

Budget Speech 2024

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Leader, Lincolnshire County Council

Delivered on Friday 23 February, 2024





As we once again prepare our budget for the next year, it is worth reflecting that over many years external instability has become the new normal.

From the 2008 financial crash, that was inevitably followed by austerity, then the uncertainty caused by both the Scottish and Brexit referenda, when progress seemed to be on the horizon the Covid pandemic struck, with subsequent conflict in Ukraine and the Middle East.

It is to our credit then, that this council has maintained a sure footing throughout this period. We continue to provide good services within budget, whilst working towards bold ambitions for Lincolnshire.

We have done this by staying focused on protecting front-line services, working proactively with partners to provide better

and more cost-effective solutions and finding sustainable savings.

Contrast that with the dire situation which some other councils are in, and it's clear that our achievements should not be taken for granted or underestimated.

Bigger picture

Internationally, inflation has reduced considerably from its peak, and in the UK our rate has reduced from 11.1% in October 2022 to around 4%, with a further predicted fall to 2% next year, which is good news.

Inflation has had a significant direct impact on our costs, but has also impacted government costs, indirectly affecting our funding. The UK government, along with many others, is facing a mounting debt problem as well as significant demands from the NHS, military and policing among others.

If they are protected within a tight fiscal environment, it means unprotected sectors such as local government will face a disproportionate burden financially, as well as increasing demands.

We are in a much better financial situation than many other similar local authorities. We have taken decisive action, including where we can invest to save money, and managed our reserves carefully. But there have been other authorities who have gone from a strong financial position to a very vulnerable one in a short space of time, so we must not be complacent.

Fairer funding

It is perhaps no surprise that we have again been granted a one-year financial settlement. But it's continually difficult to take long-term budget decisions in this climate, so we will continue to make the case to government for multi-year settlements to give us more certainty.

It also means that overdue and necessary national reforms in areas like social care and special educational needs, have been delayed. Without this, most councils including ourselves will eventually run out of financial road, and it is imperative that national decisions are taken so these services are sustainable.

We already face the challenge of statutory, demand-led services taking a high and increasing proportion of our budget. This leaves less room for popular and necessary areas like highways maintenance, flood protection, community safety and economic development.

We have worked very hard to be able to put extra investment in those areas and have a commitment to do so in future.

In January, the government announced additional one-year funding for local councils. I welcome the £8.4m extra funding for social care that this will bring to Lincolnshire, which is the result of a very effective CCN campaign that we supported.

We have made the case for some time now that it costs more to run services in rural

counties like ours with a large geographical area, large road network and ageing population. This additional funding is a welcome acknowledgement from ministers of our case.

Aside from the extra investment a potential devolution deal could bring to our area, a more equitable funding settlement would greatly ease our challenges. Fairer funding arrangements will be on the government's to-do list during the next parliament.

In return for additional funding this year, the government has asked local authorities to produce productivity plans by the summer recess, to ensure every area is making best use of taxpayers' money. An expert panel to advise the government will also be formed to review these plans and advise on best practice.

It will not surprise you to know that I fully expect us here in Lincolnshire to contribute to this work. It is clear to me that this council is run efficiently and effectively. With a relatively low government funding allocation and low council tax level for residents, we do a lot with what we have. And we do it well.

Our spending for the next year

In the 2024/25 financial year, we expect to spend over £650m on providing a wide range of vital services. As has been our proven strategy, we continue to protect our frontline services that residents rely on, and there are no plans to cut services.

The council has managed to find around £9m in savings by reducing bureaucracy and streamlining operations through the use of new technology. However, we face £61m in additional cost pressures from rising prices and increased demand for services, including around £6m to fund an unexpected increase in the national living wage.

To fund this for the next year and beyond, we need to increase council tax to meet the shortfall. 2% of the increase will be the precept exclusively spent on adult care services.

While we can still only set our budget one year at a time and with the uncertainties we have on future funding, using money from reserves is not a sustainable option.

We know that household budgets are still tight for many residents. Uncertainty over future costs and income for the organisations who support them, is also a challenge. That's why we have committed to three years of funding for the county's Citizen's Advice Service under a new grant agreement from 2024. Starting at £300,000 for this year, funding will increase annually in line with the National Living Wage.

Adult care and community wellbeing

The council aims to ensure people in Lincolnshire stay as healthy, safe and independent as possible during all stages of their life.

As the largest area of council spending, we pay for around 7,000 beds in long-term and short-term care settings, and in excess of four million hours of commissioned community-based support. All this, as well as other preventative and specialised services.

Over the next year, we will be spending more in every area of the service. The 9.8% increase in the national living wage, which is the core component of the rate the council pays for commissioned care, is a major contributor to cost pressures.

A double whammy of the covid recovery and cost of living challenges means that we are seeing an increase in demand for residential care, with a 21% increase in people who had previously self-funded their care costs, now unable to do so. We are also seeing an increased cost for mental health services with increased demand and complexity of services needed.

