

# BUDGET SPEECH 2020



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Leader, Lincolnshire  
County Council

Friday 21 February, 2020

## New era brings optimism

Chairman and fellow members, as we begin this new decade I find myself looking ahead with a feeling of hope and optimism.

One of the most decisive general election results for many years has given the Conservative government a strong foundation from which to build a new vision for our country.

And although we cannot allow our renewed confidence to mask the challenges that lie ahead of us, the government is more united than ever in its drive to grow our economy and secure new trade deals.

So we too must be ready to roll up our sleeves and make the best of some major opportunities at a local level.

With eleven Conservative MPs representing the Greater Lincolnshire area now, we have a strong voice for our county and all it has to offer, to help us shape our own future.

## Shared optimism for our country

And I'm not alone in my optimistic outlook. The International Monetary Fund (IMF) now predicts that the UK economy will outpace the struggling eurozone both this year and next, following Brexit.

This is in addition to 2019 where Britain's growth also outpaced that of the EU.

The IMF predicts that UK growth will accelerate to 1.4% in 2020, as Brexit uncertainty starts to lift, and indeed the UK is being seen by many companies as an increasingly attractive place to invest.

In the three months to November 2019, more than 200,000 new jobs were generated. It should be noted that most of these jobs have been full-time, not from zero hours contracts or part-time employment, pushing the employment rate to a new high of 76.3%.

In addition, wages are rising at twice the rate of inflation, making people better off and boosting consumer spending.

## Opportunities ahead

Much of my optimism is due, of course, to the removal of uncertainty following our recent departure from the EU. As I have previously stated, I firmly believe that rather than it marking an end of an era, instead it represents a new beginning.

It will certainly be the beginning of further negotiations and a managed transition as we set out our future relationship with the EU, but also the beginning of new opportunities and a chance to think bigger in Lincolnshire.

Over the last year, the county council has operated a major Brexit programme through our Business Lincolnshire Growth Hub.

We've already supported our business community with events, advice and a weekly information service where we've also listened to their experiences of Brexit planning and fed this intelligence back to government.

Now we're continuing to support our businesses to help them seize the opportunities with specialist advisors on hand to offer this guidance.

For some years now we've been exploring new international markets, and making efforts to build relationships with areas such as the Hunan province in China.

These relationships are now paying off with a number of deals between Lincolnshire and Hunan businesses underway.

I'm pleased to be able to announce that we are now pursuing a five year plan with the Hunan region to promote trade and educational links, and we're hoping to sign this agreement later this year.

By creating the environment and foundations for growth, we'll help our businesses to thrive in international markets.

## Being ambitious for the future

But of course we haven't been resting on our laurels, waiting for 31 January to make things better for residents and businesses in Lincolnshire!



Our new corporate plan sets out our ambitions for this county. We're confident that we can deliver these with the support of our partners and advocates.

The government has been clear about plans to level up the country and invest in the north. This will be of great benefit to Lincolnshire, and in helping the council achieve these ambitions.

For example, in the Conservative's election-winning manifesto, there is a commitment to invest millions more every week in science, schools, apprenticeships and infrastructure, while controlling debt.

This supports our own will to set high aspirations for our area, to drive economic growth and make sure Lincolnshire remains a place where people can enjoy their lifestyle and achieve their aspirations.

At the same time, we will continue to offer good value council services, with low levels of council tax and, like the government, remain financially prudent.

The national commitment to towns is also a welcome one, through the government's new Towns Fund and other initiatives.

Funding will be given to Lincoln, Skegness, Mablethorpe and Boston and we are now working with district council colleagues to bid for each of these areas to boost these areas in the best way possible.

There will be substantial housing growth in our market towns and our challenge is to generate the jobs locally so that spending power is not lost and our towns are places where families and businesses thrive.

### Rural challenges still on agenda

It's long been recognised that rural areas like Lincolnshire receive less than their fair share of Government money. It's time for that to be put right.

We will continue to lobby for a fairer funding settlement for rural counties like ours.

