



# BUDGET SPEECH 2022

**Councillor Martin Hill OBE**  
Leader, Lincolnshire County Council  
Friday 18 February, 2022

**Lincolnshire**  
COUNTY COUNCIL  
*Working for a better future*

**“This year has begun on a more positive footing.**

As we leave the winter months behind, there is much optimism that we are also leaving behind the restrictions and pressures that the Covid pandemic has thrust upon us.

We are starting the springtime with new hope that opportunities to live life freely are opening up once again.

But we are now also starting to see many of the challenges left behind by this pandemic, challenges that have crept up more slowly and will take some time to play out.

**Global and national finances**

The global economy entered 2022 in a weaker position than previously expected, as a result of the Omicron variant. Rising energy prices and supply disruptions have resulted in higher inflation around the world.

Global growth is expected to slow to 3.8 per cent in 2023. Although this is 0.2 per cent higher than in the previous forecast, this largely reflects a pick-up after some of the current impacts that continue to slow growth start to ease.

For the UK this year, the latest forecasts from the International Monetary Fund (IMF) show a projected increase in economic growth of 4.7 per cent.

But the Consumer Price Index shows inflation is rising with an increase of 5.4 per cent in the year to December. This was largely due to higher energy and transport fuel price rises, but also due to increases in the cost of many household essentials.

The Bank of England raised the Bank Rate to 0.25 per cent in December, to help counter rising inflation. This is the first change in bank rates since before the onset of the pandemic. And this rate could rise again to around 1 per cent by the end of 2022.

The closure of the furlough scheme at the end of September 2021 had only a relatively small impact on unemployment figures, and there is now a labour shortage in the UK economy with a record 1.2 million vacancies.

**Local impact**

So what does this mean for us here in Lincolnshire? Well initially it's important that we recognise both residents and the council will be feeling the burden of additional cost pressures.

Energy prices in particular are set to rise significantly in the short-term, which will also impact businesses, and along with a higher number of job vacancies, this will present a further challenge for our county's economic recovery from Covid.

For the council, this is at a time where we have already been seeing increasing costs and demand for services over the last decade, with a reduction in our main government grant.

Last year, the government's spending review resulted in a commitment of an additional £4.8bn over the next three years to councils for social care and other services. We will receive an additional £9.3m in the next financial year.

There was also the announcement of an additional £3.6bn nationally over three years to help reform and improve adult care services.

Although this extra money is welcome it leaves us short of what we should receive under a fairer funding regime.

At a time when so much financial support has been provided to individuals, businesses and organisations across the UK in response to the pandemic, it is not entirely surprising that there will now be limited additional funding for councils.

Our ability to find savings – in addition to the £300m since 2011 – is also becoming increasingly challenging, but we are committed to doing all we can to use taxpayers money effectively.

For instance, over the next four years, we expect to save around £25m through measures such as home working, increased use of digital technology, a reduction in administrative posts and the disposal of surplus buildings. This will allow us to maintain the important frontline services at a time when other councils are having to reduce theirs.

We will of course continue to discuss with our county MPs about a fairer distribution of government funding for day-to-day services. We continue to lobby that rural councils like ours have higher costs of delivering services and need a larger share of the overall pot.



This is especially the case when it comes to looking after our 5,500 miles of roads. Last year, you will remember that our highways maintenance funding was cut by 25 per cent. Knowing that this is a key priority for our residents, we took the decision to fund this from council reserves.

And as you know, we launched our ‘Fix our Funds to Fix our Roads’ campaign in December to get this government funding re-instated. Residents added their voices with personal stories of life on Lincolnshire roads, posting their accounts of what they face on a daily basis via our website.

We made sure those comments were put forward to the government to support our case.

## Council tax

This Conservative council has kept taxes low, and like our residents, the council needs to decide how to best spend the money we have available until we get through this difficult period.

The government has allowed us to increase general council tax without needing a referendum, by up to 2 per cent this year, and by a further 1 per cent for Adult Social Care. We are also able to implement the 3 per cent increase allowed for Adult Social Care last year, which we deferred.

This means that we have the ability to increase council tax in 2022/23 by up to 6 per cent.

