

# Budget Speech 2025

**Councillor Martin Hill OBE  
Leader, Lincolnshire County Council**

**Delivered on Friday 21 February, 2025**



## Challenging financial climate

I have always been proud of this council's track record of delivering good services and offering value for money for the taxpayer – keeping council tax low and fighting for more funding for our residents.

As we look forward to the start of spring, we also set our budget for the coming year.

Spring may signify new beginnings but when it comes to our finances it doesn't feel that way, and through no fault of our own.

With a new government in 2024, came new financial burdens and even less money for local services. This is against a backdrop of some councils being in severe financial difficulties. Councils are struggling with rising costs and a national

economy failing to meet growth targets despite the Chancellor's promises.

The International Monetary Fund says that the UK economy grew by just 0.9% in 2024 having previously forecast 1.1%.

The Chancellor's autumn statement included an increase in employers' national insurance contributions. We know that our costs have already been under pressure from inflation, so this additional burden could not have come at a worse time.

Although we will receive some additional funding to partially cover national insurance contributions for our direct employments, by our estimates this will still leave a gap in funding of around £1.2m.

The impact on our suppliers from their own national insurance contributions will also lead to higher costs for the council, particularly in health and care services. This represents a further multi-million pound budget pressure.

Six councils, one of which is Birmingham, have been granted permission to increase council tax this year by more than the maximum 4.99% without requiring a referendum.

This will see Birmingham City Council being allowed to raise council tax by 7.5% after also receiving nearly £40m additional funding through the government's new recovery grant. This means while their

financial mismanagement has been rewarded with increased funding, our own sound financial management has not.

We continue to lobby the government for more funding to reflect our specific challenges, particularly around an ageing population and around the travel distances to deliver services.

But despite our renewed campaigning for a fairer funding formula for rural counties, the new government has altered the allocations this year to make rural counties suffer even more, by abolishing rural grant funding and allocating us no funding at all from the new recovery grant.

There is still some uncertainty over how fundamental changes to the government's funding formulae will affect us in Lincolnshire in the long term. But we can only do what we have always done, and focus on what we can control, to stay financially sustainable.

## Council tax

With this financial climate, it would not be a surprise if our residents are also not feeling full of the joys of spring. During our budget consultation exercise, concerns about the cost of living was the most common theme that emerged from the feedback that overall found two thirds of residents supported our proposed increase to council tax of 2.99%.

We know that no council tax increase will be popular, but this year particularly, it will be necessary. However, the executive feel increasing council tax to a level significantly higher than inflation, which ran at 2.5%, was unfair.

Furthermore, it would not be right to make our residents fill the financial gap from the government's funding reforms. Had these changes not happened, the council's grant funding would have been higher, and we would not have needed to maximise our income from council tax.

## A new era for Greater Lincolnshire

So with longer days and warmer temperatures around the corner, can we find anything in our budget to be more hopeful about? Yes, absolutely.

I'm as always, grateful to our officers for their support in preparing this budget who have reflected that, despite the disappointing hand we may have been dealt, the council is still in a good position to navigate future financial challenges.

In the next financial year, as a council we will spend £700m to deliver our planned services. We will also invest £346m into capital projects to benefit our residents.

Our programme of work to reduce costs where we can and to invest to save, has meant we have maintained our strong financial footing and continue to make Lincolnshire a better place for our residents, businesses and visitors.

In 2025, we will start to receive more of the funding from our devolution deal. The government has made clear that the formation of our Mayoral strategic authority is the route to future investment in Greater Lincolnshire as well as more local decision making.

It's a testament to the work of all three councils that we have achieved such a good devolution deal, and that it was accepted so readily and taken forward quickly by the new government.

The £20m we have already received for capital projects is already coming to fruition, with a number of highways and investment projects underway. And for this year, the new Greater Lincolnshire Combined County Authority will receive £24m investment funding - which is guaranteed each year for 30 years - as well as consolidated transport funding.

The GLCCA will also be receiving more than £12m of UK Shared Prosperity Funding for Greater Lincolnshire, plus a capital top-up of an additional £2.6m to support the development of local growth plans. These are incredibly positive steps forward in securing a better future for our area.

