childrens Nurse Educator and Head of Complex Health (March 2022) the service is investing in the training and development of other team members to ensure that risks to service delivery and continuity of care are minimised whilst recruitment / replacement of these roles are underway.

### **Horizon On Side Youth Zone**

Based on the timescales provided by Horizon Youth Zone of drawdown of finance set against what is allocated in the base funding by the Council, there are no risks currently identified.

## Annex 1 Savings and Transformation Proposals

Service Area	Proposal	Saving 2022/23 £'000	Saving 2023/24 £'000	Saving 2024/25 £'000	Risk (H/M/L)
AD Safer	Youth Zone Delayed start	118	150	56	L
Assessment & Safeguarding	Care Leavers Allowances - available budget	246	246	246	M
Assessment & Safeguarding	Placement costs reductions	1,530	2,060	2,590	H
Assessment & Safeguarding	New Commissioning Team savings	400	400	400	H
Assessment & Safeguarding	Forecast reduction in CLA April 2022 to March2023	500	500	500	H
Education & Inclusion	Education Welfare Service	25	50	50	M
Children's Trust	CAMHS	250	250	250	H
Assessment & Safeguarding	CAO Discretionary Payments	300	300	300	H
Education & Inclusion	Home to School Transport Review	0	200	400	M
Safer	Young & Safe - Business as usual	17	17	17	H
Additional Efficiency Savings	Savings to be identified	126	0	0	H
<b>Total</b>		<b>3,512</b>	<b>4,173</b>	<b>4,809</b>	

## Annex 2 – Additional Funding Allocated

<b>Pressures</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
Placement (all types) Demand pressures	5,155	5,620	6,120
Social Worker pay review	520	540	560
Family Time - additional capacity	270	270	270
Children's Safeguarding Reviewing Service - additional capacity	344	277	277
Placement Commissioning - new team	300	300	300
New Fostering structure	273	273	273
Additional staffing capacity	585	585	585
Correction of unrealistic income targets	186	186	186
Home to School Transport	750	750	750
Education Welfare	98	98	98
Extension of 4 Social Worker Project teams	523	0	0
Youth Zone	0	75	75
<b>Total Children and Family Services</b>	<b>9,004</b>	<b>8,974</b>	<b>9,494</b>

## **Commissioning Proposal 2022/23**

### **PUBLIC HEALTH**

#### **Vision**

*Our shared vision for Health and Wellbeing for North East Lincolnshire is that*

*“we want people to be informed, capable of living independent lives, self-supporting and resilient in maintaining/improving their own health. By feeling valued through their lives, people will be in control of their own wellbeing, have opportunities to be fulfilled and are able to actively engage in life in an environment that promotes mental and physical health and protects people from avoidable harm.”*

#### **Section 1 – Summary of areas covered by this proposal**

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

- Health Protection
- Providing public health expertise and advice to NHS.
- Open Access to Sexual Health Services
- The National Child Measurement Programme
- 0-5 Healthy Child Programme
- NHS health check assessment
- Drug / Alcohol Services
- Oral health survey

As well as the core mandated services, local authorities are funded to commission discretionary services as they believe appropriate after considering local need and other factors. These were set out in the public health supplement to the NHS Constitution.

Public Health is entirely funded through the Public Health Grant. To fulfil the local authorities’ duties for public health, the Director of Public Health is charged with the effective spend of the public health grant to commission services to meet local population health needs and reduce inequalities. The public health investment made by North East Lincolnshire Council as part of its overall budget has been dispersed across

several programme areas. This proposal considers only the mandated public health services which are the elements of public health under the direct responsibility of the Director of Public Health. Other public health initiatives funded through the public health grant, including children's health, community protection, adult social care/prevention, road safety, fuel poverty and financial inclusion have all been incorporated into other commissioning summary proposals.

The public health grant is funding from the Department of Health and as such it is defended and closely performance managed by the department. Internally imposed savings cannot be made from the public health grant - we can only re-allocate. The Director of Public Health is accountable for the use of the Public Health Grant in line with strict guidance, local authority duties and mandation. We are therefore restricted in our ability to prioritise services, de-invest and re-invest the Public Health Grant. Any re-allocations of the grant have an immediate impact on the authority's financial returns and published peer comparison data which analyses spend versus outcomes and identifies areas of significant variance.

The North East Lincolnshire Public Health Grant allocation has not yet been confirmed for 2022/23. We will not know the level of investment for 2022/23 until the Comprehensive Spending Review has been announced. If the level of investment remains the same (or is reduced) for North East Lincolnshire, this will lead to significant pressure for all those public health grant funded services which do not receive any corporate investment, due to the Agenda for Change pay deal and expected salary inflation for NJC employees. This will particularly impact the salary budgets for the core public health team, the wellbeing service and children's health.

COVID 19 will continue to impact different cohorts of the population. We therefore still anticipate significant increased demand across all public health services over 2022/23 and expect additional action to address increased health inequalities across the borough, as a direct and indirect impact of COVID-19.

## Section 2 – Budget information

### 2021/22 Current Budget £'000s

<b>PUBLIC HEALTH</b>	<b>Pay</b>	<b>Non-Pay Expenditure</b>	<b>Fees and Charges</b>	<b>Grants and Other Income</b>	<b>Non-Cash (recharges etc)</b>	<b>Total</b>	<b>2021/22 Original FTE's</b>
Director Public Health	1,479	744	0	(2,209)	208	222	22.2
Drug / Alcohol Action Service	0	2,551	0	(2,551)	0	0	0
Wellbeing Service	655	134	0	(789)	222	222	21.5
Sexual Health	0	870	0	(870)	0	0	0
Recovery Community	0	60	0	(59)	1	2	0
<b>Total</b>	<b>2,134</b>	<b>4,359</b>	<b>0</b>	<b>(6,478)</b>	<b>431</b>	<b>446</b>	<b>43.7</b>

<b>SCHEME</b>	<b>2021/22 Approved Capital Programme £000's</b>	<b>2022/23 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>	<b>2024/25 Approved Capital Programme £000's</b>
<b>Public Health</b>				
Drug & Alcohol Recovery	12	0	0	0

### Section 3 – Update on previously agreed plans/programmes/proposals

2020/21 Proposals	Progress/Impact
<p><b>Tobacco Project</b></p>	<p>By the end of 21/22, we will have established “smoke-free zones in 53 of the children’s play areas in our local parks. We have continued to work with our primary schools on “smoke-free school gates” and “smoke-free side-lines for children’s sports facilities.</p> <p>Despite the pandemic, we have continued to work with the Humber, Coast and Vale LTP working group to enable NLaG to continue with the ongoing implementation of the smoke-free NHS Long-Term Plan for 21/24.</p>
<p><b>Alcohol Project</b></p>	<p>Like the national picture, alcohol related admissions and mortality have increased in NEL. During the pandemic and post-lock down period, the numbers accessing treatment has stayed constant. This does not mean there is not a need, but rather different approaches are required to reach those who are drinking at hazardous, harmful, and dependent levels. It should also be noted that the fact the numbers were constant does mean that those who were/are being supported did not leave treatment and continued to receive the support they needed.</p> <p>Part of the new approach that has begun during 2021/22 is the introduction of alcohol work within the GPIP service which has resulted in patients in the member surgeries being assessed and provided with brief interventions, enhanced brief interventions and referral to the specialist service for those who may be dependent. There has been good uptake of the support offered even during these difficult times.</p> <p>Work has continued during 2021/22 in respect of the strategic delivery plan such as:</p> <p>Continuing, in partnership with We Are With You and The Community Safety Partnership, to put out communication relating to safer drinking and participation in national campaigns</p> <p>The growth of the recovery community and their partnerships providing support to those in recovery</p> <p>Partnership working with the NAVIGO Liaison Substance Misuse Team based at DPOW</p>

2020/21 Proposals	Progress/Impact
	<p>Partnership working with the NELC licencing team</p> <p>Participation in the Event Safety Advisory Group in respect of considering alcohol use at various events and festivals</p> <p>Partnership work with NLAG in relation to the introduction of an Alcohol Care Team at DPOW will also commence before the end of 2021/22.</p>
<b>Over 75 Wellbeing Check</b>	<p>Figures indicate that we will have seen an approximate 19% total increase in the take up of the over 75 wellbeing check by the end of the 2<sup>nd</sup> year of the programme. We have seen a large influx of referrals coming through other statutory services such as Navigo and Focus. The following issues have been identified by older people as their main concerns: Getting out and about, connecting with family/Friends, Transport, coping with change and memory loss. The largest number of referrals have been made to Friendship at Home and AgeUK as a result of the wellbeing check.</p> <p>We have identified issues with the availability of transport services such as Dial-a-Ride and Phone-a-ride and the fact that many older people are still reluctant to access public busses due to covid. We have also identified that more bereavement services are required with limited places on existing courses.</p> <p>COVID has impacted on the timeliness of feedback from referrals due to many organisations still not working at full capacity due to lockdowns. Evaluation of the programme so far however has been very positive, with 95% of people feeling more informed about local services, 80% feeling their situation has improved due to the wellbeing conversation and 95% recommending having the wellbeing conversation to a friend.</p>
<b>Health Inequalities</b>	<p>A detailed report on health inequalities including the impact of the pandemic formed the focus of the most recent Director of Public Health Annual Report, which was published in 2021. This has been widely distributed and presented during 2021/22. It has created a 13-point health inequalities action plan which is being implemented at the current time.</p>
<b>Community Mothers</b>	<p>The Community Mothers programme has established itself during 2021/22 with a significant number of volunteers recruited. The programme has been marketed including via the volunteering opportunities page on the NELC website. The pilot will now be scaled up to increase the number of mums that the</p>

2020/21 Proposals	Progress/Impact
	volunteers can support. A new partnership agreement has consequently been developed and will continue to be implemented throughout 2021/22
<b>Obesity / Weight Management Support</b>	<p>In March 2021, the Government announced an additional £100m over 2021/22 to support people living with excess weight and obesity to lose weight and maintain healthier lifestyles. The Adult Weight Management Services Grant (No. 31/5540) has been distributed between all Local Authorities in England to support the expansion of Adult Tier 2 Behavioural Weight Management Services commissioned by Local Authorities.</p> <p>In NEL, Adult Tier 2 weight management is being delivered using a Train the Trainer model, working with, and developing on already secure and strong partnerships with local service providers to deliver a set of consistent, sustainable, and quality assured programmes across North East Lincolnshire, which will continue into 2022/23.</p>
<b>Community Wellbeing Hub development / outreach and online offer</b>	This project has received initial funding via the sustainable communities board and a project manager has been recruited on a fixed term basis to develop and initiate the project. A stakeholder group has been established to support the key areas of development with the Wellbeing Service leading on the staff training element. The programme will centre around a call centre single access point for the community based at Centre4. The development of the community wellbeing hub call centre and testing is anticipated to have been undertaken by the end of the calendar year 2021.
<b>Workforce Development Wellbeing Approach (Wellbeing Academy)</b>	The Wellbeing Academy concept has been agreed with colleagues in Occupational Health and Safety/Learning & Development. Discussions are currently taking place to develop this alongside the new NELC Learning Lincs platform as a “bolt-on” that will be available to external partners/organisations and members of the community as well as NELC/CCG staff and volunteers. We are currently developing the foundations programme training content that centres around the Making Every Contact Count approach with a view to uploading this as e-learning packages alongside other wellbeing related content as part of a robust and trusted approach to supporting people in the place. The foundations course development and initial wellbeing academy launch is being planned for February 2022.
<b>Targeted screening for Hepatitis C, Hepatitis B, and tuberculosis in under-served communities</b>	A steering group for the project has been established, an action plan has been developed and screening is due to commence in January 22

2020/21 Proposals	Progress/Impact
<b>Re-Commissioning of the Oral Health Promotional and Dental Epidemiology Service</b>	This has been deferred until 2022/23 as a direct result of the pandemic. Performance reports for the current service have continued to be submitted during 2021/22.
<b>Mental Health and Suicide Prevention</b>	<p>Suicide real time surveillance has continued to develop throughout the year. A new Suicide Prevention Action Plan has also been developed in partnership with numerous stakeholders across NEL. The plan considers at risk groups such as those who are unemployed, engaging with GPs, Children and Young People, supporting people who are bereaved, listening to people who have lived experience, considering public places, considering new RTS findings and data including attempted suicides. The Humber Bridge Hub has been established and further improvements are being made constantly including ensuring all volunteers understand their role and frequent attenders are appropriately supported. Guidance has also been published to enable schools to support children who are suffering due to bereavement. This includes information about bereavement by suicide and links up to the Whole School approach to postvention and the revamped CIRT.</p> <p>The Mental Health and Wellbeing Strategic Framework has continued to be implemented throughout 2021/22, including ensuring there is support for those patients who don't quite reach the threshold and ensuring that those patients who have been discharged from services continue to be supported. The VCSE Mental Health Working Group have led on research including identifying health inequalities amongst people who have serious mental illness and identifying the reasons why people in crisis do not always contact crisis support services.</p>
<b>Public Health Intelligence</b>	<p>PH intelligence work has centred on COVID work throughout 2021/22 including the weekly COVID 19 epidemiology summary for NEL. Various needs assessments have also taken place focussing on the impact of COVID including mental health and child/adolescent health and wellbeing.</p> <p>The COVID-19 pandemic has fundamentally affected every child, adult, family, and community in North East Lincolnshire, therefore the 2020/21 JSNA refresh has explored the impacts of COVID-19 across a range of themes and across the life course. This refresh is comprised of seven themes, all of which are integral to the wellbeing of the local population. An overarching State of the Borough report pulls together the key points regarding each of the JSNA themes.</p>

2020/21 Proposals	Progress/Impact
	<p>PH Intelligence was bolstered during 2021/22 through an additional 3 graduates who have enabled the service to respond to the significant demands resulting from the pandemic. However, 2 of the 3 graduates left for new positions at the end of October 2021, which will lead to a considerable reduction in capacity for the forthcoming year.</p>
<p><b>Collaboration with North Lincolnshire public health</b></p>	<p>The joint Director of Public Health arrangement with North Lincolnshire Council ceased with the retirement of the postholder in July 2021. However, the close collaboration work has continued throughout the year, particularly in relation to the response to the pandemic. Areas for potential future collaborative work have been identified and we have continued to explore the potential for further collaboration including joint Northern Lincolnshire commissioning arrangements for PH contracts, such as sexual health and drugs/alcohol.</p>
<p><b>Ongoing COVID-19 work</b></p>	<p>Responding to and preventing COVID outbreaks and focusing on the recovery has continued to be the key focus of the whole public health team throughout 2021-22. All fixed term contracts for the Test, trace and isolate team were extended until March 2022 to ensure that any surges in infection rates could be effectively met by the team and the appropriate level of support could be provided to vulnerable members of the community who were required to self-isolate. Weekly Outbreak Management Board and weekly Care Home meetings have taken place throughout the year, in addition to the provision of regular webinars with different focus groups, including workplaces and the schools/colleges. The PH Consultants have continued to represent NEL at various regional COVID related groups such as the HCV ICS Testing coordination group, the Humber LFT testing group, the Humber COVID vaccine group, the DPH regional COVID group and regional Health Protection Outbreak Management Group to name just a few. The NEL Covid outbreak management programme was updated in June 2021 and will be further updated in advance of the winter.</p>

## Section 4 – New plans/programmes/proposals

Due to the ongoing focus of public health to the response to and recovery from COVID-19, the plans and programmes outlined above will all continue throughout 2022/23. These plans, which will need to adapt to enable us to respond to the health and wellbeing needs of our local communities, are themed across three key areas:

- Health Inequalities
- Improving Health
- COVID-19 and Health Protection

### Health Inequalities

Development Plans / Projects	Overview of the plan / proposal	Delivery timescales
<b>Tobacco Project</b>	<p>Support offered to every smoker with a clinical need (who is an inpatient for 24hrs or more) to stop smoking. The original timescales for this project were delayed due to the pandemic. Therefore, it will roll over into 2022/23.</p> <p>Continue to work with families and schools to de-normalise smoking around children and reduce future smoking prevalence.</p> <p>Work with NLaG to enable them to achieve their ambition to provide an earlier diagnosis for 3 out of 4 people with Lung Cancer. The HCV Cancer Alliance Lung Health Check initiative will start in April 22/23 in NE Lincolnshire for those eligible population. The aim is to improve diagnosis for those smokers aged 55-75 by 15%. It is anticipated that this initiative will increase the number of smokers wanting to quit and consequently being referred to the Wellbeing Service.</p>	March 2023
<b>New alcohol service</b>	<p>A targeted support offer for older alcohol users who do not feel that current services are relevant to them.</p> <p>Continuation of the two-year funding for an alcohol liaison nurse at DPoW to ensure that anyone who attends the hospital or is an inpatient in the hospital for an alcohol related condition is linked into community alcohol services, including recovery services, after discharge.</p> <p>The original timescales for both these projects were delayed due to the pandemic. Therefore, they will roll over into 2022/23</p>	March 2023
<b>Community Mothers</b>	<p>Continue to work in partnership with the voluntary sector to further develop and expand the 'Community Mothers' peer to peer approach of support for local parents, with a particular focus on vulnerable mothers</p>	March 2023

Development Plans / Projects	Overview of the plan / proposal	Delivery timescales
	living in the disadvantaged areas. The original timescales for this were delayed due to the pandemic. Therefore, it will roll over into 2022/23.	
<b>Re-Commissioning of the Oral Health Promotion Service</b>	Lead the re-commissioning of the oral health promotion service across Northern Lincolnshire to ensure services are meeting need and supporting parents to access dental services for their children under five. This was postponed in 2021/22 due to the pandemic.	March 2023

## Improving Health

Development Plans / Projects	Overview of the plan / proposal	Delivery timescales
<b>Wellbeing Check for the Over 75s</b>	Continue the roll out of the check at home to eligible households every two years by the end of March 2023	March 2023
<b>Weight Management</b>	<p>Continue the expansion of the Adult Tier 2 Behavioural Weight Management Service commissioned during 2021/22.</p> <p>This is part of a place-based whole systems approach to tackling obesity and promoting healthier weight. Tackling obesity is one of the greatest long-term health challenges this country faces. Today, around two-thirds (64%) of adults are above a healthy weight, and of these, half are living with obesity.</p> <p>Behavioural (Tier 2) Adult Weight Management Services are defined as multi-component programmes addressing dietary intake, physical activity, and behaviour change for adults who are overweight or living with obesity with the primary aim of promoting health behaviour change, which reduces body weight.</p> <p>In NEL Adult Tier 2 WM will be delivered using a Train the Trainer model (from XYLA), the three-day training programme covers delivering nutrition, behaviour change and physical activity elements.</p> <p>The programme will continue working with and developing on already secure and strong partnerships with local service providers (Lincs Inspire, Thrive, GTET, Green Futures and our own Wellbeing Service) to deliver a set of consistent, sustainable, and quality assured programmes across North East Lincolnshire.</p>	June 2022
<b>Single Community Wellbeing Hub</b>	The Wellbeing Service will continue working with Thrive (Social Prescribing) to continue to develop and further roll-out the single community wellbeing hub that incorporates both services. The original timescales for this were delayed due to the pandemic. Therefore, it will roll over into 2022/23.	March 2023
<b>The Wellbeing Academy</b>	Further development and roll out of the online place-based workforce development initiative, based on the Making Every Contact Count (MECC) programme focusing on increasing the wellbeing workforce across NEL.	March 2023

## COVID 19 and Health Protection

Development Plans / Projects	Overview of the plan / proposal	Delivery timescales
<b>Comprehensive assessment of the impact of COVID 19</b>	This will include sections on economy, education & skills, children and young people, adult social care, communities and environment, housing, and health;	March 2023
<b>Impact of the pandemic specifically on mental health</b>	We will explore the impact of the pandemic in terms of mental ill-health amongst our communities and workforces during 2021/22 and continue to focus on the tiered delivery of public mental health, including the promotion of ways to wellbeing, support to stakeholders such as businesses and schools with training, an online offer and peer support. The original timescales for this were delayed due to the pandemic. Therefore, it will roll over into 2022/23.	March 2023
<b>Control and prevention of COVID-19</b>	This is likely to remain a major focus of our work into 2022/23 with the need to ensure that we can double down on any outbreaks that may occur to prevent community transmission, that we provide a comprehensive testing and tracing service in our local community, that we continue to support people who need to self-isolate and that we work to ensure as many people as possible are vaccinated.	March 2023
<b>Targeted screening for diagnosing treatable infectious diseases</b>	Continue with the feasibility study exploring the potential and impact of targeted screening for diagnosing treatable infectious diseases such as TB, HIV and hepatitis B and C in under-served communities will be established with partners in the NHS. The original timescales for this were delayed due to the pandemic. Therefore, it will roll over into 2022/23.	March 2023

In addition to the plans above that have rolled over from 2021-22, there are also other plans and projects that will form part of the 2022/23 public health work programme. These are included in the separate list below, however, this plan will need to be adaptable due to both the ongoing impact of the pandemic which we will need to continue to respond to, but also the appointment of a new Director of Public Health who is likely to influence the scope and breadth of the public health 2022-23 work programme.