We have been raising awareness of the fact that if councils in our area only received an average funding for England, we would be £116m better off every year.

I firmly believe that the government has heard our concerns and we remain



confident they will take action to rectify the imbalance as we approach the end of the current 4-year funding deal.

We had expected confirmation of further multi-year funding following the national fair funding review to consider how government distributes money to local authorities.

Now that the government has a strong working majority and has prioritised the levelling up of funding nationally, we are hopeful that our patience will soon pay off.

This council is no longer prepared to accept an unfair funding regime, which we believe sees Lincolnshire's residents, councils and businesses discriminated against.

I am confident the government will recognise this and address the issue, but rest assured, we will be doing all we can to continue to hammer home the message and push towards a resolution.

We especially need to see a long-term plan for dealing with our county's ageing population. It's vital this is addressed as



a priority, to eradicate the uncertainty surrounding future funding and so we can be sure that residents will continue to receive the best possible care.

In recognition of the pressures we are facing though, the government did announce last year that an additional £1bn of social care funding would be given to local authorities for 2020/21.

In Lincolnshire this will provide us with an extra £14.7m - a welcome boost - which will help fund the extra costs we are facing in caring for and safeguarding both children and adults.

In the Queen's Speech before Christmas, there was confirmation that this additional funding has now been

extended beyond this financial year.

But we clearly need the certainty of a three or four-year settlement to enable us to plan ahead with confidence.

### Funding our services in 2020/21

Because of the uncertainties and disruption the government itself faced in 2019, we have a one year funding arrangement which is predominantly a rollover of grants from last year, some with inflationary increases.

We are now expecting details of long-term funding arrangements this year, plus the review of business rate retention

(which could allow local authorities to keep more of the business rates income).

Because of the continued reduction in our main government grant, over the last year, we have undertaken a thorough review of budgets, existing cost pressures and reserves.

This has given us an understanding of how we can help bridge the gap between the money we need to spend on running our services, and the funding available.

From this review and the hard work of council staff, we have managed to find £14m of efficiency savings for services across the board. We have reduced our building and transport costs, re-negotiated contracts and brought some services in house, where it makes practical sense to do so.

These measures have allowed more flexibility for the next financial year, so that we can deliver a balanced budget without the need to use our limited reserves.

I'm sure I don't need to remind fellow members that our reserves can only be spent once, and any services funded from reserves one year, will still need to be paid for the following year.

Although it's an improving picture for council finances, there are still challenges ahead, particularly with regard to the ever-growing demand for adult care.

To reflect this, we are accepting the allowance to increase council tax by 2% to raise more money specifically for

adult social care, with a 1.5% increase in general council tax.

Overall, this means a rise of 3.5% to council tax bills, which is still below the 4% we could implement without holding a local referendum.

As a result, council tax for a Band D property will increase by £45.18 a year to £1337.58, and will increase our funding by around £15m.

While increased bills of any kind are not always welcome, Lincolnshire will continue to have one of the lowest council tax rates in the country.

### Our spending for the next year

2019 saw unprecedented rainfall and increased flooding in Lincolnshire. As well as the disruption for our residents and businesses, this has led to considerable extra costs to the council in flood investigation work and highways maintenance from the deterioration of our roads.

Therefore the council is set to invest additional money in these areas. This will not only be in managing the short-term impacts, but in both prevention work and strengthening our flood response for future.

£2m has been allocated for extra drainage repairs and new flood-response equipment for Lincolnshire Fire and Rescue.



We know that road repairs and flooding are a priority for many residents.

So we're proposing to spend around £4m on 16 extra highways gangs next year. They will carry out additional maintenance across the county, on street furniture like signposting and benches and of course continue the huge task of pothole repairs.

Our capital budget has also earmarked investment in a number of future projects.

These include investment in schools to create more places, and to improve facilities. The latest of the improvements following our special educational needs and disabilities review, will be an investment in the new John Fielding School of around £13m, as part of our wider £50m capital plan for SEND provision in the county.

