

BUDGET SPEECH

2021

Councillor Martin Hill OBE
Leader, Lincolnshire County Council

Friday 19 February, 2021





12 months on

“ A year ago, when I presented the council’s budget for 2020, I did so with optimism and positivity about the beginning of the new decade.

Chairman and fellow members, after the last 12 months, you would be forgiven for thinking that this year, my approach might be very different.

However, I believe we have much to remain optimistic about. The recent roll-out of Covid vaccines at a significant pace, and ahead of the rest of the world, has raised hopes of a significant pandemic turnaround in the near future.

As a council, we have also weathered the storm better than most, thanks to our previous sound financial management and the £45m Covid support payments we have received from the government.

This has provided us with a solid footing to continue our services – especially those supporting our most vulnerable residents.

Having some reserves in the bank for a rainy day has also meant that today I am able to present to you, a balanced budget.

But this is not only a budget that keeps

services going. Our careful financial management has also enabled us to produce a budget that continues our investment in the county’s infrastructure, makes improvements to services and provides financial help to our small businesses who need it most.

Proceeding with caution

Now it is quite possible to be optimistic but cautious. New variants of the virus pose concerns for many, and we are all aware that there is still much to be done around the world before we are free of the virus and its effects.

There will be much hard work ahead of us as we manage the repercussions and the continued uncertainty.

Hope of recovery in 2021 however lies with the vaccine rollout. The Bank of England is optimistic that the UK economy can return to pre-Covid levels by March 2022, with continued support from both national and local government to support jobs and businesses, and a strong consumer bounce-back once restrictions are lifted.

Other major global countries have reported similar optimism for the year ahead provided the vaccine rollout is successful in tackling the pandemic across the world. The global economy is predicted to grow 5.5 per cent in

2021, with a more cautious figure of 4.2 per cent forecasted for 2022.

However in the short-term, things remain difficult. In the UK, GDP fell by 9.9% from pre-Covid levels in the last year to December and is due to contract again in the first quarter of 2021. Unemployment is also forecast to rise to between 5% and 8% by May 2021 which represents up to 2.5 million people without jobs.