Our budget consultation exercise this year asked local residents about a proposed council tax increase of 3 per cent for 2022/23 – entirely for Adult Social Care.

The findings of our consultation were, in the main, supportive of our proposals. Two thirds of the comments sent back to us had supportive comments about our plans to increase the precept to fund adult care.

Of course, some residents were worried about an increase in council tax at a time when other costs are rising.

But a failure to fund services properly now will impact on residents in the future. We don't want to see frontline service cuts that will most likely impact the most vulnerable.

The key area we need to address once again this year is the shortfall in money from the government for our highways maintenance funding.



We have 660 miles of roads that are in need of urgent repair and could very quickly become unsafe if we cannot afford to sufficiently maintain them. The situation could deteriorate further and require even more spending in future.

Unlike last year when the council met the shortfall using reserves, funding a projected £40m shortfall over three years in this way, is just not sustainable.

It's incredibly disappointing that the Department for Transport and the Transport Secretary never responded to our plea to re-instate our funding. It means either we must fund this ourselves or carry out 25 per cent fewer road repairs. This equates to almost 100,000 potholes not being repaired.

But we are determined not to leave our roads in a poor state of repair and unsafe for residents. So we are forced to find ways to fund this next year.

Against our wishes, one of the measures we will need to take is to increase council tax by 2 per cent, which will raise £6.4m. We will also use £3.5m extra received from business rates and increased council tax base, plus £2.3m from our reserves.

Despite these measures, we believe Lincolnshire will still have the second lowest council tax of any county in England.

At times like these though, when funds will inevitably be stretched, it is important to remember that there is also help available for those who need it most.

The government has announced a number of measures, including a £150 payment to help with the cost of living for those homes in bands A to D in April. This will not need to be repaid and will benefit around 80 per cent of all homes in England.

### Caring for adults

Residents and councils will both be looking at where we need to prioritise all of our spending. So I'll now turn to our decisions about how we will fund services and invest in new developments for the next year.

The council will spend over £500m on a wide range of vital services. Over £200m will be for day-to-day adult care services.

On top of this we are investing £12m over the next few years in the development of Extra Care Housing for older people, and Community Supported Living options for adults with a disability.



In March, the De Wint Extra Care Housing scheme in North Hykeham, will open. This is a joint scheme with the City of Lincoln Council and Homes England, with work is due to start on a Welton scheme in October in partnership with LACE Housing.

We'll also be starting on another scheme at the Hoplands site in Sleaford next year, in partnership with North Kesteven District Council. These schemes will provide a fantastic opportunity for residents to remain in a home of their own, connected to their local community, where they can be supported to live fulfilling, independent lives.

Following the success of the Falls Response Service, together with our health colleagues, we've committed to put £273,000 per year into the new Falls Response Unit up to March 2024.

We'll also be working with partners to develop a two-year pilot 'Strength and Balance Programme' to support falls prevention in Lincolnshire, reducing ambulance call outs and hospital stays for older people.

### **Services for children and young people**

During the pandemic, we have seen an increase in the number of children in care, resulting in the need for more specialist external placements. In the previous two years, these additional costs have been covered by the council's Covid-19 support grant.

However, protecting some of the most vulnerable children must remain a priority, so this year the estimated £3m cost pressure will be funded by the authority's reserves.

Moving forward, our transformation project will improve outcomes for children in care. This work includes the creation of two new children's homes in Lincoln and East Lindsey, for which £1.5m has been earmarked.

The council continues to make progress on its special school improvement project. This £86m programme has already seen the opening of a brand-new school in Boston and improvements at the Garth School in Spalding and Ambergate Sports College in Grantham. Works are currently underway in Louth, Spilsby and Bourne and planned at a number of other sites over the next few years.

Our ambitious programme will mean more pupils with SEND can attend a local school rather than having to travel large distances for their education, which will be of great benefit to both the children and their families.

### **Protecting our place**

Our county's landscape has become even more important to many of us over the last few years as opportunities for travel have been limited. As well as being a treasured landmark, we have developed Lincoln Castle into a much-loved green, social space for the whole community. I'm pleased to say that this year we will be bringing back a vibrant events schedule that will see the site returning to use as a historic backdrop for music and entertainment, including celebrations for Her Majesty's Jubilee in June.