Development Plans / Projects	Overview of the plan / proposal	Delivery timescales
<b>Re-Commissioning of the Drug/Alcohol Contract</b>	The current drug/alcohol contracts with “We are with you” and the consortium of GPs (GPiP) are both due to end March 2023 and so will need to be recommissioned during 2022/23. Throughout 2022/23, we will be working closely with North Lincolnshire Council to identify the potential for the joint commissioning of a drug/alcohol service across the Northern Lincolnshire area.	March 2023
<b>Re-Commissioning of the Sexual Health Contract (or continuation of the current contract for a further 12 months)</b>	The main contract for sexual health services with Virgin Care is due to end December 2022, with an option of 2 further 12-month contract extensions following this. We will therefore either need to re-commission during 2022-23 or make the necessary arrangements for a 12-month extension	December 2022
<b>Re-commissioning of the NHS Health Check Programme</b>	We will be recommissioning the mandated NHS Health Check Programme with a focus on creating a mixed model of delivery. This will enable us to target our approach with a view to reaching people from NEL’s more vulnerable cohorts helping to focus on reducing health inequalities	September 2022.

## Section 5 – What are the risks and opportunities associated with the proposals?

The main risks for Public Health are:

- To continue to be able to provide assurance to central government on the use of the public health grant in line with the terms of its allocation, in the context of wider budgetary pressures
- Pressures on all public health grant salary budgets (i.e., core public health, the wellbeing service, and children's public health) if the NEL Public Health Grant allocation for 2022-23 does not reflect the pay deals for both Agenda for Change and NJC employees.
- Ability to re-commission our two main mandated services (drug/alcohol and sexual health) within the current budget envelope. The incumbent providers are struggling to run with the current contract at their present value (which has reduced year on year for the past 7 years). This has now reached the point where the contracts are at risk of becoming unviable or clinically unsafe without a future uplift in the contract.
- Significant increased demand across public health services during recovery from the pandemic and additional action required to address increased inequalities. This will particularly affect the wellbeing service and our drug and alcohol services. This is in addition to the routine pressures on demand led services e.g., health checks, prescribing costs for drug/alcohol and smoking cessation and out of area charging. An allocation from a public health ear marked reserve has been assigned as a small risk pool for these demand led services, to proactively manage this risk.
- Sustainable input of public health skills – One of the main risks related to this is the continued vacancy of a permanent Director of Public Health which has had a significant impact on the capacity of the public health consultants during continued and significant challenging times. The council needs to retain public health competencies and standards to meet its new public health responsibilities and to develop the staff and organisation into a public health council. We continue to pursue our fair share of candidates from the national public health training scheme but the absence of trainees from the programme exacerbates our struggle to attract specialist staff at a public health specialist level, geography being a key contributory factor. We have developed our own NELC Public Health Workplace Training Programme to help reduce this risk.

The main opportunities arise from continuing to develop our joint work with North Lincolnshire Public Health, for example sexual health commissioning, oral health) and exploring the potential for joint work with other PH departments for example work with the NHS.

## Annex 1 Savings and Transformation Proposals

Public Health and Well Being

<b>Proposal</b>	<b>Saving 2022/23 £'000</b>	<b>Saving 2023/24 £'000</b>	<b>Saving 2024/25 £'000</b>	<b>Risk (H/M/L)</b>
Review and reallocation of public health spend linked to COVID and utilisation of COMF grant.	235	0	0	M
<b>Total</b>	<b>235</b>	<b>0</b>	<b>0</b>	

## **Commissioning Proposal 2022/23**

### **ECONOMY & GROWTH**

#### **Vision**

***To promote the towns within North East Lincolnshire as great places to live, work and visit, by revitalising our town centres, supporting the growth of existing businesses and attracting new investment.***

#### **Section 1 – Summary of areas covered by this proposal**

ENGIE Partnership encompassing planning, building control, transportation & highways, and regeneration project delivery

1. Budgets managed by ENGIE on behalf of the Council including
  - Car parks
  - Public transport including concessionary fares
  - Highways
  - Housing
2. Economy and Growth function including town deal, strategic programme management, external funding and strategic business cases, contract and accountable body management, account management, economic development, and inward investment
3. Housing development and regeneration
4. Leisure services delivered by Lincs Inspire Ltd.
5. Culture, heritage, tourism, and sport

## Section 2 – Budget information

### 2021/22 Current Budget £'000s

ECONOMY, GROWTH AND HOUSING	Pay	Non-Pay Expenditure	Fees and Charges	Grants and Other Income	Non-Cash (recharges etc)	Total	2021/22 Original FTE's
Events	0	74	(12)	0	145	207	0
Leisure	0	3,339	(61)	(650)	2,242	4,870	0
Marketing And Promotion	0	38	(5)	0	7	40	0
Museums & N F Heritage Centre	176	147	(71)	(1)	920	1,171	7.8
Retained Function	1,268	409	0	(1,739)	15	(47)	21.8
Culture	151	1,080	0	(1,196)	195	230	3.0
Supporting People	0	2,021	0	0	94	2,115	0
Highways Plan Out of Scope	0	3	(3)	0	0	0	0
Home Options & Housing Related Support	671	1,336	(6)	(1,251)	275	1,025	21.0
In Scope Contract	0	11,122	0	0	0	11,122	0
Car Parks	0	320	(1,970)	(1)	807	(844)	0
Planning	0	1	(744)	(81)	55	(769)	0
Drainage & Coastal Defence	0	268	0	0	75	343	0
Engineering Design	0	0	(34)	0	6	(28)	0
Highways Dso	0	575	(598)	0	223	200	0
Highways Management	0	0	(171)	0	13	(158)	0
Highways Structures	0	6	0	(1)	32	37	0
Operational Management	0	247	(52)	3,777	48	4,020	0
Private Sector Housing	0	37	(50)	(15)	8	(20)	0
Street Lighting	0	1,031	(132)	0	179	1,078	0
Traffic Management	0	47	(77)	1	11	(18)	0
Transport Policy	0	3,601	(9)	(180)	10	3,422	0
Strategic Housing Dev & Regen	0	9	(3)	0	0	6	0
Strategic Housing	102	1	0	0	0	103	1.0
Streetworks Net. Management	0	0	(198)	0	0	(198)	0
<b>Total</b>	<b>2,368</b>	<b>25,712</b>	<b>(4,196)</b>	<b>(1,337)</b>	<b>5,360</b>	<b>27,907</b>	<b>54.6</b>

<b>SCHEME</b>	<b>2021/22 Approved Capital Programme £000's</b>	<b>2022/23 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>	<b>2024/25 Approved Capital Programme £000's</b>
<b>Economy and Growth</b>				
Freeman Street Regeneration	7	0	0	0
Cleethorpes HLF Townscape Heritage	287	1,478	421	0
Sth Humber Infrastructure and Investment Programme	2,623	5,514	2,725	0
Riverhead Square & Unlocking Potential	1,341	0	0	0
Cleethorpes Public Art	597	0	0	0
Heritage Action Zone	80	190	230	0
Town Deal Investment	452	3,058	0	0
Central Clee Regeneration	284	3,748	0	0
Europarc Food Enterprise Zone	179	0	0	0
CDF - Open For Culture	261	1,576	70	0
Future High Streets Fund	1,046	8,868	17,386	0
Towns Fund	659	5,296	8,071	0
Strategic Land Acquisition	795	0	0	0
Local Transport Plan Schemes	4,206	3,780	4,208	4,208
Housing Assistance Grants and Loans	454	600	250	0
Affordable Housing S106 Monies	125	0	0	0
Supported Housing Scheme	19	0	0	0
Immingham Lock Flood Def Gates	0	63	0	0
A18 Laceby to Ludborough	673	0	0	0
Community Housing	51	0	0	0
Willingham/Peaksfield Flood Alleviation	191	0	0	0
Accelerated Construction	1,647	375	0	0
Estate Road 2	354	0	0	0
Corporation Bridge	1,359	2,967	500	0
Extended Cycle Track	2,559	0	0	0
<b>SCHEME</b>	<b>2021/22 Approved</b>	<b>2022/23 Approved Capital</b>	<b>2023/24 Approved Capital</b>	<b>2024/25 Approved Capital</b>

	Capital Programme £000's	Programme £000's	Programme £000's	Programme £000's
Rough Sleeper Accommodation Grant	183	0	0	0
Green Homes Grant LAD Phase 2	74	776	0	0
Grimsby and Immingham Flood Innovation	250	1,240	1,980	0
Grant St Car Park	0	3,393	0	0
<b>Total</b>	<b>20,756</b>	<b>42,922</b>	<b>35,841</b>	<b>4,208</b>

### Section 3 – Update on previously agreed plans/programmes/proposals

#### Contract efficiencies

#### Utilisation of Enterprise zone receipts -

##### Introduce licensing for skips

Following introduction of Permit Scheme, the proposal to introduce charges for skip and scaffold licencing is set to commence and is due for approval at Cabinet no later than Feb '22.

##### Review of car parking charges

Revised Car Parking Strategy, which includes approach to parking charges is being prepared and is due at Cabinet for approval, no later than March '22

##### Increase construction rates charged to developers

Uplift in developer Section 278 & 38 fees was successfully implemented 1<sup>st</sup> July 2021, any fees to NELC from this date will be at the new increased level.

**Additional staff capitalisation** – as a number of staff within the Economy & Growth Team have direct involvement in capital schemes, we have revisited all members of the team and estimated % time allocation to individual capital projects. We are in the process of developing a restructure therefore our estimates are not guaranteed they are provisional estimates.

##### Removal of Europarc bus service subsidy

Findings from the internal investigation and scrutiny provided appropriate evidence for Cabinet to extend the service for 12 months. Bus Improvement Service Plan is seeking external funding to fund the service from 22/23.

**Phone and Ride Service**

Saving for 2021/22 period met. Opportunities to combine this service with external service “Dial a Ride” have been explored, concluding that this opportunity is not viable. Service will be reviewed as part of Bus Service Improvement Plan.

**Modernisation of Housing Related Support Model**

Existing contract was rationalised and has been successfully tendered and implemented, delivering required improvements and efficiencies.

## **Section 4 – New plans/programmes/proposals**

### **Economy & Growth: strategic context**

The economy in North East Lincolnshire and indeed the UK and beyond has been impacted by Covid. Whilst this has not shifted the Council's focus from its core strategic programmes to support the economic growth of the borough, the longer-term impacts of Covid on our community and businesses are not yet known.

Given Covid and the somewhat fragile position in terms of the economy, the key focus of the Economy & Growth function to promote and facilitate the growth and safeguarding of jobs, housing, investment, income (primarily business rates and council tax), and development of a range of commercial and residential property across the key sectors in North East Lincolnshire is more important than ever. Across the Council, there is also an increased focus on the delivery of environmental, culture and heritage initiatives. Maximising external funding opportunities to promote these workstreams is key as well as seeking any external subsidy to minimise the risk and financial impact of Covid.

Strategically, the Local Plan 'Planning for Growth' sets out the ambition and this is supported by Grimsby Masterplan, Grimsby & Cleethorpes Town Centres Investment Plan, the recently approved Economic Strategy and the Strategic Housing Action Plan.

In supporting and driving the economy, a number of key programmes continue to be progressed including:

- The South Humber Industrial Investment Programme (SHIIP)
- Grimsby's Town Deal/Towns Fund
- Future High Streets Fund
- Cleethorpes Regeneration Programme
- Grimsby Creates
- Skills
- Strategic Housing Action Plan,
- Housing Zones, including strategic sites
- Homelessness & Estate Regeneration
- Strategic Highways Infrastructure and Transportation projects

Covid has and will undoubtedly continue to have some impact on these programmes.

## **SHIIP**

SHIIP delivery is well under way with the road linking Immingham and Grimsby Ports completed in early 2021, and the first phase of advanced ecological mitigation well established, with the acquisition of phase two, a coastal mitigation site, having completed in December 2021. The infrastructure for the Stallingborough employment site completed in summer 2021 alongside the first pre-let on Pioneer Park which the tenants have now taken occupation of. In addition, they have purchased the adjoining plot and have obtained planning permission to build a phase two development and have tendered this. Enquiries continue to be buoyant, with advanced discussions taking place on two of the four northern plots and continued interest both from local and inward investors. The procurement process has begun to secure an investment partner to market and advise on the remainder of the site. The CPO process is ongoing for the remainder of the southern site which has Enterprise Zone status and if there are significant delays this could have an impact on the timing of business rate income. SHIIP is also linked to the Humber Freeport proposal through £15m seed capital funding for infrastructure projects to unlock investment; proposed activities include the provision of quality business space on Pioneer Park and additional infrastructure off the Humber Link Road which could unlock a proposed £100m expansion project of an existing business.

## **Grimsby's Town Deal/Towns Fund**

As a result of the Grimsby Town Masterplan, a Town Investment Plan was created, and funding of £21m secured to deliver six projects to address the main weaknesses and challenges the town centre faces and to help deliver the ambitions of residents, businesses, and other partners in Grimsby, bringing in new activities and opportunities. The business case development stage for the individual projects within the Towns Fund programme is well underway, one of which has already been appraised and approved through the necessary internal channels and submitted to the Department for Levelling Up, Housing and Communities.

Additional regeneration works have been completed, including the replacement of the pedestrian bridge across the Freshney to access the waterfront and the redevelopment works of St James Square.

## **Future High Streets Fund**

Negotiations between the Council and Freshney Place have continued at pace. Heads of Terms have been agreed on the majority of matters and it has been determined that the most appropriate delivery model is for the Council to act as lead developer on this project with a robust contractual partnership in place with Freshney Place. The delivery team continue to work up the detailed designs relating to the scheme. Proposed plans for the new scheme have advanced and the detail is being assessed by the team, including Freshney Place. The programme is both challenging and fast paced with the headlines on key milestones for planning and consultation timing being ambitious. External consultants are working up the detailed programme to ensure this meets with the financial profiling and reporting required by Central

Government. Quarterbridge have been appointed to assist with the development of the Market Hall Business Case, which includes the vision for the new Market Hall and detailed public and stakeholder engagement has commenced. The recent appointment of Receivers is still being considered but initial face to face dialogue indicates that they remain committed to the scheme as they see the mutual benefit the development can deliver.

## **Cleethorpes**

The delivery of the £7.2m Cleethorpes programme is now completed with the final element of the public art project, Luminations, due to be installed in February 2022. Covid has had a direct impact on the property market and the proposed redevelopment of the former Waves site is currently delayed pending further engagement with the potential end users.

## **Grimsby Creates**

There is a well-defined cultural programme the 'Grimsby Creates' banner and this is complementary to the Heritage Action Zone initiatives.

## **Strategic Housing Action Plan**

The Strategic Housing Plan has been established to deliver housing objectives by defining the main challenges within housing, including creating new homes, preventing, and reducing homelessness by improving the move on accommodation offer, with partners, reducing empty homes within the community, as well as establishing key strategies/plans to deliver the required outcomes through appropriate consultation and joint working with key stakeholders.

Four strategic priorities have emerged from the Housing Service Plan and will form the key areas of focus in monitoring and delivering performance across a suite of key performance indicators and measures within the Housing Action Plan.

The four strategic priorities include:

- **Creating Homes** – Providing new homes to meet NEL housing need
- **Strengthening Places** – Investing in NEL existing neighbourhoods and communities
- **Improving Health** – Improving peoples' health, wellbeing, economic opportunity, and independence through housing.
- **Working Together** – Working in partnership to deliver the housing vision and to increase opportunities for all.

## **Housing Zone, including strategic sites**

The Government awarded several allocated housing sites with Housing Zone status. This provided funding to progress with surveys/searches to de-risk the site so that development could be brought forward.

Strategic sites, including Grimsby West.

Grimsby West is an exciting privately funded scheme for North East Lincolnshire that will create a place where people want to live and thrive – a place everyone can be proud of. The masterplan, driven and funded privately will create a vibrant new community rooted in the local area's characterful heritage and landscape, where people can live sustainable, healthy, and happy lives for many generations to come.

Working with the landowners the Council are committed to creating a scheme that will meet the needs of the local area and the wider objectives outlined in the adopted North East Lincolnshire Local Plan. The urban extension of up to 3,200 new homes, including local centres, schools, green spaces for sport and recreational activities, country park, will deliver on nine New

Community Objectives, including: -

Design, Population, Economy, Housing, Social and Health Inequality, Ecology and Natural habitat, Transport and Local Facilities

Works completed to date include:

- Progressive discussions are underway with landowners to agree a proposed Masterplan for the site, supported by an accurate and appropriate independent studies / site surveys, including a transparent and sustainable viability model for the development
- Appropriate engagement and consultation plan to be agreed ensuring comprehensive and robust engagement and consultation occurs with the public and key stakeholders, on key issues, all in a timely manner
- Developing Supplementary Planning Documentation to support the long-term approach to planning on the site.

## **Homelessness and Estate Regeneration:**

The Home Options Service provides statutory housing advice and assistance to those at risk of homelessness or are already homeless. The Service is primarily funded via grant income including Homelessness Prevention Grant and Rough Sleeper Initiative funding from DLUHC. Assistance can be provided by the Service directly or via support from commissioned services.

In 2021 Housing Related Support contracts were awarded following procurement of 8 Providers of housing related support on a framework, delivering significant savings to the Service and improving the support offer to individuals and families. These support providers are vital to the preventative agenda, people being supported to maintain their homes as opposed to having to move out, breaking links with families, communities and children moving to alternative schools.

The Service supports those who are rough sleeping in partnership with colleagues in the voluntary and charitable sector. The Service continues to see high levels of demand and following the end of the eviction ban in June 2021, introduced during the pandemic, there has been a noticeable increase in referrals. There has been a concerning rise in homelessness due to instances of domestic abuse and people being asked to leave their home by family and friends.

### **Estates Regeneration:**

The Government provided revenue funding to bring forward studies and surveys to help regenerate the East and West Marsh areas of the borough and improve housing standards, with special reference to the Towns Funds proposed housing development on Garth Lane and how it links with the West Marsh.

NELC's Empty Property Strategy is in place and partnership approach to tackling empty homes with local charities and internal departments. Women's Aid, YMCA, East Marsh United, and Doorstep have all received support to bring back long-term empty properties back into use, with sustainable tenancies in place. NELC have received funding from Government contributing to bring a further three long term properties back into use through the Next Steps Accommodation Programme. NELC will be applying for further funding through the Rough Sleepers Accommodation Programme. These additional units are providing housing for former rough sleepers.

Registered Provider/Investment Partner Status – The Council have approved a decision to progress with Registered Provider and Investment Partner Status, which will enable the Council to make savings providing support for accommodation and access to additional funding through the Affordable Homes Programme and other funding to support to finance other projects providing sustainable housing options for former rough sleepers and complex homeless households.

In terms of pre-existing programmes, the following is planned:

### **SHIP**

#### **Ecological Mitigation**

- Development of the recently acquired coastal site

### **Stallingborough Employment Zone and other Enterprise Zones**

- Progression of Business Cases for seed capital funding which include business units on Pioneer Park and potentially additional infrastructure off the Humber Link Road
- Advancing the Compulsory Purchase land acquisition strategy
- Continue to promote this site and all Enterprise Zones
- Progress the process for the appointment of an investment partner
- Support Velocys' proposals to advance the first waste to jet fuel facility in Europe

### **Grimsby's Town Deal/Towns Fund**

- Progress with OnSide for the development of the full youth zone facility (subject to funding)
- Continue to work with Freshney Place and deliver the Future High Street Fund programme
- Complete the cultural workspace at the Kasbah, creating a vibrant, alternative working space for artists.
- Finalise the Towns Fund project business cases and start project delivery

### **Future High Streets Fund**

- Completion of Development Agreement
- The Development Manager leading the appointment of the remaining suite of consultants to complete the professional team
- Developing and submitting a planning application
- Developing the detailed design and tender package

### **Cleethorpes**

- Complete the Luminations element of the public art projects on North Promenade
- Subject to Covid restrictions, seek to build upon previous years' successful events programmes, by creating a year-round event schedule to extend the traditional tourism season, increase overnight visitor numbers and generate additional footfall and spend in the local economy
- Continue to market the redevelopment opportunity of the former Waves site and associated buildings on Sea Road

- Continue to deliver the Townscape Heritage project which is focused on preserving and maintaining the heritage infrastructure on Alexandra Road and Sea View Street
- By creating tourism related offers, support tourism businesses to enable them to grow and create sustainable, non-seasonable jobs
- Complete the Cleethorpes Masterplan which will set out the future development of the resort and town centre for the next 10 years

## **Grimsby Creates**

### **Creative Workspace**

- Enabling works to be completed including the procurement of a contractor to conclude the investigative works in the buildings followed by the procurement of a Construction contractor.
- Procurement of a Provider to run the workspace

### **Business Development**

- Spark Grimsby, our business development partner to continue taking referrals for business support and provide monthly networking sessions for the creative and digital industries.
- East Street Arts to continue to deliver their artistic support programme.

### **Creative Programme**

- Development of Digital Democracies work to further public artwork in St James Square in early 2022
- Grimsby Creates Noise event to take place on 19th March 2022 in partnership with NEL Music Hub and incorporating the People Power Partnership's performance by 8-10 people aged 18-30 selected at an audition process in November 2021.
- Delivery of the 2nd Festival of the Sea on 16th July 2022 to build upon the success of the festival and associated activities in 2021.
- Delivery of additional creative activity within Grimsby throughout the year – the details are still being finalised and will be released once they are available. This includes further murals, podcasts, docu-films, exhibitions, festivals, events, and performances.