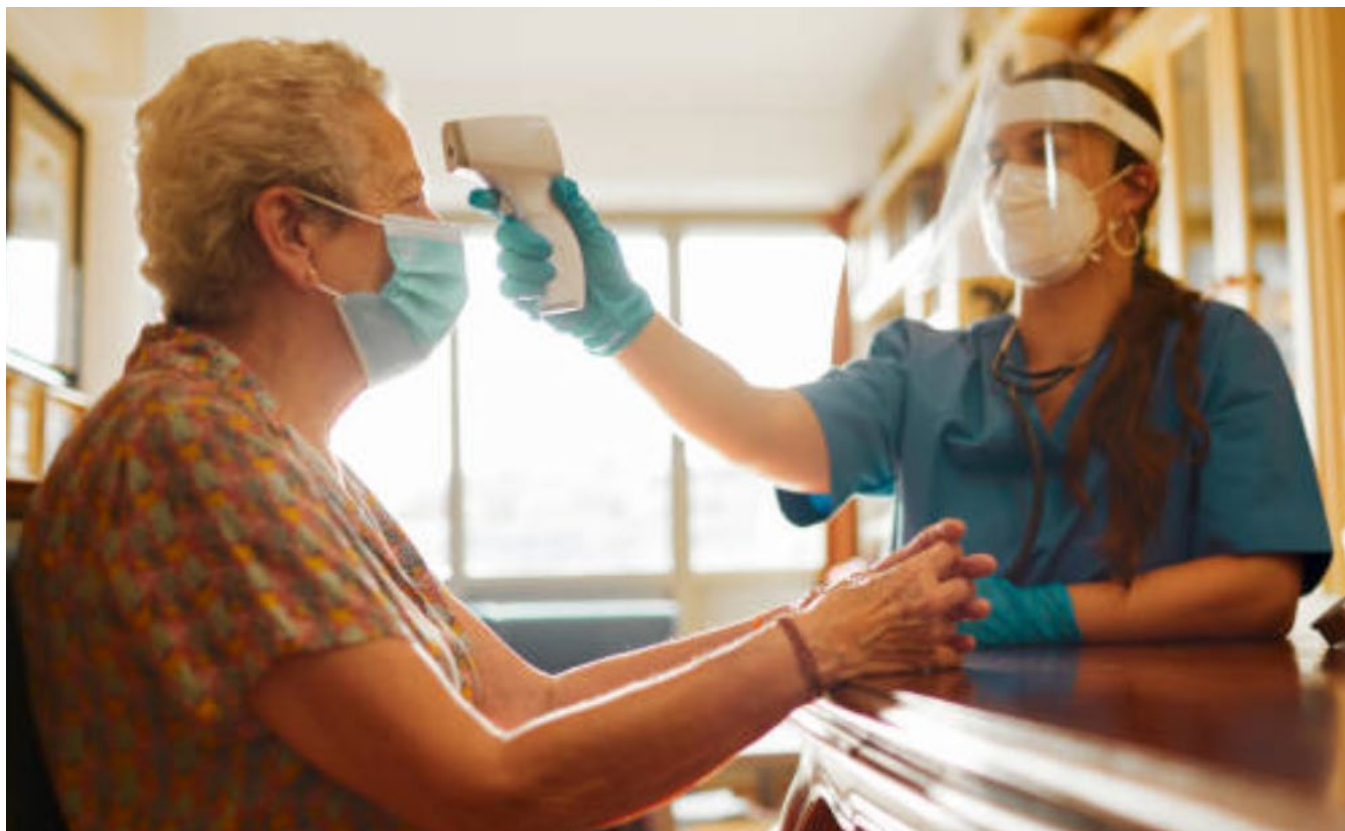
Given this backdrop, we must consider the pressures not only on our own financial futures, but those of our residents and businesses.

Council tax

Although the government have allowed us to increase council tax by up to 5%, this is hard to justify morally in difficult times.

We are instead restricting this increase to 1.99% which minimises the impact on residents while still allowing us to fund our ongoing pressures, especially in adult care. We have found £12m of efficiency savings for the next year which will also help us to do this.

We expect to have one of the lowest county council precepts in the country, whilst still offering good services and continued investment in return.



Day to day services

In fact this year's budget includes over £500m for the day-to-day services residents rely on, and that we remain committed to delivering in line with our corporate plan.

This includes over £200m for adult care, over £75m for children's social care, just over £50m for highways and around £20m for the fire

service and emergency planning.

Since 2013, we've lead a £40m scheme with support from the private sector, to bring superfast broadband to more properties across Lincolnshire.

So far, over 172,000 more properties have now been connected through the scheme. And we've just launched the £5m third phase of the



project, aiming to connect a further 8,000 of the hardest to reach homes and businesses, bringing the superfast connection rate across Lincolnshire up to 97%.

Working together with potential private investors and internet providers, we expect to significantly increase levels of gigabit

connectivity and deliver much faster rural broadband.

In addition, there's funding for heritage sites, libraries, and economic development.

Thanks to our careful financial management over the years, we do have reserves we can

draw on in times of emergency, and now is the right time to do that.

Investing in a better future

Our capital budget sets out £200m in infrastructure and building projects, such as improvements to local schools and new roads.

This year we were going to propose an extra £10m for road maintenance and repair. However, the latest funding from the Department of Transport has seen our maintenance grant for this reduced by 25%.

This is not an area that we want to see less investment in, and therefore today I am proposing to plug this funding gap fully at a cost of £12.3m.

I'm clear that the local taxpayers of Lincolnshire should not be expected to cover indefinitely money which should go to road repairs that the government holds from fuel duty.

We will therefore be talking to our local MPs and government ministers about the continued investment needed in Lincolnshire's infrastructure to meet their 'levelling up' ambitions.

We have also allocated a further £200,000 for flood prevention as we know these areas are a

priority for our residents.

