

## **CABINET**

<b>DATE</b>	15 <sup>th</sup> November 2023
<b>REPORT OF</b>	Cllr Stephen Harness, Portfolio Holder for Finance, Resources and Assets.
<b>RESPONSIBLE OFFICER</b>	Rob Walsh, Chief Executive, and Sharon Wroot, Executive Director Place and Resources
<b>SUBJECT</b>	2023/24 Q2 Council Plan Resources and Finance Monitoring Report
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	CB 11/23/01

### **CONTRIBUTION TO OUR AIMS**

The Council Plan, and the Budget, Finance and Business Plan were adopted by Council in February 2023. The Council Plan sets out the key actions for North East Lincolnshire Council that contribute to the priorities of 'Stronger Economy, Stronger Communities'. The finance and business plans underpin delivery and focus on long-term financial sustainability.

### **EXECUTIVE SUMMARY**

This report provides key information and analysis of the Council's position at the end of Q2. Further detailed information is provided within the appendix to this report.

### **RECOMMENDATIONS**

It is recommended that Cabinet:

1. Notes the content of the report.
2. Refers the report to all Scrutiny Panels for further consideration and oversight.

### **REASONS FOR DECISION**

The report is important in informing Cabinet of the performance and financial position of the Council and highlighting risks and opportunities.

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

##### **Council Plan Performance**

- 1.1 At the end of the mid-point of the financial year the Council is making good progress in many areas of delivery. However, there remains an on-going challenge in relation to delivery within budget within some areas of Children's Services.
- 1.2 The appendix to this report includes a red/amber/green (RAG) assessment for each area of the organisation for performance, finance, and an overarching RAG rating. At the end of Quarter 2, the overarching assessments show 3 areas rated overall as green, and 5 areas rated as amber, with 2 areas rated

as red for delivery within budget, meaning that plans are in place over the term of the Medium-Term Financial Plan (MTFP), but there are pressures within the current financial year.

- 1.3 Where performance is rated red or amber, services are working to identify ways to mitigate the risk of non-delivery.
- 1.4 The report includes a snapshot of performance data taken from a live performance dashboard that shows progress against our 'Vital Signs'; the barometers that indicate progress. We are continuing to develop the dashboard to improve the way that data is presented, so that it is clearer about what 'good' looks like and there is a clear direction of travel. The dashboard is published on our website and can be used by elected members and residents to view more detailed information that sits behind the headline indicators. [Council Plan – Our vision and aims | NELC \(nelincs.gov.uk\)](https://nelincs.gov.uk)
- 1.5 **Financial Position**
- 1.6 At the mid-point of the financial year, the Council is forecasting a £6.2M overspend against its approved 2023/24 budget. This forecast largely reflects the ongoing challenges being experienced within Children's service, but also acknowledges other risks related to policy and the challenging economic environment within which the Council is operating.
- 1.7 Whilst additional resources have been invested into children's services as part of the last budget round, further action is required to deliver recurrent financial balance. Particularly focus is being placed on the numbers of children in care which, although reducing, remain significantly higher than other comparable local authorities. Excess demand within the system is putting additional pressure on the local placement market and agency teams being maintained for longer than planned in order to safely manage caseloads.
- 1.8 Within environment, there has been further delays to planned changes in government funding formula for waste. These include additional payments for extended producer responsibility and food waste. This also impacts on planned work with current waste disposal provider to modernise the waste disposal contract in line with new national waste strategy. There are still expectations of a positive longer term impact on waste funding, including contract modernisation, but with a more gradual implementation. Extended Producer Responsibility for packaging funding and new burdens funding for food waste is now due to start in 2025/26.
- 1.9 The economic environment in which the Council is operating remains challenging with higher than anticipated inflation impacting on key contracts, demand for services such as home options, increased borrowing costs and reduced fees and charges. In addition, we are continuing to carefully monitor the collection of local taxation given the wider impacts across the local community.
- 1.10 Despite inflationary pressures, the Council is continuing to take a more

commercial approach through its capital programme and investments are supporting the Council's strategic objective of enabling the growth of a strong and sustainable economy. Major investments such as the redevelopment of Freshney Place and Riverhead Square the are progressing well and will support the borough at a time of economic challenge. Importantly, the capital programme remains under ongoing review to ensure it reflects current priorities and projects remain viable. This approach will help to ensure any borrowing remains affordable, sustainable and prudent.

- 1.11 The Council expects to receive one year financial settlement from Government in 2024/25 with changes to the local government financial model and the review of fair funding now expected within the next parliament. The outcome of the settlement will determine the extent to which the Council can deliver its agreed priorities and deal with a range of issues including social care reform, economic instability, and general inflation. As we move into the financial planning period for 2024-2027, it will be necessary to once again review corporate and technical reserves to ensure there is sufficient capacity to deal with the risks and opportunities currently faced.

## **2. RISKS AND OPPORTUNITIES**

Key risks and opportunities are detailed with the appendix to this report.

## **3. OTHER OPTIONS CONSIDERED**

Not applicable to monitoring report.

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

The environment in which the Council is operating is challenging in terms of capacity to deliver our priorities within financial resources. It is important that the Council is transparent about the delivery of planned activities and any issues that affect delivery of the plans.

## **5. FINANCIAL CONSIDERATIONS**

- 5.1. The activities detailed within the plan were developed in conjunction with the agreed budget proposals for delivery within the approved budget envelope.
- 5.2. The financial environment in which the Council is operating remains challenging and this can impact on our capacity to deliver the change we need to achieve our aspirations and support the residents of the Borough.

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

- 6.1. The Council Plan is focussed on aspiration, innovation and ambition that will create better opportunities and outcomes for our children and young people to thrive and achieve their potential within North East Lincolnshire. The report provides details of the resources allocated towards children and young people across a wide range of services.

- 6.2. Impact assessments are undertaken for individual programmes and projects where required, including consideration of impact on Children Looked After and Care Leavers in accordance with the Corporate Parenting Pledge

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

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 plans. The Council's financial strategy 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.

## **8. CONSULTATION WITH SCRUTINY**

The report is to be forwarded to all scrutiny panels.

## **9. FINANCIAL IMPLICATIONS**

As set out in the report.

## **10. LEGAL IMPLICATIONS**

There are no direct legal implications arising from the above report. The referral to all scrutiny panels is prudent.

## **11. HUMAN RESOURCES IMPLICATIONS**

There are no direct HR implications arising from the contents of this report.

## **12. WARD IMPLICATIONS**

All wards.

## **13. BACKGROUND PAPERS**

Council Plan [nelincs.gov.uk/assets/uploads/2023/03/Council-Plan-2023-26.pdf](https://nelincs.gov.uk/assets/uploads/2023/03/Council-Plan-2023-26.pdf)

Budget, Finance and Business Plan 2023/24-2025/26 [5.-Budget-Finance-and-Business-PlanPDF-105KBicon-namepaperclip-prefixfa.pdf \(nelincs.gov.uk\)](https://nelincs.gov.uk/assets/uploads/2023/03/5.-Budget-Finance-and-Business-PlanPDF-105KBicon-namepaperclip-prefixfa.pdf)

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

Sharon Wroot – Executive Director Place & Resources  
Joanne Robinson – Assistant Director Policy, Strategy & Resources  
Guy Lonsdale – Finance Group Manager

**Councillor Stephen Harness, Portfolio Holder for Finance, Resources and Assets.**

North East  
Lincolnshire  
Council.  
Council Plan  
Resources &  
Finance Report  
Q2 2023/24



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

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

# Introduction

The Council Plan 2023-26 states the ambitions of the Council and the priority programmes that underpin our strategic priorities of 'stronger economy, stronger communities'.

This report is a combined performance and budget report that is designed to inform elected members, residents and partner organisations about our progress in the delivery of the plan and the budget.

For each area of the business the report includes:

- The vision that describes our aspiration.
- Performance against our 'vital signs' indicators.
- Current budget position (revenue and capital where appropriate)
- An overall Red, Amber, Green rating.
- Highlights, exceptions and risk relating to delivery of our aims.

The report also includes corporate budget information that impacts across the organisation.

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# Performance & Delivery Overview

This report is structured by each area of the organisation, detailing financial performance, performance against the 'vital signs', achievements in this quarter, challenges and risk.

**Performance information** is shown in the report by way of a snapshot taken from a live performance dashboard. **The live dashboard enables you to access further detailed information such as trends and comparison with statistical neighbours.**

The link to the dashboard is on our Council Plan website here: ([www.nelincs.gov.uk/your-council/council-plan-vision-and-aims/](http://www.nelincs.gov.uk/your-council/council-plan-vision-and-aims/))

The table on the next page provides an overall Red/Amber/Green assessment for each area of the organisation based on performance and delivery against agreed budget. The majority of service areas are currently flagged overall as amber, with some indicating green. There are two areas flagged as red in relation to budget pressures, where plans are in place but are longer term with the aim of delivering within the term of the Medium-Term Financial Plan (MTFP).

Delivery of the priorities identified within the Council Plan remains challenging in terms of our capacity to support a number of large-scale projects including the transformation of our Children's and Adult's Services.

Where projects are externally funded, we have built in resource to provide additional capacity, in areas such as project management, legal and procurement. There is an on-going challenge in terms of recruitment of suitably qualified and experienced staff in some areas. This is being mitigated through a programme of 'growing our own' through graduate roles and apprenticeships that will take some time to reach fruition, and dedicated work to improve our recruitment marketing, showcasing North East Lincolnshire as a great place to live and work, and the Council as an employer of choice.

In addition to our internal measures of performance, the new **Office for Local Government (OfLog)** has recently published comparator performance information for North East Lincolnshire across three areas comprising waste management, adult social care, and finance.

The published data relates to the 2021-22 financial year and can be filtered to compare the Council's performance with our statistical neighbours, or with all authorities in England with these responsibilities. This is an on-line tool that is available here: [Local Authority Data Explorer - DLUHC Data Dashboards](#)

OfLog intends to expand the service areas covered by the tool in future.

The published OfLog data shows that when compared to our statistical neighbours:

**Waste** – we are below the median average for recycling rates, and above average for residual waste. Our recycling contamination rate is significantly below average, which means that the quality of our recycling is higher than most.

**Adult Social Care** – we perform well across most indicators. Workforce turnover is lower than average, people in adult social care have a higher-than-average quality of life, we have a higher-than-average score for people who use care who find it easy to find information, as well as carers who find it easy to find information about services. We have a lower-than-average score for short term service provision.

**Finance** – we have lower than average ring-fenced reserves as a percentage of both net and service spend. Our level of Band D council tax rate is slightly above average, however, our Council Tax revenue per dwelling is below average, reflecting the high percentage of Band A and B properties within the borough. Social care spend as a percentage of core spending is above average, with debt service costs slightly below average.



# Performance & Delivery overview (2)

Service Area	Performance RAG	Finance RAG	Overall RAG
Resources	Green	Amber	Green
Environment & Regulatory Services	Green	Amber	Green
Regeneration	Green	Amber	Green
Housing, Highways & Transport	Amber	Red	Amber
Safeguarding, Early Help & Regulated Services	Amber	Red	Amber
Education & Inclusion	Amber	Amber	Amber
Safer & Partnerships	Green	Green	Green
Adult Services	Amber	Amber	Amber
Public Health	Green	Green	Green

**Key:**

**Green**

Finance and performance is as planned.

**Amber**

Finance and/or performance is under target with plans in place to mitigate risk of non-delivery within this financial year.

**Red**

Finance and/or performance is under target, longer term plans are in place to mitigate within the Medium-Term Financial Plan (MTFP) period.

# Financial Overview

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At the mid-point of the financial year, the Council is forecasting a £6.2M overspend against its approved 2023/24 budget. This forecast largely reflects the ongoing challenges being experienced within Children's service, but also acknowledges other risks including the challenging economic environment within which the Council is operating.

Whilst additional resources have been invested into children's services as part of the last budget round, further action is required to deliver a recurrent financial sustainable position. Particularly focus is being placed on the numbers of children in care which, although reducing, remain significantly higher than other comparable local authorities. Excess demand within the system is putting additional pressure on the local placement market and agency teams being maintained for longer than planned in order to safely manage caseloads.

Within environment, there has been further delays to planned changes in government funding formula for waste. These include additional payments for extended producer responsibility and food waste. This also impacts on planned work with current waste disposal provider to modernise the waste disposal contract in line with the new national waste strategy. There are still expectations of a positive longer-term impact on waste funding, including contract modernisation, but with a more gradual implementation. Extended Producer Responsibility for packaging funding and new burdens funding for food waste is now due to start in 2025/26.

The economic environment in which the Council is operating remains challenging with higher than anticipated inflation impacting on key contracts, demand for services such as home options, increased borrowing costs and reduced fees and charges. In addition, we are continuing to carefully monitor the collection of local taxation given the wider impacts across the local

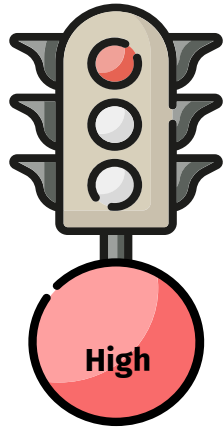
community. However, at this stage of the year, collection of local taxation is largely in line with the assumptions made as part of last year's council tax base report.

Despite inflationary pressures, the Council is continuing to take a more commercial approach through its capital programme and investments are supporting the Council's strategic objective of enabling the growth of a strong and sustainable economy. Major investments such as the redevelopment of Freshney Place and Riverhead Square are progressing well and will support the Borough at a time of economic challenge. Importantly, the capital programme remains under ongoing review to ensure it reflects current priorities and projects remain viable. This approach will help to ensure any borrowing remains affordable, sustainable and prudent.

The Council expects to receive one-year financial settlement from Government in 2024/25 with changes to the local government financial model and the review of fair funding now expected within the next parliament. The outcome of the settlement will determine the extent to which the Council can deliver its agreed priorities and deal with a range of issues including social care reform, economic instability, and general inflation. As we move into the financial planning period for 2024-2027, it will be necessary to once again review corporate and technical reserves to ensure there is sufficient capacity to deal with the risks and opportunities currently faced.