### **Creativity Strategy**

- Development of an overarching strategy for arts, culture and heritage will be established outlining NEL's creative ambitions. This will supplement other strategies such as the Economic Strategy and Grimsby and Cleethorpes Masterplans. It will build upon projects such as the Heritage Action Zone, Grimsby Creates and Cleethorpes Townscape Heritage programme

### **Heritage capacity building**

- Funded by National Lottery Heritage Fund. Continue delivery of the Heritage Starter Fund which provides grants of up to £10,000 to voluntary and community sector organisations to deliver scalable heritage projects.
- Funded by National Lottery Heritage Fund. Support the continued development of the NEL Heritage Network to build capacity and skills in local heritage organisations

### **Skills**

- Develop a skills action plan, geared towards increasing levels of participation in learning for our young people our adults whether in work or economically inactive
- Recruit a dedicated resource to lead on the development, delivery, and evaluation of a skills strategy
- Promote a collaborative, collective working approach to funding opportunities

### **Housing Zones, Homelessness & Estate Regeneration**

- Housing Zones - Currently procuring a developer partner for the Western and Matthew Humberstone sites. Western has hybrid planning consent with full planning for spine roads and infrastructure, outline permission for 397 housing units. Work is completed on spine roads on the Western site, Matthew Humberstone has a submitted planning application and pending approval, spine roads/infrastructure will be completed by March 2022. Phased approach to deliver future Housing Zone sites.
- Estates Regeneration – Previous studies have included a housing market assessment and viability study for Garth Lane. Further explorative work required to understand potential of commissioning a consultant to progress Selective Licensing in the East and West Marsh areas of the borough to improve housing standards and support regeneration and investment in the areas.
- Homelessness and Housing Related Support
- The Housing Service is working jointly with Children’s Social Care colleagues to improve the housing offer for those transitioning into adulthood and those looked after children, providing the accommodation and support they require and bespoke to their needs, accommodation. The services will work seamlessly and put the young person at the heart of service delivery and all it does.
- The Authority has a Safe Accommodation Duty from 1<sup>st</sup> October 2021, to ensure we provide suitable accommodation and specialist domestic abuse support to those fleeing domestic abuse and their children. A Local Partnership Board has been formed and both Housing and Domestic Abuse Services are leading the co-ordination of the housing and support that will be commissioned in 2021/2022 to those affected across the Borough.

- The Home Options Service aims to create clear pathways through services and ensure that all those who have a housing need can approach any service in the Borough and be provided with the most appropriate accommodation and support to meet the person's needs.
- Reducing Empty Homes - DLUHC funding being used to acquire and refurbish empty homes to provide accommodation for those who have experienced rough sleeping, are now engaging with services and ready for semi-independent living.
- NELC's Empty Property Strategy is in place and partnership approach to tackling empty homes with local charities and internal departments. Women's Aid, YMCA, East Marsh United, and Doorstep have all received support to bring back long-term empty properties back into use, with sustainable tenancies in place. NELC have received funding from Government contributing to bring a further three long term properties back into use through the Next Steps Accommodation Programme. NELC will be applying for further funding through the Rough Sleepers Accommodation Programme. These additional units are providing housing for former rough sleepers.
- Registered Provider/Investment Partner Status – The Council have approved a decision to progress with Registered Provider and Investment Partner Status, which will enable the Council to make savings providing support for accommodation and access to additional funding through the Affordable Homes Programme and other funding to support to finance other projects providing sustainable housing options for former rough sleepers and complex homeless households.
- Working with housing providers both from the public and private sector, as well as colleagues from Children's and Adult Services we continue to develop our Accommodation Strategy for NELC.
- Working with local registered providers to increase access to social housing and low-level supported accommodation options, as well as to ensure collaboration between support providers and other local services to provide holistic support to individuals experiencing multiple exclusion homelessness.

### **Strategic Highways Infrastructure and Transportation projects**

Opportunities to bid and secure external funding will be examined and scrutinised accordingly. Successful grant funding bids would assist in the delivery key strategic highway infrastructure requirements and supports NELCs Local Plan. The funding required consists of 4 parts, these are:

1. A180 junction capacity improvements
2. A180 structural maintenance
3. Europarc Bus Bridge
4. Access to employment sites infrastructure
5. Potential 2<sup>nd</sup> round of LUF funding

Once delivered works will support Freeport Status and the SHIP programme.

Highways & Transportation deliverables include:

- Delivery of the Car Parking Strategy in 2022/23
- Local Transport Plan (LTP) continues to be delivered, including major infrastructure schemes such as A18, Suggitts Lane Bridge and Cycle Superhighway
- Delivery of Grant Street car park extension
- Bus Improvement Service Plan been submitted to DfT for £37m, promoting enhanced bus services across the borough
- Active/sustainable travel plans, continue to be developed and feed into Environmental Assets and Carbon Reduction Roadmap Plans

In the year ahead and over and above existing commitments, there are several areas where additional resource may be required including:

- Delivery of Freeport Seed Capital projects
- Developing funding bids, continuing to focus on appropriate funding opportunities, in particular the Levelling Up Fund
- Potential development and submission of a National Lottery Heritage Fund bid for a history centre (if not successful through CRF application)
- Working with partners to determine a potential new strategic approach to Library services and the Cultural offer
- Commissioning and delivering the sports and playing pitch improvements at Clee Fields and King George V Stadium
- Contract management resource to oversee developer partner selected to build on Housing Zones sites
- If secured, future Levelling Up Fund bids or Bus Service Improvement Plan, will require additional resource to implement and deliver

Whilst there is some capacity funding associated with the funding bids, this is short term. To deliver existing programmes and the activities mentioned above, there is a requirement for additional high-quality programme and project management capacity if projects are to be delivered to the right quality, budget, and time requirements

Moreover, there are further considerations required around a number of proposed work-streams including:

- Transportation Hub
- Freeman Street regeneration
- Delivery of estate and community regeneration, including selective licensing in the most challenging parts of the borough

## **Section 5 – What are the risks and opportunities associated with the proposals?**

The key risk is that of being able to fund, recruit and retain the necessary skilled programme and project management expertise to both deliver projects and to develop business cases and funding bids. Without such expertise, there is a high risk of bids being unsuccessful and projects encountering delivery issues. Whilst some funding streams bring an element of capacity funding to develop the bid, this is not universal, and it is the case that some bids require an investment in resource against an unknown outcome in terms of the success or otherwise of the bid. It is important to note that increasingly, the success of future funding bids will be determined based on both a track record of successful delivery and the project being substantially ready for delivery.

All existing programmes and projects are monitored through individual programme governance and risks are managed appropriately.

The commercial viability of industrial and commercial property remains challenging in North East Lincolnshire and is a risk in terms of the delivery of new development and notably, generation of business rates.

The Compulsory Purchase Order (CPO) process is ongoing for the remainder of the southern site which has Enterprise Zone status and if there are significant delays this could have an impact on the timing of business rate income.

As we emerge from the initial impact of the pandemic there is a risk that the Small to Medium Enterprise (SME) business community is impacted and that could impact the local economy and put a call on resources to support this sector. We need to continue to support business recovery and resilience as we emerge from Covid-19.

## Annex 1 Savings and Transformation Proposals

Service Area	Proposal	Saving 2022/23 £'000	Saving 2023/24 £'000	Saving 2024/25 £'000	Risk (H/M/L)
Housing	Use supported tenancies rather than temp accommodation	40	40	40	M
Housing	Reduced usage of temporary accommodation	80	80	80	L
Planning	Increased planning applications and income generated	56	56	56	L
Car Parking	Increase in Cleethorpes car parking charges and removal of free parking for events	90	90	90	M
Car Parking	Increase resident permit charges, phase out annual business permits and introduce cashless parking	26	43	43	M
Housing	Contract payments	36	36	36	L
Meridian Events Arena	Improved events attendances	19	19	19	M
Regeneration	Humber LEP contribution	50	50	50	L
Additional Efficiency Savings	Savings to be identified	65	0	0	H
<b>Total</b>		<b>462</b>	<b>414</b>	<b>414</b>	

## Annex 2 Additional Funding Allocated

Area	2022/23 £000	2023/24 £000	2024/25 £000
Car Parking Income Reduction	397	200	100
Bus Subsidy Continuation	311	311	311
EQUANS Contract Inflation	140	143	388
Council Plan - Inspectorate Examination	0	50	50
Leisure Contract Commitment	289	289	289
Library Review Deferral	150	0	0
Skills Role	80	80	80
<b>Total</b>	<b>1,367</b>	<b>1,073</b>	<b>1,218</b>

## **Commissioning Proposal 2022/23**

### **ENVIRONMENT**

#### **Vision**

***North East Lincolnshire to lead the way towards a green future. We recognise that we are part of a larger system of change and need to work with others to achieve a sustainable future for our place. We must prioritise our actions so that we use our resources in the best way to have the greatest impact. We will do this by considering our strengths as an organisation and sphere of influence, to guide where our resources are best placed.***

#### **Section 1 – Summary of areas covered by this proposal**

##### Street Scene:

- Street Cleansing
- Garage & Fleet
- Recycling & Waste

##### Regulation and Enforcement:

- Trading Standards
- Environmental Crime
- Pollution Control
- Licencing
- Food and Safety
- Port Health

Public Open Spaces:

- Grounds Maintenance
- Bereavement Services
- Resort Team
- Ecology

Environmental Strategy:

- Carbon Reduction and Energy
- Biodiversity and natural asset management

## Section 2 – Budget information

### 2021/22 Current Budget £'000s

ENVIRONMENT	Pay	Non-Pay Expenditure	Fees and Charges	Grants and Other Income	Non-Cash (recharges etc)	Total	2021/22 Original FTE's
Grounds Bereavement & Resort	2,049	890	(2,345)	(77)	1,063	1,580	71.2
Countryside Management	0	55	0	0	0	55	0
Garage & Fleet Strategy	317	597	(993)	(20)	200	101	9.4
Street Cleansing	974	313	(226)	0	405	1,466	35.0
Neighbourhood Serv Mgmt A/C	327	97	0	(566)	222	80	4.0
Waste Services	2,531	1,130	(995)	(30)	1,271	3,907	93.0
Waste Disposal and Strategy	0	7,652	(109)	0	12	7,555	0
Regulatory Services	3,053	290	(1,760)	(639)	1,026	1,970	98.1
Energy Project	126	118	0	(182)	122	184	9.2
<b>Total</b>	<b>9,377</b>	<b>11,142</b>	<b>(6,428)</b>	<b>(1,514)</b>	<b>4,321</b>	<b>16,898</b>	<b>319.9</b>

<b>SCHEME</b>	<b>2021/22 Revised Capital Programme £000's</b>	<b>2022/23 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>	<b>2024/25 Approved Capital Programme £000's</b>
<b>Environment</b>				
Fleet Replacement Programme inc. Recycling Collection	3,557	2,040	633	0
Household Recycling Scheme	0	0	57	0
Smart Energy for Business	942	0	0	0
Litter Bin and Recycling Replacement and Upgrade	101	0	0	0
Enhancement of Bereavement Services	414	752	84	12
Peoples Park Refurbishment	35	41	0	0
Depot Rationalisation	1,021	5,757	0	0
Scartho Cemetery Lodge and Chapel	18	618	35	0
Resort Management	46	0	0	0
Public Sector Decarbonisation	2,974	0	0	0
Environmental Services Management System	135	0	0	0
Regulatory Services Management System	130	0	0	0
Operation Gateway	10	0	0	0
Memorial Testing and Repairs	23	82	0	0
Play Parks	0	500	300	0
<b>Total</b>	<b>9,406</b>	<b>9,790</b>	<b>1,109</b>	<b>12</b>

## Section 3 – Update on previously agreed plans/programmes/proposals

Over the last 5 years, Environmental services have been transformed to achieve value for money and deliver within a reducing local authority budget envelope. This has been achieved by changes in service design, adopting more modern working practices, reviewing priorities, and implementing a new approach to encourage our communities to take more responsibility and to contribute to keeping the place clean and tidy. In the last 12 months the service has consolidated previous change, reviewed outcomes, and prioritised additional resources to maintain vital front-line services throughout the Covid-19 pandemic and the resulting increase in service pressures. The pandemic also introduced additional requirements on the Council to enforce new legislation and manage open spaces differently with public health considerations at heart. The merge of teams providing strategic environmental oversight, with operational teams delivering nature and wildlife preservation, has further led to a more joined up approach delivering greater impact and progress towards our aspirations to protect and enhance our unique natural space and become a carbon neutral organisation.

### 3.1 Projects at delivery stage:

- **Modern ways of working** - Reviews have been completed into several ICT back-office systems used across services in both NELC and Engie. Procurement is complete for improvements to three core software systems providing service improvements and increasing cohesion both in relation to front line teams and regulatory services.
- **Fly tipping enforcement** - Improvements in fly tipping surveillance and evidence gathering has been implemented and is now starting to deliver an increase in successful enforcement outcome in this difficult area of enforcement. Increased skill sharing and joint working with CCTV-operations is in progress to deliver more responsive and efficient investigations going forward following a challenging period for enforcement during the Covid-19 pandemic.
- **Port Health** - An extensive programme continues to deliver improvements in the Port Health service to support trade following EU exit as well as encouraging continuing growth in import and export of food products. In partnership with ABP, the construction of a Border Control Post in Immingham is now complete and 2022 will see a transfer of port health services from Grimsby to modern and more efficient facilities in Immingham port.
- **Bereavement Services** - The 3-year service improvement programme has already delivered increased car parking, additional chapel space and a new pet cremation service. The project is currently in the delivery stage for on-site catering and refreshment facilities, a flower shop, and extended options for affordable funeral services.
- **Depot rationalisation** - A 2-year project to condense the Council's depot services to one location to achieve more efficient, modern and energy saving working practices is in progress with a phased construction programme at the Doughty Road Depot.
- **Waste Disposal** - 2021/22 has seen continued closer working with North Lincolnshire Council in waste management. This has ensured we optimise the use of current contracts and joint procurement to achieve better value for money and will continue into 2022/23.

- **Bring to sites** - A review of Bring to recycling sites was completed in 2020 and a programme of rationalisation has commenced to ensure any remaining provision is based on the need for residents following implementation of the new kerb side recycling offer.
- **Public Sector Decarbonisation Scheme** - A programme funded by grant assistance from Salix UK is nearing completion, providing investment to increase energy efficiency and reduce the carbon footprint of public buildings including Council and School premises.

### 3.2 Projects at reviewing stage

- **Smart Energy Greater Lincolnshire** - A £8.4 million part ERDF, part Salix funded project led by NELC on behalf of the Greater Lincolnshire LEP successfully completed in October 2021 achieving all targets set including achieving an annual saving of 3678 tons of CO2 against a target 2488 tons. The project will be reviewed to inform future carbon saving projects, including shaping future offer for business community and further public building activity.
- **Gateway Project** - A 2-year project designed to work with private property owners along high visibility gate way routes has completed and reviewed for impact. The project running alongside the Cleethorpes Road corridor has been effective in encouraging responsible management of private assets to provide visual improvement to the area.
- **Resort Management** - A project to provide more cohesive resort management including joint management of resort priorities such as beach safety, tourist information, grounds maintenance, cleansing, ecology management and event support, has recently concluded and will be reviewed in its first 12-months of operation to ensure it continues to meet the needs of the resort and the expectations set out.
- **Fleet Improvements** - A 2-year investment programme and procurement of a more modern fleet across the area is now fully completed. A review will identify savings made in respect to vehicle maintenance and help to inform future decision of more economic life span for Council fleet as well as options for further fleet decarbonisation.
- **Improved recycling offer** - Route optimisation and a change in kerb side recycling collection method was implemented in March 2021 and has delivered increases in recycling rates. A review is in progress to ensure all routes and collection methods are as efficient and reliable as possible following this large-scale service change.
- **Food Waste** - A 12-month trial of weekly food waste collection is currently in the evaluation stage and will enhance understanding of requirements, public participation rates and best delivery options for future kerb side food waste collections

## Section 4 – New plans/programmes/proposals

Our aim is to deliver high quality, value for money front line services to enhance the space we live in, work in and visit. We want to make best use of the green infra-structure, improve environmental sustainability including recycling rates and build community capacity through increasing volunteering, community groups and town and parish councils.

We want to manage our land resources to promote a nature rich place to ensure all residents have access to clean air and inspiring green and open spaces to protect health and enhance lives and move towards a net zero NEL. We want to intervene at the early stages and prevent problems through better design and behaviour change initiatives, so that communities become more responsible and self-reliant. Clean up and maintenance work will be targeted to areas of need and complimented by working with the community, local volunteers, local businesses, and partners. We will support the community in becoming more sustainable, increasing recycling behaviour and community capacity addressing behaviour change through effective enforcement, education, and awareness in the environmental area.

The key principles which will continue to shape activities going forward are:

- Ensure our ambitions set out in our Carbon Road Map and Natural Asset Plan, underpins all our decisions to safeguard a sustainable green future
- Understanding and managing demand, including prioritising services to respond to any continuing pressures caused by the Covid-19 pandemic
- Behaviour changes through targeted communications and robust enforcement
- Building community capacity and engagement
- Releasing capacity in the workforce and improved workforce planning
- Culture change and leadership
- Commercial opportunities and charges to increase income
- Digital transformation
- Cost reduction and cost control

We recognise our responsibility to contribute to a sustainable Council budget and will approach our service planning with the ambition of cost reduction and cost control. We want to continue to deliver high quality and resilient front-line services, in line with the needs of our communities.

Where savings are required to achieve a sustainable budget, our key principles will be:

- Service redesign and reducing any duplication across the service to meet demand within budget
- Increased cost recovery and commercial opportunities. We have bench marked what services we charge for and our pricing structure with other nearby authorities to continue to ensure our residents receive good value for money.

- Continued review of any high-cost services, to ensure these deliver expected outcomes in the most cost-efficient manner.

#### 4.1 Programmes proposed to achieve the service ambitions set out in the Council Plan include:

**Net Zero Council** - Following approval of Council Carbon Road Map and the ambition to be a carbon neutral organisation by 2040, several long-term delivery projects are in the planning stage including low carbon estate, fleet, and street lighting as well as climate-conscious decision-making, purchasing and behaviours. The cost of these programmes will be met by re-prioritising existing budget envelopes supported by grant opportunities whenever possible. Further priorities exist to support the wider NEL to join the journey to net zero as a region by 2050.

**Our Green Future** - Following approval of Natural Asset plan and ensuring the council complies with new legal requirements and government targets, several long-term delivery projects are in the planning stage including planning our future land use, sustainable management of our open spaces, improving trees and woodlands, sustainable water management and better air quality. The cost of these programmes will be met by re-prioritising existing budget envelopes supported by grant opportunities whenever possible.

**Food Waste** - In line with our approved Waste and Resource Strategy and DEFRA’s consistency framework the service continues to plan for the mandatory requirements of separate food waste collections by 2023. Following a successful food collections trial for approximately 5,000 households, the service will be evaluated, and the learnings will be used to design a wider offer at a point where government new burdens funding is available.

**Increased Pride in our Place** - Following recommendations from Communities Scrutiny Panel plans and review of enforcement resources has been completed and plans are in place to deliver a more modern and cohesive enforcement offer across multiple service areas.

Programme	Description	Estimated Savings
Review of supplementary recycling provisions for building materials	Reduce the amount of building materials accepted for free at Community Recycling Centres and introduce a cost recovery scheme for larger quantities of inert materials which cannot be recycled and are subject to land fill charges.	£75k
Review of fees and charges	Increase of fees and charges across environmental services and street cleansing in line with inflation since previous change. This will ensure the Council can maintain their cost base in line of price rises.	£57k

<b>Programme</b>	<b>Description</b>	<b>Estimated Savings</b>
Repair and maintenance of vehicles.	As a result of recent capital investment into fleet, the service can reduce the cost of maintenance and repairs of vehicles.	£96k
Recognise increased recycling income	Improvements in recycling rates and increased prices for recycled paper, allows upwards revision of recycling income.	£95k
Bereavement Services	Improvements to out of hour access for book of remembrance at Crematorium, by delivering an external provision, enabling reduced opening times for indoor spaces.	£10k
Sustainable grass verge maintenance	Explore more sustainable ways of maintenance for 50 mph zones both in urban and rural areas. This will both increase appearance and biodiversity by use of wildflower and reducing the need for frequent grass cutting and resulting road closures. Savings achieved will depend on opportunities identified following land surveys.	£63k

## Section 5 – What are the risks and opportunities associated with the proposals?

Actual savings this year have been impacted by cost pressures mainly arising from the Covid-19 pandemic and such pressures may continue into next financial year. The mitigation for this risk is to press ahead with further proposals as soon as possible to reduce costs further or increase income and to prioritise services short term if required to offset any potential overspend. Transformation of the service will continue until the budget is achieved and the services can be provided within the available budget envelope. There are reputational risks with regards to implementing changes in these public facing services as these may not meet public expectations. There are several emerging pressures in Environmental Services;

- As new housing comes online this creates pressure for additional waste collections and additional street cleansing.
- There are continuing pressures on agency and overtime budgets due to challenges resulting from the Covid-19 pandemic.
- Potential of increased demand in Port Health due increasing numbers of required checks and increases in food import after Brexit. Full cost recovery is achievable long term for these functions, but due to potential of sudden changes at fast pace, some short-term pressures may occur until the service has had the opportunity to adapt to new expectations.