Around 70% of our public health funding is spent on preventative health services for adults, and the Lincolnshire Health and Wellbeing Board have agreed council funding of £359m from the county's Better Care Fund for the next year.

This money pays for important services that help residents stay well. Spend in areas such as the community equipment service, reablement services and mental health provision, prevent more acute and costly health and care interventions, such as hospital stays and emergency incidents.



Children's services

Across children's services, we'll be spending almost £114m - £10m more than last year. This largely reflects cost pressures and increased demand for children's social care faced by councils across the country. More funding has been allocated to meet these challenges, including increased payments to our much-valued foster carers.

This year's budget includes £8m for SEND support and additional funding for overnight short breaks provision for children with disabilities.

More than £98m will be spent on children's social care this year, protecting our most

vulnerable children and young people, and enhancing their opportunities.

More than £6m will be spent on supported accommodation and services for those leaving care, and £4.5m on targeted support for young people, including youth offending interventions.

Although children's social care services are able to make some small general efficiency savings, costs are also going up because of the increasing complexity and demands of children who need to use independent fostering agencies and residential placements.

This year will see the further roll out of the apprenticeship social work scheme



which will help us attract and retain more social workers, and the running of two new children’s homes. These will provide better outcomes for children and young people, as well as lower costs in the long-term.

Lincolnshire has been chosen as one of three national Families First for Children Pathfinders, receiving £6.3m from the Department of Education, in recognition that we are an innovative, transformational authority. It will bring about reforms to family help, child protection and safeguarding partnerships and the further development of family networks – benefiting families across Lincolnshire and contributing to national improvements.

Highways and transport

Our highways revenue spend for 2024/25 is £48.8m, in addition to the £80.6m capital budget for highways maintenance. This £129.4m is £800,000 more than last year and comes in the wake of our own £19m additional funds that we put into road maintenance last year.

It is clear to see that we have put a huge amount of effort into keeping Lincolnshire moving, repairing more than 100,000 potholes and rebuilding many miles of roads and footpaths over the past year. But there is more to do.

Whilst the overall roads picture is getting

better for our county, we recognise that there's some way still to go. We're doing our absolute best with the resources available to us, and will continue to do so in 2024/25 to further improve the roads in our county.

Continuing inflationary pressures to maintain our highways network, although not as pronounced as in previous years, sees plant, labour, material and equipment costs increasing by £3.1m.

But we are doing more with the funding we do have by improving our own use of data to work more efficiently and being more robust in fining third parties who damage the highway.

The measures we put in place during the 2016 streetlight transformation project are now resulting in around £6m of savings compared to what we would be spending now per year, had we not gone ahead with the LED and part-light plans.

Meanwhile we will also be spending £66m on transport services as we meet our statutory requirements, providing school transport and concessionary bus fares. This includes an additional £3.2m needed this year for educational transport from continuing inflation, demand and challenging market conditions.

Environment and economy

Of more than £30m spent in this area, around £22m will be spent on disposing of the county's waste. Again, inflation has had a marked effect on our Household Waste

Recycling Centre contracts, increasing costs by £1.2m. New requirements for storing and moving hazardous material increases operational costs by a further £250,000. However, these increases in cost are offset by further savings from the continued roll-out of separate paper and card collections and a short-term saving from energy generated by our Energy from Waste (EfW) plant.

Inflation has also increased costs at our business centres and facilities, with increases to the costs of energy, insurance, and improving energy performance. Our budget also maintains our day-to-day services that support businesses to start-up, grow and re-locate to Lincolnshire, and support the right developments in the right places across our county.

In recent months, there have been a series of unprecedented flooding incidents which have had a significant impact upon our communities. The ongoing risk of flooding is increasing, and as lead flood authority we have a key role in identifying where measures can be put in place to mitigate this.

Therefore, in December the executive decided to set aside additional funding of £4m for major flood alleviation schemes following investigations. Today, I can confirm that we will put in an extra £1m for design and implementation and an extra £2m for jetting and clearing drainage in areas with recurring flooding.



Safer communities and culture

The council will spend more than £4m on our work to keep communities safe. This enables our ongoing work with colleagues in the Safer Lincolnshire Partnership, emergency planning, road safety and Trading Standards, playing our part in keeping our communities safe for all.

A small increase in the budget for the Coroner’s office will sustain the progress the service has made in reducing the number of open cases and the length of time cases have been open.

The budget for Lincolnshire Fire and Rescue is now just over £25m – increased to allow for the commissioning of a new fire control system, additional legislative requirements, and the withdrawal of some funding from

the Home Office that supports the service’s operational communication system.

We’ve also earmarked more than £7.5m in capital investment in our fire service in the new control room system, equipment and fleet, ensuring the response to our communities at times of emergencies remains strong.