**Sharon Wroot – Executive Director, Place and Resources (Section 151)**

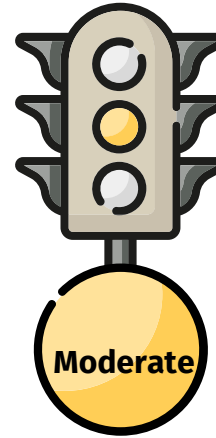
# Financial Outlook



The current Medium Term Financial Plan (MTFP) showed an opening gap in future years when it was approved in February 2023. The opening MTFP gaps were £8.7M (2024/25) and £7.1M (2025/26).

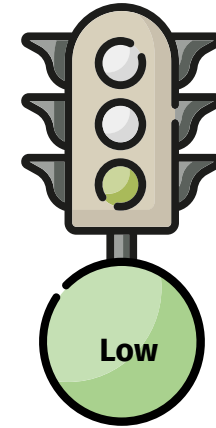
Pay represents a significant element of the Council's cost base. At this stage the 2023/24 pay award is still to be finalised. Future years pay awards remain a significant risk for the Council over the MTFP.

Inflation continues to affect Council finances, particularly inflation linked contracts. RPI for September 2023 was 8.9%, a slight decrease on the previous month of 9.1%. Although it is likely this wave of high inflation peaked at 14.2 percent in October 2022, inflation is still much higher than expected. Whilst inflationary contract uplifts are included within service budgets, these exceptional rates are estimated to cause an additional pressure within 2024/25.



Energy costs also represent a risk to the Council, particularly given recent volatility of price due to increased demand and reduced supply. Market conditions have begun to move favourably but it is still significantly higher than in late 2021 before the energy crisis hit. These more favourable market conditions have meant that we have seen our forecast energy pressure reduce by approximately 60%. Energy costs will continue to be closely monitored as the unpredictability continuing with analysts predicting prices to increase again early 2024.

Interest rates started to climb in 2022 as the Bank of England responded to increasing concerns regarding inflation in the UK economy. This has created pressures for the Council in future years in terms of its anticipated borrowing costs. The Council's capital programme continues to be reviewed and reprioritised in light of these issues.



The 2023/24 Local Government financial settlement only covered a single year although the supporting policy statement did provide some clarity over future social care grant allocations. Longer term changes to the local government financial model, including fair funding and business rate retention, were once again postponed as part of the Settlement announcement.

The Council remains committed to working with Government on a long-term plan to fund local services and supporting wider devolution where local leaders have sustainable funding and greater freedom to take decisions on how to provide vital services in our communities.

# Revenue Budget Overview

£6.2M

Total Revenue  
Forecast Overspend

£9.8M

Service Budgets  
Forecast Variance

5.8%

% Representation of  
Service Budget  
Overspend to Net Budget

## Revenue Overview Comments:

The forecast £6.2M overspend largely reflects the ongoing challenges being experienced in relation to Children’s safeguarding.

We are starting to see early signs of restorative actions impacting the levels of spend, which has led to a reduction in the current projections.

Please see next page for description of movement between original and revised service budgets.

REVENUE	Original Approved Budget £'M	Revised Budget £'M	Forecast £'M	Variance £'M
Resources	4.2	6.1	6.6	0.5
Environment	15.1	15.5	17.6	2.1
Economy & Growth	26.5	26.7	27.8	1.1
Children & Family Services	56.9	59.1	64.9	5.8
Public Health	1.1	1.3	1.3	(0.0)
Adult Services	54.7	59.0	59.4	0.4
	<b>158.5</b>	<b>167.8</b>	<b>177.6</b>	<b>9.8</b>
Corporate Budgets	8.0	6.7	7.8	1.1
	<b>166.5</b>	<b>174.5</b>	<b>185.4</b>	<b>10.9</b>
Earmarked reserves	0.9	(5.5)	(8.7)	(3.2)
School Balances	0.0	(1.6)	(1.6)	(0.0)
<b>Total</b>	<b>167.4</b>	<b>167.4</b>	<b>175.1</b>	<b>7.7</b>
Funding	(167.4)	(167.4)	(168.9)	(1.5)
<b>Net</b>	<b>(0.0)</b>	<b>0.0</b>	<b>6.2</b>	<b>6.2</b>

# Revenue Budget Movement Overview

## Revenue Overview Comments:

During the financial year, budgets continue to move to reflect service and structural changes.

The following table highlights the budget virements over £350k requiring approval within service areas during the current financial year.

BUDGET ADJUSTMENT DESCRIPTION	Resources £'M	Economy & Growth £'M	Childrens & Family Services £'M	Environment £'M	Public Health £'M	Adult Services £'M
<b>Budget Transfers between Services</b>						
Budget distribution of Primary rate pension increase to 19.7%	0.61	0.10	0.98	0.32		
Transfer of Staff capitalisation budgets	0.65					
<b>EMR Adjustment/Utilisations</b>						
Individual school and contingency balances roll forward			0.13			
Utilisation of FIM Eating Disorder MHST EMR Grant reserve			0.80			
Utilisation of Brexit Planning , Stronger communities, COMF & Covid Grant EMRs	0.59					
Utilisation of FIM Eating Disorder MHST, Education funding & VSH EMRs			0.32			
Utilisation of DHSC ASC Assessments, social care demand & BCF EMRs						4.33
Utilisation of Events, Culture, transformation, LUF & Health provision EMRs		0.06			0.02	
<b>Total Service Budget Movement</b>	<b>1.85</b>	<b>0.16</b>	<b>2.22</b>	<b>0.32</b>	<b>0.02</b>	<b>4.33</b>

# Capital Budget Overview

(£7.5M)

Capital Forecast  
Underspend

10.2%

% Representation of Service  
Capital Underspend to Approved  
Programme

CAPITAL	Approved Programme £'M	Forecast £'M	Variance £'M
Resources	13.4	11.8	(1.6)
Environment	10.0	8.7	(1.3)
Economy & Growth	40.7	41.0	0.3
Children & Family Services	9.3	4.4	(4.9)
Public Health	0.0	0.0	0.0
Adult Services	0.0	0.0	0.0
<b>Total Capital Budgets</b>	<b>73.4</b>	<b>65.9</b>	<b>(7.5)</b>
Funding	(73.4)	(65.9)	7.5
<b>Net</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>

## Capital Overview Comments:

The forecast underspend of £7.5M is mainly due to the delay in spend within Childrens Education. The opening of two new primary schools have been rescheduled resulting in Schools Places budget being deferred into 2024/25 along with the SEND Provision.

Full details of the prior capital reprofiling and programme adjustment requests are shown on the following page.

# Capital Movement Overview (Period 3-Period 6)

REPROFILING REQUESTS	£M
Town Deal Investment	(2.47)
Central Clee Regeneration	(0.59)
Freshney Place Leisure Development	(4.12)
Housing Assistance Grants and Loans	(0.28)
Gy and Imm Flood Innov Funding	(1.56)
A180 Structures	(7.11)
Heritage Assets at Risk	(3.07)
Enhancement of Bereavement Services	0.17
Play Areas	0.15
Clee HLF Townscape Heritage	(0.50)
Cleethorpes Masterplan - LUF Scheme	(1.84)
Towns Fund - Central Library	(0.50)
Towns Fund - Garth Lane	(0.40)
Towns Fund - Public Realm Connectivity	(0.70)
<b>Total</b>	<b>(22.82)</b>

PROGRAMME ADJUSTMENTS	£M
CDF - Open for Culture (scheme complete)	(0.08)
Towns Fund - Central Library (realignment of scheme budgets)	(5.25)
Cleethorpes Masterplan - LUF Scheme (realignment of scheme budgets)	0.59
Towns Fund - St James House (realignment of scheme budgets)	1.08
Towns Fund - Garth Lane (realignment of Town's (realignment of scheme budgets)	0.67
Towns Fund - Activation Fund (realignment of scheme budgets)	0.22
Towns Fund - Riverhead Square (realignment of scheme budgets)	2.79
Towns Fund - Public Realm Connectivity (realignment of scheme budgets)	0.85
Disabled Facilities Grants (increase in budget to utilise available grant)	1.94
Green Homes Grant LAD Phase 2 (this phase now complete)	(0.16)
Sustainable Warmth (increased budget to reflect additional grant allocation)	0.07
Capital Investment (replenish capacity from decommitted schemes)	0.22
Service Imp Educ (scheme ended)	(0.05)
Sentinel Master Data Mgt (scheme replaced)	(0.15)
Motor Caravan Parking Pilot Scheme (new scheme)	0.02
Fleet Replacement Programme (reduced budget requirement)	(0.01)
Schools - Devolved Formula Cap Grant (increased to reflect new grant)	0.03
Capital Investment (allocate capacity to new approved schemes)	(0.84)
Backlog Maintenance (increased budget to reflect Cabinet approvals)	0.84
SHIIP Scheme (increased to reflect new grant)	0.49
Playing Pitch Reprovision (transferred to Tennis Court Refurbishment scheme)	(0.02)
Heritage Action Zone (increased to reflect new grant)	0.15
Cleethorpes Masterplan - Market PI LUF Scheme (realignment of scheme budgets)	(4.25)
Cleethorpes Masterplan - Sea Road LUF Scheme (realignment of scheme budgets)	2.00
Cleethorpes Masterplan - Pier Gdens LUF Scheme (realignment of scheme budgets)	0.85
Tennis Court Refurbishment (new scheme primarily funded through grant)	0.28
Play Zone (new scheme primarily funded through grant)	0.02
Local Transport Plan Schemes (increased to reflect new grant allocations)	0.28
Audio Visual System for Grimsby Town Hall (new scheme)	0.07
Digital Platform (new scheme)	0.09
Safer Streets 4 (transfer grant allocation to Play Zone scheme)	(0.04)
<b>Total</b>	<b>2.70</b>

# 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.**





# Revenue

# Resources Budget

**3.7%** Of Total Revenue Service Budgets

**£0.5M** Forecast Revenue Overspend

**7.6%** Variance as % Of Total Budget Envelope

REVENUE	Revenue Budget £'M	Revenue Forecast £'M	Variance £'M
Deputy s151	2.7	2.7	(0.0)
Law and Governance	1.7	1.7	0.0
Policy, Strategy and Resources	(1.2)	(0.6)	0.6
Assistant Chief Executive	1.6	1.6	(0.0)
Assistant Director People and Organisation	1.3	1.2	(0.1)
	<b>6.1</b>	<b>6.6</b>	<b>0.5</b>

VARIANCE ANALYSIS	£M
Pressures	0.8
Opportunities	(0.3)
Income Shortfall	0.0
	<b>0.5</b>

## Service Comments:-

Facilities management and commercial estate are both forecasting overspends. Facilities management is due to increased costs for cleaning, grounds maintenance, utilities and business rates. Commercial Estate is also affected by increased utility costs and occupancy levels being lower than assumed.

# Capital

**18.3%** Of Total Capital Programme

**(£1.6M)** Forecast Capital Underspend

CAPITAL	Approved Programme £'M	Capital Forecast £'M	Variance £'M
Law Governance and Assets	0.1	0.1	0.0
Deputy S151	6.6	5.8	(0.8)
Policy Strategy and Resources	6.7	5.9	(0.8)
	<b>13.4</b>	<b>11.8</b>	<b>(1.6)</b>

## Service Comments:-

The underspend includes some anticipated reprofiling of £0.3m within Backlog Maintenance. £0.8M Capital investment capacity is to be transferred to the Depot Scheme in line with previous approvals for that scheme. The Heritage Assets at Risk Scheme is showing a reprofiling request of £0.5M due to a delay in phase 2 brought on by the additional time required for asbestos removal.

Apprentice Levy  
2023-24 YTD Spend

121.24%

Council Tax Collection  
Achieved 2023-24 (%) as at  
September (Higher is better)

53.79%

National Non-Domestic Rates  
Collection Achieved 2023-24 (%)  
as at September (Higher is better)

53.80%

Number of Live  
Community Asset  
Transfers

13

Freedom of Information cases referred to  
the Information Commissioner that are  
upheld 2023/24 (Lower is better)

0

Complaints referred to the Local  
Government and Social Care Ombudsman  
that are upheld 2023/24 (Lower is better)

3

The average attendance  
per full time employee  
(FTE) (Higher is better)

95.79%

Total RIDDOR Incident  
Rate (YTD) (Lower is  
better)

0.17

Percentage of capital  
programmes delivered  
(against revised budget)

98.65%

Current number of  
Graduates or  
Apprentices employed

154

M365 Project - Percentage  
of total number of Tasks  
Completed (Higher is better)

56.62%

Delivery of the Customer  
and Service Management  
Platform (Higher is better)

1.35%

# Resources

## Delivery of Priorities – Achievements, Challenges & Risks

Performance:

Green

Finance:

Amber

Overall:

Green

### Overview of achievements this quarter:

**Business Support Re-design** – visioning days with staff have been completed and good progress is being made in the working groups. Development of the proposals of the structure is ongoing, with a recommendation that the centralised model for business support is adopted across the organisation. Trade union consultation has started.

**People Strategy** – Action planning from the employee survey is ongoing and the recent pulse survey will provide further insight into the review of the People Strategy.

**Procurement/Social Value** – our new Procurement Strategy and Social Value policy has been finalised and will be recommended for adoption by Cabinet in November.

**ICT** – the procurement of the new Children’s Services ICT platform is being finalized following the tender exercise.

Implementation of the new Customer Service Management Platform is on-going with no major issues. After the initial pilot with a small number of reporting forms that is reflected in the dashboard data, we are simplifying and amalgamating existing forms where possible to move to the new platform with the aim of providing a more user friendly experience and improved integration with the back office systems.

Cabinet has approved the business case for the implementation and development of a new digital platform that will improve the security and functionality of our websites.

