



Prosperous Communities Committee

Tuesday, 27<sup>th</sup> January 2026

**Subject: Prosperous Communities Committee Draft Budget 2026/2027 and estimates to 2030/2031.**

Report by: Director of Finance and Assets (Section 151)

Contact Officer: Sue Leversedge  
Financial Services Manager (Deputy S151)

[sue.leversedge@west-lindsey.gov.uk](mailto:sue.leversedge@west-lindsey.gov.uk)

Purpose / Summary: The report sets out details of the Committee's draft revenue budget for the period of 2026/2027 and estimates to 2030/2031.

**RECOMMENDATION(S):**

1. That Members recommend the Prosperous Communities Budget 2026/2027 and revenue estimates to 2030/2031 to Corporate Policy and Resources Committee for the purpose of budget setting 2026/2027 and for inclusion in the Medium-Term Financial Plan 2026/2027 to 2030/2031 (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/143/26/PC/SL

The 2026/2027 proposed budgets and variance to the 2025/2026 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 2026/2027 will be £7.357m (£6.136m 2025/2026).

This has resulted in base budget increases in expenditure of **£1.049m**, and a reduction in income of **£0.172m**, resulting in a **net base budget increase of £1.221m**.

There are £0.394m of expenditure budgets which are funded from Earmarked Reserves to support one off project resources in 2026/2027 (£0.559m in 2025/2026). This is a decrease of **£0.165m** from 2025/2026 to 2026/2027.

Services within this Committee have also contributed to Earmarked Reserves £0.079m in 2026/2027 for asset replacement programmes (£0.104m in 2025/2026). This is a decrease of **£0.025m** from 2025/2026 to 2026/2027.

Excluding the use of earmarked reserves, there is an increase of **£1.36m** 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 2026/2027.

## **Staffing:**

The most significant budget movement from 2025/2026 to 2026/2027 for services within this committee is salary budgets which have been affected by several factors:

- 1) The estimated pay award applied for 2026/2027 is 3.0%, an increase of **£0.228m**. 2.5% has been applied each year from 2027/2028.
- 2) Implementation of the Food Waste Service has resulted in an increase in the establishment of 19 full-time posts, at a cost of **£0.762m**.
- 3) A review of the pension fund is a comprehensive actuarial valuation required by law every three years for trust-based defined benefit schemes. The results of the review for West Lindsey District Council covering the period 2026/2027 to 2028/2029 were published in October 2025 and provided the following contribution rates:
  - a) Primary Rate - the annual employers contribution percentage (2026/2027 17.5%), and
  - b) Secondary Rate - the annual amount payable (2026/2027 £0.339m)Both rates are a reduction on the base budget provided for within the MTFP, resulting in a cost reduction for this Committee of **£0.289m**.
- 4) Other approved changes to the establishment total a net reduction of **£0.005m**.

The proposed Council budget for 2026/2027 also includes a 2% Vacancy Factor of £0.277m, which has been applied to salary budgets for posts which are on our organisational establishment (basic pay, superannuation and national insurance). This budget is held within Corporate Policy and Resources committee.

## **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. Where appropriate assessments have been undertaken by the relevant service area.

**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 take action 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 2026/2027 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 chairman)

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 Prosperous Communities Committee base budget position for 2026/2027 and estimates for 2027/2028 to 2030/2031, 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.

The Committee are asked to consider the content of this report and recommend the 2026/2027 budget and revenue estimates to 2030/2031 to Corporate Policy and Resources Committee, for the purpose of budget setting 2026/2027 and for inclusion in the Medium-Term Financial Plan 2026/2027 to 2030/2031.

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 **£167.1k** for services within this Committee against the base budget from 2025/2026 (an increase of **£81.5k** from the previous estimate for 2026/2027). Full Details of proposed fees and charges were presented to Prosperous Communities Committee on the 4<sup>th</sup> of November 2025.
- 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 2026/2027 – 2030/2031.
- 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 Substantial Assurance rating from our Internal Auditors as part of the 'Financial Resilience and Scrutiny Audit' carried out during November 2025.