We are also working to protect our landscape from flooding with £2m spent on flooding and drainage schemes during the last financial year. This has included a project in Woodhall Spa, and drainage improvements just outside of Boston, with upcoming works in Kirton.

We have allocated another £750,000 to continue improving drainage in areas where there are known problems for next year, including prospective schemes in Scothern and Cherry Willingham.



We've also made funding of up to £5,000 available to people who've experienced flooding of their properties before, to help safeguard against that in future. Some 35 homeowners successfully applied last year, with the scheme now open for new applications.

### Road to improvement

We know good quality roads and connectivity is a priority for our residents and businesses. Not only are we continuing work on the £100m Grantham Southern Relief Road this year, but we'll also be completing our £4.8m road reconstruction project to Roman Bank in Skegness this spring and starting our £1.4m improvements at Red Lion Square in Stamford this summer.

We'll also be spending £14.5m to rebuild over fifteen major A and B roads throughout the county, including the A17 between Beckingham and Holdingham Roundabout.

Early design and planning on the North Hykeham Relief Road is also underway with construction expected to start in 2025.

And last year, we received £20m from the government's Levelling Up Fund. This will go towards improving the A16 corridor between Boston and Spalding by providing better walking and cycling facilities, improving traffic movement, and opening up the area for further investment opportunities.

### We mean business

In last year's budget, we allocated millions of pounds to support Lincolnshire businesses directly with grants and funding.

Our payments and grants were a lifeline for just under 900 organisations, almost all of whom were small businesses employing less than 10 people and many of whom were unable to receive any other form of public grant during the lockdown.

I firmly believe this was the right course of action. Many businesses reported that without the funding, they would not have survived. Our three grant schemes also helped other's to

become better-adapted for the future – more digitally capable and able to take advantage of new opportunities.

We also invested half a million pounds in delivering the priorities identified by The Tourism Commission, to support one of our hardest hit sectors.

Supporting our local economy remains a council priority and many of our economic infrastructure projects will reach key milestones this year, demonstrating real benefits from our investment and hard work.

The South Lincolnshire Food Enterprise Zone near Holbeach already has almost a dozen plots provisionally allocated to businesses, and later this year our hub building on the site will open. This will offer purpose-built offices and facilities to smaller businesses that will be able to benefit from the expertise and research from larger organisations and the University of Lincoln campus located there.

The re-configuration of the space at our Eventus business centre in Market Deeping will shortly be completed, with the capacity and space now better suited to local needs.

We also started this year with the sale of land we have developed to extend Skegness Business Park. This will see new units available for both local businesses wanting to expand, and those re-locating. A similar scheme in Horncastle has been allocated £1.5m in the budget this year to expand the town's industrial estate.

### **Acting now for long-term gains**

Lincolnshire council leaders are proposing an ambitious and comprehensive devolution deal to government which will bring more funding and local decision making and put us on a par with most urban areas in England.

We are proud of our great county and given the opportunity, Lincolnshire can not only help deliver the government's levelling up agenda but more importantly, further improve the prospects for our residents and economy.

Fellow councillors, our budget proposals today continue our record of providing good services in a cost-effective way. Despite the many challenges we continually face, we are investing ambitiously for the future and I recommend them to you."

A handwritten signature in blue ink that reads "Martin Hill".

Councillor Martin Hill OBE, Leader, Lincolnshire County Council



# FIX OUR FUNDS TO FIX OUR ROADS

**Lincolnshire needs its missing highways funds back  
before things get worse!**

**What £12 million gets you and your roads:**

- 24,000 potholes filled
- 37 miles of crumbling road fully rebuilt
- 6 miles of failing footpath repaired

**As it stands:**

- Our roads maintenance grant was cut by £12 million  
– that's 25%
- 660 miles of roads rated poor or very poor that need fixing
- We've filled the funding gap for now, but can't do this forever



**Go to [www.lincolnshire.gov.uk/highwaysfunding](http://www.lincolnshire.gov.uk/highwaysfunding)  
and join our fight for better roads**