**Assets** – the property rationalisation programme, which aims to reduce our carbon footprint and building costs, is on track for delivery as planned with staff moves taking place between January and March 2024. At the end of Q2 the property disposal programme remains on track to deliver the required capital receipts for 2023/24 and we are planning the programme for 2024/25.

## Resources (2)

# Delivery of Priorities – Achievements, Challenges & Risks

### Key challenges:

There are capacity challenges relating to the speed of implementation and roll-out of key ICT systems as programmes are managed concurrently. Whilst each programme has dedicated project resource there is some overlap particularly where roles requiring specialist technical skills are difficult to recruit to.

Facilities management is reporting a forecast overspend due to increasing utility costs, cleaning, ground maintenance and business rates. We are seeking to mitigate the overspend where possible, for example, through potential grant funding opportunities to introduce measures to reduce energy costs.

There is an on-going pressure relating to the commercial estate due to a combination of increased costs and under-occupancy of premises. This is being actively managed, including identifying some premises for potential disposal where it makes financial sense to do so.

Recruitment of experienced staff into professional roles is a challenge across Resources, and we have implemented training and development opportunities aimed at 'growing our own' for the future.

### Risks to non-delivery:

At this point there is no significant identified risk of non-delivery of Resources priorities detailed within the Council Plan

# Environment & Regulatory Services

## 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.**



# Revenue

# Environment Budget

**9.2%** Of Total Revenue Service Budgets

**£2.1M** Forecast Revenue Overspend

**13.5%** Variance as % Of Total Budget Envelope

REVENUE	Budget £'M	Forecast £'M	Variance £'M
Environment	15.5	17.6	2.1

VARIANCE ANALYSIS	£M
Pressures	2.1
Opportunities	0.0
Income Shortfall	0.0
	<b>2.1</b>

## Service Comments:-

There has been further delays to planned changes in government funding formula for waste, such as additional payments for extended producer responsibility and food waste. This also impacts on planned work with current waste disposal provider to modernise the waste disposal contract in line with a new national waste strategy. There are still expectations of a positive longer-term impact on waste funding, including contract modernisation, but with a more gradual implementation. Extended Producer Responsibility for packaging funding and new burdens funding for food waste is now due to start in 2025/26.

# Capital

**13.6%** Of Total Capital Programme

**(£1.3M)** Forecast Capital Underspend

CAPITAL	Approved Programme £'M	Forecast £'M	Variance £'M
Environment	10.0	8.7	(1.3)

## Service Comments:-

A comprehensive look at capital budgets has aligned in year spend with budgets resulting in a shift towards a budget underspend. Whilst the depot project is forecasting to overspend this is mitigated by underspends within Fleet replacement due to slippage and the decommitment of spend against the new recycling service.

Number of Fly Tipping jobs  
logged this Calendar Year (Lower  
is better)

**2483**

Household recycling rate (target  
50%) (Higher is better)

**41.59%**

Amount of household waste  
diverted from landfill (target 90%)  
(Higher is better)

**99.97%**

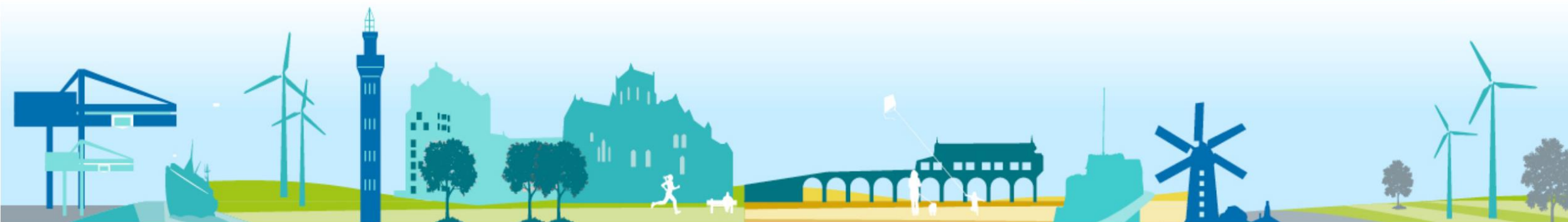
Visitor Numbers (estimated  
number of individual visits to the  
area) for 2022 (Higher is better)

**8.59M**

Carbon Reduction  
Information is in  
development

% Waste Collections Completed  
on Time 2023-24 (Higher is  
better)

**99.47%**



# Environment & Regulatory services

## Delivery of Priorities – Achievements, Challenges & Risks

Performance:

Green

Finance:

Amber

Overall:

Green

### Overview of achievements this quarter:

**Decarbonisation plans in place for all our council buildings and a pipeline for future funding bids for energy efficiency works**

- Equans commissioned and have completed technical assessments on 9 buildings/facilities in preparation for SALIX application in Q3.

**Completion of single modern depot site by 2023/24 to deliver higher town centre footfall and more efficient service delivery.**

- Office block refurb brought forward in the plan delivers benefits to programme.
- **Continue to improve recycling rates, reduce resources and contribute to a circular economy**
- Delivery of garden waste collections to 27,881 households.
- **Continue the programme of delivering behaviour change through robust enforcement and targeted communications to enhance our local environment**
- 862 fly tipping incidents reported for clearance in Q2 with 13 Fixed Penalty Notices (FPN) served for waste/environmental offences during Q2.
- 445 FPN issued for range of public space, litter, cycling and dog offences, including 7 prosecutions with fines and costs totalling £2650.

**An approved tree strategy and identification of sites and funding to improve our tree canopy cover**

- Funding bids submitted to Forestry Commission to increase tree canopy cover across the borough for new urban trees and trees to replace those lost to disease. Conditional offer for the LA Treescape Fund. Trees enhance the build environment, connecting people with nature and providing natural climate mitigation and flood protection.

**Revised Cleethorpes Habitat Management Plan, supported by Natural England**

- Finalising draft ready for formal approval by Cabinet to protect and enhance biodiversity and mitigate recreational disturbance.
- Natural England confirm approved body status for Lincolnshire Coronation Coast National Nature Reserve delivering nature recovery and connecting people with nature.

**Completion of the expansion of the port health service**

- Creating a modern and flexible service located in a new modern Border Control Post, able to respond to the increased trade pressures following Brexit



## Environment & Regulatory services (2)

### Delivery of Priorities – Achievements, Challenges & Risks

#### Key challenges:

- Managing expectations about delivery of priority frontline services with finite resources and managing demand.
- External factors theft and vandalism on work schedules.
- Capacity.
- Securing external grant funding to progress decarbonisation plans through Salix Funding.
- Delays and changes to implementation dates of government Resource and Waste Strategy is impacting on progress towards improved recycling rates and funding.

#### Risks to non-delivery:

- At this point there is no risk of non-delivery of Environment and Regulatory Services priorities detailed within the Council Plan.



# Economy (Regeneration)

## *Vision*

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

# Revenue

# Economy (Regeneration) Budget

1.9%

Of Total Revenue  
Service Budgets

£0.2M

Forecast Revenue  
Overspend

6.1%

Variance as % Of Total  
Budget Envelope

REVENUE	Budget £'M	Forecast £'M	Variance £'M
Regeneration	3.2	3.4	0.2
	<b>3.2</b>	<b>3.4</b>	<b>0.2</b>

VARIANCE ANALYSIS	£M
Pressures	0.5
Opportunities	(0.3)
Income Shortfall	0.0
	<b>0.2</b>

## Service Comments:-

Regeneration area has robust controls across all revenue areas. There are some interim pressures within the Freshney Place budgets, but these are planned and expected as we vacate units in readiness for redevelopment.

29.0%

Of Total Capital Programme

(£0.4M)

Forecast Capital Underspend

CAPITAL	Approved Programme £'M	Forecast £'M	Variance £'M
Regeneration	21.3	20.9	(0.4)
	<b>21.3</b>	<b>20.9</b>	<b>(0.4)</b>

### Service Comments:-

The key challenges faced are cost inflation and supply chain pressures (in terms of securing materials and works). NELC is working closely with intermediaries/contractors and constantly reviewing this situation.

The availability of project management resource, whether internal or external, continues to be a challenge and it is essential the right calibre of project management is in place to oversee what are in many instances complex and multi-faceted schemes. The AD for regeneration is holding a further budget challenge meeting to challenge in year spend projections.

£0.3M within the Scartho Road element of the Playing Pitches scheme has been delayed for one year to allow for review of the scope of works required. Expenditure is now anticipated to be required in 24/25.

£0.1M slippage required within the Clee Townscape scheme. The Project Manager continues to work with freeholders within the THI area to support grant funding towards conservation improvements to properties. The current economic climate has impacted on the ability for some properties to progress, but additional properties to support have also emerged. It is unlikely works on these properties will commence until late Q4 or early 24/25

Number of Businesses in rated premises (Higher is better)

5,609

Total rateable value of NEL business premises (Higher is better)

£156.74M

Gross weekly pay for full-time workers in NEL, as a % of England average (Higher is better)

86.17%

Net change of registered enterprises in North East Lincolnshire - 2022 (Higher is better)

-5

% of Economically Active People in Employment in NEL for the 12 month period to December 2022 (Higher is better)

71.70%

Number of workless households, January to December 2022 (Lower is better)

7445

Adult participation in learning for those both in and out of work across all qualification levels (Higher is better)

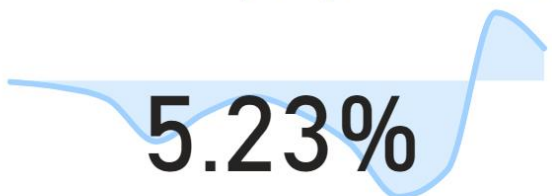
3050

Gross value added (GVA) per head (NEL) all industries for 2019 (Higher is better)

19810



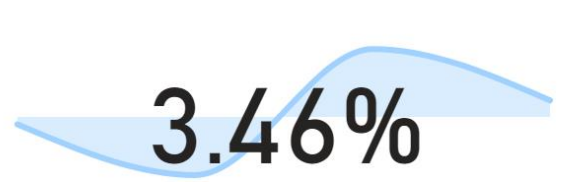
Rolling 12 month Year on Year Change for Footfall at Victoria Street, Grimsby (Higher is better)



Rolling 12 month Year on Year Change for Footfall at The Promenade, Cleethorpes (Higher is better)



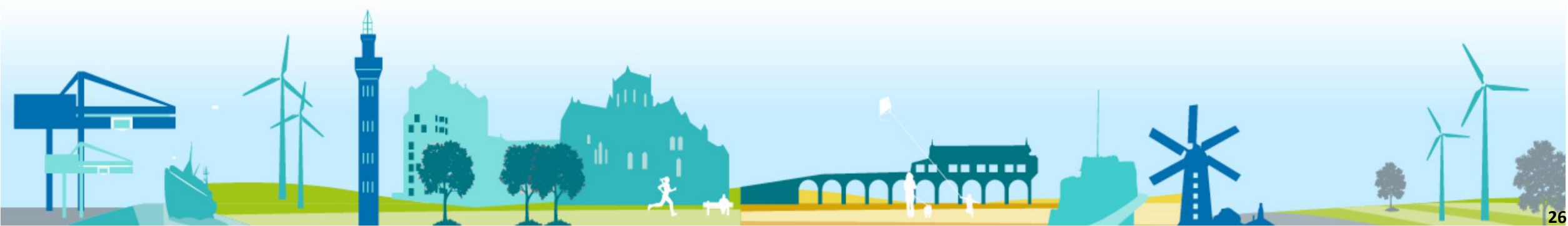
Rolling 12 month Year on Year Change for Footfall at St Peter's Avenue, Cleethorpes (Higher is better)



Visitor Numbers (estimated number of individual visits to the area) for 2022 (Higher is better)



Town centre units vacant for 6 months or longer (Lower is better)



# Regeneration

## Delivery of Priorities – Achievements, Challenges & Risks

Performance :

Green

Finance :

Amber

Overall:

Green

### Overview of achievements this quarter:

- Skills Strategy and Action Plan finalised and approved. We will now focus on the delivery of the actions to support the skills needs of the local economy and our residents to access opportunities.
- Sport & Physical Activity Strategy finalised and approved to set a 5-year vision to support residents to become more active, more often and identify priority areas for action.
- UKSPF 'Embrace Autumn' tourism marketing campaign launched.
- Engagement ongoing with Destination Lincolnshire on the development of a Local Visitor Economy Partnership & Destination Management Plan for Greater Lincolnshire .
- Humber Museum Partnership staff members joined the Grimsby Fishing Heritage Centre team.
- 10 events held at the Meridian Showground. More opportunities for local people to engage in events, and economic benefits for businesses and accommodation providers.
- Second Grimsby Town Centre High Streets event held, and 2025 Group launched to promote positive messaging from business and the community to support the town centre regeneration.
- Businesses and community groups continue to be supported through UK Shared Prosperity Fund, with a total of £1.4m committed to projects to date since the launch in March 2023.
- £450,000 secured from Arts Council England for delivery of Create North East Lincolnshire.
- NEL announced as one of the UK's initial 9 heritage places by National Lottery Heritage Fund.
- Reflections – A nighttime spectacular and Festival of the Sea took place in Grimsby in July showcasing local and international creative talent.
- Pre-construction works commenced at St James House and planning application submitted for approval.
- Engagement with Historic England to continue success of the completed Heritage Action Zone .
- Freshney Place Pre-Contract Services Agreement underway including preparation works within the former BHS building.
- Playing Pitch developments continue with the delivery of the Clee Fields project and wider grant funding investment secured for tennis court refurbishments to improve local sports and parks facilities.
- Final detailed designs for new Sea Road building underway.
- Initial surveys of Pier Gardens commenced in preparation of future design work.