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 Prosperous Communities base budgets have been developed from the forecast budgets presented to Council in March 2025.

Service budgets are 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 Income and Expenditure Budget of the Committee is shown at **Appendix 1**.

1.7 The overall net Budget per Cluster (Our People, Our Place and Our Council) is attached at **Appendix 2**.

1.8 A summary of the movement from the 2025/2026 original budget to the proposed 2026/2027 original budget is included at **Appendix 3**.

### **1.9 Assumptions/Inflationary Increases**

Increases have been applied to the following budget areas:

2026/27	
Pay Award	3.0%
Vacancy Factor	2.0%
Electricity	10.0%
Gas	0.0%
Water & Disposal	0.0%
Fees & Charges	3.2%

Employer's superannuation has been applied in line with that provided by the Actuary (17.5% 2026/2027).

National Insurance rates have been applied in line with the rates published by HMRC for 2026/2027.

KEY:	
↑	Positive impact on MTFP (i.e. increased income, or reduction in expenditure)
↓	Negative impact on MTFP (i.e. decrease in income, or increase in expenditure)

## 2. SIGNIFICANT VARIATIONS

↓	£1.36M
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When compared to the 2025/2026 base budget, the 2026/2027 proposed budget for services within this committee shows an increase of **£1.36m**, excluding use of and contribution to Earmarked Reserves. The major variances to the 2025/2026 base budget are detailed below:

### 2.1 Establishment

↓	£0.696M
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The most significant budget movement from 2025/2026 to 2026/2027 for services within this committee is salary budgets which have been affected by several factors:

- The estimated pay award applied for 2026/2027 is 3.0%, an increase of **£0.228m**. 2.5% has been applied each year from 2027/2028.
- Implementation of the Food Waste Service has resulted in an increase in the establishment of 19 full-time posts, at a cost of **£0.762m**.
- A review of the pension fund is a comprehensive actuarial valuation required by law every three years for trust-based defined benefit schemes. The results of the review for West Lindsey District Council covering the period 2026/2027 to 2028/2029 were published in October 2025 and provided the following contribution rates:
  - Primary Rate - the annual employers contribution percentage (2026/2027 17.5%), and
  - Secondary Rate - the annual amount payable (2026/2027 £0.339m)

Both rates are a reduction on the base budget provided for within the MTFP, resulting in a cost reduction for this Committee of **£0.289m**.

- Other approved changes to the establishment total a net reduction of **£0.005m**.

## 2.2 Inflation

↓	£0.052M
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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 2026/2027 of **£0.052m**.

## 2.3 Fees and Charges

↑	£0.167M
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The Corporate Policy and Resources Committee meetings held on the 13<sup>th</sup> of November 2025 and the 11<sup>th</sup> December 2025 considered the Fees and Charges recommended by this Committee and recommended them to Council for approval in March 2026. The review resulted in an increase in income budgets of **£0.167m** for services within this Committee against the base budget for 2025/2026.

## 2.4 Budget Movements between Committees – Homelessness and Rough Sleeping

↓	£0.78M
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The provisional Local Government Finance Settlement for 2026/2027 included the Homelessness and Rough Sleeping grant within the overall settlement. The grant income budget has been transferred into the Government Grant budget which sits within Corporate Policy and Resources - **£0.508m**.

The Government has provided provisional figures for the three years from 2026/2027 to 2028/2029 and this has been allocated as a separate line within the Medium Term Financial Plan funding budgets.

There has been an increase in the provisional grant allocation, resulting in an increase in the Homelessness service expenditure budget within this Committee of **£0.203m**.

There is no impact on the budget for Homelessness and Rough Sleeping across both Committees as all expenditure is budgeted to be funded from grant income.

The grant allocation and approach to the delivery of frontline services from April 2026 are the subject of a separate report on this agenda.

## 2.5 Budget Variations and Movements between Committees

↓	£0.069M
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Business Unit variations and movements between committees with a value below £0.010m total £0.069m.

2.6 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.