Work continues to reduce these pressures through cost control and reduction. We will be monitoring risks as the change programme is delivered. We will use the commissioning cycle to review changes as there is always a level of uncertainty when service redesign takes place. If further changes are required, these will be programmed.

Opportunities:

- 1) The reviews of all services are far reaching and have the potential to have a ripple effect in terms of reduced costs
- 2) Fewer vehicles to replace and maintain
- 3) Reduced maintenance cost of public open space through rewilding
- 4) Stronger and more resilient workforce
- 5) Improved workforce planning
- 6) Improved culture in the workforce
- 7) Reduced duplication between services and fostering a can-do attitude amongst the full staff group will increase service delivery

The digital programme offers real opportunity for more efficient working by staff as well as helping the community to self-serve, reduce demand and reduce duplication.

## Annex 1 – Savings and Transformation Proposals

### Environment

Service Area	Proposal	Saving 2022/23 £'000	Saving 2023/24 £'000	Saving 2024/25 £'000	Risk (H/M/L)
Grounds Maintenance	Implement more sustainable management methods for rural grass verges.	10	10	10	M
Grounds and Bereavement Services	Increase fees and charges by inflation since previous change	57	57	57	M
Bereavement Services	Change arrangements for out of hour access to Crematorium	10	10	10	L
Street Cleansing	Improve arrangements for maintenance of verges along high-speed roads and achieve efficiencies in operation	30	30	30	M
Vehicles	Reduced costs of repairs and maintenance and fuel following new fleet vehicle purchases	96	46	46	M
Waste	Introduce charges for building waste at CRC sites	75	75	75	M
Additional Efficiency Savings	Savings to be identified	42	0	0	H
<b>Total</b>		<b>320</b>	<b>228</b>	<b>228</b>	

### Annex 2 – Additional Funding Allocated

Pressures	2022/23 £000	2023/24 £000	2024/25 £000
Waste Disposal Contract Inflation	124	56	262
<b>Total</b>	<b>124</b>	<b>56</b>	<b>262</b>

## **Commissioning Proposal 2022/23**

### **RESOURCES**

#### **Vision**

***“To support the organisation in a way that is pro-active, flexible, efficient, and responsive to the needs of services, residents, partners and businesses and elected members, whilst ensuring that we have robust governance arrangements in place that mitigate the risk of financial, reputational, safeguarding and service delivery failure.”***

#### **Section 1 – Summary of areas covered by this proposal**

Corporate and democratic services cover a wide range of support services that facilitate and enable delivery of the Council’s five key outcome areas. It also incorporates some front-line service activity delivered through Customer Access Points and other reception areas, telephone, Council website and social media.

Key areas of activity include:

- Governance (democratic services, registrars, civic services, elections, legal and coroners)
- Transformation (procurement, commissioning & strategic support unit, information governance & complaints)
- Communications & Customer
- Audit & Assurance (operated as part of a shared service with North Lincolnshire Council)
- Local Taxation & Benefits (operated as a part of a shared service with North Lincolnshire Council)
- Finance
- ICT and Digital
- People & Culture
- Estates (operational and commercial estate)

## Section 2 – Budget information

### 2021/22 Current Budget £'000s

RESOURCES	Pay	Non-Pay Expenditure	Fees and Charges	Grants and Other Income	Non-Cash (recharges etc)	Total	2021/22 Original FTE's
Chief Finance Officer	319	(726)	0	(324)	4	(727)	3.0
I.T Shared Service	2,093	1,821	(230)	(4,514)	856	26	53.3
Chief Exec & Support	495	262	0	(293)	177	641	4.6
Recharges To Corp Management	0	0	0	0	40	40	0
People And Culture	1,882	257	(305)	(1,233)	172	773	36.6
Communications And Marketing	785	157	(37)	(997)	92	0	31.3
Business Support	2,294	152	(29)	(2,446)	179	150	96.1
Comm & Strategic Support Unit	1,384	7	(10)	(1,295)	145	231	33.1
Shared Print Hub	194	197	(79)	(2)	105	415	7.2
Digital Transformation	2	0	0	0	83	85	0
Accountancy	1,309	153	(18)	(1,418)	82	108	33.2
Benefit Payments & Subsidy	0	32,854	0	(32,600)	95	349	0
Local Taxation & Benefits	1,713	424	(41)	(1,860)	628	864	60.5
Registrars & Civic Services	490	47	(391)	0	268	414	16.7
Emergency Planning	0	99	0	(20)	9	88	0
Assistant Chief Executive	113	247	0	(115)	12	257	1.0
Elections Team	182	129	(3)	0	90	398	7.0
Coroners	226	333	(1)	(296)	98	360	6.9
Democratic Services & Scrutiny	269	536	0	0	168	973	7.0
Legal Services	1,208	825	(124)	(1,982)	42	(31)	32.5
Cfs Assets & Pc Programme	356	2	(3)	(372)	7	(10)	7.0
Facilities Management	55	2,259	(385)	(3,458)	2,654	1,125	2.8
Security	0	115	(363)	22	19	(207)	0
Commercial Estate	0	792	(4,073)	(131)	302	(3,110)	0
Audit Shared Service	423	(43)	(5)	(341)	43	77	10.8
SHIIP Pioneer Business Park	0	0	(76)	0	4	(72)	0.0
<b>Total</b>	<b>15,792</b>	<b>40,899</b>	<b>(6,173)</b>	<b>(53,675)</b>	<b>6,374</b>	<b>3,217</b>	<b>450.5</b>

<b>SCHEME</b>	<b>2021/22 Revised Capital Programme £000's</b>	<b>2022/23 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>	<b>2024/25 Approved Capital Programme £000's</b>
<b>Resources</b>				
Backlog Maintenance	1,895	1,358	38	0
Property Rationalisation Programme	22	180	0	0
GY Leisure Centre	2	0	0	0
Cartergate Unit Development	100	120	0	0
Playing Pitch Reprovision	233	4,402	0	0
Digital Strategy Delivery/Imp Civica/EDRMS	10	0	0	0
Heritage Asset at Risk	97	589	0	0
Fire Segregation Works	9	0	0	0
Poplar Road Expansion	434	2,696	0	0
Business Centre Improvement	252	386	0	0
Capital Investment	1,347	91	3,684	5,000
Capital Receipt Flexibility	400	400	400	0
ICT Refresh	1,169	646	646	0
Corporate Systems Investment	360	75	0	0
Eco Park	14	0	0	0
IT Transformation Programme	98	0	0	0
Learning Mgt System Implementation	25	0	0	0
Sentinel Master Data Mgt	11	198	65	0
<b>Total</b>	<b>6,478</b>	<b>9,483</b>	<b>4,795</b>	<b>5,000</b>

### Section 3 – Update on previously agreed plans/programmes/proposals

Proposal summary	Progress update
Accounting & Technical changes	The Council has continued to apply the flexible use of capital receipts to support its transformation programme and will continue to do so in future years. In addition, costs have been capitalised where appropriate.
Implementation of a new Operating Model	The new operating model is about changing the way that we commission and design services across the whole organisation and with partners. The development and subsequent implementation of the new model was significantly impacted in the early stages due to redeployment of resources because of the Covid response, and then subsequent delays in recruitment. During 2021 we have completed a review of senior leadership and management arrangements and undertaken extensive 'discovery' work that has enabled us to better understand our current position, and what we need for the future in terms of data & insights, and wider support for commissioners and service managers. During early 2022 we will develop and consult on new structures and roles ready for recruitment and implementation. There is an existing savings target attached to this programme that will be achieved during 2022/23.
Implementation of new Finance/HRP systems	The HRP (Human Resources and Payroll) system has been successfully implemented during 2021. Work continues to further develop the system and automate as many processes as possible and improve the experience of system users. The new finance system is due to go live in April 2022 with implementation being overseen by a joint project board with North Lincolnshire Council.
Embedding of new Estates & Valuation functions/commercial opportunities	We have completed a restructure that created a new team, Estates and Business Development. Focusing on a commercial mindset we created a new post, Commercial Estates Manager, intended to maximise efficiency across the existing portfolio and consider new opportunities. The team are aligned to Law, Governance and Assets which brings opportunities for smarter working across the Estates and Legal functions.
Coroners	Robust business cases have been formulated comparing potential options for merger of jurisdictions with both Lincolnshire and Hull and East Riding, as directed by the Chief Coroner. Those have been submitted to both the office of the Chief Coroner and Ministry of Justice. Once consultation has been concluded, the decision will rest

<b>Proposal summary</b>	<b>Progress update</b>
	<p>with the Chief Coroner and ultimately merger will be brought about via statutory instrument. In the meantime, Lincolnshire CC are providing support to help reduce a backlog of inquests and cases linked to the COVID pandemic. The business case with Lincolnshire supports the premise of no increase in the cost of service provision, local provision of office and inquests in Grimsby/Cleethorpes and Scunthorpe together with a phased approach to better understand the impacts of merger on contracts, commissioning and service delivery. We continue to work closely with North Lincolnshire colleagues who are equally affected by this process.</p>
<p>Council Tax Single Discount Review Matching</p>	<p>The Council, via the Fraud Team, has undertaken a full review of all discounts in place during 2021. This review has so far identified 621 properties where the single person discount should not be in place which has led to an additional £221k in council tax billing. The review will be ongoing throughout 2022/23. The overarching aim is to ensure households are paying their fair share towards the much-valued services provided and enabled by the Council.</p>

## **Section 4 – New plans/programmes/proposals**

### **Operating Model**

As detailed above, the implementation of the new operating model is an on-going programme of work that will change the way that we identify priorities through better use of data and insights and joining up activity both across the Council and with partners. The programme originated as a Union (Council and CCG) programme. The advent of the new Integrated Care Partnership arrangements has not altered the focus of the programme and the principles remain firm. The work undertaken in 2021 shows that we need to adopt different ways of working and make changes to the support arrangements to commissioning and service design.

The Council Plan includes further detail about the changes to our ways of working, including:

- Development of a data and insights hub that brings together our information and intelligence to better inform decision-making.
- Better engagement and involvement with communities when making decisions that impact on them.
- Understanding why some people face barriers to accessing digital services and making sure the right support is available for them.
- Reviewing our Social Value policy and introducing ways of measuring social value impact.

During early 2022/23 we will fully implement changes to staffing arrangements that support the new model of working. Over the course of 2022/23 and future years, we will continue to develop new technologies and digital solutions that enable us to make better use of data and insights and streamline our processes. There is an existing savings target of £143k for 2022/23 onwards that will be met through the implementation of the new model.

During 2022 we will initiate discovery for the next phase of the programme, aiming to modernise our approach to customers through better understanding of their needs, improved telephony, and digital access.

### **People & Culture**

Our strategy has been designed to support and complement other strategies across the organisation and focus' predominantly on our main aims which focus on wellbeing, health, and safety of our people, attracting, developing, and retaining a skilled and diverse workforce, enabling and supporting change in the organisation. In a post covid world, we will continue to work with the organisation to review and develop our policies so that they are fit for purpose and underpin our organisational culture whilst recognising new ways of working. Our focus will look to maintain and improve the health, safety, and wellbeing of our people through sound initiatives led by People & Culture. By changing and improving the way we recruit, our approaches to training, learning and development as well as improving our service offerings and support, our

workforce will increase in skills and diversity. Working closely with all teams and departments within the Council, and our partners we will enable change to take place unhindered and fully supported. By delivering our primary aims and improving our benefits and offerings to our people we will become an employer of choice.

Investing in the future resilience of the organisation requires continued investment in our trainee approach, which focus' on our grow our own philosophy by providing local opportunities for local people, through work experience opportunities, internships, apprentices, and graduates. These programmes ensure through careful planning we are providing a pipeline of talent which supports our succession planning process and supports the achievement of our People Strategy which is underpinned by our trainee approach. With the implementation of our Ways of Working framework which recognises the changes brought about from the pandemic provides an opportunity to review our employment package to ensure that it is flexible and meets the needs of the organisation.

The service will prioritise the resourcing of Children's Services, including focused recruitment, reducing agency numbers, and addressing temporary/fixed term posts and arrangements.

## **ICT**

The implementation of Microsoft E5 licensing is an investment that provides enhanced cyber security as well as other features that will help us to better connect and share data and information with partners, within the confines of data protection. We will explore opportunities to introduce new policies that enable us to maximise E5 and reduce costs in areas such as telephony across the whole organisation.

Our roadmap includes working towards rationalisation of systems and development to support the Council's ambitions towards improved data and insights and to achieve value for money from its investments, moving away from legacy systems and where appropriate implementing cloud solutions. We will continue to ensure our infrastructure and devices are modernised and compliant to support the Council in delivering services using effective ICT and digital tools.

## **Markets and Business Centres**

The Grimsby market has experienced a difficult period for occupancy levels and footfall which has been exacerbated by Covid -19, we committed to try incentives to increase levels however this was just prior to the introduction of further periods of lockdown. We now are working with the existing traders on the Future High Streets programme which will see a decant (to allow building work), followed by the creation of a new purpose-built market to regenerate Grimsby Town Centre and provide sustainability for the sector.

We are looking to lease vacant land at these Centres to support businesses with storage facilities and generate additional income.

## **Property Rationalisation**

We will explore ways to ensure the operational portfolio is running as efficiently as possible. Through consultation with staff, we know that post covid some services are working in different ways. We are linking up with those staff groups to understand how we can better utilise the space and will bring recommendations forward on proposals for future ways of working. We will continue to work with community groups to explore opportunities for community ownership through Asset transfer. We are closely aligned to the One Public Estate programme and with public sector partners to explore opportunities for collaboration and colocation.

## **Local Taxation and Benefits**

No changes to the Local Tax Support Scheme are proposed, maintaining the maximum discount of 65% for eligible working age customers (subject to full council approval). A council tax hardship fund will be maintained based upon anticipated demand for support.

## **Freeport**

Earlier this year the Government announced the Humber was to gain Freeport status. As part of this decision, North East Lincolnshire Council has agreed to take on the role of accountable body. Alongside the accountable body role, the Council has offered to provide the Freeport with a range of support services to help deliver this role. The provision of accountable body / support services role will be provided on a cost recovery basis and generate a recurrent income stream for the Council.

## **Legal**

Legal continues to experience pressures and exposure to cost due to the continued and increasing pressures from Children's Services. Such exposure is in relation to court fees, the cost of external legal support and the costs of experts to support formal proceedings (Psychological assessments, drug and alcohol testing, translators etc). Cases are becoming more complex due to numbers of parties, needs and the support that is required to both support proceedings and the families they affect.

The Council has hugely benefitted from additional capital grant funding, Towns Fund, Future High Streets etc. Legal has an intrinsic part to play in the delivery of these initiatives by providing property, planning, highway, procurement, and commissioning advice.

## Section 5 – What are the risks and opportunities associated with the proposals?

Most risk associated with this area of the organisation is linked to the ability of service areas to streamline their proposals so that the number of concurrent priority projects and programmes are at a level that is manageable within existing resources.

Risk	Mitigation
Ensuring the Council has sufficient resources to deliver its ambitious change programme and key projects.	Key decisions are taken in a timely manner and, where there are clear interdependencies with other change programmes, that these are managed in an integrated manner. The Council is clear about priorities and allocates resource accordingly. Programme and project management techniques will be followed to ensure resources are employed effectively and benefits are fully realised. We are continuing to refine our governance arrangements to improve the development of robust business cases and ensure our resources are used most effectively.
Lack of engagement from staff employed in areas that are under review.	The new Change Management policy and associated documents provides for greater engagement with Trade Unions and staff on changes that may affect them. People and Culture People partners ensure that managers take a consistent approach during informal consultation process, ensuring that staff are fully engaged and understand reasons for change and have opportunity to contribute.
Inflationary and other pressures	The Council faces a range of inflationary and other pressures across a range of areas. In response the Council will review and renegotiate key contracts and adjust staffing levels where reductions on grant funding are experienced.
The impact of NHS and Local Government reform	The Government has set out plans for wide-ranging reforms to how health and social care services are commissioned in England, including CCG functions being taken over by integrated care systems. A statutory ICS will be formed in each ICS area. These will be made up of a statutory ICS NHS body and a separate statutory ICS Health and Care Partnership, bringing together the NHS, local government, and partners. Responsibility for the commissioning of adult social care will revert to the Council and new systems will need to be established.

## Annex 1 Savings and Transformation Proposals

### Resources

Service Area	Proposal	Saving 2022/23 £'000	Saving 2023/24 £'000	Saving 2024/25 £'000	Risk (H/M/L)
Audit	Various cost reductions	8	8	8	L
Assets	Rent reviews, ground leases, transfer to full maintaining lease, convert underutilised space etc	283	226	226	L
Democratic Services	Staffing cost savings	5	5	5	L
Stronger Community	Reduce ward funding allocation	38	38	38	L
ICT	Staffing savings and replacing our existing backup product with the Microsoft backup solution for cloud offering, utilising the benefits of the new licensing model	34	30	30	H
People & Culture	Stop/reduce Virtual Ashridge licences	5	5	5	M
Business Support	Review staffing and non-staffing budgets	24	24	24	M
CSSU	Utilise external funding	24	0	0	H
Council Tax	Consider Local Council Tax Support Scheme and align council tax hardship fund to demand	50	350	350	M
Reserves	Utilise EU-Exit Reserve to offset costs	170	0	0	L
Additional Efficiency Savings	Savings to be identified	50	0	0	H
<b>Total</b>		<b>691</b>	<b>686</b>	<b>686</b>	

## Annex 2 – Additional Funding Allocated

Area	2022/23 £000	2023/24 £000	2024/25 £000
Microsoft Licensing investment	297	371	434
System investment	90	90	90
Family Hubs (delayed review)	200	0	0
Markets income	135	135	135
Commercial Estate income	191	27	27
Legal Services – additional support to deliver children’s transformation plan	295	295	295
Organisational Development investment to support graduate recruitment	95	95	95
<b>TOTAL</b>	<b>1,303</b>	<b>1,013</b>	<b>1,076</b>

# **Annex 2**

# **Capital Programme**

SCHEME	2021/22 Q2 Approved Capital Programme	2022/23 Approved Capital Programme £000's	2023/24 Approved Capital Programme £000's	2024/25 Approved Capital Programme £000's
<b>Childrens Services</b>				
Schools - Devolved Formula Cap Grant	112	100	0	0
Schools - Backlog Maintenance	753	400	400	400
Schools - Basic Need Sufficiency of Places	637	1,860	3,500	0
Special Educational Needs and Disability Fund	627	1,283	883	883
Lincs2 Portal System Inv.	1	0	0	0
Looked After Children	307	0	0	0
Nursery Places	140	0	0	0
Service Improvement Education	61	30	0	0
CCTV Review and Upgrade	955	0	0	0
Safer Streets 2	0	0	0	0
<b>Adult Services</b>				
Disabled Facilities Grants	4,674	3,214	2,685	0
Social Care - Better Care Fund	10	0	0	0
<b>Environment</b>				
Fleet Replacement Programme inc. Recycling Collection	4,007	2,040	633	0
Household Recycling Scheme	0	0	57	0
Smart Energy for Business	942	0	0	0
Litter Bin and Recycling Replacement and Upgrade	76	0	0	0
Enhancement of Bereavement Services	741	752	84	12
Peoples Park Refurbishment	76	41	0	0
Depot Rationalisation	3,021	5,757	0	0
Scartho Cemetery Lodge and Chapel	259	618	35	0
Resort Management	46	0	0	0

<b>SCHEME</b>	<b>2021/22 Revised Capital Programme</b>	<b>2022/23 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>
Public Sector Decarbonisation	2,974	0	0	0
Environmental Services Management System	135	0	0	0
Regulatory Services Management System	130	0	0	0
Operation Gateway	220	0	0	0
Memorial Testing and Repairs	105	82	0	0
Play Parks	50	500	300	0
<b>Resources</b>				
Backlog Maintenance	1,495	1,358	38	0
Property Rationalisation Programme	202	180	0	0
GY Leisure Centre	2	0	0	0
Cartergate Unit Development	220	120	0	0
Playing Pitch Re provision	1,373	4,402	0	0
Digital Strategy Delivery/Imp Civica/EDRMS	10	0	0	0
Heritage Asset at Risk	686	589	0	0
Fire Segregation Works	9	0	0	0
Poplar Road Expansion	1,440	2,696	0	0
Business Centre Improvement	638	386	0	0
Capital Investment	1,116	91	3,684	5,500
Capital Receipt Flexibility	400	400	400	0
ICT Refresh	1,169	646	646	0
Corporate Systems Investment	435	75	0	0
Eco Park	14	0	0	0
IT Transformation Programme	98	0	0	0
Learning Mgt System Implementation	25	0	0	0
Sentinel Master Data Mgt	0	198	65	0