## Regeneration (2)

# Delivery of Priorities – Achievements, Challenges & Risks

### Key challenges:

- The weather during July and August Q2 2023-2024 was poor and so the year-on-year footfall data across a 12-month period for Cleethorpes promenade is down by circa. 10%. However, there was a good recovery in September with a 53% increase in footfall on the promenade compared to September 2022/23. The retail areas of St Peters Ave in Cleethorpes and Victoria St in Grimsby present a more positive picture with year-on-year improvements across a 12-month period, with footfall up approximately 3% and 5% respectively.
- Some additional pre-design development work has meant some delays to moving to final design prior to engaging contractors on some projects.
- The wider financial climate represents a potential challenge to the overall ambition of projects .
- Maintaining appropriate levels of project management resource.
- Some projects are in the development and design stage. Wider inflationary pressures are a cost risk and there is some mitigation in place by way of enhanced contingency. Most projects will have been tendered by the end of the financial year and that will bring greater cost certainty.

### Risks to non-delivery:

Ongoing inflationary pressures are meaning both material and labour costs continue to increase. This presents a risk to the scope of any project wherever it may be. The primary mitigation measure is to include enhanced inflation contingency and, if necessary, explore value engineering opportunities.



# Economy (Housing, Highways & Transport)

## Vision

**To responsibly support the economic development and growth of the borough through sustainable infrastructure and travel and by delivering housing, that meets residents needs and aspirations, promoting health and wellbeing – all underpinned by the effective and efficient use of council owned assets and resources delivering positive services/outcomes for NEL and its residents.**



Percentage of repairs to dangerous highways within 24 hours of notification for 2023-24 Jul-Sep (Higher is better)

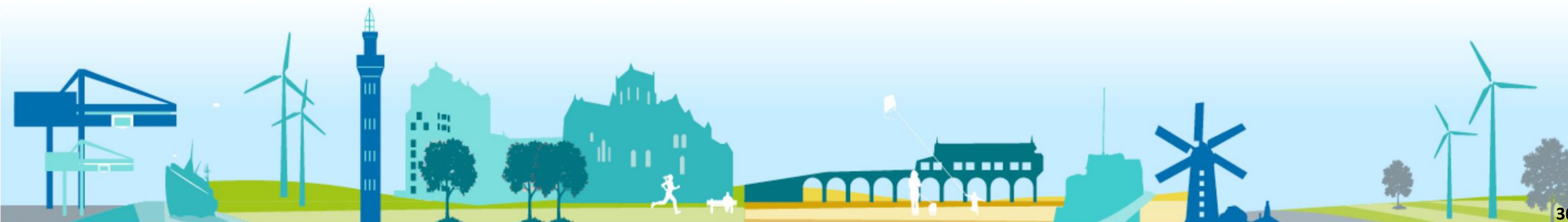
**100%**

Percentage spend of LTP allocation for 2023-24 Jul-Sep (Higher is better)

**27%**

Capital spend on Road Safety for 2023-24 Annual

**£14,104**



# Revenue

# Housing Highways & Transport

14.0%

Of Total Revenue Service Budgets

£0.9M

Forecast Revenue Overspend

3.8%

Variance as % Of Total Budget Envelope

REVENUE	Budget £'M	Forecast £'M	Variance £'M
Housing, Highways and Transport	23.5	24.4	0.9
	<b>23.5</b>	<b>24.4</b>	<b>0.9</b>

VARIANCE ANALYSIS	£M
Pressures	1.1
Opportunities	(0.2)
Income Shortfall	0.0
	<b>0.9</b>

## Service Comments:-

**In scope Contract** - ongoing overspend due to inflation uplift, work taking place to review capital funding grants to seek opportunities to offset staff costs and reduce the forecast £0.4M variance.

**Home Options** - one off overspend due to acquisition and set up of Swan House. Work in progress to assess possible mitigation through capital or grant funding. The project is still expected to deliver ongoing revenue savings once fully operational.

**Car Parks** - mixture of one-off budgets pressures caused by security costs and building works, ongoing pressure around credit card reader maintenance on existing infrastructure.

**Full Budget Review** - new AD Infrastructure to fully review opportunities and reduce the overspend variance in year and beyond.

# Capital

26.5%

Of Total Capital Programme

£0.7M

Forecast Capital Overspend

CAPITAL	Approved Programme £'M	Forecast £'M	Variance £'M
Housing, Highways and Transport	19.4	20.1	0.7
	<b>19.4</b>	<b>20.1</b>	<b>0.7</b>

## Service Comments:-

**Corporation Bridge** – Realisation of project contingency to accommodate additional remedial works following intrusive surveys.

**Bus Service Imp Plan** - Further grants from DfT expected to reduce budget pressure.

Net New Homes for  
2023-24 Year to Date  
(Higher is better)

**273**

Proportion of households  
fuel poor, 2021 (Lower is  
better)

**18.39%**

Number of rough sleepers  
identified in the borough as at  
March 2023 (Lower is better)

**10**

Interventions to bring homes up to the  
Decent Homes Standard conducted in  
2023-24 Annual (Higher is better)

**104**

Temp accommodation  
placements as at March  
2023 (Lower is better)

**85**

Number of properties empty for  
Between 6 Months and 2 Years as at  
September 2023 (Lower is better)

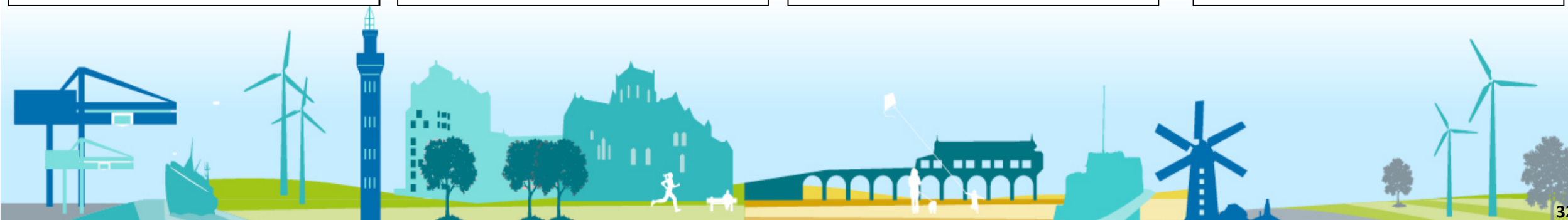
**1321**

Number of properties empty for  
Over 2 Years as at September  
2023 (Lower is better)

**836**

Percentage of Disabled Facilities  
Grant referrals complete/in  
progress (Higher is better)

**35.98%**



# Housing Highways & Transport

## Delivery of Priorities – Achievements, Challenges & Risks

Performance:

Amber

Finance:

Red

Overall:

Amber

### Overview of achievements this quarter:

- The Corporation Bridge project started on site on 6th February 2023. Restoration works are progressing, with the majority of the steel base plates exposed and detailed inspection on the condition completed. Scaffolding has been installed to allow an inspection of the underneath of the bridge. The initial inspection has identified the condition of the underneath has deteriorated greater than previously believed and additional surveys are ongoing to determine the extent of the deterioration and confirmation of what additional works are required. These additional works will mean the project will have the programme extended to enable the works to be undertaken. When the full extent of the additional works is known, the programme will be adjusted to accommodate. The council have identified additional funding to introduce a lighting scheme to the bridge, which is being progressed and will be erected and operational by the end of the project.
- The Local Transport Plan (LTP) three-year programme has been agreed with the Portfolio Holder (PfH). The 2023/24 programme is in progress, with 35 schemes and with an expected successful completion on all schemes. 2024/25 programme will be reviewed in November 2023 to seek PfH approval in January 2024 to allow early mobilisation and longer lead in time to develop the schemes.
- Bus Service Improvement Plan (BSIP) has been adopted in February 2023. The programme of activity has been reviewed and agreed with Department of Transport (DfT) and is currently being delivered in conjunction with Stagecoach. An example of one of the improvements, is the introduction of CCTV, to George Street, Riverhead and Town Hall street where the existing bus shelters in the town centre are located. The CCTV is monitored by our Security control room and will provide reassurance to bus users that the shelters are being monitored to deter crime and Anti Social Behaviour (ASB) activity.
- The Local Plan is progress well. The scoping and issuing consultation has been completed and consultation on the local plan review. The timescale for incorporation in the local development scheme has been progressed based on completing the review process under the proposed transitional arrangements set out by Government. Under these arrangements plans would need to be submitted to the Secretary for State for examination no later than 30 June 2025.

## Housing Highways & Transport (2)

### Delivery of Priorities – Achievements, Challenges & Risks

#### Overview of achievements this quarter (cont):

- A180 Structures project will see vital improvement to three major bridge structures on the main access road to Grimsby. The scheme will see the completion of the bridge repairs and carriageway surfacing works to the A180 between Pyewipe roundabout and Riby Square, utilising allocated funding from the Department for Levelling Up, Housing and Communities (DLUHC) and Council capital funding. The works will be completed in two phases, with the bridge at Gilbey and Cleethorpes Road completed at the same time with the third bridge (Alexandra Dock) completed on completion of phase one. Phase one is planned to start on site in March 2024.
- Competitive tender process for the Western and Matthew Humberston former school sites are complete, and we are about to enter into an agreement with both parties. This will deliver over 350 new homes.
- The Council are working hard to avoid using Bed & Breakfast/Hotel; however, this is challenging due to a shortage of available properties.
- Following a review of empty properties in the Borough, two initiatives have been adopted to tackle the problem that will target over 900 empty properties. These include a data cleanse exercise to establish occupied status of properties that have been empty between 120 and 300 days, and a targeted letter distribution to properties empty for under 2 years and are due to fall into a council tax premium category. The letter signposts property owners to available advice and assistance from the Housing team.
- The Clee Fields development project is on site with proposed completion and open to members of the public from February 2024.

# Housing Highways & Transport (3)

## Delivery of Priorities – Achievements, Challenges & Risks

### Key Challenges

- There is an on-going challenge to meet homelessness requirements. This is a demand-led service and there is a shortage of available properties. We continue to explore all options to reduce reliance on Bed & Breakfast/Hotel accommodation.
- In terms of highways and transport programmes, the wider financial climate in terms of inflation and cost of materials is a risk.
- There are challenges to deliver new homes within the timescales set out in the Homes England Grant Funding Agreement for both the Western and Matthew Humberston sites. NELC are continuing discussion with Homes England to mitigate any risk.

### Risks to non-delivery:

- As referred to above, ongoing inflationary pressures are meaning both material and labour costs continue to increase. This presents a risk to the scope of any project wherever it may be. The primary mitigation measure is to include realistic contingency budgets for all programmes.
- In terms of housing, there are risks relating to securing properties that we have identified as a way of mitigating our pressures relating to homelessness. We are working closely with colleagues in Legal Services to secure these properties as swiftly as possible.

# Children and Family Services 'Our children our future'

## ***Vision***

***A place our children can grow up happy and healthy, safe in their homes and communities, with people that love them.***

***We are ambitious for a child's future with a focus on learning and aspiration so they can be the best they can possibly be.***





**35.2%** Of Total Revenue  
Service Budgets

**£5.8M** Forecast Revenue  
Overspend

**9.8%** Variance as % Of Total  
Budget Envelope

REVENUE	Budget £'M	Forecast £'M	Variance £'M
Safer and Partnerships	2.1	2.1	(0.0)
Education and Inclusion	10.6	10.9	0.3
Safeguarding and Early Help	13.2	14.1	0.9
Director Childrens Services	(3.4)	(3.4)	(0.0)
Women, Childrens and Families	0.9	0.9	(0.0)
AD Regulated Provision	35.6	40.3	4.7
<b>Total Children's &amp; Family Services</b>	<b>59.1</b>	<b>64.9</b>	<b>5.8</b>

VARIANCE ANALYSIS	£M
Pressures	5.6
Opportunities	(0.1)
Business Plan Shortfall	0.3
	<b>5.8</b>

## Service Comments:-

The latest forecast outturn position for Childrens Services is £5.8M overspend, a net reduction of (£1.7M) against Quarter 1.

**Education and Inclusion** - £0.3m pressure is forecast within home to school transport. The main transport review needs re-establishing across all areas to ensure there is a systematic approach to planning and managing transport provision. The implementation of the Delivering Better Value (DBV) programme will ultimately reduce spend across SEN and reduce transport costs over the next 5 years.

**Safeguarding and Early Help** - the service is in the process of reconfiguration and there is still a requirement to utilise project teams, agency social workers and team managers to ensure statutory duties are met, which is creating a budget pressure of £0.9m.

**Regulatory Services** - the main pressures are from high-cost out of area placements and supported housing (£3.5m) and increased demand for independent foster care (£0.6m) as well as a further agency staffing pressure (£0.7m).

We are starting to see early signs of restorative actions impacting the levels of spend, which has led to a reduction in the current projections. The activity focus for the coming months will be on placement costs and children in care.

12.7% Of Total Capital Programme (£4.9M) Forecast Capital Underspend

CAPITAL	Approved Programme £'M	Forecast £'M	Variance £'M
Childrens & Family Services	9.3	4.4	(4.9)

Service Comments:-

The delay of the two new primary schools will mean some capital budgets will need to be reprofiled as discussed in previous reporting. The schools will now open in 2025, as opposed to 2024.

Number of Children In Need (CIN) (all open cases) as at 30/09/2023 (Lower is better)

**1956**

Number of children on a Child Protection (CP) plan as at 30/09/2023 (Lower is better)

**286**

Number of Children Looked After (CLA) as at 30/09/2023 (Lower is better)

**534**

Number of cases open to Early Help (EH) as at 30/09/2023 (Lower is better)

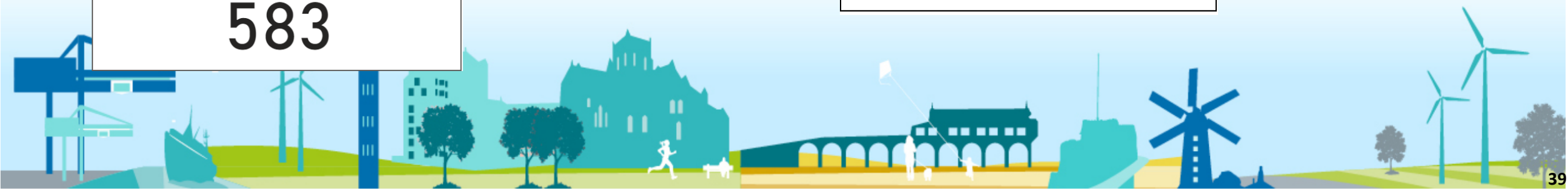
**583**

Mainstream foster carers recorded for 2023 (Higher is better)

**98**

Average caseload for qualified Social Workers as at September 2023 (Lower is better)

**19**



# Safeguarding, Early Help & Regulated Services

## Delivery of Priorities – Achievements, Challenges & Risks

Performance :

Amber

Finance :

Red

Overall:

Amber

### Overview of achievements this quarter:

North East Lincolnshire Children Services are undertaking a significant period of change to ensure children and parents live in safe, supportive and loving families. Together with partners, we have agreed an improvement plan bringing together the findings of the inspection, Ofsted reviews and recent diagnostic work undertaken by our strategic partners to improve outcomes for children and young people.