### **3. 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.

### **4. Recommendations**

That Members recommend the draft Prosperous Communities budget 2026/2027 and revenue estimates to 2030/2031 to Corporate Policy and Resources Committee for the inclusion in the Medium-Term Financial Plan 2026/2027 – 2030/2031.

## APPENDIX 1

### Prosperous Communities Income and Expenditure Budgets (Excluding Capital Charges and Recharges)

Prosperous Communities	Base Budget 2025/26	Proposed Budget 2026/27	Forecast Budget 2027/28	Forecast Budget 2028/29	Forecast Budget 2029/30	Forecast Budget 2030/31
	£	£	£	£	£	£
<b>Income</b>						
Income & Fees	(5,847,100)	(6,194,600)	(6,447,500)	(6,602,000)	(6,562,800)	(5,899,200)
Taxation and Government Grant	(878,200)	(359,000)	(321,600)	(308,000)	(315,700)	(321,700)
<b>Total Income</b>	<b>(6,725,300)</b>	<b>(6,553,600)</b>	<b>(6,769,100)</b>	<b>(6,910,000)</b>	<b>(6,878,500)</b>	<b>(6,220,900)</b>
<b>Expenditure</b>						
Employees	8,734,300	9,591,500	9,733,000	9,873,100	10,030,900	9,649,500
Premises	596,300	621,600	632,000	633,800	648,300	652,600
Supplies & Services	2,563,200	2,652,900	2,630,200	2,614,700	2,637,600	2,625,100
Transport	967,300	1,044,200	1,113,400	1,161,000	1,183,900	1,207,300
<b>Total Expenditure</b>	<b>12,861,100</b>	<b>13,910,200</b>	<b>14,108,600</b>	<b>14,282,600</b>	<b>14,500,700</b>	<b>14,134,500</b>
<b>Net Total</b>	<b>6,135,800</b>	<b>7,356,600</b>	<b>7,339,500</b>	<b>7,372,600</b>	<b>7,622,200</b>	<b>7,913,600</b>