This exciting development will ensure children can attend their local school rather than having to travel huge distances for their education.

Another Conservative manifesto promise is a commitment to reaching net zero carbon emissions by 2050 with investment in clean energy solutions and green infrastructure to reduce emissions and pollution.

Mirroring this, our own spending on capital projects will be driven by our pledge to become carbon neutral within this same timeframe.

We hope, of course, to achieve this sooner if it's practical and doesn't impact

on our ability to provide the services our residents need effectively and efficiently.

We have therefore set aside £350,000 for a 'green masterplan' with key spending to help us achieve this.

Reducing traffic congestion continues to be high on our agenda.

Our capital investment will this year see the completion of Lincoln's eastern bypass.

This will be a major achievement in the light of challenging circumstances – both from changes in our contractors and the difficult weather conditions.

The benefits will be significant to those travelling from the south to the north of the city, and in reducing traffic levels for those coming into Lincoln, especially at rush hour.

But, as well as the obvious benefits to the county's transport links, we will also commit considerable amounts of funding to the planting of trees along the length of this new stretch of road.

In fact, more than 10,000 native saplings are due to be planted in areas along this major new route, as well as 300 individual trees and 65,000 hedge trees.

In addition, this council will plant one tree for every person in Lincolnshire within the next three to five years, while we have also committed to replant at least four trees for every one we remove while undertaking our projects.

Work on the Grantham southern relief



road continues this year and is on track and funded for completion over the next three years.

£20.5m will also be spent in our capital programme this year on section five of the Spalding western relief road.

Looking to the future, we've set aside funds to continue with plans for the North Hykeham relief road when government money is available.

This project will complete an entire ring-road around the city of Lincoln and allow easier journeys into and around the area.

Businesses in Lincolnshire tell us that one of the barriers to growth in the county is the challenges of getting around.

While we recognise that with 5,500 miles of road, there will always be improvements needed, we have





earmarked funding to tackle some key pinch-points this year.

This is in addition to £3.6m for improvements to Holdingham roundabout and £1.3m for a new Welton roundabout to improve safety on this key route.

Our future programme sets out £5.5m for improvements in Boston too. As well as looking to reduce traffic congestion, projects will benefit the local economy.

On that note, this year's budget includes £500,000 to extend Horncastle's industrial estate.

With 94% of the county now being able to access superfast broadband, we're continuing to roll-out our successful OnLincolnshire programme.

This will see a further £2.5m spent in the next financial year, to bring superfast internet availability to even more homes and businesses, especially the most

hard-to-reach areas, giving 97% of county residents access by December 2021.

We have provided more than £2m to enable the development of the Food Enterprise Zone in Holbeach. This marks the largest investment in the South Holland area for many years and, we believe, is the key for unlocking further opportunities and larger projects in the future.

Lastly, we have allocated £2m to replace Skegness and Kirkby on Bain household waste recycling centres. These will be modern and flexible, enabling us to deliver a better service to the residents.

## A significant new era

So I'm looking forward with a positive outlook.

I firmly believe that 2020 is the start of a significant new era in our history. We need to seize the opportunities presented to us now as strongly as possible and deliver what years of uncertainty have slowed.

England is being re-defined both politically and economically, and this gives us the chance to realise those ambitions and help our county and people thrive.

The government has reinforced its commitment to level up funding and services within the UK.

Our budget is one that reflects our continued investment in our county and in our services.

We'll continue to deliver good services for our residents, and maintain our county as one of the best places to visit, live and raise a family.

And that surely is the best reason for optimism.

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# FAIRER FUNDING FOR LINCOLNSHIRE

## END THE SHORTFALL

LONDON RESIDENT £536  
LINCOLNSHIRE RESIDENT  
£292  
= £244 LESS FOR YOU

MORE CASH TO CARE  
FOR OLDER PEOPLE

EXTRA MONEY FOR  
POTHOLE REPAIRS

EVERY YEAR THE COUNTY  
MISSES OUT ON  
£116 MILLION