Looking in more detail now at our own spending over the next year.

## Care throughout adulthood

As the largest area of council spending, with a gross budget of £395m, we pay for around 8,000 beds in long-term and short-term care settings, and in excess of four million hours of commissioned community-based support, as well as preventative services.

Over the next year, we will be spending £18.9m more across all services, including covering the 6.7% increase in the national living wage - the core component of the rate the council pays for commissioned care.

The budget also needs to meet the anticipated increase in demand for adult social care. We are also seeing an increase in demand for services amongst working age adults by 3-6% per year - mental health services in particular.

Financial pressures on providers are continuing to increase due to a combination of national living wage, inflation, and the additional national insurance contributions.

We have an increasing focus on prevention, with 70% of the Public Health grant allocated to preventative health services for adults, including the Integrated Lifestyle Service, screening and immunisations, NHS Health Checks, and the Wellbeing Service.





In the coming year, we plan to conduct over 300 visits to care homes to reduce infection risks and safeguard vulnerable individuals. Additionally, we will support more than 4,500 carers, demonstrating our commitment to providing them with essential resources and assistance.

We are renovating our day centres and developing new supported accommodation, and will continue to do so, enabling people to remain in their own homes for **longer**

We will seek to support victims of domestic abuse in the county where there is a need to provide safe accommodation, providing several specialised services to meet the needs of children and those with complex needs.

## Giving children the best start

Across children's services, we'll be spending £10m more than last year. This 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 £11m for SEND support and additional funding to support the rise in requests in SEND assessments. £13m of capital funding will be used to increase the SEND capacity in Lincolnshire schools.

Around £110m will be spent on children's social care this year, protecting our most vulnerable children and young people, and enhancing their opportunities.

And in addition, 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.

Lincolnshire will continue to be a national Families First for Children Pathfinders, supporting innovative and transformational authority. This will supplement the new £3m social care prevention grant.

## Supporting a flourishing economy

The council recognises how important it is to help our key business sectors to expand, creating high quality jobs and investment in the county.

Despite tightening public budgets, the council has committed to invest £20m in an economic investment fund.

This will be used to create the business facilities such as office blocks and industrial parks, that are needed by our world-leading sectors - advanced manufacturing, defence and agri-food. These facilities will be in Grantham, Lincoln, and Holbeach.

We have also committed to invest some of the fund into expanding industrial estates in West Lindsey, East Lindsey, and Boston.

The economic investment fund will be delivered over the next four years and will provide 3000 job opportunities across the whole of the county.

This is a difficult period for businesses, especially those from our rural areas, and we are receiving more calls from businesses who need help with increasing costs. We have therefore allocated £50,000 from our contingency budget to fund a year-long service to support rural businesses, and this will start next month.

## Roads, transport and connections

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.

Our highways maintenance grant from the Department for Transport this year amounts to £60.4m, which we have bolstered with a further £46.2m. This means we continue to deliver the same enhanced service with maintenance and make further improvements to our roads.

Spending on road maintenance in 2024/25 was at record levels and as a result, the condition of our unclassified roads has been considerably improved for the second year in a row, whilst we have maintained the condition of the A, B and C roads in a steady state.

With this additional funding we have allocated, I'm pleased to announce that our strategy is working and 57 miles of unclassified roads are no longer part of the "network needing maintenance".



Comparing Lincolnshire to other authorities, our principal road network is in a better state than the average rural authority.

Last year, we completed several major highways improvement projects, including at the A16 Springfield Roundabout in Spalding; Dysart Road in Grantham; and Newland in Lincoln. This is on top of building 12 brand-new pedestrian crossings throughout the county.

We've also been able to bring positive change to roads in our coastal area thanks to the £20m in capital funding received as part of the Greater Lincolnshire Combined County Authority devolution deal.

This has allowed us to completely rebuild Old Roman Bank between Sandilands and

Chapel St Leonards; the A1104 between Mablethorpe and Maltby-Le-Marsh; and two failing roads in Sutton on Sea. We'll be using the remaining money to rebuild and improve the Nettleham roundabout, just outside of Lincoln.