The feedback and recommendations from these reviews/inspections have been collated thematically and have been used to shape our improvement plan along with the measures that will be put in place to monitor our effectiveness. Key achievements across the two priority areas:

#### Improving Outcomes For Children

- **Ofsted Monitoring Visit October 2023:** Extra Familial Abuse was the subject of this monitoring visit which included children missing, children at risk of sexual and criminal exploitation. The feedback will be published on the 15<sup>th</sup> November 2023.
- **Family Hubs:** The development of family hubs is continuing at pace. Immingham Hub was successfully launched in September with over 100 people from the local community attending the opening.
- **Launch of Team Around the Family:** The TAF was successfully launched in September with just over 200 partners attending workshops. Despite not being officially launched until September 124 children have been supported by the TAF and 89 individual Early Help assessments have been submitted by 51 educational setting. The impact of this is children and their families getting the right support at the earliest opportunity .

#### Stable & Resilient Workforce

- **Average Caseload for Qualified Social Workers:** this stands at 19 cases, which has declined since February 2023 (22 cases). With a lower caseload, social workers can dedicate more time and attention to each child and family they work with.

## Safeguarding, Early Help & Regulated Services (2)

### Delivery of Priorities – Achievements, Challenges & Risks

#### Key challenges:

We are aware that we must continue improving across all areas and drive quality to ensure we are improving outcomes for children and young people in North East Lincolnshire. Key challenges across the two priority areas:

##### **Improving Outcomes For Children**

**% of Audits Rated Good or Outstanding:** This measure currently stands at 21%. Audits are a systematic and thorough review of how Children's Social Care cases have been managed, driving our understanding of the current quality. We are working with partners to improve this key measure.

**Fostering Recruitment:** We currently have 98 mainstream foster carers, which has remained stable since the previous year, however we aspire to recruit more given the amazing impact that fostering can have for children. We are reassessing our recruitment strategy in line with best practice to ensure that we are communicating and improving on the offer and support we provide to foster carers with the purpose of attracting foster carers to North East Lincolnshire.

**Number of CIN, CPA and CLA:** these measures are relatively high when compared to statistical neighbours and the England average, although we have significantly reduced them in the last 12 months. We want to ensure that children, young people and families receive the right support at the right time, enabling them to live in safe and loving families.

##### **Stable & Resilient Workforce**

**Financial Stability:** As we move forward with the improvement plan, we aim to provide our services within the agreed financial envelope by reducing demand and where appropriate reducing reliance on agency spend.

## Safeguarding, Early Help & Regulated Services (3)

### Delivery of Priorities – Achievements, Challenges & Risks

#### **Risks to non-delivery:**

We are aware as a service of the need to transform and improve quality across the board.

We have begun that journey but are aware of the challenges that this type of transformation brings.

To mitigate the risk of non-delivery, we have worked with partners and experts from Lincolnshire County Council and the Department for Education, to develop a plan of rapid but sustainable change. We have also implemented clear governance arrangements, to ensure that there is robust challenge and quality assurance across the programme.

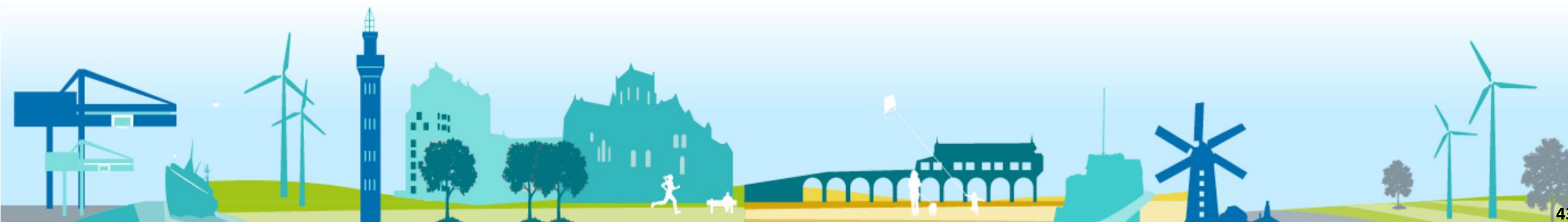
% Not in Education, Employment  
or Training (NEET) as at July 2023  
(Lower is better)

**7.1%**

Early years; key stage 2  
and key stage 4  
outcomes  
indicators/progress  
scores

Total number of Education, Health  
and Care Plans open in the month  
for June 2023 (Lower is better)

**1564**



# Education & Inclusion

## Delivery of Priorities – Achievements, Challenges & Risks

Performance :

Amber

Finance:

Amber

Overall:

Amber

### Overview of achievements this quarter:

Our bid for a 150-place free school for children and young people with social, emotional and mental health (SEMH) needs was successful. We are in the process of securing the land and reviewing the site condition and are working with the Department for Education to secure a provider.

We were one of only 55 councils to be selected to be part of a new project funded by the Department for Education dedicated to improving outcomes for children and young people with special educational needs and disability (SEND) in North East Lincolnshire.

The numbers of Electively Home Educated (EHE) children this is high and in line with other local authorities, who are also experiencing high numbers of EHE. However, positively, the number of EHE has reduced slightly from 414 in Qtr 1 to 391 in Qtr 2,

The backlog of requests for Education Health and Care Plan Assessment Requests have been dramatically improved. The number of unallocated assessment requests is now down to 42 from 123.

### Key challenges:

Over 25% of new EHE referrals for the academic year came from children who were new to area. An attendance alliance has been formed with all ten secondaries with EHE as a standing agenda item, for schools to understand the need to ensure parents are aware of the enormity of their duty. A full-time EHE officer, who is also a qualified teacher has been appointed on a full-time permanent basis to ensure the quality of education is suitable for 'age, ability and aptitude' and communication with families has significantly improved due to the regular newsletter and engagement events the team have held.

All secondary schools have been trained in Emotionally Based School Avoidance (EBSA), to understand the emotional barriers towards attending school, with workforce development a significant aspects of addressing inclusive practice.



## Education & Inclusion (2)

### Delivery of Priorities – Achievements, Challenges & Risks

#### Key challenges (cont):

Over 34% of EHCP requests have been for under 5s. To support this, an under 5 initiative has commenced, with a panel of professionals who work with U5s to ascertain whether the child can be supported through a single agency rather than requiring a statutory assessment.

Assessment timeliness has been supported with the People and Culture team exploring opportunities for the recruitment of Educational Psychologists, in addition to utilising the skills set of the specialist advisory teachers to support contribution to the statutory assessment. Weekly monitoring of timeliness is in place for team leaders and service managers.

There is a budget pressure relating to home to school transport that is being managed and we expect implementation of the Delivering Better Value (DBV) programme to impact on demand over the medium term.

#### Risks to non-delivery:

The continuation of increasing EHE numbers reduces the overall Dedicated Schools Grant (DSG) and in turn the high needs block. It is crucial that numbers stabilise post-pandemic. For the Department for Education (DfE) to stop monitoring EHCP timeliness, a target has been set of 40% of assessments to be completed within 20 weeks.

Youth incidents as a % of  
total ASB Apr-Jun 2023  
(Lower is better)

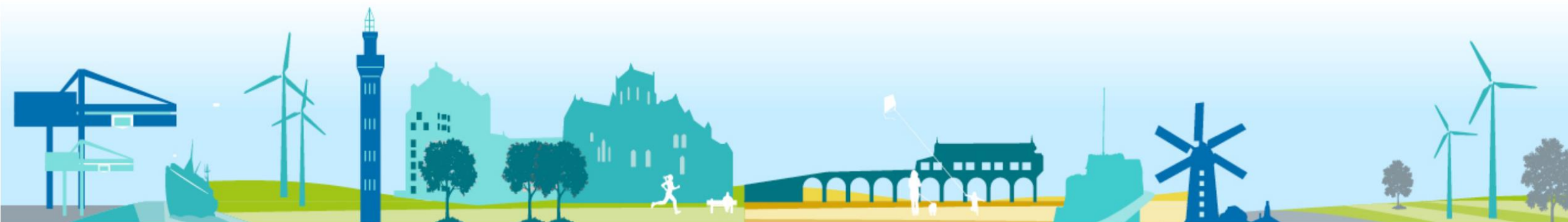
**46.50%**

Number of domestic abuse  
incidents during Q1  
2023/24 (Lower is better)

**1381**

Cases in the Operation  
Vulnerability/Multi Agency Child  
Exploitation cohort (Lower is better)

**49**



# Safer & Partnerships

## Delivery of Priorities – Achievements, Challenges & Risks

Performance :

Green

Finance:

Green

Overall:

Green

### Overview of achievements this quarter:

**Domestic Abuse Commissioning** - Following the introduction of the DA Act 21 and associated duties and completion of a Domestic Abuse Needs Assessment, NELC along with key partners have come together to develop and commission our first ever Domestic Abuse offer for NEL. Specifications for 4 separate lots have been completed, including: the provision of specialist support in refuge accommodation, general support (including specialist support in safe accommodation, provision of community/outreach support, delivery of a single point of contact and coordination of a Sanctuary Scheme), specific support for children and the delivery of coordination activities MARAC process in NEL. Tenders were published on 04/10/23, with a deadline for submissions of noon 20/11/23. Contracts will be awarded on 01/02/24 and following a two-month mobilisation period, new service provision will go live from 01/04/24.

**Adolescent Risk** -37 children identified as being at risk of Child Exploitation have closed, of those 91% had reductions in risk. The number of cases within the OVM/Child Exploitation cohort has reduced from 49 to 43. This is the lowest number for some time and reflects the positive and proactive work being done to identify children earlier ensuring a robust response. Successful partnership disruption has taken place on several adults/ hotspots. This has included 4 arrests, 3 Child Abduction Warning Notices served and 3 disruption visits. 1 child had a conclusive grounds decision regarding Modern Slavery and is receiving support. 165 contacts were recorded via the Integrated Front Door around child missing, of those 64% resulted in information advice and guidance, 28% referral to another agency, 4% Early Help and 4% supported via Social Care evidencing a robust tri-age process is in place. Overall missing reports were down by 4.9% and first time missing down by 7% on previous quarter.

**Anti-Social Behaviour** – work to tackle and reduce youth related anti-social behaviour continues via the Council's Young & Safe offer who are deployed 6 nights per week across the borough into areas of concern engaging with Young People. Work continues to build the Youth Engagement Alliance which brings together all voluntary sector organisations working with young people. This has enabled a significant amount of investment to be brought into the borough which will see capital improvements to a number of facilities providing new opportunities for our young people.

The service has worked successfully with Humberside Police with a range of high profile ASB incidents.

# Safer & Partnerships (2)

## Delivery of Priorities – Achievements, Challenges & Risks

### Key challenges:

**Domestic Abuse Commissioning** – Having access to the required resources to progress commissioning at the desired pace has been a challenge for the project. This has meant the project group has been adaptable and flexible in its approach to progressing this work. All funding for delivery is grant funding. This does restrict what activities can be delivered, for example funding cannot be used for a Perpetrator Programme and with no core funding accessible this an essential element of work that cannot be delivered in NEL.

**Domestic Abuse Statistics** - In Q2 23/24 there were 685 referrals to CASS of which 231 (33.72%) were referred for a primary or secondary reason of domestic abuse. There were 3,544 contacts made to the front door, of which 1,157 (32.65%) were received with the primary reason of domestic abuse. There were a total of 275 cases heard at MARAC, of which 134 (48.7%) were repeat cases – this is the first time since the same quarter the previous year repeat rates are below 50%. In addition, 309 children were identified as being in the household of a MARAC victim. There were 243 young people, and 99 families open to 1-1 support from Early Help. There was one DART group, supporting 4 children/young people and 4 adults (parents). Q2 23/24 data on numbers of domestic abuse incidents reported to Humberside Police is currently unavailable.

**Adolescent Risk** - 338 incidences in relation to missing/exploitation were assessed via vulnerability screening during the quarter. 191 relating to children missing reports and 147 due to exploitation concerns. 119 cases were discussed at the Operational Vulnerability meeting (OVM) and Multi Agency Child Exploitation meeting (MACE). This enables new cases to be presented and known cases to be reviewed ensuring that successful outcomes can be achieved enabling 91% of cases to be closed due to effective partnership working resulting in reduced risk to children.

**Anti-Social Behaviour** – The percentage of young people involved in ASB as percentage of overall ASB has increased slightly from 44% to 46.5%. This is highlighted by more young people gathering and committing ASB in our parks and open spaces as part of seasonal trends. Work is ongoing to ensure youth related ASB does not accelerate into actual crime, such as criminal damage, public order and acts of violence against the person through active targeting and engagement. Data continues to be analysed so that issues can be proactively dealt with. Work to tackle ASB continues to be developed through partnership area-based tasking meetings to jointly problem solve and provide a response that is child focused and non-punitive.

### Risks to non-delivery:

**Domestic Abuse** - Lack of identified sustainable funding to commission a non-convicted perpetrator programme. Ongoing challenges around adequate levels of resource across the partnership.

