



Corporate Policy and  
Resources Committee

Thursday, 13<sup>th</sup> February  
2025

**Subject: Corporate Policy and Resources Committee Draft Budget  
2025/2026 and estimates to 2029/2030.**

Report by:	Director of Corporate Services
Contact Officer:	Sue Leversedge Business Support Team Leader  sue.leversedge@west-lindsey.gov.uk
Purpose / Summary:	The report sets out the draft Revenue Budget 2025/2026 including that of this Committee and those recommended by the Prosperous Communities Committee for the period 2025/2026. It also includes estimates to 2029/2030 to be included in the Medium Term Financial Plan.

**RECOMMENDATION(S):**

- a) That Members accept the Corporate Policy and Resources Committee budget 2025/2026 and **recommend to Council** for inclusion in the overall Council budget 2025/2026.
- b) That Members accept the Prosperous Communities Committee Budget 2025/2026 and **recommend to Council** for inclusion in the overall Council budget for 2025/2026.
- c) That Members approve any minor changes be delegated to the Chief Finance Officer in consultation with the Chairperson of the Corporate Policy and Resources Committee.
- d) That Members **recommend to Council** the 2026/2027 to 2029/2030 estimates for both this Committee and those of Prosperous Communities Committee for inclusion in the Medium Term Financial Plan 2025/2026 to 2029/2030 (as amended by any decisions taken on this agenda).

## IMPLICATIONS

### Legal:

The Council has a responsibility to set a balanced and legitimate budget and Council Tax requirement in compliance with statutory deadlines.

Local Authorities (Standing Orders) (England) (Amendment) Regs 2014 (SI 165) requires that once the budget is approved the minutes of the proceedings must record the names of the persons who cast a vote for the decision, against the decision or abstained.

### Financial : FIN/123/25/CPR/SL

The 2025/2026 base budget and variance to the 2024/2025 base budget are explained in the body of this report.

After taking a robust approach to the estimations within the budget for this Committee the total cost of services for 2025/2026 will be £7.871m (£7.645m 2024/2025).

This has resulted in base budget increases in expenditure of **£0.546m**, and income increase of **£0.321m**, resulting in a **net base budget increase of £0.225m**.

There are £0.098m of expenditure budgets which are funded from Earmarked Reserves to support one off project resources in 2025/2026 (£0.183m in 2024/2025). This is a decrease of **£0.085m** from 2024/2025 to 2025/2026.

Services within this Committee have also contributed to Earmarked Reserves £0.109m in 2025/2026 for asset replacement programmes (£0.118m in 2024/2025). This is a decrease of **£0.009m** from 2024/2025 to 2025/2026.

Excluding the use of earmarked reserves, there is an increase of **£0.302m** on the base budgets for this committee, further details of which are contained within the report at section 2.

The proposed budgets within this report are included in the overall balanced position for 2025/2026.

### **Staffing:**

The most significant budget movement from 2024/2025 to 2025/2026 for services within this committee is salary budgets which have been affected by several factors:

- 1) Salary budgets for 2024/2025 were based on a 3.5% increase. Whilst the agreed pay award is an average of 3.5% across all scale points, due to the weighting of the proposal there is an ongoing additional cost of **£0.013m** when compared to the budgeted amount.
- 2) The estimated pay award applied for 2025/2026 is 3.0%, an increase of **£0.176m**. 2.5% has been applied each year from 2026/2027.
- 3) Changes to Employers National Insurance contributions announced in the Autumn 2024 budget statement, applicable from 1<sup>st</sup> April 2025, have increased employee costs for this committee by **£0.109m** in 2025/2026. The Office for Budget Responsibility suggests that the Treasury is compensating public sector employers for higher tax costs which will be confirmed in the final settlement due in February 2025. The current estimate is a contribution equal to 55% of the budgeted impact.
- 4) A proposed reduction in the management structure has reduced salary budgets by **£0.113m**.
- 5) Other approved amendments to the establishment have increased salary budgets from 2024/2025 by **£0.063m**.

The proposed Council budget for 2025/2026 also includes a 2% Vacancy Factor of £0.268m, which has been applied to salary budgets for posts which are on our organisational establishment (basic pay, superannuation and national insurance).

### **Equality and Diversity including Human Rights :**

The Equality Act 2010 places a responsibility on Councils to assess their budget options before taking decisions on areas that could result in discrimination.

An Equality Impact Assessment is to be completed on the budget.

**Data Protection Implications :** None arising as a result of this report.

### **Climate Related Risks and Opportunities :**

The Council created an Earmarked Reserve within its overall 2023/2024 budget to support investment in environmental and carbon reduction initiatives and the mitigation of climate change financial risk.

### **Section 17 Crime and Disorder Considerations :**

CCTV service charges are set to encourage take up of the service to increase public safety in the district and reduce anti-social behaviour.