And we know local businesses have had a particularly tough time during the pandemic, so we've put together a £12m support package for the local economy, including business grants.

That means we can also continue to invest in services for vulnerable adults, children's social care, and an extensive programme of expansion and improvements to special schools.

Having successfully delivered Lincoln's eastern bypass before the end of 2020, we will be continuing our investment into new roads around the county. This includes of course, work on further sections of Grantham's bypass and the Spalding western relief road.

Investing in education

Lincolnshire has received an extra £20m which will be passed on to schools to help with the development of children and young people.

The funding is awarded by the government, with the county council responsible for determining each school's allocation.

Primary schools' funding overall has increased by 3.8%, and secondary schools overall by 4.5%.



In addition, a further £30m has been committed for new and improved facilities for children with special educational needs and disabilities (SEND).

We've increased our contribution by £15m

with extra funding from government grants and other sources, meaning there is now £86m available for the programme.

This will enable us to make significant improvements at 13 sites around the county



over the next five years. New classrooms and remodelling have already been completed at Ambergate Sports College in Grantham and construction is now underway at schools in Boston, Bourne and Spilsby.

Flood relief

A sum of £2.2m will be made available to be used on drainage repairs and projects to reduce the risk of flooding across the county.

Repairing banks, reconstructing culverts and replacing drainage pipes are just some of the things our highways and flooding teams will be doing over the coming year.

In 2021/22, we've planned a full programme of investigation and repair works at 34 locations, including Kirton, Binbrook, Cherry Willingham and Woodhall Spa.

This work builds on the projects our teams have already delivered in 2020/21 costing £350,000, including repairing a damaged drainage system at Gosberton and repairing a damaged drainage bank at Wickenby.

It is important to add that although many repair schemes are progressing, we do understand that there are other areas in the county which have also been affected by flooding.

We are committed to investigating all reports and will continue to do so in the coming months and years.

Business help for those who need it most

In light of the economic impact of coronavirus, our budget uses some of our carefully-managed reserves to provide a £12m package of support for the local economy.

We know local businesses have had a particularly tough time during the pandemic, and many will have taken up the financial support on offer from the government.

In Lincolnshire, around £200m has been administered to businesses in the form of the small business grant fund and in addition many Lincolnshire business have seen their rates bills reduced, often to zero, and this support has totalled just over £100m.

That's a huge investment by government, but some businesses have not been able to receive support and that's where we want to act.

There are estimated to be between 1000 and 2000 county businesses who were unable to claim government support.

Where government funding has not been accessible, these businesses who have not been able to operate or whose takings have reduced significantly have often exhausted their cash reserves.

The grants we are putting in place are particularly aimed at those that have not benefited from the government's Covid support schemes, such as those that are less than a year old or without premises or home-based.

We are particularly supporting smaller businesses with 50 employees or fewer.

Our small, local businesses are the backbone of the county economy – there are around 43,000 in Lincolnshire, and it's vital we help those that have had no help, to ensure they survive the financial impact of the pandemic.

Our main grant scheme is set to launch at 12pm on Tuesday 23 February. Businesses will be able to benefit by up to £10,000 through this £7m scheme.

This main scheme will be followed by others in early March – separate pots of money for specific needs.

These will be launched on a staggered basis and include a scheme to help digital transformation, a grant specifically for rural businesses and village shops, and grants to support business growth.

We know that there will be high demand for the grants, and that we may not be able to help everyone. But if there was ever a time small businesses in Lincolnshire needed our help it's now, and as a council we must do as much as we can.

Still ambitious for the future

There's no doubt that 2021 will remain challenging. But our optimism should remain as strong as our ambition, for our county's future.

2020 showed us many things, but not least what can be achieved when we come together in difficult battles, and how needed and vital the support we offer for our residents and communities is.

With new government funding on the horizon and our own commitment to the people and businesses of this county, we remain on solid footing for whatever 2021 has to throw at us. ”

Martin Hill.

Councillor Martin Hill OBE, Leader, Lincolnshire County Council