<b>SCHEME</b>	<b>2021/22 Revised Capital Programme</b>	<b>2022/23 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>
<b>Public Health</b>				
Drug & Alcohol Recovery	12	0	0	0
<b>Economy and Growth</b>				
Freeman Street Regeneration	7	0	0	0
Cleethorpes HLF Townscape Heritage	567	1,478	421	0
Sth Humber Infrastructure and Investment Programme	3,659	5,514	2,725	0
Riverhead Square & Unlocking Potential	1,241	0	0	0
Cleethorpes Public Art	637	0	0	0
Heritage Action Zone	160	190	230	0
Town Deal Investment	452	3,058	0	0
Central Clee Regeneration	284	3,748	0	0
Europarc Food Enterprise Zone	179	0	0	0
CDF - Open For Culture	1,407	1,576	70	0
Future High Streets Fund	1,046	8,868	17,386	0
Towns Fund	564	5,296	8,071	0
Strategic Land Acquisition	0	0	0	0
Local Transport Plan Schemes	4,206	3,780	4,208	4,208
Housing Assistance Grants and Loans	804	600	250	0
Affordable Housing S106 Monies	125	0	0	0
Supported Housing Scheme	19	0	0	0
Immingham Lock Flood Def Gates	63	63	0	0
A18 Laceby to Ludborough	673	0	0	0
Community Housing	51	0	0	0
Willingham/Peaksfield Flood Alleviation	191	0	0	0
Accelerated Construction	2,022	375	0	0

<b>SCHEME</b>	<b>2021/22 Revised Capital Programme</b>	<b>2022/23 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>
Estate Road 2	354	0	0	0
Corporation Bridge	1,359	2,967	500	0
Extended Cycle Track	2,559	0	0	0
Rough Sleeper Accomodation Grant	183	0	0	0
Green Homes Grant LAD Phase 2	850	776	0	0
Grimsby and Immingham Flood Innovation	0	1,240	1,980	0
Grant St Car Park	0	3,393	0	0
<b>TOTAL CAPITAL PROGRAMME</b>	<b>54,065</b>	<b>70,740</b>	<b>49,251</b>	<b>11,003</b>
<b>Funding</b>	<b>2021/22 Revised Capital Programme</b>	<b>2022/23 Approved Capital Programme £000's</b>	<b>2023/24 Approved Capital Programme £000's</b>	<b>2024/25 Approved Capital Programme £000's</b>
External Grants	26,470	30,832	28,861	4,702
Corporate Borrowing	26,790	39,367	14,890	5,801
Capital Receipts	476	541	500	500
Revenue Contributions	36	0	0	0
Other Private inc S106	293	0	5,000	0
	<b>54,065</b>	<b>70,740</b>	<b>49,251</b>	<b>11,003</b>



**Annex 3**

**Capital Investment Strategy**

**2022/2031**

# Context and Vision

**North East Lincolnshire** has a stable and resilient economy, that has been shaped by its connection to the North Sea. Ports, manufacturing, and food processing still are at the core to the employment of our residents. The local economy is transforming again, strengthened by the strategic position it occupies on the Greater Lincolnshire coast and Humber Estuary. The success of Offshore Wind farm clusters off our coastline continue to grow with an increasing number of businesses choosing the Port of Grimsby as their home, including Orsted's East Coast hub, the world's largest offshore wind Operations and Maintenance centre, RWE, the second largest offshore wind operator, and the commitment of the ORE Catapult to set up a centre of excellence on the Port. With a government commitment to deliver 40GW of offshore energy by 2030 the opportunities for North East Lincolnshire and the wider area are set to grow further. As the wider cluster develops and matures the area has and will see further investment in supporting capabilities in research & development, skills and training and other cross cutting activities.

The **Ports of Immingham and Grimsby are the largest by tonnage in the UK**, providing essential trade links to Europe and the rest of the world and further supporting UK energy security through the UK's largest biomass handling facility. The **Humber Freeport** will take in a wide 45 km area expanding across both banks of the Humber. Within the outer area there are two types of zones, each with different advantages aimed to stimulate economic growth. The two types are Customs Zones and Tax Zones. A key aspect of the Freeport is an ability to retain business rates within the Tax Zones for reinvestment into local growth priorities. Retained receipts may be used to cover borrowing costs (where relevant); re-invest in the Freeport tax site to generate further growth; or offset expected effects of displacement of local economic activity from deprived areas.

The **Chemical and Processing** sectors account for 2,265 jobs across approximately 50 companies in NEL. Due to the proximity to the Humber Estuary and a strong supply chain of specialist construction, engineering, and logistics companies, North East Lincolnshire has created a cluster for chemical and process industries, attracting global players for over 50 years. Food and particularly seafood remains the bedrock of the local economy with up to **70% of seafood consumed in the UK processed in North East Lincolnshire**.

The local unemployment rate of 6.9% of eligible population compares to a regional rate of 6.5% and a national rate of 6.3%.(source NOMIS DEC 2020). Greater Grimsby and North East Lincolnshire are building a new economic future. Over the next decade and beyond, there are strong prospects for growth in offshore wind and the transition to a low cost, low carbon economy; and for improved productivity and export-led growth in port-related logistics and in advanced manufacturing, chemicals/petrochemicals and food processing..

The **Local Plan** (2018) identified the need for more than 13,000 homes to meet the demands of our growing population to 2032, and the housing industry remains buoyant. North East Lincolnshire's Housing Strategy sets out the vision that enables the provision of a good quality home for everyone who lives in North East Lincolnshire or wishes to move here with a focus on supporting programmes which attract investment and to improve the standards of existing homes, including reducing the number of empty homes and enhancing environmental performance.

## Context and Vision.

**The South Humber Industrial Investment Programme (SHIP)** a 15-year, £42m strategic programme is the most ambitious industrial project in North East Lincolnshire's history, delivering infrastructure improvements, land allocations and business development to create high quality jobs and opportunities for local people. The programme is delivering key assets. The Humber Link Road, completed in January 2021, gives a direct road link between the Ports of Grimsby and Immingham, creating development opportunities on adjoining land.

A significant amount of funding has been secured to support the revitalisation of our towns, The **Greater Grimsby Town Deal**, a pilot model for government, enabled several projects to unlock investment. The success of this pilot resulted in the roll out of a further 100 Town Deals across the county, resulting in Grimsby securing a further £22m funding to create a Grimsby Masterplan, Town Investment Plan and an exciting programme of regeneration activities that began in 2021/22. NELC was also successful in securing £17.3m through the **Future High Streets Fund** to deliver the repurposing and revitalisation of Victoria Street West, a joint initiative with Freshney Place which will bring a new vibrant market space, food and drink establishments and leisure space into the heart of the town.

Grimsby was successful in receiving £3.3m from the **Cultural Recovery Fund** which has helped deliver the refurbishment of St James' Square and built new and innovative creative partnership to deliver creative programming throughout Grimsby town centre. Heritage Action Zone status awarded for Grimsby Town Centre and the Docks, with funding to deliver a range of projects including a creative workspace on the Kasbah, enhancing Grimsby Minster and the building of the Horizon Youth Centre. Cleethorpes has seen the delivery of a substantial £6.7m regeneration programme funded through **Coastal Communities Fund**, National Heritage Lottery Fund and the Humber LEP and a revived programme of activities throughout the borough which have drawn visitors from across the country.

The Humber Local Enterprise Partnership provided £1m **Local Growth Fund** for public realm works at Sea Road and for the construction of a new building on a key strategic site on the former Waves site. Additionally, £1.9m from the **National Heritage Lottery Fund** to restore some of the original Victorian buildings and heritage assets on Alexandra Road and Sea View Street.

The Capital Investment Strategy will drive the long term focus of the capital programme. Significant investment will focus on:

Business  
Growth

A Green  
Economy

Skills

Place-  
Making

# Capital and Long Term Investment

Capital and long term investment has both legal and regulatory requirements which sets out the powers the Council has and the frameworks it must comply with and operate within for capital investments. The Council is guided by the Local Government Finance Act, DLUHC guidance and CIPFA Codes of Practice. CIPFA has launched a revised Prudential Code of Practice 2021. It creates three new classification of investment, Treasury Management, Service Delivery and Commercial Return. The term 'investments' in the code covers all financial investments of the authority, together with other assets held primarily for financial return such as commercial property. It brings in new restrictions on borrowing which are focused on just one of these categories – investments that are made 'primarily for financial return', including commercial property. The Capital Investment Strategy is the umbrella document that covers both the Service Delivery and Commercial Return elements of the councils investments.

Capital and long term investment is necessary to deliver the Council's key priorities and ambitions. The **Capital Investment Strategy** sits centrally to a number of internal and external influencers and as such must reflect and be informed by the drivers and priorities within them.

The underlying principles of the capital strategy follow the financial strategy:

- Commissioning – Aligning capital investment to support priorities that contribute to the outcomes framework
- Stimulate Regeneration and Economic growth through local investment
- Cost control – Supporting the economic and efficient delivery of core services

The Prudential Code requires Local Authorities to ensure Capital investment is:

- Linked to Strategic Planning
- Clear Asset Management understanding
- Delivers Value for Money
- Investment is prudent and sustainable
- An affordability assessment
- Practical delivery



The CIPFA Prudential Code of Practice 2021 requires councils to produce a Capital Investment Strategy for non-treasury related investments. It provides the opportunity to ensure overall strategy is widely understood including the governance and assurance process and clearly defined risk appetite.

# Funding Capital Investments

The Resourcing plan for the capital investment programme is informed by the Prudential Indicators which demonstrate that the requirements of the Prudential Code are met. These ensure that the plans of the Council are affordable, prudent and sustainable. The detailed Capital Prudential Indicators are provided in the Treasury Management Strategy and can be found on Pages 29-32.

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

The Council is currently maintaining an under-borrowed position subject to a minimum investment balance of £10m. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This has been a prudent approach as investment returns have been low and counterparty risk is still an issue that needs to be considered, however, this strategy has a limited lifespan and only delays, rather than removes, the borrowing required to support our Capital plans. As at 31<sup>st</sup> December 2021 the council has £154.6m of borrowing. With current capital investment plans and replacement borrowing up to £74m of new borrowing will be required over the next 3 years.

As a net borrower with a significant borrowing requirement, debt finance features significantly in the financing plan although there are other sources the capital programme.

**Capital receipts** generated for example from the disposal of assets and Housing grant repayments will be used to finance capital investment although where a surplus asset can be used to unlock development rather than generate a receipt this will be considered as part of the business case and options appraisal. Generating capital receipts reduces the need to borrow and therefore can reduce the debt financing costs of the council.

**Seeking funding innovation** through an increasing emphasis on collaborative and partnership initiatives, whilst also looking at how the Council contributions, can continue to unlock other funding sources where it would support the overall development of the town and its key investment priorities. It is anticipated that more innovative methods of funding may be developed as the Town Deal, Future High Street and Housing development gather momentum. In particular attracting and encouraging more private sector investment in the Borough's infrastructure.

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

# Funding Capital Investments

## **Our Key Objectives:**

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

## **Strategy: the Council will deliver on its Objectives by:**

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

In November 2020 the Public Works Loan Board (PWLB) announced the outcome of its Consultation on future lending terms and confirmed its standard Certainty Rate would revert to 80bps above Gilts. However there are some new restrictions on access and so, whilst we believe these will not be a factor for NELC, we continue to alternative lenders as active options in meeting our overall borrowing requirement as cost effectively as possible.

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

Investment assets bought primarily for yield would usually have one or more of the following characteristics:

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

# Funding Capital Investments.

## **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.

## **Borrowing for Commercial or Social Return**

The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. Financial investment is covered solely within the Treasury Management Strategy. Non-financial investments, essentially the purchase of income yielding assets, are covered by this Capital Strategy. In order to support frontline services as central Government funding changes over time, Councils have to consider how best they might deploy their resources, knowledge and borrowing capacity to replace lost income. The drivers, characteristics, available credit data and risks associated with such transactions will differ from one scheme to another as well as from general treasury activity. Schemes will take into account non-financial 'social' returns alongside pure financial gain. Such activity may include loans supporting service outcomes, investments in subsidiaries and investment in property portfolios where there local demand from tenants is not being met by private sector provision.

The Authority recognises that non-treasury investment in other financial assets and property primarily for financial return, requires careful investment management. **The Authority currently has no plans to acquire assets purely for their yield.**

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

The Authority must also compile and maintain a schedule setting out a summary of existing material non-treasury investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure. **There are no material non-treasury investments currently to report in this capital investment strategy.**

# Risk

The Council's **risk appetite** defines the type of investment opportunities it is willing to consider and prioritise and will be expressed through its tolerance to risk in respect of capital **security**, meaningful **liquidity** and **yield** volatility. The Council seeks to avoid its exposure to risks that are unwanted and unrewarded.

The Council is exposed to a range of broad risks:

- **Strategic risks** related to key initiatives undertaken by the Council such as significant purchases, new ventures, and other areas of organisational change deemed necessary to help the Council meet its priorities. Misreading the environment, economy and choosing the wrong direction.
- **Financial risks** related to the investment of the Council's assets and cash flow, market volatility, currency etc. The Council's Treasury Management Strategy (TMSS) defines the risk appetite in respect of delivery of Treasury Management Activity. Financial risk associated with Non Treasury Investments is within this capital strategy.
- **Macroeconomic risks** related to the growth or decline of the local economy, interest rates, inflation and the wider national and global economy amongst others.
- **Credit and counterparty risks** related to treasury investments, is clearly defined and managed through its TMSS and Treasury Management Practices (TMPs).
- **Operational risks** related to operational exposures within organisation, its counterparties, partners and economic sensitive activities. Including knowledge and ability.
- **Environmental and Social risks** related to the environmental and social impact of the Council's strategy and interests.
- **Reputational risks** related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation, resources and public perception.
- **Governance risks** related to ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks and balances that balance oversight and efficiency.

The Council aims to minimise its exposure to unwanted risks, those risks that are not actively sought and which carry no commensurate reward for the Council. This is achieved through a range of mitigation strategies to the extent that it is cost-effective to do so. The following section defines the Council's risk appetite across these broad risk areas.

# Risk

The Council recognises that **no activity is without risk** and risk is an unavoidable consequence of its many, varied activities and views the management of those risks as a key corporate responsibility. Understanding the Council's risk appetite shapes the capital investment strategy and the type of investment the council is willing to consider and undertake.

Risk	Commentary
<b>Strategic</b>	<b>High</b> appetite where there is a direct gain to the Council's revenues, specifically local taxation streams, contributes directly to the Council's priorities or the ability to deliver its statutory duties more effectively and efficiently. Must be within the context of affordability and prioritisation across the resources available.
<b>Financial</b>	<b>Medium</b> appetite for a range of asset types, property and longer-term investments, subject to careful due diligence and an emphasis on security as well as consideration of proportionality within the approved capital investment plan. <b>No</b> appetite for currency risk, emerging markets, investment solely for yield, high volatility investments or urgent transactions with no due diligence attached.
<b>Macroeconomic</b>	<b>High</b> appetite for exposure to local economic growth. <b>Low</b> appetite for exposure to national and global growth relating to off patch investment. <b>Low</b> appetite for interest rate risk and inflation risk. <b>No</b> appetite for out of Borough investment
<b>Partnership</b>	<b>High</b> appetite for secured or diversified credit risk, as well as exposure to highly rated counterparties, partners and financial institutions with strong balance sheets. <b>Low</b> appetite for unsecured investments or lending.
<b>Operational</b>	<b>High</b> appetite for efficiency of council process <b>Low</b> appetite for Business as Usual operational risks such as pricing errors, errors in administration, IT, project management failure including use of external consultants. <b>No</b> appetite for fraud, regulatory or internal control breaches and exceeding risk tolerances
<b>Environmental and Social</b>	<b>High</b> appetite for environmentally sustainable investments <b>High</b> appetite for social value and improving community and family outcomes <b>Low</b> appetite for social and environmental risks, especially in the local region.
<b>Reputational</b>	<b>Low</b> appetite to undertake activity which will damage the council's reputation or public perceptions
<b>Governance</b>	<b>No</b> appetite to compromise strong governance or internal control, including decision making, evaluation, monitoring and project management.

# Risk

Adopting a risk aware approach to capital investment where the Council's appetite for all types of risk informs the size, type and tenure of investment. Understanding the risk mix of projects is important to avoid excessive high risk exposure and capital prioritisation will take account of the risk profile of the overall capital investment plan. Proportionality is important, the Council's significant investments focus on the South Humber Investment Programme which is in delivery phase, The Grimsby Masterplan and Town Investment Plan latest funding for the Future High Street to deliver repurposing and revitalisation of Victoria Street West. Capacity to deliver across a broad spectrum of professional expertise is not unlimited and when considering the overall capital investment priorities, capacity risk must add context to the timing of the investment profile.

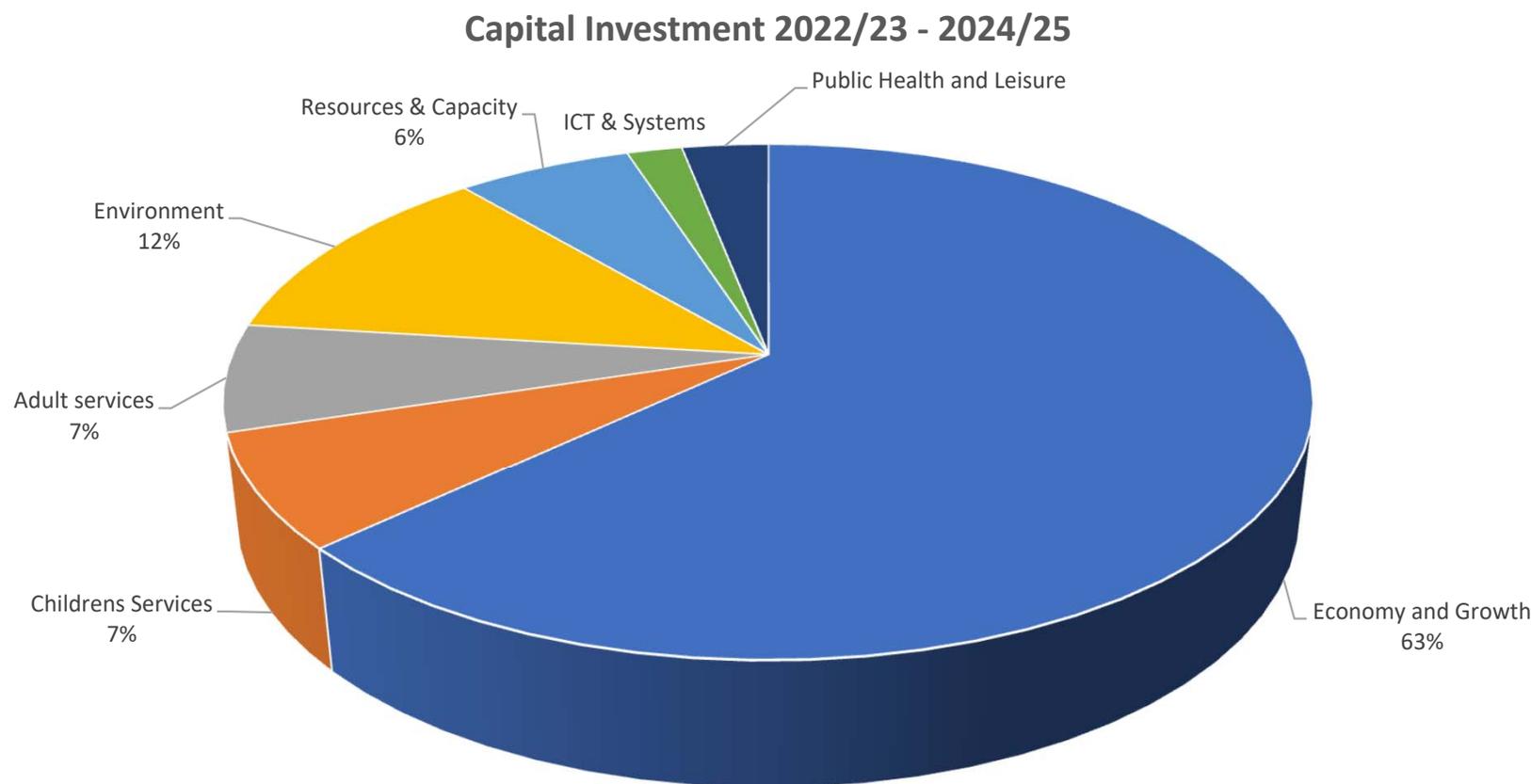
The risk and impact of the current programme should add context to the decisions being taken and how investment proposals affect the mix of risk being taken. Higher risk investments should be against the context of impact. The current programme and the medium term horizon is mapped against impact, risk, size and type to get an impression of the spread of risk and return (financial and outcome).

Ensuring continued access to PWLB will require assurance within the evaluation of Capital Business Cases to ensure compliance with the latest requirement to not buy investment assets primarily for yield in the next three years.