Fixed Penalty Notices are fees set by the Government to enable Local Authorities to act against anti-social behaviour.

**Health Implications:** None arising as a result of this report.

**Title and Location of any Background Papers used in the preparation of this report:**

The Chartered Institute of Public Finance and Accountancy – The Prudential Code for Capital Finance in Local Authorities (2021 Edition)

The Corporate Plan

The Capital Investment Strategy

The Fees and Charges Policy

The Asset Management Plan

The Acquisitions and Disposal Policy

Investment Policy – Land and Buildings

All documents are held within Financial Services at the Guildhall, Marshalls Yard, Gainsborough.

**Risk Assessment :**

The 2025/2026 Budget Risk Assessment will be presented to the Corporate Policy and Resources Committee.

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

*i.e., is the report exempt from being called in due to urgency (in consultation with C&I chairperson)*

**Yes**

**No**

**Key Decision:**

*A matter which affects two or more wards, or has significant financial implications*

**Yes**

**No**

## Introduction

1.1 This report sets out the Corporate Policy and Resources Committee base budget position for 2025/2026 and estimates for 2026/2027 to 2029/2030, incorporating the medium term financial planning principals:

- To focus on achieving outcomes
- To drive a robust and sustainable financial position
- To support growth and service delivery, utilising the Council's resources
- To ensure financial decision making is based on robust, risk assessed business cases that clearly match our ambitions.

1.2 The process for the preparation of this budget has included the following:

- Meetings with Budget Managers to ensure resources align to the delivery of Corporate Priorities and to review budgets, identifying ongoing pressures, income loss, savings or income gains, and horizon scanning for future issues, including political, economic or legislative implications.
- A robust Fees and Charges review, which resulted in an increase in income budgets of £0.049m across both Committees against the 2025/2026 budgets approved as part of the 2024/2025 Medium Term Financial Plan. Full Details of proposed fees and charges were presented to this Committee on the 14<sup>th</sup> of November 2024.
- Regular updates have been provided to the Management Team who have also reviewed, challenged and proposed inclusion of the pressures incorporated into this budget which have not already been approved by the Corporate Policy and Resources Committee. These are in addition to the assumptions included within the budget i.e., pay award levels, inflation on utilities, Business Rates (NNDR) growth etc.
- Regular meetings have been held with the Chairs and Vice Chairs of Committees to ensure they are fully engaged in the process.
- Inclusion of the revenue implications of the DRAFT Capital Programme 2025/2026 – 2029/2030.
- Consultation with Parish and Town Councils, residents and business ratepayers has been undertaken.
- The review of Earmarked Reserves and approved additional resources being funded from these reserves and/or external grant income.

- Consideration of other Strategies i.e., Car Parking Strategy, Housing Strategy etc.

1.3 This Budget Preparation process has achieved a High Assurance rating from our Internal Auditors in September 2018.

1.4 Where additional expenditure and unavoidable costs have been identified, Business Units try to accommodate these extra costs by working more efficiently, generating extra income or reducing base budgets in non-priority areas. These items of additional expenditure and unavoidable costs, together with budget reductions are described below and have been built in to the base budgets.

1.5 **The Corporate Policy and Resources Base Budgets (Appendix 1 and 2)** have been developed from the forecast budgets presented to Council in March 2024.

Service budgets have been aligned to the strategic focus for each of the Clusters outlined within the Corporate Plan 2023/2027, namely Our People, Our Place and Our Council.

To aid comparison capital charges and central support recharges have been omitted to present only revenue related controllable costs.

1.6 **The Corporate Policy and Resources Business Unit Budgets (Appendix 3)** provide a more detailed analysis for each Business Unit.

1.7 **The Corporate Policy and Resources movement from the 2024/2025 base budget to the proposed 2025/2026 base budget** is included at **Appendix 4**.

1.8 **Assumptions/Inflationary Increases**

Inflationary increases / assumptions have been applied to the following budget areas:

	2025/26
Pay Award	3.00%
Vacancy Factor	2.00%
Water & Disposal	6.00%
Fees & Charges	3.50%

Employer's superannuation has been applied in line with that provided by the Actuary (23.5% 2025/2026). National Insurance rates have been applied in line with the rates published by HMRC for 2025/2026.

Where contracts include an inflationary increase this has been reflected in the proposed budgets for 2025/2026.