**Adolescent Risk** - There are no current identified risks.

**Anti-Social Behaviour** – There are no current identified risks

# 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.**

35.2% Of Total Revenue Service Budgets

£0.4M Forecast Revenue Overspend

0.6% Variance as % Of Total Budget Envelope

REVENUE	Budget £'M	Forecast £'M	Variance £'M
Adult Services	59.0	59.4	0.4
	<b>59.0</b>	<b>59.4</b>	<b>0.4</b>

VARIANCE ANALYSIS	£M
Pressures	1.2
Opportunities	(0.8)
Income Shortfall	0.0
	<b>0.4</b>

Service Comments:-

Adults ICB - Forecast based on current known activity ( 51 more clients than budgeted for, excluding short stay activity), risks have been identified relating to ongoing increase in activity, assumed income growth, transitions and costs to support individuals. Savings plans assumptions have been revised and will continue to be subject to in-year monitoring.

Provider sustainability pressures are being received, indicating provider pressures at current fee rates. Pressures within short stay have been identified which also creates risk of cases translating to LTP. A potential additional risk to short stay forecast if current activity continues.

The forecast assumes full spend of BCF Discharge funding and drawdown from reserves relating to savings schemes relating to transfer of funding.

Additional MSIF funding has been confirmed within 23/24. Plans are being considered to support service delivery within NEL. We have been notified of Indicative grant allocations relating to a new grant to support Urgent and emergency care, £366k. We are awaiting the outcome of our application for this grant.

High risk to forecast outturn relating to increase in activity during the remainder of the financial year - additional current estimated risk £250k to £500k.

Proportion of people in Receipt of Long Term Support who have Support at Home as at August 2023

**69.5%**

Proportion of people who have increased support following a Review in the last 12 months as at March 2023

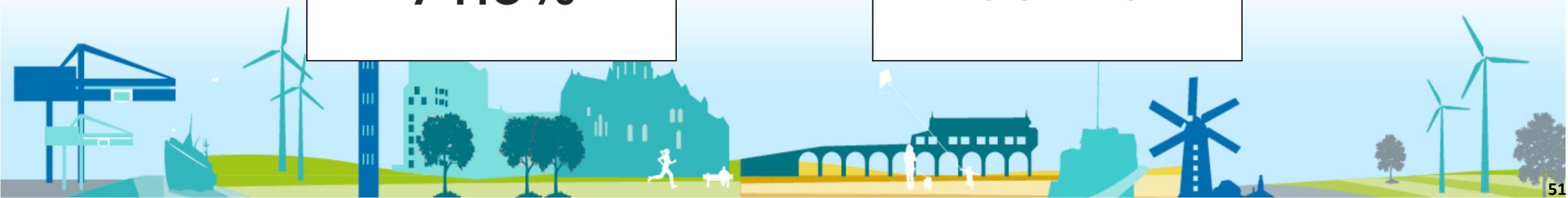
**10.4%**

The proportion of people accessing the SPA signposted to low level advice and information as at August 2023

**71.8%**

The proportion of people who have received a full assessment who then go on to receive a package of care as at August 2023

**60.4%**



# Adult Services

## Delivery of Priorities – Achievements, Challenges & Risks

Performance :

Amber

Finance :

Amber

Overall:

Amber

### Overview of achievements this quarter:

Discharge performance continues to be good and continues to be recognised by national leads in National Health Service England (NHSE).  
Mental Health Strategy launched as part of the HCP  
Reablement and rehabilitation review programme continues to progress  
CQC preparation has started  
Agreement with the ICB on the timescales for the implementation of the new S75  
Implementation of

### Key challenges:

Risks have been identified relating to ongoing increase in activity, the current forecast is based on current known activity ( 51 more clients than budgeted for, excluding short stay activity), assumed income growth, transitions and costs to support individuals. Savings plans assumptions have been revised and will continue to be subject to in-year monitoring.  
Provider sustainability pressures are being received, indicating provider pressures at current fee rates. Pressures within short stay care packages have been identified which also creates risk of cases translating to Long term care packages. There is a potential additional risk to short stay financial forecast if current activity continues. High risk to forecast outturn relating to increase in activity during the remainder of the financial year.

### Risks to non-delivery:

Risk to the forecast outturn relating to increase in activity during the remainder of the financial year. Current activity and cost base indicates an underlying FYE cost pressure of £1.67m as we move into 24/25. ( excluding 24/25 demand pressure and fee uplift).





# Public Health

## Vision

**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 health and protects people from avoidable harm.**

Number of children showing a good level of development at age five (Higher is better)

**64.30%**

Under 75 all-cause mortality rates from all causes (Lower is better)

**406.20**

directly standardised rate per 100,000 population

Proportion of children aged 4-5 years classified as overweight or obese (Lower is better)

**27.60%**

Proportion of children aged 10-11 years classified as overweight or obese (Lower is better)

**42.60%**

Infant mortality - deaths of infants aged under one year (Lower is better)

**6.00**

Rate per 1,000 live births

Perinatal mortality – stillbirths and early neonatal (<7 days) deaths (Lower is better)

**8.60**

Rate per 1,000 live births and still births

Smoking prevalence rate (Lower is better)

**21.80%**

Smoking in pregnancy rate (Lower is better)

**20.30%**

Total persons successfully quit during 2022-23 (Higher is better)

**388**

% of children having a timely 2.5 year developmental check by the Health Visiting Service (Higher is better)

**96.20%**

Outcomes associated with the implementation of the 10 year drug plan

Admissions to hospital with a diagnosis of an alcohol-specific condition (Lower is better)

**684**

Age standardised rates per 100,000 population

0.8% Of Total Revenue Service Budgets

£Nil Forecast Revenue Overspend

0% Variance as % Of Total Budget Envelope

REVENUE	Budget	£'M	Forecast £'M	Variance £'M
Public Health		1.3	1.3	(0.0)
		<b>1.3</b>	<b>1.3</b>	<b>(0.0)</b>

VARIANCE ANALYSIS	£M
Pressures	0.0
Opportunities	0.0
Income Shortfall	0.0
	<b>0.0</b>

**Service Comments:-**

**PH -Core** Public Health is not in receipt of any core council funding and meets the costs of salary inflation and any increases in mandatory and demand led services through the public health grant. There is a predicted underspend in the core Public Health budget for 2023-24, which has arisen solely due to vacancies for a number of key posts, including the Director of Public Health, Director of Public Health PA, Public Health Lead, Public Health Development Manager, a data analyst role and a business support role. Once these posts have been filled, we will be working towards a balanced budget. However, pressures are anticipated in future years due to the uplift in the public health grant not being sufficient to meet the pay award deals for either Agenda for Change or NJC. As the uplift in Public Health Grant for 2024-25 is predicted to be less than 2%, these pressures are expected to exacerbate significantly in the coming years if we are to maintain the current Public Health grant allocation arrangements. The budgets for both sexual health and substance use are expected to spend to budget for the current financial year. Both mandated contracts are however due to be re-commissioned and there is a risk around the viability of future contracts within the current budget envelopes although this is being managed. Adults Wellbeing has recently transferred under PH , no variances are forecasted at present -this is not PH funded.

**Public Health Nursing Service and the Wellbeing Service** - Public Health is not in receipt of any core council funding and meets the costs of salary inflation and any increases in mandatory and demand led services through the public health grant. The Public Health Nursing service is anticipating an underspend of £240k for 2023/24 due to the service carrying a significant number of vacancies, due to difficulties in recruitment to this area. This issue is reflected nationally in recruitment into Public Health Nursing Services. The Wellbeing Service is anticipating an underspend of £27k, however this includes carrying vacancies for critical posts including a wellbeing worker and a public health officer post which focusses on smoking cessation and the wider tobacco agenda, both of which are key priorities for public health.

# Public Health

## Delivery of Priorities – Achievements, Challenges & Risks

Performance:

Green

Finance:

Green

Overall:

Green

### Overview of achievements this quarter:

A new joint Director of Public Health for the whole of Northern Lincolnshire has been appointed and will start during quarter 3.

The strategic frameworks for mental health, Suicide prevention, healthy weight and tobacco continue to be implemented via their corresponding strategic boards. Under the healthy weight strategic priorities, we have commenced with a 'Holistic Health Weight Health Lives-maternity' pilot programme-aimed at supporting pregnant women who are not a healthy weight to maintain their health throughout/post pregnancy. This has been funded via the HCP for 2 years.

The agreed projects funded through the initial non-recurrent £300k ICB health inequalities grant are progressing. These focus on the communities in NEL facing the greatest health inequalities and include a targeted offer of the NHS Health Check Programme and tobacco control, a maternal wellbeing programme (focusing on reducing prematurity rates in NEL), a programme to support families in terms of achieving a healthy weight and grants for the VCSE sector for specific community-based projects. During quarter 2 we have appointed to the positions for the targeted tobacco and the maternal wellbeing programme and pathways for referrals have now been put into place. A social prescribing project aimed at young people has been approved through this grant. A further recurrent 293k per annum in inequalities funding has now been secured from the ICB and a voluntary sector led workshop will be held to identify key priorities for this funding in Q3. The Population Health Management Executive Group will develop the over-arching plan to tackle health inequalities across our region.

The Starting Well Programme has been reviewed to ensure priorities are based on population need, and we have the right evidence-based strategies (e.g. Infant Feeding; Parent Infant Relationships) to drive improvements within existing resources. Strong linkages have also been made to Start for Life and Family Hubs Programme to ensure it connects to that wider strategic landscape and we maximise all available resource to meet needs.

## Public Health (2)

# Delivery of Priorities – Achievements, Challenges & Risks

### Overview of achievements this quarter (cont):

The Starting Well programme now sits within the governance architecture of NEL's CYP Strategic Group. Our Public Health offer to schools continues, with a more recent focus on a settings-based approach to tobacco control. This includes new national guidance for schools on vaping, follow up to the delivery of the smoking prevention programme and promotion of smokefree schools. Our Public Health Nursing Service underwent a Care Quality Commission (CQC) inspection and received a rating of "Good". Inspectors noted many positives about the services including staff's "compassion and kindness" and the "good care" towards children, young people and families.

For mental health, the strategic frameworks for mental wellbeing & suicide prevention continues to be implemented. We are working with our system partners-with a place based Mental Health Strategy for NEL now developed and workstreams being planned. We have a men's health scheme/action plan being developed, areas of risk prevention to include railways-led by our partners at Network Rail, a long-term conditions and pain group has also been established for the Humber and North Yorkshire region and a subsequent work programme for this is now in place.

The Healthy Weight Strategic Framework continues to be implemented. An infant feeding plan has also been developed and the mapping of local healthy lifestyle related activities has been undertaken. Uptake of the tier 2 weight management programme increased during quarter 2 and a new communications plan has been devised to increase uptake even further including encouraging referrals and engagement from GPs and other connected services, including social media.

With regard to tobacco, the smoking cessation offer continues to be delivered across a variety of settings including GP practices and community-based organisations such as Freeman St market. Wider partnerships have developed with the fire service to link to smoke-free homes. Smokefree parks are continuing with signage produced throughout NEL. The pilot of direct supply of NRT continues , with some evaluation currently ongoing to look at future direction.

## Public Health (3)

# Delivery of Priorities – Achievements, Challenges & Risks

### Overview of achievements this quarter (cont):

We are working with NLAG towards attainment of the NHS plan priorities around tobacco control, with tobacco control advisors now offering direct support to those in secondary care and for pregnant women. We have commenced with Lung Health Checks in NEL, with TDA's providing direct support to those accessing this screening service. We are working with housing around a vape scheme for those in social housing. We are part of the region workstream to create/take forward 'A Centre of Excellence' approach for our region. For sexual health, the needs assessment which will inform the re-commissioning of the contract has been completed and the invitation to tender has been published. The re-commissioning of the sexual health contracts with the pharmacies and GPs have also commenced.

For substance use, initial discussions have begun for the re-commissioning of the new contract. The dual diagnosis working group have agreed a way forward in respect of a proposal for an integrated team to work with those with substance use and mental health issues. Implementation of the 10 year drug strategy is progressing as is the work of the Northern Lincolnshire Combatting Drugs Partnership. Support from OHID and JCDU continues to be provided to move things forward.

### Key challenges:

Outcome indicators for health inequalities, mental health and wellbeing, suspected suicides, alcohol use, complex drug use, weight gain and smoking rates all continue to be challenging. We still also have significant concerns around a downturn in immunisation rates which could make us more vulnerable to communicable disease outbreaks in the coming years. Smoking in pregnancy rates continue to adversely impact on infant and perinatal mortality rates. Premature births are the leading cause of infant mortality and NEL prematurity rates are the highest in the country. School readiness of children in NEL remains slightly lower than the England average. There are a range of inequalities, particularly amongst boys from more deprived backgrounds and those with special education needs and disabilities. Development in the communication development goal in particular is not optimal.

In terms of finance, the pay awards present public health's biggest financial risk moving forward.

### Risks to non-delivery:

None to report this quarter.



## Corporate Budget Performance

The main corporate budgets are in relation to the borrowing costs that the Council incurs to fund its capital investment programme, with the aim to manage within prudential borrowing limits and in accordance with the Council's Treasury Management Strategy.

# Funding - Summary

(£1.5M)

Forecast Revenue  
Underspend

<b>FUNDING</b>	Budget £'M	Forecast £'M	Variance £'M
Council tax	(82.3)	(82.3)	0.0
Business Rates	(48.6)	(50.1)	(1.5)
Revenue Support Grant	(10.7)	(10.7)	0.0
Other Corporate Funding	(25.8)	(25.8)	0.0
<b>Total</b>	<b>(167.4)</b>	<b>(168.9)</b>	<b>(1.5)</b>

## Comments:

There is also an additional £1.190m from a s31 top up adjustment beyond that budgeted and a further surplus of £0.525m which will be assumed to be utilised towards the additional unbudgeted cost of the pay award. This is reduced by an anticipated adjustment of £0.194m to cover an Enterprise Zone adjustment relating to a prior year.