## APPENDIX 2

### Prosperous Communities Base Budget – Cluster Analysis (Excluding Capital Charges and Recharges)

Cluster and Business Unit	Base Budget 2025/26	Proposed Budget 2026/27	Forecast Budget 2027/28	Forecast Budget 2028/29	Forecast Budget 2029/30	Forecast Budget 2030/31
	£	£	£	£	£	£
<b>Our People</b>	<b>1,671,300</b>	<b>2,208,400</b>	<b>2,070,800</b>	<b>1,994,000</b>	<b>2,025,500</b>	<b>2,123,300</b>
Community Action	416,600	396,900	408,600	442,900	456,600	467,900
Community Environment	0	0	0	0	0	0
Community Support	327,800	330,700	194,700	194,700	194,700	194,700
Culture and Theatres	234,600	222,300	213,200	201,000	200,800	207,300
Homelessness	406,900	932,800	967,200	970,300	981,200	990,400
Homes, Health and Wellbeing	34,900	68,300	70,800	25,600	26,100	26,700
Housing Standards	214,200	233,600	280,700	247,600	255,700	261,700
Leisure	(40,800)	(58,300)	(146,600)	(170,200)	(189,400)	(189,200)
Parks & Open Spaces	73,200	72,600	73,700	74,700	75,700	76,700
Safeguarding	8,700	9,000	9,000	9,000	9,000	9,000
Safer Communities - Parish Lighting	70,600	74,100	75,100	76,100	77,100	78,100
Wellbeing Lincs	(75,400)	(73,600)	(75,600)	(77,700)	(62,000)	0
<b>Our Place</b>	<b>4,970,600</b>	<b>5,505,100</b>	<b>5,660,000</b>	<b>5,818,600</b>	<b>6,033,700</b>	<b>6,184,600</b>
Building Control	195,600	221,300	236,100	249,600	266,100	281,100
Business Support	13,200	12,200	12,200	12,200	12,200	12,200
Cemeteries	67,800	66,500	68,000	69,800	75,600	73,400
Commercial Services	316,300	265,200	275,200	286,000	296,200	304,700
Community Environment	60,000	59,600	59,600	59,600	59,600	59,600
Community Safety	228,800	188,600	195,300	159,600	164,200	167,800
Development Management	(131,500)	(396,800)	(399,900)	(403,200)	(404,300)	(412,200)
Economic Development	334,700	267,700	274,200	280,700	289,600	296,700
Environmental Protection	236,500	238,000	245,400	253,300	267,300	270,800
Food Safety	261,200	270,100	279,100	287,500	298,100	307,000
Food Waste Collection	0	958,500	993,500	1,025,000	1,062,500	1,087,300
Housing	69,800	66,100	67,600	69,200	71,200	72,800
Licensing	7,000	(4,200)	(4,500)	(5,300)	(4,800)	(5,600)
Lincolnshire Show	7,700	7,700	7,700	7,700	7,700	7,700
Markets	65,300	65,600	67,800	70,800	74,600	77,200
Neighbourhood Planning	12,900	12,000	12,000	12,000	12,000	12,000
Parking Services	(127,400)	(83,900)	(124,300)	(122,600)	(120,800)	(119,000)
Planning Enforcement	128,800	128,500	131,600	134,800	139,000	142,400
Planning Policy	265,200	289,800	300,700	333,800	337,900	341,200
Property - Commercial	(42,500)	(45,800)	(45,800)	(45,800)	(45,800)	(45,800)
Property - Houses	400	(600)	(600)	(600)	(600)	(600)
Safer Communities - CCTV	238,700	238,700	244,900	250,400	258,300	264,000
Street Cleansing	833,100	745,000	809,800	855,500	880,200	899,700
Visitor Economy	58,600	58,100	59,200	60,300	61,900	63,100
Waste Management	1,870,400	1,877,200	1,895,200	1,918,300	1,975,800	2,027,100
<b>Our Council</b>	<b>(506,100)</b>	<b>(356,900)</b>	<b>(391,300)</b>	<b>(440,000)</b>	<b>(437,000)</b>	<b>(394,300)</b>
Commercial Waste Service	(101,100)	(112,100)	(119,600)	(127,300)	(123,000)	(120,000)
Crematorium	(107,500)	(133,200)	(171,400)	(208,000)	(246,800)	(238,500)
Land Based Administration	0	208,500	207,300	193,300	203,700	211,800
Property - Miscellaneous Property	14,600	15,500	15,500	15,500	15,500	15,500
Waste Management - Chargeable Services	(312,100)	(335,600)	(323,100)	(313,500)	(286,400)	(263,100)
<b>Grand Total</b>	<b>6,135,800</b>	<b>7,356,600</b>	<b>7,339,500</b>	<b>7,372,600</b>	<b>7,622,200</b>	<b>7,913,600</b>

## APPENDIX 3

### PROSPEROUS COMMUNITIES COMMITTEE SUMMARY OF BUDGET MOVEMENT FROM 2025/2026 TO 2026/2027 (Excluding Capital Charges and Recharges)

		£
<b>Base Budget 2025/2026</b>		<b>6,135,800</b>
Decrease in use of Reserves		(139,400)
<b>Expenditure Increases</b>		
Establishment - Food Waste Collection Service	↓	762,500
Establishment - Assumed 3% Pay Award	↓	227,500
Inflation	↓	51,600
<b>Expenditure Decreases</b>		
Establishment - Actuarial Review of Pension Fund Contributions	↑	(288,600)
Establishment - Other Approved Movements	↑	(5,200)
<b>Income Gain</b>		
Fees and Charges Review	↑	(167,100)
<b>Other Movements</b>		
Movement of Homelessness and Rough Sleeping Grant to CP&R	↓	507,900
Increase in Homelessness Expenditure Funded from Grant in CP&R	↓	203,100
Small budget variations and movements between Committees	↓	68,500
<b>Proposed Budget 2026/2027</b>		<b>7,356,600</b>
<b>Total Increase / (Decrease) in Base Budget</b>		<b>1,220,800</b>