Our innovative partnership arrangements to run libraries consistently delivers access to community spaces, resources and social opportunities across the county. The arrangements we have offer great value for money and we are committed to seeing this service thrive with some additional funding to the contract this year to meet inflationary costs, the impact of which is reducing.

Our heritage sites contribute to our tourism offer, providing a significant positive economic impact as well as providing great learning and wellbeing spaces to those who live here. Effective revenue generation, such as from the successful Lincoln Castle illuminated event and third-party events, are great for visitors and helps us deliver the service on budget.

We have now taken over £1m in online payments for our ceremonies – a great achievement – and have recently introduced pre-payment for appointments and a better online procedure to receive cause of death certificates. This investment in digital processes now delivers a better customer experience, reducing calls to the customer service centre and staff workload.

I am pleased to announce we are proposing to allocate £1m to be match funded by the Police and Crime Commissioner to address the ongoing problems of anti-social behaviour in many of our towns and villages. This will include a new dedicated team working with agencies to address local issues and community safety.

Always investing

When I'm out and about in the county discussing council work, residents and even other councillors, will ask me "What is the county council doing to invest in this area?"

I'm pleased to be able to tell them that our capital spend has been fair and well distributed across every district of the

county, and this will continue to be the case.

From investment in extra care housing, extensions to business parks, new firefighting equipment, new and re-furbished SEND schools, and of course our major highways projects. We are continuing to build new infrastructure and invest in facilities that help improve life in Lincolnshire for all residents, visitors and businesses.

There is a long-term plan for investment in our county and we are ambitious to achieve this. There are financial risks, however, from ongoing inflation and the increased cost of financing due to the increase in the base rate. It is hoped that these risks will recede with time but it is only right that we keep all projects under review in future years.

In adult care this year we have further planned improvements to day services and further housing projects for both extra care and working age adults.

In children's services, we enter the last year of our SEND school improvement programme. In total we will have invested over £100m to create an integrated and sustainable school system where pupils with complex needs can attend their nearest special school and have their education and health needs fully met.

As we upgrade our network and invest in new roads to better-connect our places, people and opportunities, the 2024/25 budget allocation includes £30m for the



Grantham Southern Relief Road, and more than £4m for the North Hykeham Relief Road. This will fund the preparation work needed before construction of this vital route, reducing congestion and helping traffic flow.

£1.2m will be spent on the electrification of Cross Keys Bridge to replace the hydraulics on the bridge and ensure a more resilient and efficient operation, preventing traffic delays.

It's important that the county is digitally connected too, so our investment in broadband projects continues, giving access to faster internet connectivity.

To provide infrastructure for business and growth, £1.5m has been allocated to the expansion of Horncastle Industrial Estate this year.

To meet the Environment Act requirements, we have agreed to invest £6.1m in our waste transfer stations this year.

We continue to find ‘invest to save’ projects, for example this year £1.5m will be invested in LED lighting, leading to reductions in energy consumption and future costs.

And I can’t talk about investing in our county and in our future, without mentioning our ambitious proposal for devolution for Greater Lincolnshire.

The government has been clear that this is how areas like ours will get more responsibilities and more control over our own futures; how we get more funding to invest into our priorities; and how we give residents the training, skills and careers they want that also supports growth in our county.

As part of our devolution plan, we already have a one-off capital fund of £20m from the government to spend on projects in Lincolnshire that meet our devolution ambitions. This is for projects that are within our remit and that we can deliver at pace in 2024/25.

Roundabout works at Nettleham and street-works in Grantham will both improve connectivity to the national network whilst also reducing congestion. Flood prevention works and the scheme of work to Old Roman Bank at Sandilands will help to avoid flood risk and increase access to the natural environment. The UK Food Valley grant programme will support our important food manufacturing sector, and a grant to Sleaford Moor Business Park will accelerate

delivery of the next phase of this low carbon business park.

I started by talking about how we have managed to stay in a strong financial position against the odds; so we can keep investing in our county; so we can continue to do more than just what we have to do; so we can do the things we know really make a difference to people’s lives.

Today, I am proud to present a budget which will again provide good services across the board and deliver an ambitious future programme whilst still keeping council tax as one of the lowest in the country for our residents.



KEEPING YOU ON THE ROAD IN '24

We're doing our best for the county's highways

In 2024, we're going to:

- fix around 110,500 potholes
- repair 290 miles of roads
- rebuild 101 miles of footpaths
- clean around 200,000 drains

We're able to do this by:

- combining jobs to save cost
- prioritising the places most used
- making every penny count
- adding more than £19 million of extra road cash from our reserves

We need YOU to help us!

Share your local knowledge with us and let us know what needs to be done in your area:

- Visit www.lincolnshire.gov.uk/faultreporting and report an issue
- Get in touch with your local county councillor and tell them directly

SCAN



ME

Scan the QR code to link to the website.