**4.0%** Of Total Revenue Service Budgets

**£1.1M**

Forecast Revenue Overspend

**16.4%** Variance as % Of Total Budget Envelope

REVENUE	Budget £'M	Forecast £'M	Variance £'M
Other Corporate Budgets	6.7	7.8	1.1
	<b>6.7</b>	<b>7.8</b>	<b>1.1</b>

VARIANCE ANALYSIS	£M
Pressures	1.5
Opportunities	(0.4)
Income Shortfall	0.0
	<b>1.1</b>

**Service Comments:-**

Increased interest rates has increased borrowing costs, though this has been more than offset by increased income return from cash investments. The pay award and pension pressure exceed the available contingency. This will be ultimately be managed through contributions from reserves.

# Reserves

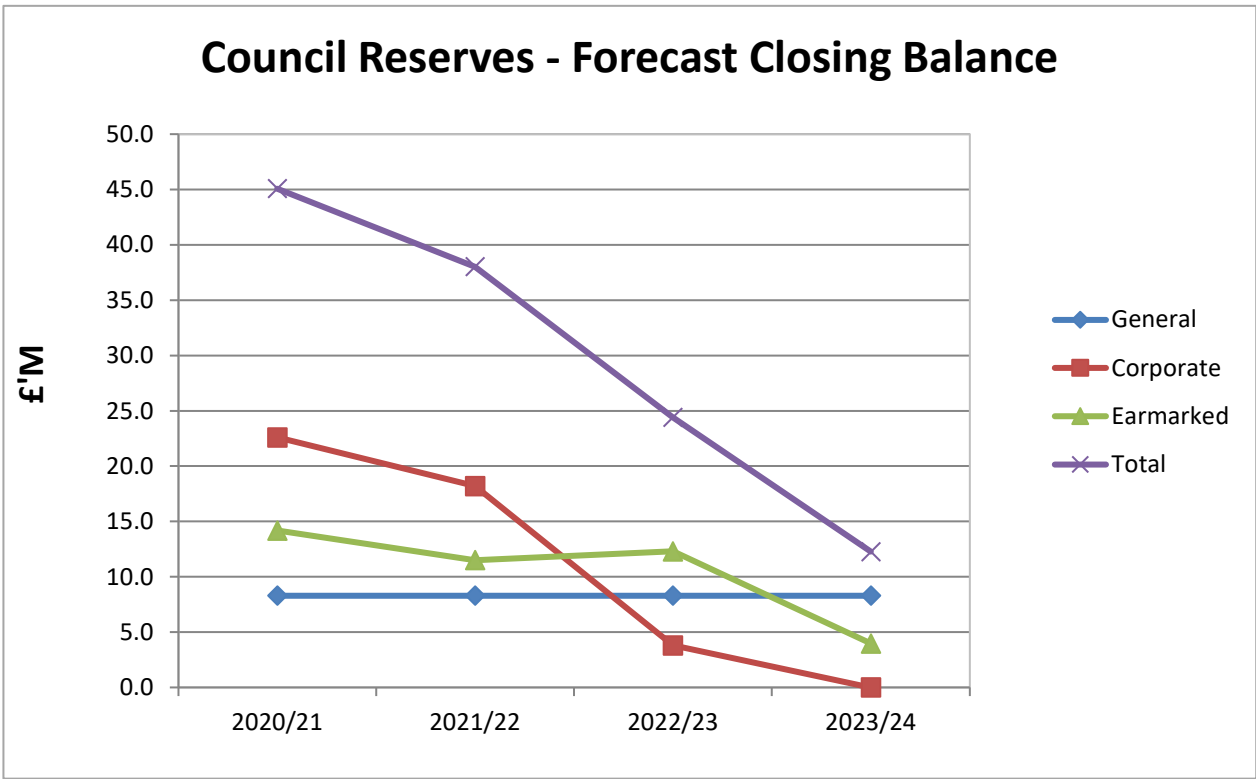
£8.3M General Fund

5.0%

General Fund as %  
Of Net Budget

£12.3M

Forecast 23/24 Total  
Reserve Balance



## Comments

Reserves balances are anticipated to fall further by the end of this financial year as a result of both planned usage and from a requirement to help further support revenue overspends. The adequacy of reserves will be reviewed as part of the forthcoming budget planning process.

# Working Capital Management

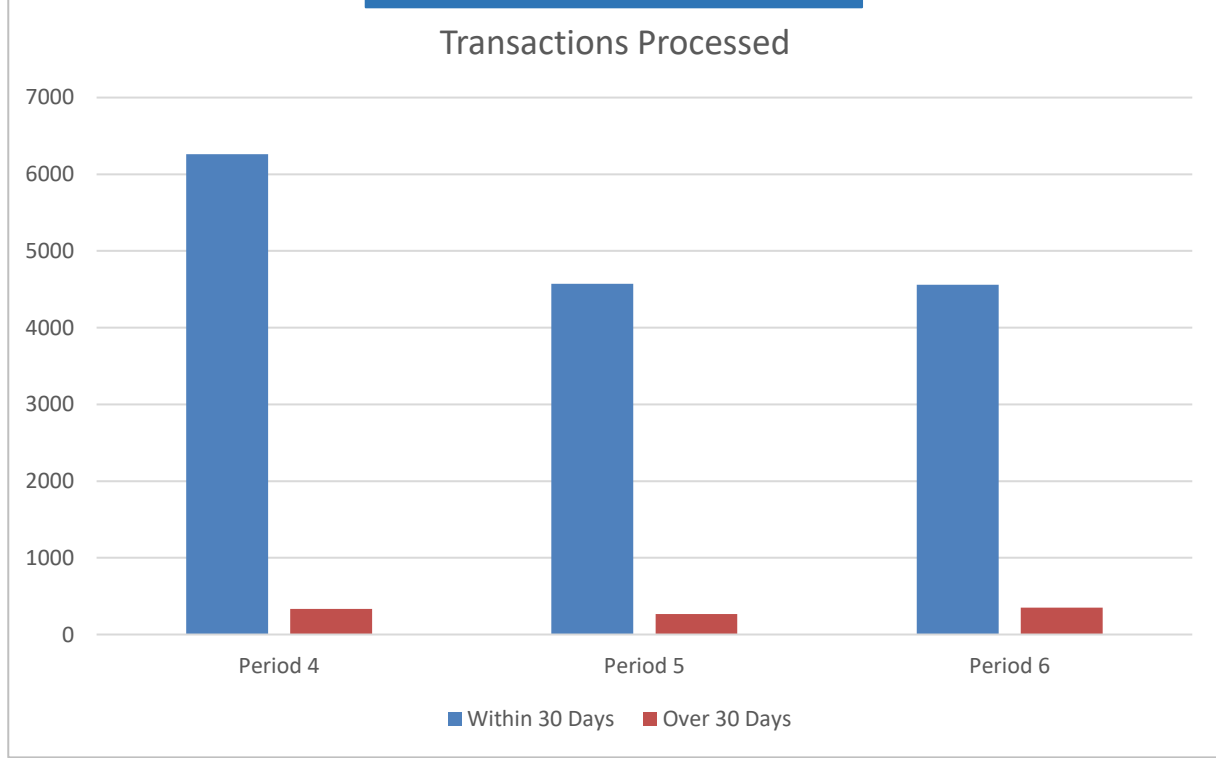
94.0%

Creditor Invoices Paid within 30 days during Qtr. 1

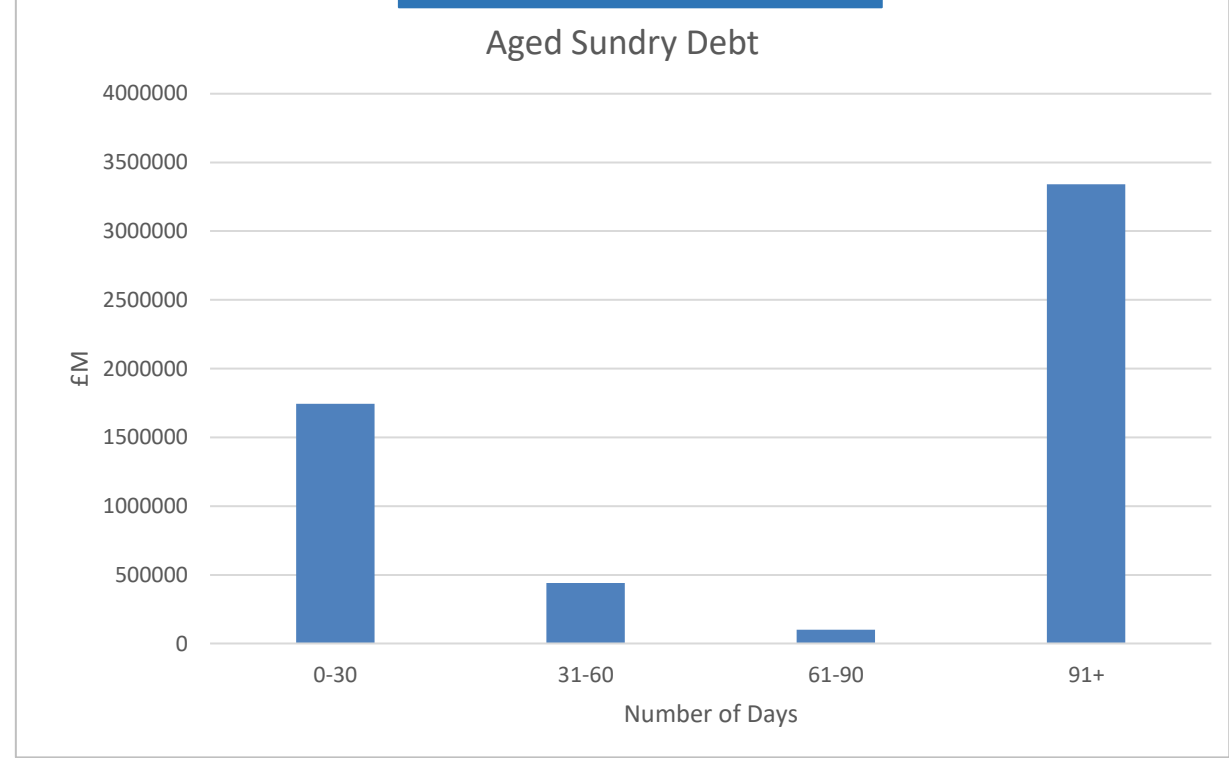
£3.3M

Value of debt over 90 days at Qtr. 1

## Invoices Paid During Qtr.



## Outstanding Debt at Qtr.



The debt for 91+ days also includes invoices where debt is being collected on agreed payment plans. Debt management arrangements are in place and underway and outstanding debt continues to be monitored.

# Treasury Indicators & Cashflow 2023-24

£22.7M

Investments as at 30 Sep 23

£165.3M

Borrowing as at 30 Sep 23

5.25%

Average return on investments

3.71%

Average cost of borrowing

**A full report on Treasury Activity is provided separately to Council for the period to 30 September.**

The chart opposite shows the projection for various limits, determined to ensure that all borrowing is affordable and linked to the Capital Programme over time.

The Capital Financing Requirement is the underlying need to borrow for capital plans. The Authorised and Operational Boundaries are limits of borrowing that are deemed affordable, they are not targets.

Our cash position, ranged between £22m and £46m during the period.

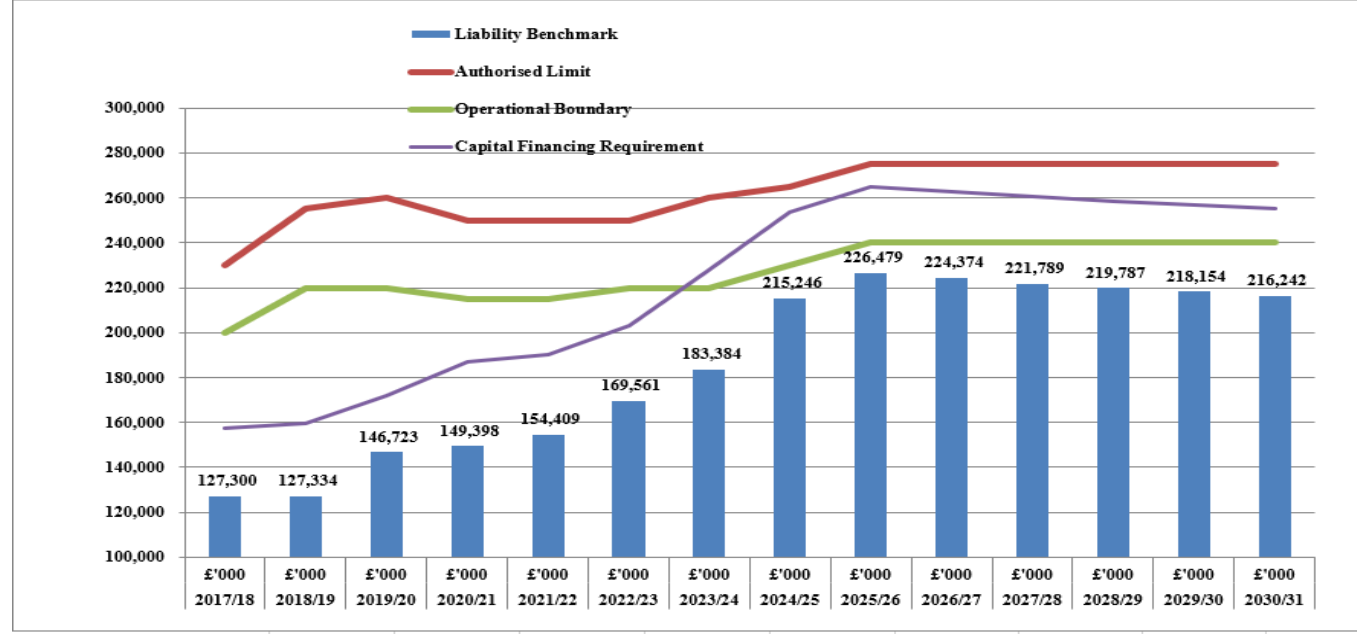
Rising rates have benefited short-term income but have created significantly more interest rate risk on our future borrowing requirement. Against this background we continue to use shorter term borrowing (as far as possible) to see us through the peak of the current cycle.