# Capital and Long-Term Investment.

The Council's long term financial strategy remains focused on the achievement of financial sustainability by embracing the area's economic potential and growing the local tax base. The focus of investment is:-

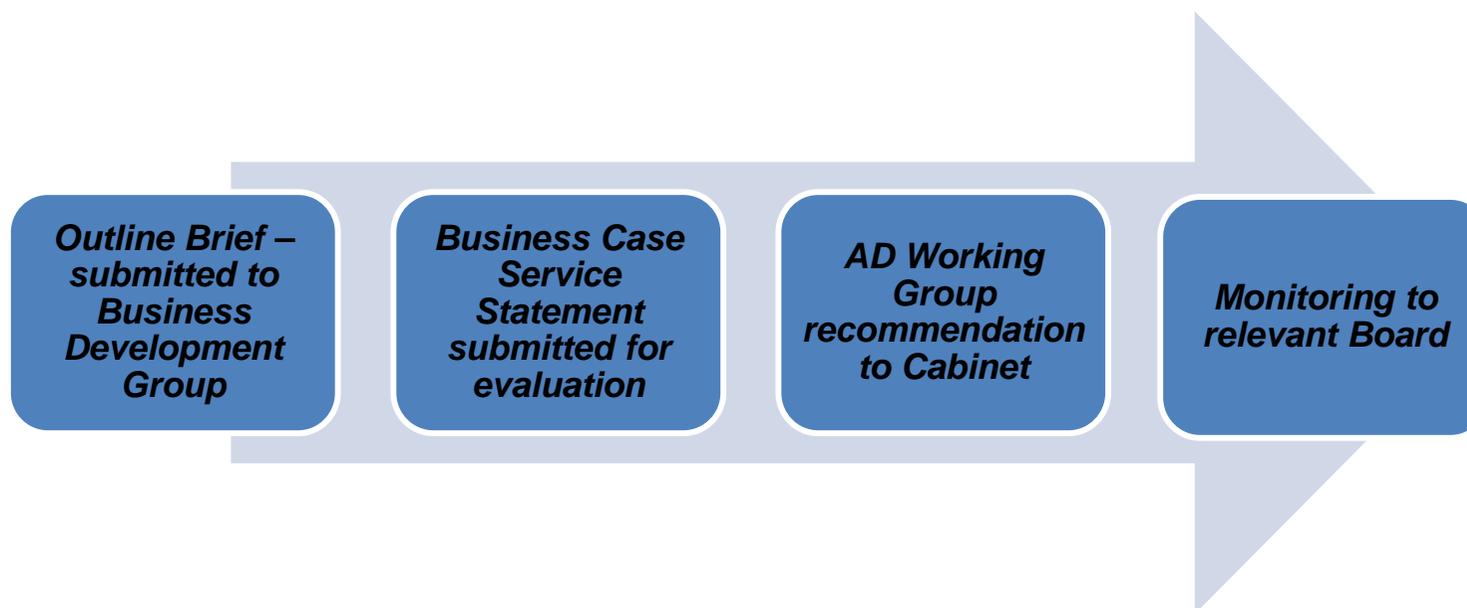
- Investing in Business Growth and building on the areas industry strengths.
- A green economy maximising low carbon and healthy initiatives in industry and the place.
- Skills and investing in the workforce
- Place-Making ensuring the towns are great places to live, work and stay.



The latest capital programme totals £131.0M and is included at **Annex 2**.

# Governance

There is a robust Business Case Development Gateway Process for both revenue and capital funding. The well established capital governance framework was extended to cover all aspects of investment including non-treasury. Its Built on the HM Treasury Five case evaluation model. All investment decisions will be supported by a Business Case Service Statement.



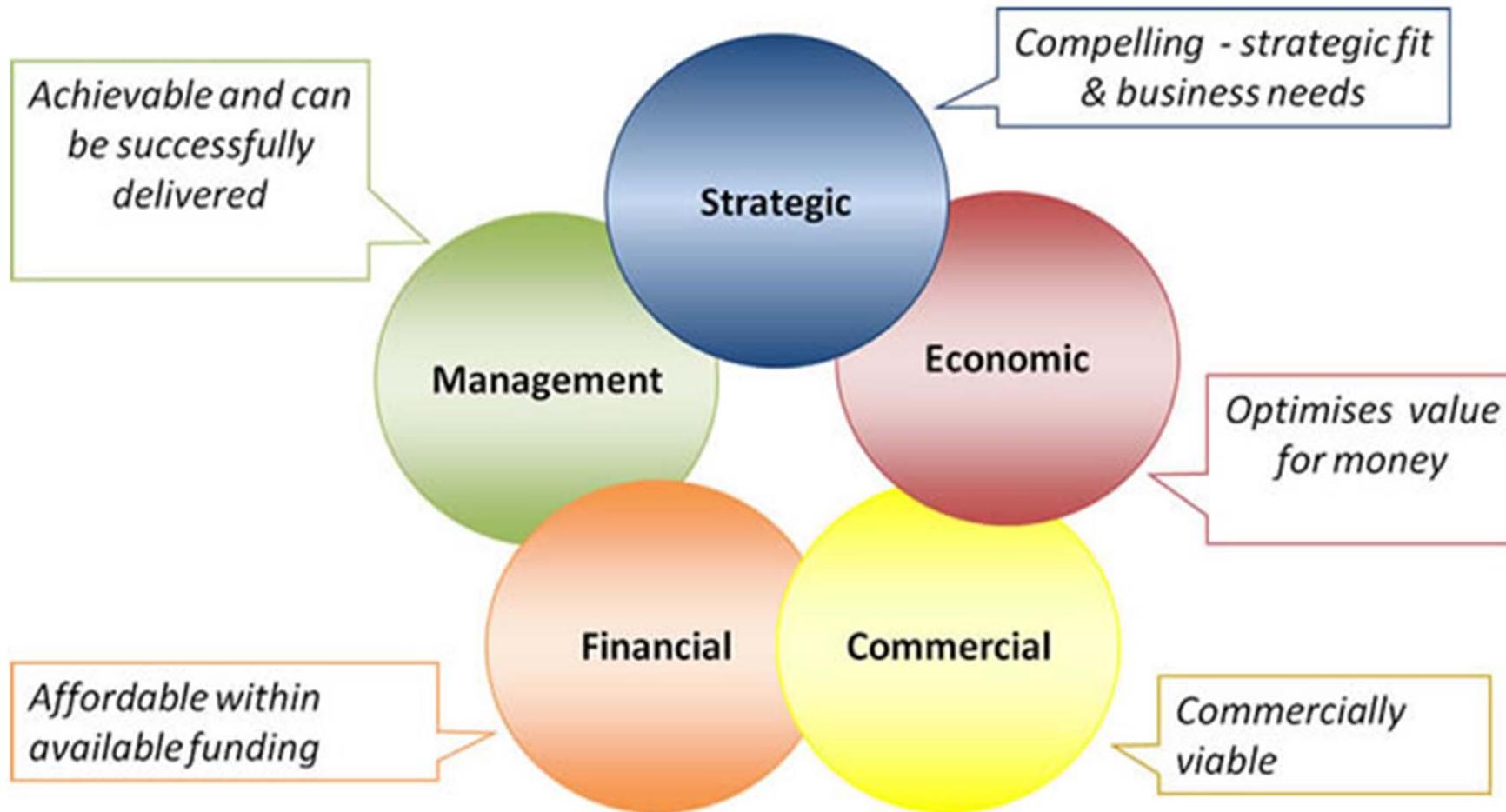
The Business Development Group represented by Assets, Finance, CSSU, Audit, Procurement, Legal, ICT and Economic Regeneration score the proposals and make recommendations to the Assistant Directors Working Group. Supported schemes that require Cabinet Approval then progress onwards to full Cabinet approval. All in year approved schemes are listed for approval in the quarterly budget monitoring reports.

The significant programmes all have specific Boards in line with the Councils Project Management Framework that govern delivery and performance. The Overall Capital programme delivery is reported to the Assurance Board and financial performance also reported in the Quarterly Budget Monitoring reports.

Evaluation is essential and requires management initiative and intensive monitoring. The thoroughness of an evaluation will depend upon the scale of the impact of a programme or scheme, and also be informed on the extent on the level of public interest. There may be a high level of media interest around a project which has required a significant degree of expenditure, or one which is highly complex, unusual, or represents a pilot for future large scale programmes. Evaluation reports will be widely disseminated and published, where appropriate, to contribute to the knowledge base upon which future decisions will be taken.

# Governance

HM Treasury 5 case model forms the basis for the capital scoring system for evaluation of the councils capital investment proposals.



# Governance - Prudential Indicators

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

In order to ensure that over the medium-term debt will only be for a capital purpose, the Council should ensure that **debt does not, except in the short term, exceed the total of capital financing requirement** in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence. Although net indebtedness is forecast to increase over the next 4 years, total debt is expected to remain below the approved CFR and both the Operational and Authorised Borrowing Boundaries during the forecast period. Borrowing remains comfortably below control levels as a result of continued internal borrowing support for the Capital Programme.

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

For 2022/23 CIPFA have revised their Guidance to require use of the **Liability Benchmark** tool as a formal Prudential Indicator. NELC have used, reported and provided Member training on this Benchmark for several years, so no change to current practice is necessary. The Benchmark forecasts our need to borrow over a 60 year period. This aids decision making when it comes to the quantum and term to be chosen. It represents the level of our anticipated borrowing and in the ordinary course of business would not be expected to be exceeded. It therefore should closely mirror the Operational Boundary.

A further key prudential indicator the **Authorised Limit** represents a **control on the maximum level of borrowing**. This represents a legal limit beyond which external debt is prohibited, and can only be set or revised by 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. The Authorised Limit is a statutory limit determined under section 3 (1) of the Local Government Act 2003.

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

# Prudential Indicators 2022/23

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

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

Capital Expenditure and Financing	2021/22 Revised £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Total Expenditure	44.4	67.6	49.3	11.0
Capital Receipts	0.5	0.5	0.5	0.5
Government Grants	23.4	30.8	28.9	4.7
Ring-fenced External Funding	0.6	0.0	5.0	0.0
Borrowing	19.9	36.2	14.9	5.8
Total Financing	44.4	67.6	49.3	11.0

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

Capital Financing Requirement	31.03.21 Actual £m	31.03.22 Estimate £m	31.03.23 Estimate £m	31.03.24 Estimate £m	31.03.25 Estimate £m
Total CFR	182.7	194.7	223.9	230.7	227.9

# Prudential Indicators (2022/23)

**Gross Debt and the Capital Financing Requirement:** In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.)

£m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt					
Debt at 1 April	146.7	149.4	154.4	196.3	202.2
Expected change in Debt	2.7	5.0	41.9	5.9	-2.7
Other long-term liabilities (OLTL)	-	-	-	-	-
Expected change in OLTL	-	-	-	-	-
Actual gross debt at 31 March	149.4	154.4	196.3	202.2	199.5
The Capital Financing Requirement	182.7	194.7	223.9	230.7	227.9
Under / (over) borrowing	33.3	40.3	27.6	28.5	28.4

The table shows a peak change in debt levels of £48m over the forecast period during which we also have £26m of debt maturities. Total new borrowing required will therefore be around £74m (subject to spend being in line with forecast).

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

Ratio of Financing Costs to Net Revenue Stream	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
General Fund	6.89%	7.07%	7.90%	9.24%	9.50%

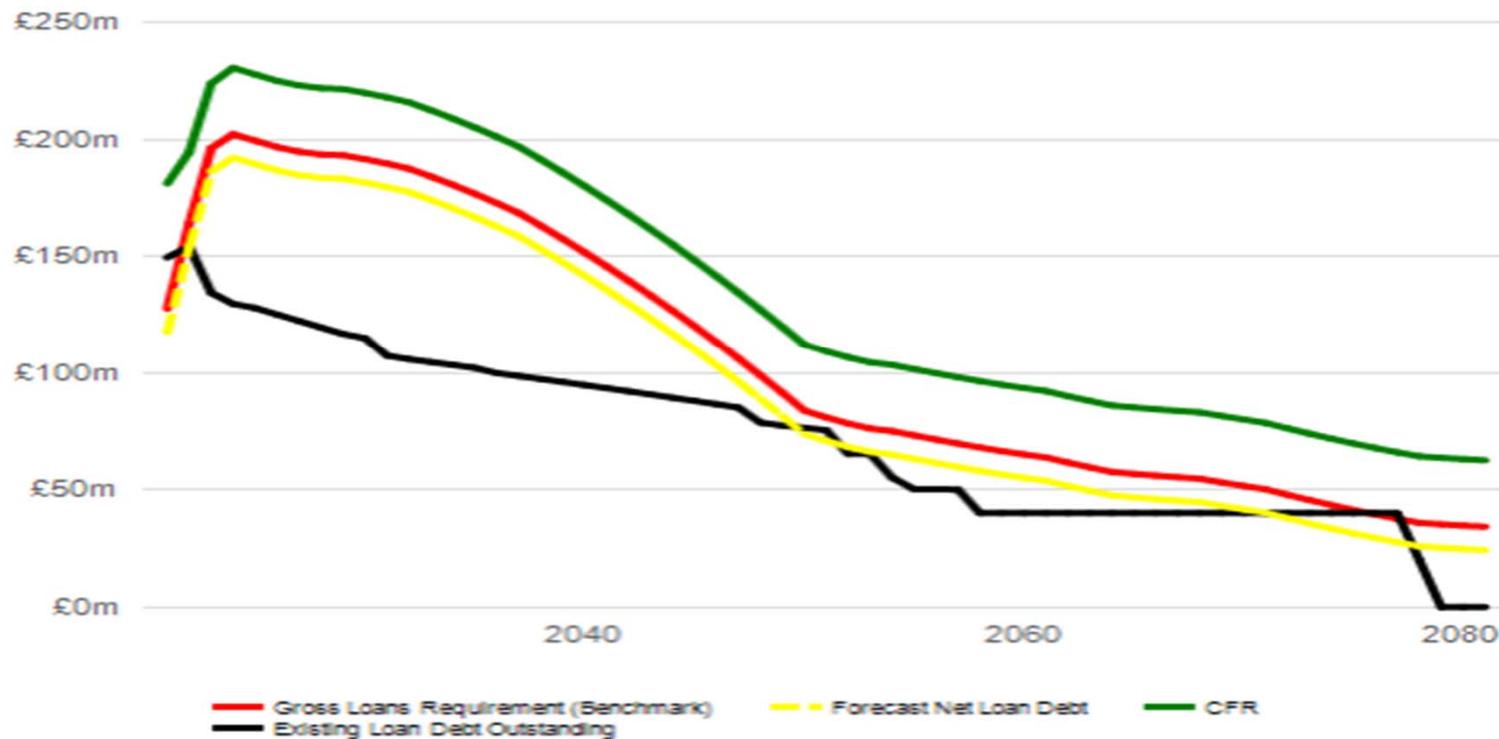
# Prudential Indicators 2022/23 (The Liability Benchmark.)

The Benchmark forecasts our need to borrow over a 60 year period. This aids decision making when it comes to the quantum and term to be chosen, the aim being to avoid cost of carry revenue implications and avoid the trap of defaulting to ultra-long tenors just because the yield curve tail slopes downward. It represents the level of our anticipated borrowing and in the ordinary course of business would not be expected to be exceeded. It therefore should closely mirror the Operational Boundary.

The benchmark assumes:

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

General Fund Liability Benchmark



The gap between the Gross Loans Requirement (Red line ) and Existing Loan Debt (black line) in the Liability Benchmark chart shown here depicts the additional borrowing need the Authority currently projects – a peak requirement of £74m new loans by the end of 2024/25 – including replacement of maturing debt.

# Prudential Indicators 2022/23

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

Authorised Limit	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Borrowing	250	250	260	260
Other long-term liabilities	40	40	40	40
Total Debt	290	290	300	300

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

Operational Limit	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Borrowing	215	220	220	220
Other long-term liabilities	30	30	30	30
Total Debt	245	250	250	250

**Adoption of the CIPFA Treasury Management Code:** The Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition in February 2018. The latest revision will be formally adopted for the 2023/24 Financial Year.

# **Annex 4**

## **Medium Term Financial Plan**

MTFP SUMMARY					
Original 2020/21 £000	Original 2021/22 £000		2022/23 £000	2023/24 £000	2024/25 £000
		<b>FUNDING</b>			
9,142	9,192	Revenue Support Grant	9,477	9,667	9,857
42,844	43,667	Business Rates Retention	45,645	47,213	48,839
64,010	65,397	Council Tax Income	67,896	70,153	72,316
6,507	8,764	ASC Precept	9,852	10,136	10,450
0	(258)	Collection Fund - Business Rates	(570)	0	0
1,592	1,009	Collection Fund - Council Tax	2,092	0	0
	1,528	Local Council Tax Support Grant	0	0	0
303	61	New Homes Bonus	837	828	828
7,822	7,822	Improved Better Care Fund	8,058	8,219	8,383
4,787	6,068	Social Care Support Grant	8,226	8,226	8,226
0	257	Lower Tier Services Grant	270	270	270
0	0	Market Sustainability and Fair Cost of Care Fund	526	1,500	1,500
0	4,998	Covid - 19 Funding	0	0	0
0	0	Services Grant	2,739	0	0
<b>137,007</b>	<b>148,505</b>	<b>TOTAL FUNDING</b>	<b>155,048</b>	<b>156,212</b>	<b>160,670</b>
<b>117,103</b>	<b>125,758</b>	<b>TOTAL BUDGET ENVELOPES</b>	<b>132,628</b>	<b>138,038</b>	<b>141,515</b>
		<b>OTHER BUDGETS</b>			
4,686	4,586	Pensions and Insurance	4,636	4,686	4,686
10,563	11,098	Borrowing Net of Investment Income	13,010	15,000	15,880
2,333	2,112	Provisions and other	2,855	2,872	2,872
689	709	Levies	709	709	709
0	0	Grants to Parish Councils	0	0	0
<b>18,271</b>	<b>18,505</b>	<b>TOTAL OTHER BUDGETS</b>	<b>21,210</b>	<b>23,267</b>	<b>24,147</b>
<b>135,374</b>	<b>144,263</b>	<b>TOTAL REVENUE SPEND</b>	<b>153,838</b>	<b>161,305</b>	<b>165,662</b>
		<b>CONTRIBUTIONS</b>			
0	(258)	Contributions from Earmarked Reserves	(740)	0	0
1,633	4,500	Contributions to Earmarked Reserves	1,950	2,450	2,450
<b>1,633</b>	<b>4,242</b>	<b>NET CONTRIBUTIONS (FROM)/TO EARMARKED RESERVES</b>	<b>1,210</b>	<b>2,450</b>	<b>2,450</b>
<b>137,007</b>	<b>148,505</b>	<b>TOTAL BUDGET REQUIREMENT</b>	<b>155,048</b>	<b>163,755</b>	<b>168,112</b>
<b>0</b>	<b>(0)</b>	<b>Balance of funding available / (Savings Required)</b>	<b>0</b>	<b>(7,543)</b>	<b>(7,442)</b>

Service Area	2022/23 £'000				2023/24 £'000	2024/25 £'000
	Opening Budget Envelope	Other Adjustments	Pressures	Savings	Closing Budget Envelope	Closing Budget Envelope
Resources	13,346	284	1,314	(471)	14,473	14,284
Environment	12,443	55	124	(320)	12,302	12,544
Economy and Growth	18,032	18	1,367	(462)	18,955	19,243
Children and Family Services	31,060	(40)	9,004	(3,512)	36,512	35,821
Public Health and Wellbeing	(64)	0	0	(235)	(299)	(64)
Adult Services	50,813	0	2,121	(2,249)	50,685	56,210
<b>Total</b>	<b>125,630</b>	<b>317</b>	<b>13,930</b>	<b>(7,249)</b>	<b>132,628</b>	<b>138,038</b>



# **Annex 5**

## **Budget Engagement**

# **Member Scrutiny and Consultation**

The role of scrutiny in the budget setting process is key to ensure sufficient challenge and governance is in place to support the robustness of the Budget and Commissioning Plan. Informal briefing sessions have been held with members in December 2021 and formal briefing sessions in January 2022. Minutes can be accessed through the following link:

<https://democracy.nelincs.gov.uk/meetings/budget-scrutiny/>

<https://democracy.nelincs.gov.uk/meetings/budget-scrutiny-2/>

## **Town & Parish Liaison Committee Budget Consultation**

The Town and Parish Liaison Committee is a meeting of key stakeholders with the Borough. The Budget and Commissioning Plan has been shared and discussed at the Committee on 27<sup>th</sup> January 2022. The minutes of this meeting can be found via the following link:

<https://democracy.nelincs.gov.uk/meetings/town-and-parish-liaison-committee-3/>

## **Public Budget Consultation**

A public budget consultation ran from 16 December 2021 to 27<sup>th</sup> January 2022. The consultation focused upon what the Council's priorities should be for the 2022/23 financial year. A survey asked about

- The services you need the most ?
- What you want the Council to protect now and in the future?
- Ideas or comments about how the financial pressure on services should be handled

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

## **Business consultation**

The Budget and Commissioning Plan has been shared with the development and growth board members.

## **Other**

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

## 2022 Budget Consultation Results

### 345 responses

The Council's on-line consultation, giving residents, businesses and organisation a chance to have their say on our budget proposals for the next financial year, this year attracted 345 responses.

The five-week consultation was promoted via media release, social media activity and the consultation mailing list of 5,000 subscribers, directing respondents to an on-line questionnaire on the budget challenges facing the authority. The survey included sections where residents and businesses could indicate how much they supported specific functions on a scale of 1-10, 1 being least supported and 10 being most supported.

It also resulted in 176 pageviews on the 'have your say' webpage and over 1,800 online survey views. In addition, regular messages were circulated via our corporate social media. This reached 9,000 people via Facebook, 1,850 on Twitter and nearly 1000 on Instagram.