**KEY:**

Positive impact on MTFP (i.e. increased income, or reduction in pressure)



Negative impact on MTFP (i.e. decrease in income, or increase in pressure)

**2. SIGNIFICANT VARIATIONS**


£0.302M
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When compared to the 2024/2025 base budget, the 2025/2026 base budget shows an increase of **£0.302m**, excluding use of and contribution to Earmarked Reserves. The significant variances to the 2024/2025 base budget are detailed below:

**2.1 Establishment**


£0.248M
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The most significant budget movement from 2024/2025 to 2025/2026 for services within this committee is salary budgets which have been affected by several factors:

- a) Salary budgets for 2024/2025 were based on a 3.5% increase. Whilst the agreed pay award is an average of 3.5% across all scale points, due to the weighting of the proposal there is an ongoing additional cost of **£0.013m** when compared to the budgeted amount.
- b) The estimated pay award applied for 2025/2026 is 3.0%, an increase of **£0.176m**. 2.5% has been applied each year from 2026/2027.
- c) Changes to Employers National Insurance contributions announced in the Autumn 2024 budget statement, applicable from 1<sup>st</sup> April 2025, have increased employee costs for this committee by **£0.109m** in 2025/2026. The Office for Budget Responsibility suggests that the Treasury is compensating public sector employers for higher tax costs which will be confirmed in the final settlement due in February 2025. The current estimate is a contribution equal to 55% of the budgeted impact.
- d) A proposed reduction in the management structure has reduced salary budgets by **£0.113m**.
- e) Other approved amendments to the establishment have increased salary budgets by **£0.063m**.

The proposed Council budget for 2025/2026 also includes a 2% Vacancy Factor of £0.268m, which has been applied to salary budgets for posts which are on our organisational establishment (basic pay, superannuation and national insurance).

**2.2 Systems Development: Software**


£0.054M
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There is a contractual increase in software costs from 2024/2025 to 2025/2025 of **£0.054m** as new modules and developments of the

systems within the Council continue to evolve and develop to maximise efficiency and functionality.

### 2.3 External Audit Fees

↓ £0.023M

2.3.1 **Housing Benefits:** There is a forecast pressure of £0.010m on the external audit costs of Housing Benefit Subsidy, which is in line with national increases in external audit fees.

2.3.2 **Corporate Finance:** Public Sector Audit Appointments (PSAA) are consulting on a 9.5% increase for audit of 2024/2025 accounts, payable in 2025/2026, which equates to a pressure of £0.013m.

### 2.4 Corporate Finance

↑ £0.019M

2.4.1 **Commercial Contingency** - A Commercial Contingency budget was built into the base budget from 2019/2020 onwards, to mitigate several commercial risks, including investment properties and demand led service generated income.

A risk review has been carried out and it is proposed to reduce this contingency to £0.100m from 2025/2026 taking into consideration existing lease arrangements and number of voids – a decrease of £0.072m.

2.4.2 **Budget Pressure Contingency** – A contingency budget was established through the 2024/2025 MTFP for:

- Potential budget pressures which have been identified but values and or/timing of spend is unconfirmed, and
  - Member led growth items
- to be drawn down as required, subject to approval.

On the 18<sup>th</sup> of July 2024 a report was presented to Corporate Policy and Resources Committee to approve the allocation of capital funding to support the Food Waste Collections service due to commence from 2026/2027.

The report contained an estimate of revenue costs to support the delivery of this service. The funding gap quoted in that report, £0.053m in 2025/2026, is being held within the Budget Pressure Contingency budget to mitigate the implications for the MTFP.

### 2.5 Budget Variations and Movements between Committees

↑ £0.004M

Business Unit variations and movements between committees with a value below £0.010m total £0.004m.



### 3. Prosperous Communities Base Budget (Appendix 5 – 8)

The Prosperous Communities Committee considered their draft report at their meeting on the 28<sup>th</sup> of January 2025. The Business Unit Budgets are attached at **Appendix 7**.

#### SIGNIFICANT VARIATIONS:

↓	£0.559M
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When compared to the 2024/2025 base budget, the 2025/2026 proposed budget for services within this committee shows an increase of **£0.559m**, excluding use of and contribution to Earmarked Reserves. The major variances to the 2024/2025 base budget are detailed below:

#### 3.1 Establishment

↓	£0.613M
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The most significant budget movement from 2024/2025 to 2025/2026 for services within this committee is salary budgets which have been affected by several factors:

- a) Salary budgets for 2024/2025 were based on a 3.5% increase. Whilst the agreed pay award is an average of 3.5% across all scale points, due to the weighting of the proposal there is an ongoing additional cost of **£0.016m** when compared to the budgeted amount.
- b) The estimated pay award applied for 2025/2026 is 3.0%, an increase of **£0.225m**. An increase of 2.5% has been applied each year from 2026/2027.
- c) The continuation of the 24 hours CCTV service has been built into the base budget, previously funded from a combination of General Fund Balances and UKSPF grant - **£0.100m**.
- d) Changes to Employers National Insurance contributions announced in the Autumn 2024 budget statement, applicable from 1<sup>st</sup> April 2025, have increased employee costs for this committee by **£0.133m** in 2025/2026. The Office for Budget Responsibility suggests that the Treasury is compensating public sector employers for higher tax costs which will be confirmed in the final settlement due in February 2025. The current estimate is a contribution equal to 55% of the budgeted impact.
- e) Other approved amendments to the establishment **£0.140m**.