Current borrowing and investments are consistent with the Treasury Management Strategy.

Bank rates have continued to rise but were expected to be at/close to a peak at 5.25% at period end, after the Bank of England paused in September following 14 consecutive hikes. £10m of 6 month – 1 year borrowing was drawn down during the quarter at an average rate of 5.1%, £20.1m of maturing loans were repaid.

We update Members on all our Prudential Indicators each quarter. The Chart below covers the Key Indicators. The columns show our expected year end borrowing levels assuming full, on-time, delivery of the agreed capital programme.

## Key Treasury Indicators



# Treasury Outlook

Rising interest rates have created a pressure in future years based on the current Programme. Some of this pressure can be alleviated by reserves held specifically to smooth out the impact of rate movements and there is expected to be some slippage in the programme which could delay the borrowing impact.

The table shows current interest rate projections against budgets. These projections move in relation to both additions/slippage in the approved Capital Programme and changes in interest rate forecasts.

However, it is clear that debt budgets are now much more challenging than in the recent past.

As borrowing arrangements typically form very long-term commitments the ability, once drawn, to generate revenue savings from this portion of our spend is very limited. This is an important consideration in all borrowing decisions.

The impact of higher rates on future budgets is shown below. These forecasts are a function of both capital spend funded by borrowing and the market forecast path for interest rates.

At period end even though rates were considered at or near their peak there was a prevailing view that levels would remain high for some time.

Net Interest Cost	2023/24	2024/25	2025/26
Forecast outturn	£5.516m	£8.050m	£9.780m
Current Budget	£6.150m	£6.600m	£6.600m
Shortfall (-)	£0.634m	-£1.450m	-£3.180m

**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	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
General Fund	7.20%	7.14%	9.04%	10.32%

# Prudential Indicators (The Liability Benchmark)

Although net indebtedness is forecast to increase over the next 3 years. Total debt is expected to remain well below the CFR, the Liability Benchmark and both the Operational and Authorised Borrowing Boundaries during the forecast period.

The table shows a peak change in debt levels of £61m over the forecast period during which we also have £49m of debt maturities. Total new borrowing required will therefore be around £110m (subject to spend being in line with forecast).

Borrowing remains below control levels as a result of continued internal borrowing support for the Capital Programme.

Changes to accounting rules for Operating leases from April 2024 will require additional debt obligations to be reflected in our prudential Indicators and limits have been increased in readiness for this change.

Limit levels do not commit the Authority to any increase in actual borrowing.

**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.

£m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
External Debt				
Debt at 1 April	154.4	169.5	183.4	214.9
Expected change in Debt	15.2	13.9	31.8	11.3
Other long-term liabilities (OLTL)	0.0	0.0	0.0	0.0
Expected change in OLTL	0.0	0.0	0.0	0.0
The Capital Financing Requirement	203.1	222.5	254.3	265.6
Under / (over) borrowing	48.7	39.1	39.1	39.4

**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.

**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

Authorised Limit	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Authorised Limit (Borrowing)	260	265	275	275
Operational Boundary (Borrowing)	220	230	240	240
Max Debt in Period	183	215 (est)	226 (est)	224 (est)

# Prudential Indicators (The Liability Benchmark)

**Key Messages:**

A minimum cash balance of £10m will be maintained to ensure forecast liquidity needs are met.

The gap between the red and black lines in the Liability Benchmark chart shown here depicts the additional borrowing need the Authority currently projects – a peak requirement of £110m new loans by the end of 2025-26 – including replacement of maturing debt.

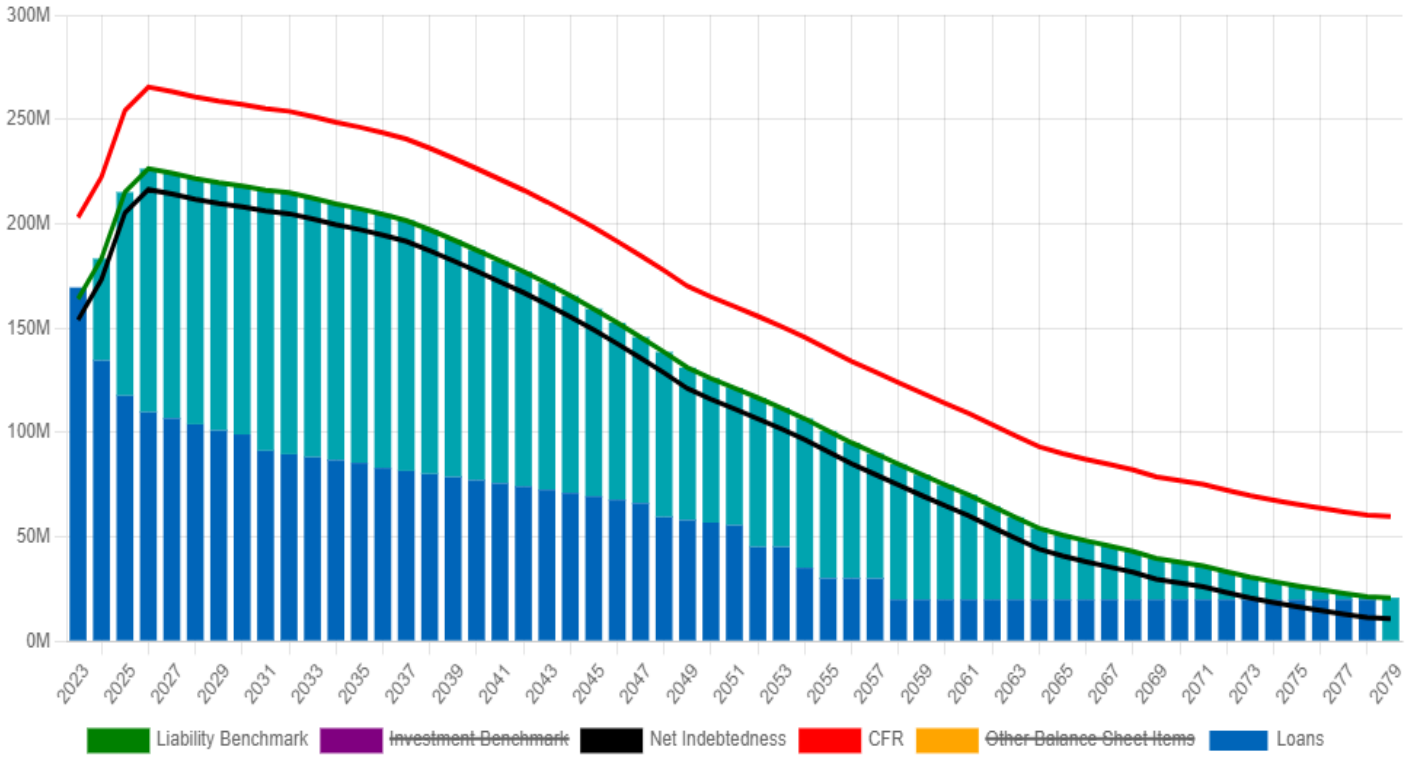
Before new long-term borrowing is entered into the Authority will have regard to the Liability Benchmark and its underlying assumptions will be assessed for their continuing prudence, with revisions made where necessary.

The **Liability Benchmark** tool is now a formal Prudential Indicator.

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£8m 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)



# Treasury Management Indicators

## Key Messages:

A series of targets (both voluntary and centrally required) are used for performance measurement.

These targets can be more restrictive than levels set elsewhere in the Treasury strategy but by being more restrictive, can provide a potential 'early warning' of any potential issues.

Given the rises in rates seen over the last 2 years we anticipate continuing to utilise short-term (<1 year) borrowing wherever possible to meet our need up to and beyond the peak in the rate cycle until longer-term rates begin to factor in a looser rate environment. Close monitoring with the support of our Advisors will be maintained.

The Authority measures and manages its exposures to treasury management risks using the following indicators.

**Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target	Actual
<b>Portfolio average Credit Rating</b>	A	AA+

**Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling one month period, without additional borrowing.

	Target	Actual
<b>Total cash available within 1 week.</b>	£10m	£13m

**Upper limits on variable interest rate exposure.** This identifies a maximum limit for variable interest rates based upon the debt position net of investments. All borrowing due to mature within 12 months is classed as variable as renewal will be subject to any short term movement in rates.

	2023/24	Actual	2024/25	2025/26
<b>Upper limit on variable interest rate exposure</b>	£90m	£58m	£90m	£90m

Given the rise in rates seen since 2022 we anticipate continuing to utilise short-term borrowing wherever possible to meet our need up to and beyond the peak in the rate cycle until longer-term rates begin to factor in a looser rate environment. Close monitoring with the support of our Advisors will be maintained.



# Capital Programme

Quarter 2

# Capital Programme

SCHEME	2023/24 Revised Capital Programme	2024/25 Revised Capital Programme	2025/26 Revised Capital Programme
	£000	£000	£000
<b>ECONOMY AND GROWTH</b>			
<b>Regeneration</b>			
Clee HLF Townscape Heritage	526	982	0
SHIIP Scheme	1,332	2,996	0
Playing Pitch Reprovision	4,641	100	0
Cleethorpes Public Art	65	0	0
Heritage Action Zone	450	0	0
Town Deal Investment	30	4,583	0
Central Clee Regeneration	0	0	0
CDF - Open for Culture	0	0	0
Towns Fund - Central Library	250	3,685	0
UK Shared Prosperity Fund	256	672	0
Leisure Capital Grant	80	0	0
Freshney Place Leisure Development	5,500	17,565	5,547
Cleethorpes Masterplan - Market Place LUF Scheme	500	4,143	0
Towns Fund - St James House	1,079	0	0
Towns Fund - Garth Lane	265	1,199	0
Towns Fund - Activation Fund	223	72	0
Towns Fund - Riverhead Square	2,785	0	0
Towns Fund - Public Realm Connectivity	150	2,942	0
Cleethorpes Masterplan - Sea Road LUF Scheme	2,000	6,935	0
Cleethorpes Masterplan - Pier Gardens LUF Scheme	850	7,725	0
Tennis Court Refurbishment	276	0	0
Play Zone	20	189	0

# Capital Programme

SCHEME	2023/24 Revised Capital Programme	2024/25 Revised Capital Programme	2025/26 Revised Capital Programme
	£000	£000	£000
<b>Housing, Highways and Transport</b>			
Disabled Facilities Grants	5,474	3,500	3,500
Local Transport Plan Schemes	5,923	4,864	4,288
Housing Assistance Grants and Loans	305	284	0
Immingham Lock Flood Def Gates	62	0	0
A18 Laceby to Ludborough	67	0	0
Corporation Rd Bridge Refurb	4,054	0	0
Rough Sleeper Accom Grant	74	0	0
Green Homes Grant LAD Phase 2	0	0	0
Gy and Imm Flood Innov Funding	1,550	1,563	0
Sustainable Warmth - new scheme	556	0	0
Flood Defences - Humberston Fitties	118	0	0
A180 Structures	750	10,495	0
Abbey Walk Car Park Security Measures	23	0	0
Weelsby Avenue Depot Works	41	0	0
Grimsby Surface Water Flood Alleviation	85	0	0
Bus Service Improvement Plan	342	0	0
<b>RESOURCES</b>			
<b>Law and Governance</b>			
Audio Visual System for Grimsby Town Hall	72	0	0
<b>Deputy S151</b>			
Capital Investment	1,601	7,058	13,203
Capital Rec't Flexibility	5,000	4,000	0

# Capital Programme

SCHEME	2023/24 Revised Capital Programme	2024/25 Revised Capital Programme	2025/26 Revised Capital Programme
	£000	£000	£000
<b>Policy, Strategy and Resources</b>			
Backlog Maintenance	2,839	0	0
Property Rationalisation Programme	65	0	0
Cartergate Office Development	137	0	0
ICT Refresh	652	578	0
Heritage Assets at Risk	1,000	3,068	0
Service Imp Educ	0	0	0
Business Centre Improvement	347	0	0
LMS Implementation	21	0	0
Bradley Replacement 3G Pitch	46	0	0
Sentinel Master Data Mgt	0	0	0
M365 Transformation Programme	164	131	0
CRM Developments	104	77	0
Changing Places Fund	84	0	0
Childrens Services Platform	1,188	1,746	1,626
Motor Caravan Parking Pilot Scheme	17	0	0
Digital Platform	85	199	171
<b>ENVIRONMENT</b>			
Fleet Replacement Programme	2,162	0	0
Household Recycling Scheme	57	0	0
Enhancement of Bereavement Services	507	27	0
Depot Rationalisation	5,704	0	0
Scartho Cemetery Lodge & Waiting Rooms	539	0	0
Environmental Services Mgt System	47	0	0
Regulatory Services Management System	14	0	0
Memorial Testing & Repairs	81	0	0
Play Areas	763	0	0
Cremators - Relining	106	0	0

# Capital Programme

SCHEME	2023/24 Revised Capital Programme	2024/25 Revised Capital Programme	2025/26 Revised Capital Programme
	£000	£000	£000
<b>CHILDRENS SERVICES</b>			
<b>Safer and Partnerships</b>			
CCTV Review & Upgrade	73	0	0
Safer Streets 4	156	0	0
<b>Education and Inclusion</b>			
Schools - Devolved Formula Cap Grant	256	0	0
Schools - Backlog Maintenance	259	350	350
Schools - Basic Need Sufficiency of Places	5,992	13,370	496
SEND Special Prov Fund	2,588	2,000	1,066
<b>TOTAL CAPITAL PROGRAMME</b>	<b>73,428</b>	<b>107,098</b>	<b>30,247</b>
<b>Funding</b>			
External Grants	39,901	62,056	9,393
Corporate Borrowing	26,573	40,338	20,854
Capital Receipts	5,000	4,000	0
Revenue Contributions	46	0	0
Other Private inc S106	1,908	704	0
<b>TOTAL FUNDING</b>	<b>73,428</b>	<b>107,098</b>	<b>30,247</b>