#### **Areas respondents supported:**

Those taking part highlighted child protection as the area they most supported, for the second year in a row, and the least supported area was planning for the fourth year in a row.

The changes in priority areas were minimal with no big shifts in the public's ranking. In 2021 priority areas shifted up to five places compared to two places in 2022.

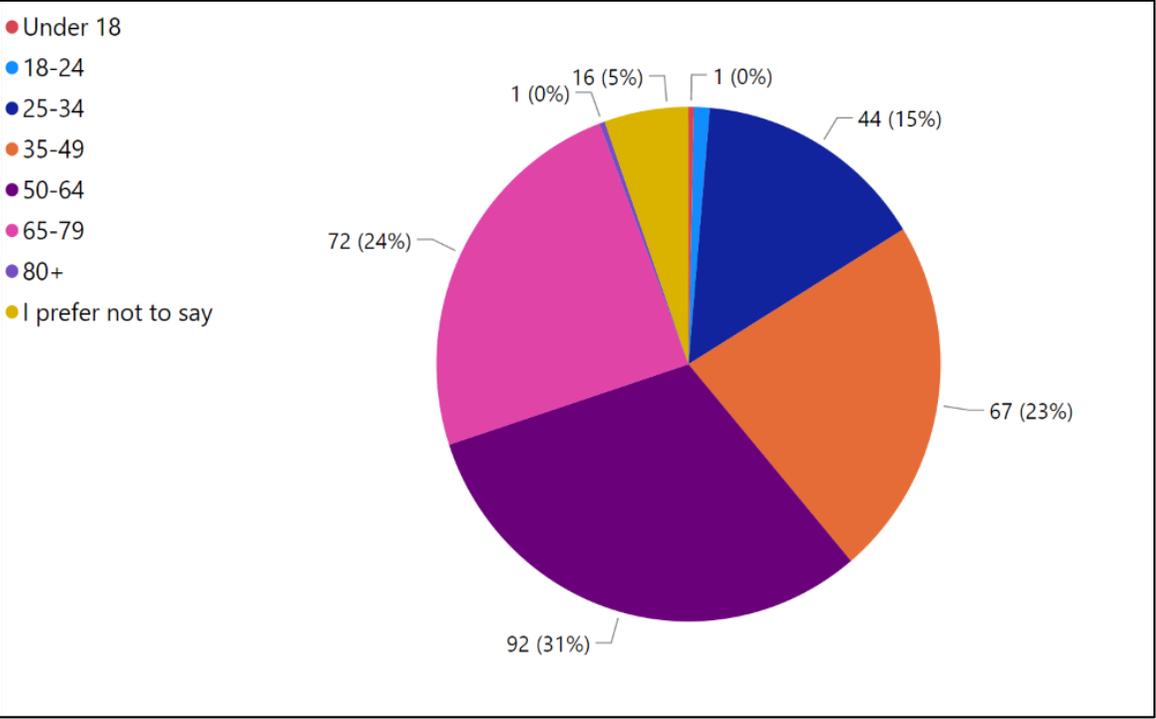
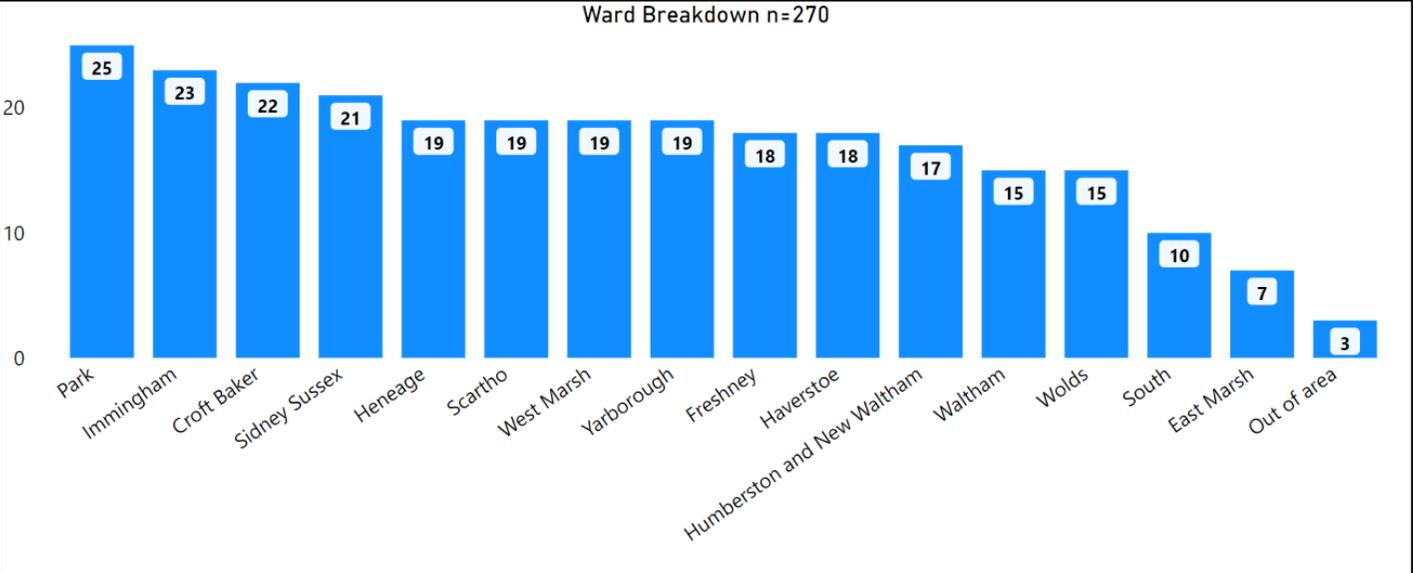
Some areas increase in the public's priority ranking. The emerging issues were SEND, Through Care and Disability, Access and inclusion services, and Cemeteries and Crematorium, all shifting up two places in the priority rankings. Services ranked from one to 27.

The areas that faded in priority include Economy and Regeneration, Children's Health, Libraries and Leisure, Home Options and Housing Related Support and Private Sector Housing all moving down 2 places.

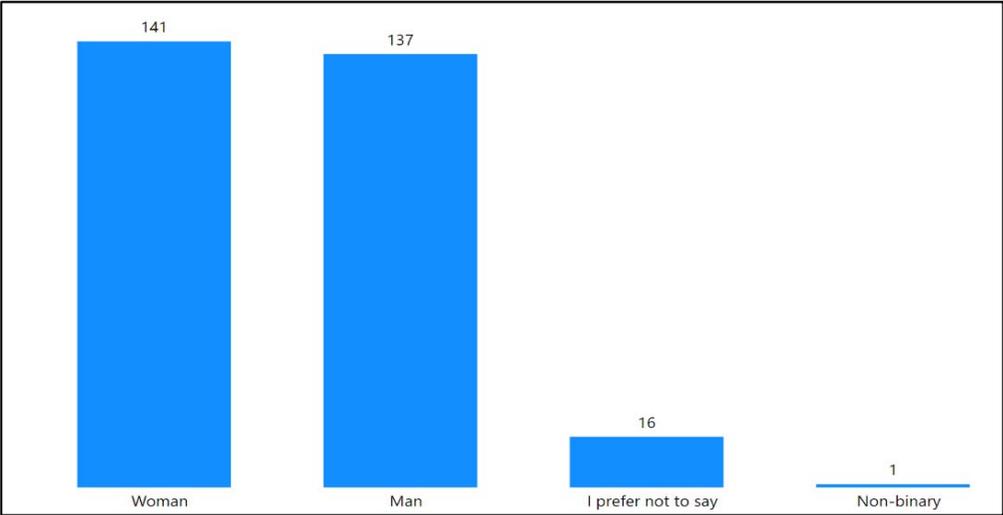
Area	2022 Mean	2022 Rank	2021 Mean	2021 Rank	2020 Mean	2020 Rank	Rise/fall in rank
Child Protection	7.8	1	8.1	1	8	3	0
Bins, Waste and Recycling Service	7.4	2	7.7	3	8.1	2	1
Adult Social Care	7.3	3	7.9	2	8.4	1	-1
Safeguarding	7.3	4	7.6	4	7.8	5	0
Street and Grounds Cleaning	7.2	5	7.3	6	7.5	7	1
Enforcement and Safer Communities	7.0	6	7.2	7	7.8	6	1
Economy and Regeneration	6.8	7	7.5	5	7.9	4	-2
Special Educational Needs and Disability (SEND) & specialist services	6.8	8	7.1	10	7.3	9	2
Through Care and Disability	6.7	9	7.1	11	7.3	8	2
Children's health	6.7	10	7.1	8	7.1	11	-2
Libraries and Leisure	6.6	11	7.1	9	7	14	-2
Young and Safe	6.5	12	6.8	12	7	13	0
Prevention and Wellbeing Services	6.3	13	6.7	14	7	15	1
Highways, Transport, Street Lighting and Car Parks	6.3	14	6.6	15	7.2	10	1
School improvement services	6.3	15	6.7	13	6.5	18	-2
Access and inclusion services	6.1	16	6.5	18	6.5	19	2
Family Hubs	6.1	17	6.5	17	6.6	17	0
Home Options and Housing Related Support	6.0	18	6.5	16	7.1	12	-2
Flooding	6.0	19	6.1	20	6.7	16	1
Neighbourhood and Countryside Services	5.7	20	6.0	21	6.2	22	1
Private Sector Housing	5.6	21	6.2	19	6.3	20	-2
Cemeteries and Crematorium	5.4	22	5.6	24	5.8	26	2
Drug and Alcohol Recovery	5.3	23	5.7	22	6.3	21	-1
Tourism and Visitor Offer	5.3	24	5.6	23	6.2	23	-1
Sexual Health	5.2	25	5.5	26	6	25	1
Resources (was Corporate and Democratic services)	5.2	26	5.5	25	6.1	24	-1
Planning	4.4	27	4.7	27	5.2	27	0

**Demographic Breakdown of Responses:**

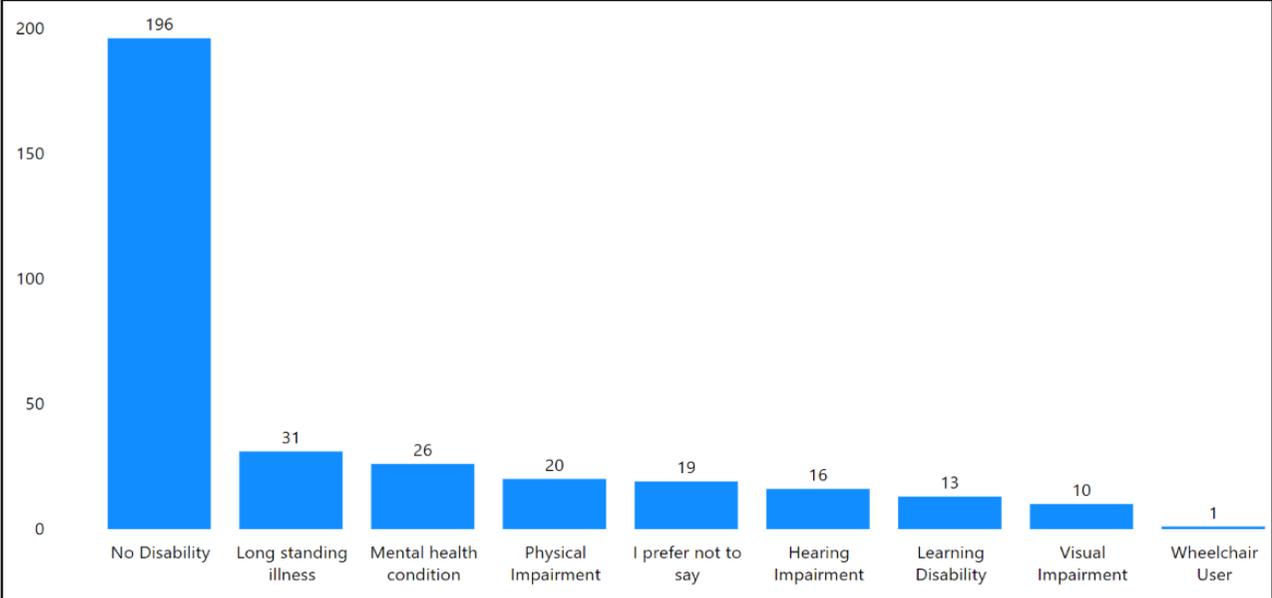
**Ward and age breakdown:**



## Gender Breakdown



## Disability Breakdown



## Comment theming:

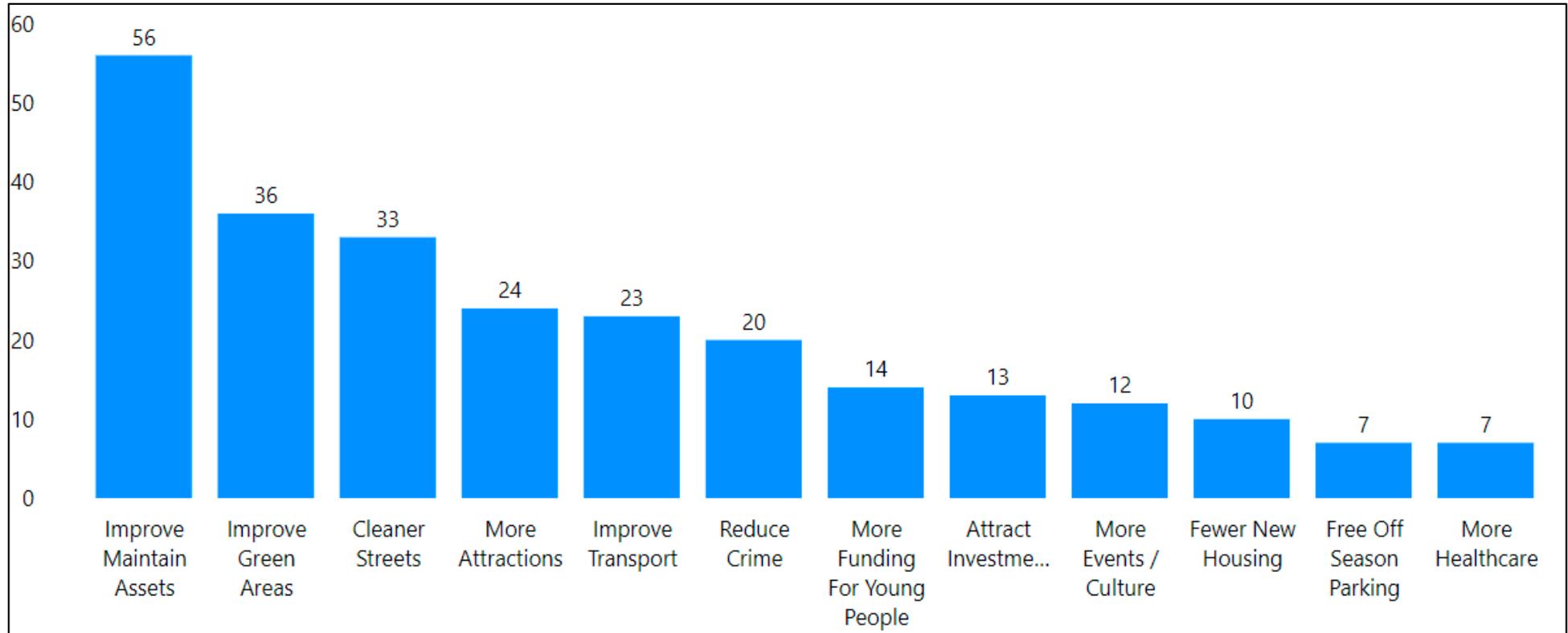
Do you have any further ideas of how the Council can save money while still supporting those residents that need it as well as delivering our statutory obligations?

Themes represent the topics respondents chose to reference

Categories	Count
Improvements within town (Investment and economy, better coordination, includes where improvements are deemed a waste of money)	61
Internal improvements within NELC	34
Reduce pay of high management	21
More/better support services for people	21
Build community capacity	16
Corporate privatisation and the use of contractors and consultants (bring in-house, use wider range of suppliers)	15
Child health	14
Support community projects	11
Fix empty buildings	10
Reduce councillors and expenses	10
Attract investment	8
Partnership working	4
Sell or rent assets	1

It's important to plan possible improvements so the direction is clear when we get the opportunity to apply for funding.

Thinking about how our area will look in ten years time... What would you like to see improved or changed?



# **Annex 6**

## **Financial Resilience**

## Key Messages:

Local taxation, as a proportion of total funding, has been steadily rising.

However this has reduced from 2021/22 by 3% due to the additional grant funding received from the government due to the Covid 19 pandemic.

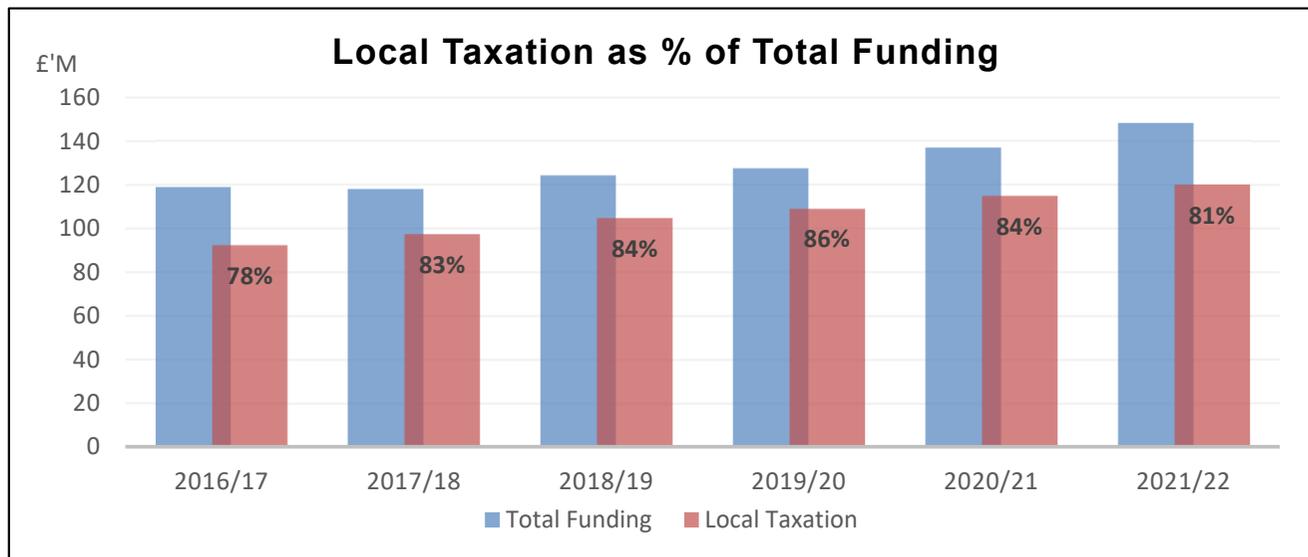
We have seen a cumulative increase in Council Tax of 20.01% since 2009/10.

This compares to an increase in the consumer price inflation (CPI) index of 27.4% since 2009.

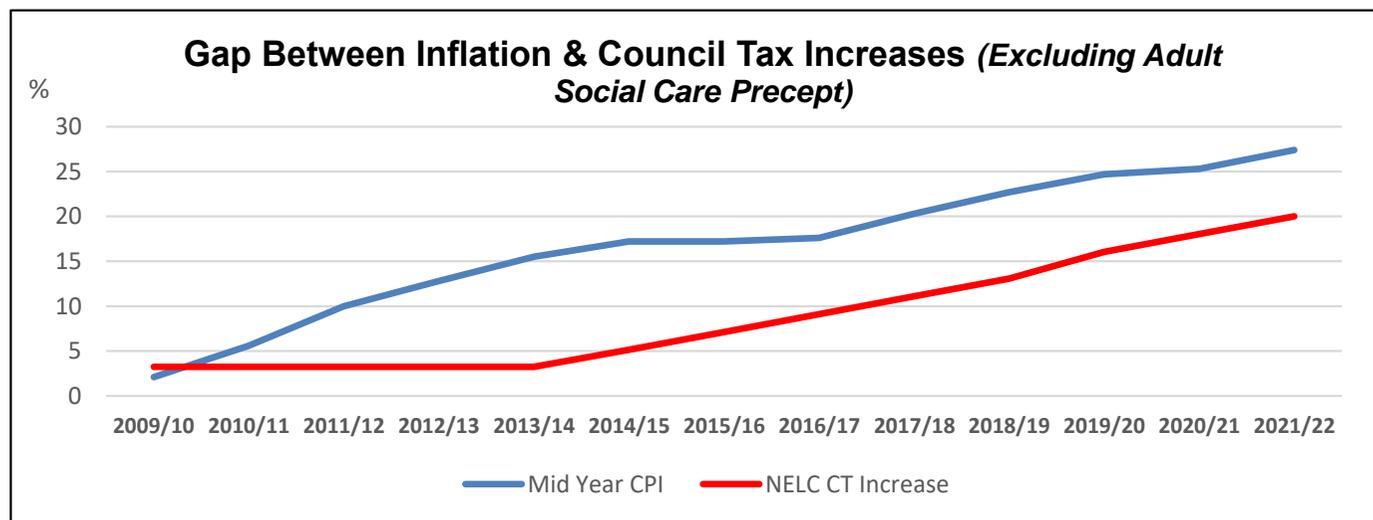
A strong tax base, both in numbers and price, is a key element of sustainable funding.