#### 3.2 Central Lincolnshire Local Plan

↓	£0.039M
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There has been increase of **£0.039m** in the Central Lincolnshire Local Plan Contribution for 2025/2026 approved by the Central Lincolnshire

Joint Strategic Planning Committee and signed off by all S151 officers and Chief Executives for the Central Lincolnshire Partnership.

This partnership enables the Council to work in partnership with the Central Lincolnshire Local Plan Team to shape the review of the Local Plan, link with West Lindsey's strategic corporate evidence base, and other baseline data gathering.

### 3.3 Wellbeing Contract

↓ £0.019M

The Wellbeing contract has been in place since 1 April 2018, with a new contract effective from 13<sup>th</sup> of January 2025, for 5 years.

The contract is a gain for the Medium Term Financial Plan of £0.077m for 2025/2026 as the Council had not budgeted for the service beyond 2024/2025 but is a decrease in income from 2024/2025 of **£0.019m**.

### 3.4 Local Land Charges – Search Fees

↓ £0.019M

As part of the new Infrastructure Act, the responsibility of administrating LLC1 searches has migrated to HM Land Registry. West Lindsey District Council have retained liability and responsibility for information provided from the register. The migration was implemented during 2023/2024.

In previous years' Local Land Charges provided two types of searches. One search fee has a portion that is paid over to Lincolnshire County Council (LCC). Following the migration of one type of search, the Local Land Charge (LLC) search, to HM Land Registry (HMLR), we are left with only the searches containing a portion of fee to be paid over to LCC.

During the migration year a one-off New Burdens grant was received. The impact was monitored over the year following migration to establish the impact, which is an increase in base expenditure budget of **£0.019m**.

### 3.5 Inflation

↓ £0.015M

The inflationary increases applied, see paragraph 1.10 for assumptions in addition to contractual inflationary increases, have resulted in an increase in base budgets for 2025/2026 of **£0.015m**.

### 3.6 Employment and Skills Partnership

↓ £0.010M

A base budget of **£0.010m** has been established to continue to deliver the Employment and Skills Partnership delivery plan and will enable the team to expand their work into more schools and job fairs.

### 3.7 Fees and Charges

↑	0.146M
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The Corporate Policy and Resources Committee meeting held on the 14<sup>th</sup> of November 2024 considered the Fees and Charges recommended by this Committee and recommended them to Council for approval. The review resulted in an increase in income budgets of £0.049m for services within this Committee against the previous estimate for 2025/2026. This is an increase of £0.146m against the 2024/2025 base budget.

### 3.8 Budget Variations and Movements between Committees

↑	0.009M
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Business Unit variations and movements between committees with a value below £0.010m total £0.009m.

## 4. Combined Committee Base Budget (Appendix 9)

- 4.1 Other significant variances within individual Business Units are the result of budget movements within the Committee, and do not impact on the budget movement for the Committee overall.
- 4.2 The movement from the 2024/2025 base budget to the proposed 2025/2026 base budget for both Corporate Policy and Resources Committee and Prosperous Communities Committee is included at **Appendix 9**.

## 5. Budget Consultation

To undertake the Budget Consultation, we used multiple routes to consult with our stakeholders.

The consultation was undertaken using an online survey, a paper survey, through stalls within the Markets at Market towns and face to face events within the district.

The objectives of the engagement were to:

- Raise awareness of the financial challenges.
- Raise awareness of the diversity of services the Council provides.
- Identify what areas of the Corporate Plan and the Business Plan should be prioritised.
- Provide some feedback following the recent Council motion to consider supporting residents in this time of increased inflation.

The Budget Consultation Report Summary 2024 is provided at **Appendix 10** for information.

## 6. Recommendations

- 6.1 That Members accept the Corporate Policy and Resources Committee budget 2025/2026 and **recommend to Council** for inclusion in the overall Council budget 2025/2026 with any minor changes delegated to the Chief Financial Officer.
- 6.2 That Members accept the Prosperous Communities Committee Budget 2025/2026 and **recommend to Council** for inclusion in the overall Council budget for 2025/2026.
- 6.3 That Members approve any minor changes be delegated to the Chief Finance Officer in consultation with the Chairperson of the Corporate Policy and Resources Committee.
- 6.4 That Members **recommend to Council** the 2026/2027 to 2029/2030 estimates for both this Committee and those of Prosperous Communities Committee for inclusion in the Medium Term Financial Plan 2025/2026 to 2029/2030 (as amended by any decisions taken on this agenda).