In 2025, we're also set to break ground on the £200m North Hykeham Relief Road that will form the final section of Lincoln's ring road. This will reduce traffic congestion in the area while contributing towards economic growth within our county.

In the coming year we'll also spend over **£14 million** to rebuilding some the worst A and B roads around the county, including busy sections of the A15 and A16.

## Thriving communities

Although much of our budget is spent on delivering services at a large scale, we can't forget that many of our services with smaller budgets are often equally as valued by our residents.

Our registration service is there at key life events, and our new ceremonies website is transforming our service from a traditional paper-based contact process into a better, more interactive experience for couples planning their special day.

The highly anticipated redevelopment of Lincoln Museum continues to progress well. Working in close collaboration with the specialist museum designers will ensure the revitalised gallery and public engagement spaces enable visitors to fully immerse themselves in Lincolnshire's rich history.

This investment in Lincoln Museum will enable us to rotate collections and displays more frequently, improving the visitor experience and encouraging repeat visits.

## Safe and sustainable environment

In order to accommodate the government's 'simpler recycling' legislation which aims to standardise the waste collected by all local authorities, we have invested £9.6m to improve our network of five waste transfer stations, and to progress the construction of a new one in the greater Lincoln area.

We are progressing well towards adapting these stations to accept segregated food waste, which will be collected by district councils from April 2026. Food waste will be treated by anaerobic digestion, producing electricity and fertilisers for use on agricultural land.

We will receive our first payment through the governments 'Extended Producer Responsibility' scheme this year, to improve the efficiency of our recycling services. This could include further funding to our food waste project and improved re-use facilities.

In January, we were reminded of the risk to the county from flooding. You will remember that following storms the previous winter, £868,000 was allocated over the last year to cover staffing and other costs needed to carry out an unprecedented number of investigations into the causes of flooding at various locations across the county.

These investigations identify the root causes of flood incidents and where possible, the action needed to address it from different agencies. We've taken the responsible decision to add those staffing costs into the base budget to continue this area of work into the future.

We have also invested a further £4m of capital funding to enable the development and delivery of flood alleviation schemes such as those at Kirkby on Bain and Long Bennington.



## Increased Investment

The budget for Lincolnshire Fire and Rescue is now £28.2m – increased to allow for the commissioning of a new fire control system, additional legislative requirements, commissioning of wholesale fleet and equipment maintenance program, and the withdrawal of some funding from the Home Office.

Through reviewing ways of working, savings have been realised within software applications being replaced by more efficient programs along with an increase in income generation.

We've also earmarked more than £3.6m in capital investment in our fire service in the new control room system and maintaining existing equipment and fleet, ensuring our emergency response remains strong.

The demand for Lincolnshire Fire and Rescue resources is increasing and diversifying. To ensure Fire and Rescue are best placed to meet these demands we have invested in control personnel, who are at the forefront of our operational response, and increased the capacity of our Fire Safety Inspection Officers to provide 24/7 support to our communities.



## The future for local government

Of course, the spring of 2025 also brings with it our county council elections. This most important democratic process reminds us that we are here to serve our residents.

Members will be aware that before Christmas, the government set out its intention for widespread reorganisation to abolish 'two-tier' council systems, in favour of unitary authorities. Councils were invited to come forward to be considered for the first phase.

The request was aimed at those areas that do not have a strategic authority or that need reorganisation to enable devolution, so it was perhaps not a surprise that Greater Lincolnshire was not chosen to be in this first wave.

Although disappointing, we will be looking to pursue more straight-forward local government across Greater Lincolnshire at the earliest opportunity.

It is clear that one county council, seven district councils, two unitary authorities, and now a strategic authority, is an unnecessarily complex system for our residents. It also cannot be the way to offer the best value for money.

We have now received from the government, the detailed criteria that will enable us to put a proposal together for submission.

So I will end on a more hopeful note that the changing of the seasons may offer new beginnings after all.







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