# Financial Resilience - Funding

The Council is becoming less reliant on Government grants as local businesses and residents provide a higher proportion of overall funding. Local taxation provided 81% of the Council's net funding during 2021/22



Despite a rising reliance on local taxation, council tax levels are 7% lower than if they had risen in line with inflation since 2009/10.



## Key Messages:

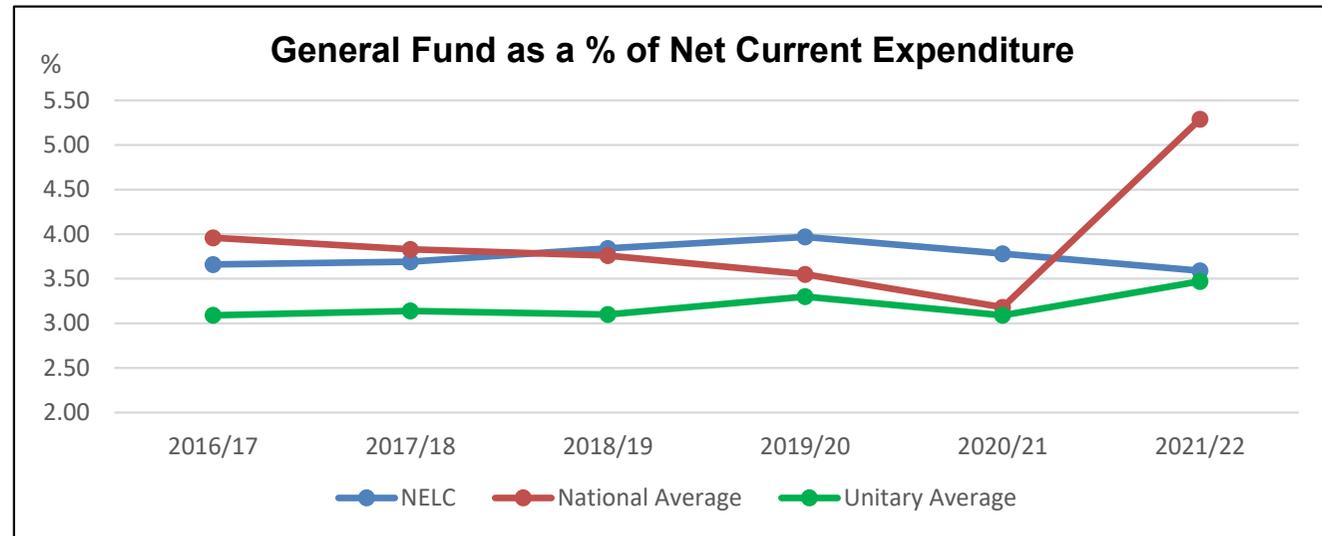
**The General fund as a percentage of net current expenditure is in line with the unitary council average.**

**Whilst the Council's earmarked reserves are reducing, the general fund provides resilience at a time of reducing funding for local government.**

# Financial Resilience - Reserves

The Council's General Fund balance is currently £8.3M and has remained unchanged since 2016/17. The General Fund, as a percentage of net current expenditure is currently 3.59% in 2021/22.

The chart below demonstrates that the Council's general reserves have remained in line with the unitary council average over the past four years, however the England average has seen a large increase in General reserve balances. This may be due to the Covid Pandemic with a number of authorities carrying grant forward.



The adequacy of Council reserves is assessed formally on an annual basis as part of the budget setting process.

## Key Messages:

There are a number of significant and complex schemes approved in the capital programme.

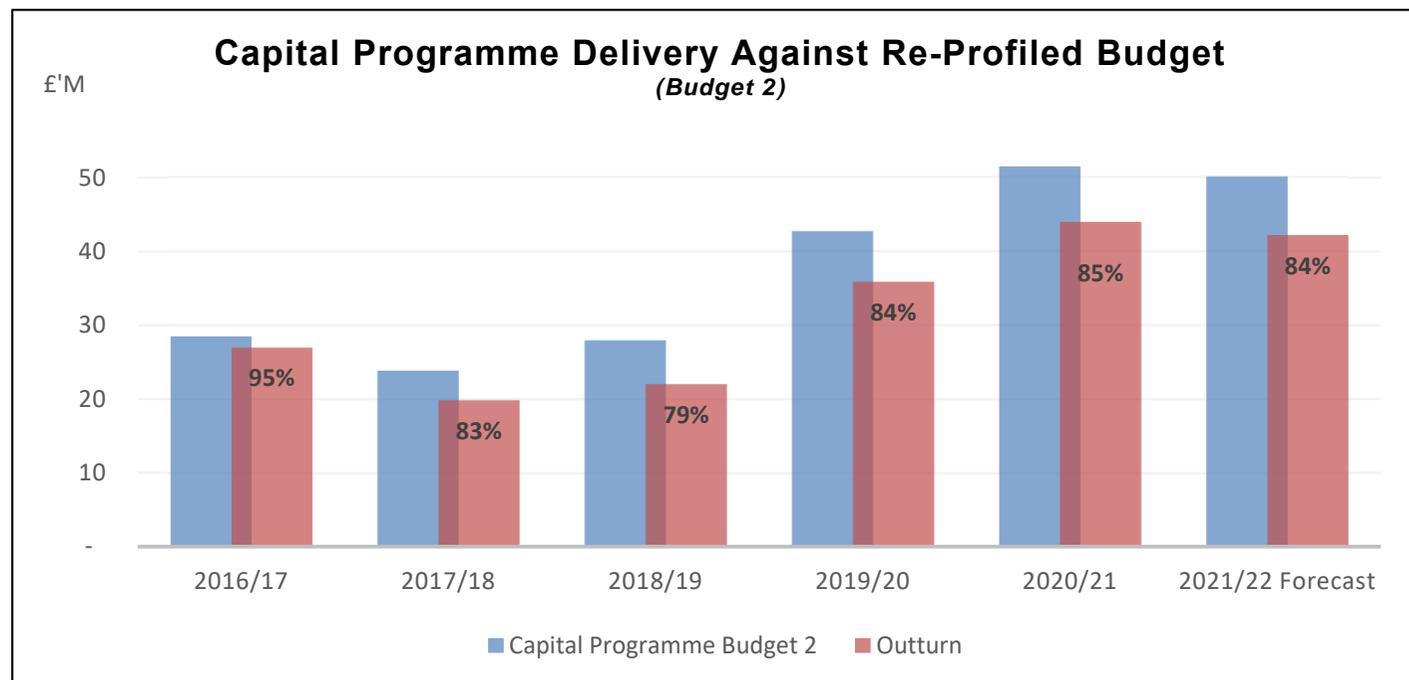
These require considerable negotiation and project management.

Whilst delivery of them is vital it is recognised they have long term delivery profiles which can move significantly.

The Capital programme is updated on a quarterly basis for any additions, reprofiling and decommitments.

## Financial Resilience – Budget Outturn

The chart below show the percentage of capital programme delivered against the re-profiled programme (2021/22, Qtr3 Forecast). The re-profiled Capital Programme is steadily growing year on year with it standing at £50 Million in 2021/22. The 2021/22 forecast is showing delivery of 84%.



## Key Messages:

According to ONS estimates, North East Lincolnshire's 2022 total population stands at 160,025, of which 34,289 (21.82%) are of pensionable age.

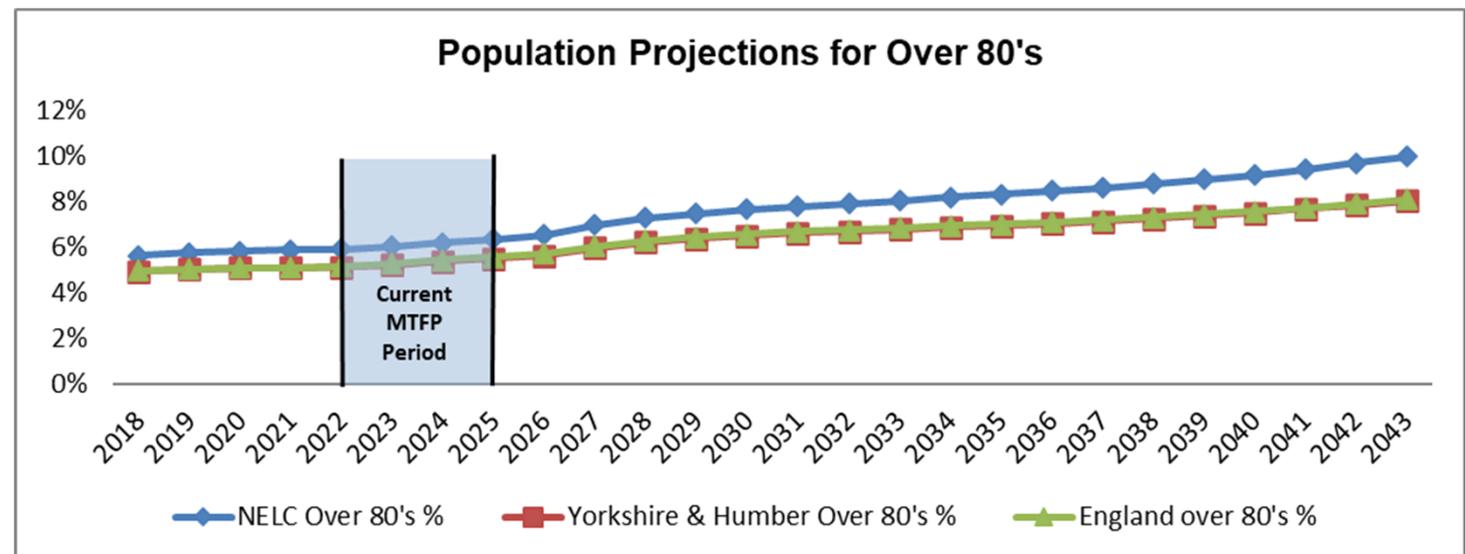
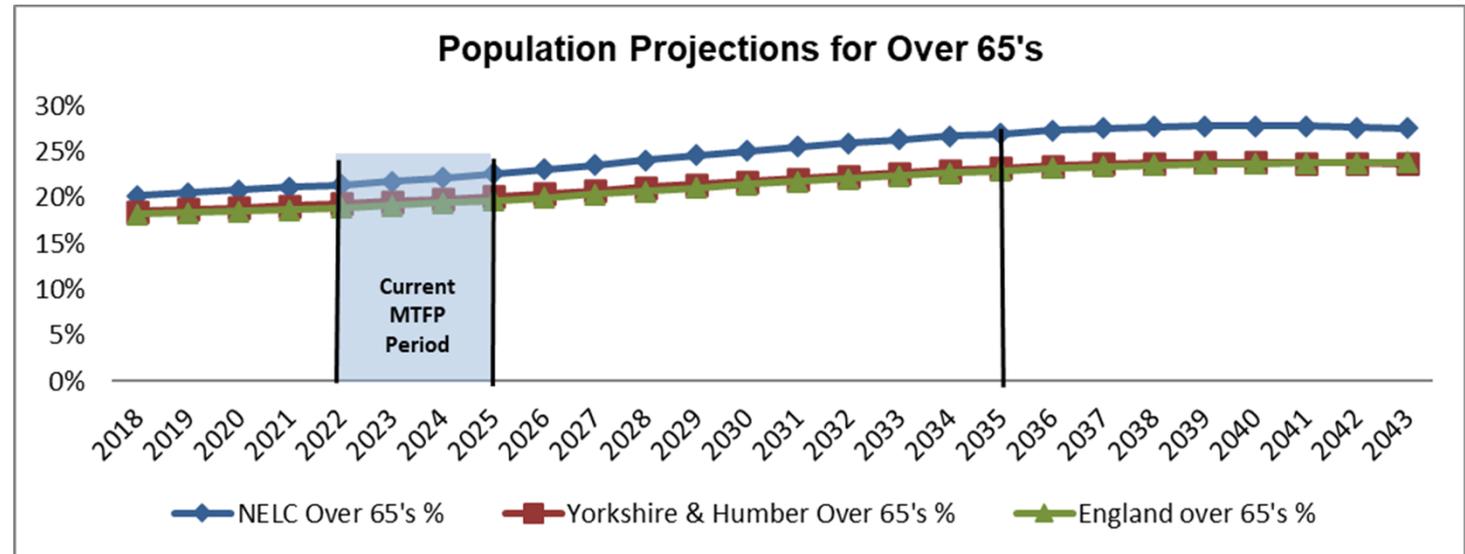
ONS projections suggest that by 2043, 158,816 people will be resident in North East Lincolnshire, of who 43,860 (27.62%) will be of pensionable age. Indicating a growth of 6.2% to the proportion of who are of pensionable age in the 21 years between 2022 and 2043.

At the end of the latest MTFP period, projections show the over 65's to reach 22.61%, and 6.33% for the over 80's.

The projections for NELC follow the same trend as both the Yorkshire and Humber and England, however our % of older people within our area remains higher than average for both.

# Financial Resilience – Demand

The ONS estimate that North East Lincolnshire total population will decrease by 1,209 by 2043. However even with this reduction the number of over 65's will grow by 6.2%, 9,570 residents. Further detailed projection can be found below.



## Key Messages:

At the end of the current planning period, projections show the number of young people (aged 0-19) remain stable.

Children Looked After (CLA) numbers continue to put pressure on Council budgets.

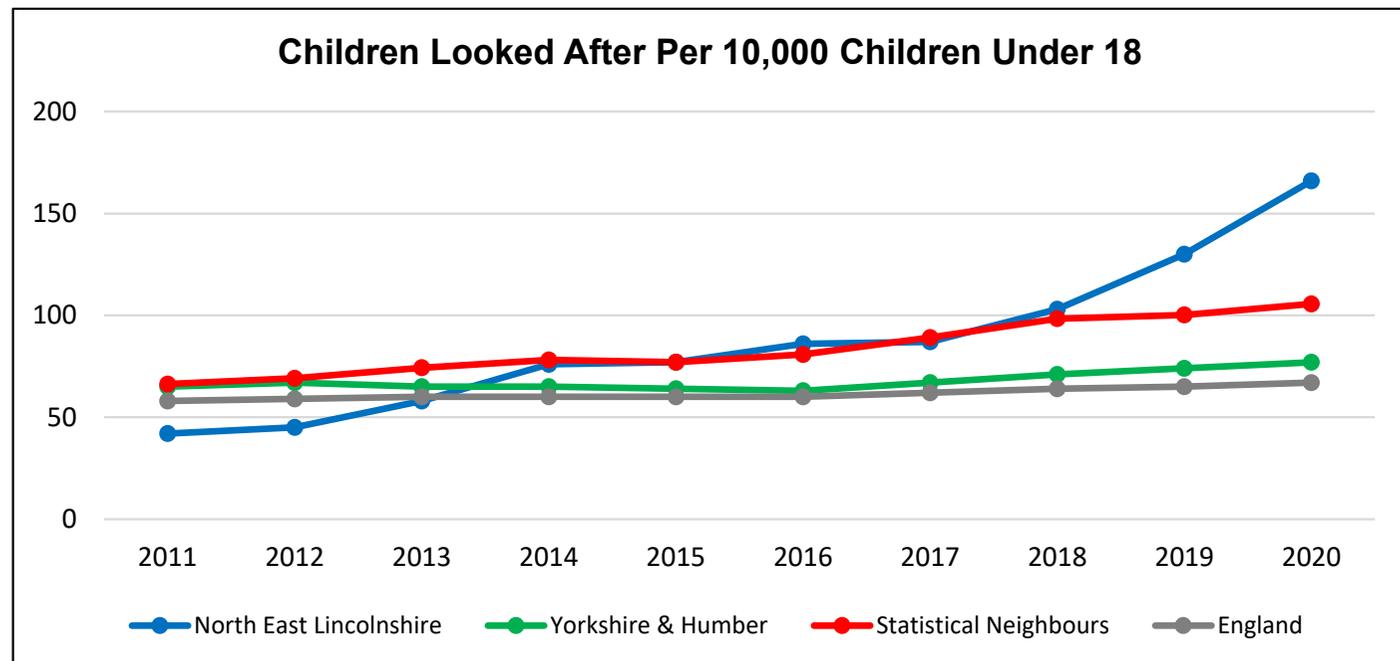
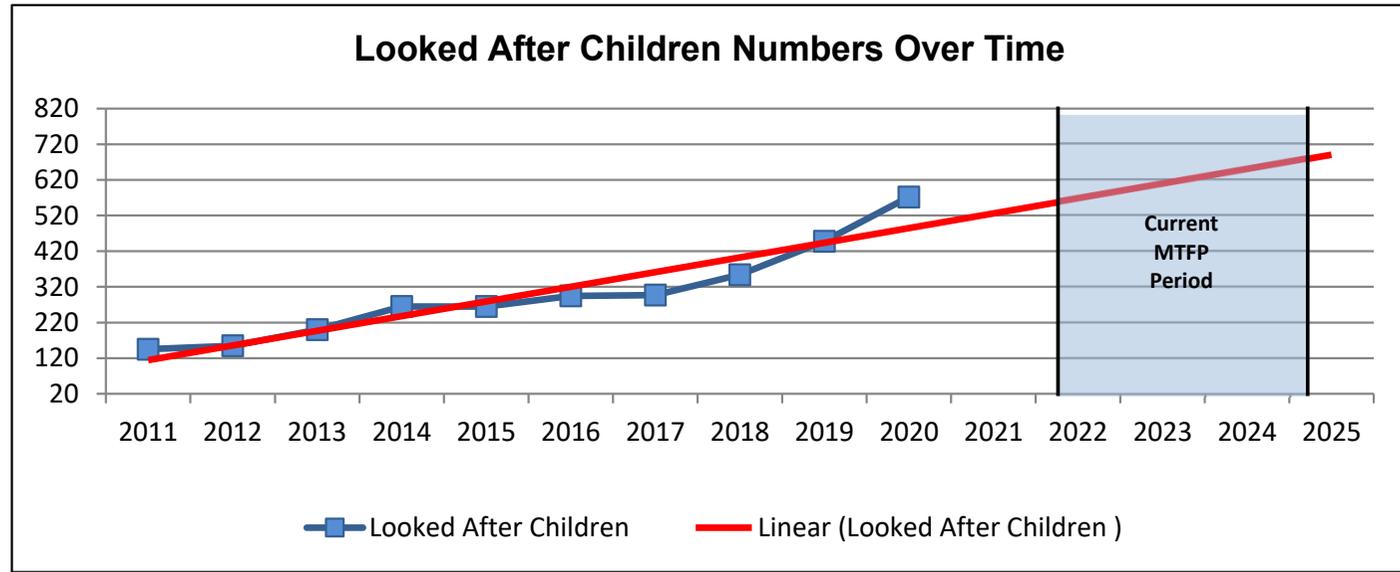
CLA numbers risen by 427 since 2010. This is a key challenge for the Council.

The number of looked after children shown per 10,000 of the under 18 population shows the increasing gap between our statistical neighbours and Yorkshire & Humber region.

The chart opposite demonstrates the increased pressure faced by the authority.

# Financial Resilience - Demand

Children Looked After numbers continue to place funding pressures on the Council. We have seen numbers grow by 307 children between 2014 and 2020. (2021 figures not yet available)



## **Annex 7**

# **Flexible Use of Capital Receipts**

# **Flexible Use of Capital Receipts**

## **Introduction**

The Government's 2016/20 Local Government financial settlement provided local authorities with the opportunity to use capital receipts to fund the revenue costs of transformation. This flexibility has now been extended for the period 2022/23 to 2024/25, in line with this financial planning period.

## **Statutory Guidance**

The definition of transformation costs is as follows –

“Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.”

## **The Council's Strategy**

The Council intends to make use of the flexibility for 2022/23 – 2023/24 at this stage and has factored this into the Capital Investment Programme. The use of the facility into 2024/25 will be assessed at a later date once the future level of capital receipts can be estimated with more certainty, as the Council can only use capital receipts from the disposal of property, plant and equipment received in the year in which this flexibility is offered..

Council approval of the use of this flexibility is required on an annual basis, with plans published on the Council's website and notification of planned use sent to The Department for Levelling Up, Housing and Communities (DLUHC).

# **Flexible Use of Capital Receipts**

## **Summary of planned receipts**

The Council is anticipating the following capital receipts over the strategy period.

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>Anticipated Receipts</b>	<b>541</b>	<b>500</b>	<b>-</b>

## **Summary of planned use and savings**

The Council intends to use capital receipt to fund the following transformation projects.

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>ICT Projects/Systems</b>	<b>400</b>	<b>400</b>	<b>-</b>

Anticipated revenue savings will be detailed within individual business cases with future savings incorporated within future budget reports. Application will be reported to DLUHC and published in accordance with guidance.

## **Impact on prudential indicators**

The prudential indicators that will be impacted by this strategy are set out below:

- Estimates of capital expenditure indicator increased by £0.4m
- Capital Financing Requirement increased by £0.4m as these capital receipts would otherwise be used towards funding existing capital schemes that will now be financed through prudential borrowing
- Financing costs as a percentage of net revenue stream would increase to reflect the additional borrowing to fund capital schemes, though the savings generated from these projects will meet the additional debt financing costs
- The prudential indicators show that this strategy is affordable and will not impact on the Council's operational and authorised borrowing limits