

**EXECUTIVE
 9 JANUARY 2024**

PRESENT: COUNCILLOR M J HILL OBE (LEADER OF THE COUNCIL)

Councillors Mrs P A Bradwell OBE (Executive Councillor for Children's Services, Community Safety, Procurement and Migration) (Deputy Leader), Mrs W Bowkett (Executive Councillor for Adult Care and Public Health), L A Cawrey (Executive Councillor for Fire & Rescue and Cultural Services), C J Davie (Executive Councillor for Economic Development, Environment and Planning), R G Davies (Executive Councillor for Highways, Transport and IT), D McNally (Executive Councillor for Waste and Trading Standards) and Mrs S Woolley (Executive Councillor for NHS Liaison, Integrated Care System, Registration and Coroners)

Officers in attendance:-

Debbie Barnes OBE (Chief Executive), Will Bell (Chief Legal Officer), Andrew Crookham (Executive Director Resources), Michelle Grady (Assistant Director – Finance), Andy Gutherson (Executive Director Place), Martin Samuels (Executive Director - Adult Care and Community Wellbeing), Heather Sandy (Executive Director of Children's Services), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and Rachel Wilson (Democratic Services Officer)

49 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor R D Butroid (Executive Councillor for People Management, Legal and Corporate Property).

50 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of interest at this point in the meeting.

51 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

The Executive Councillor for Economic Development, Environment and Planning provided an update on the number of flooding incidents following the storm the previous week. It was reported that the incidents were spread across the county with the west and south of the county worst affected. There were a further 124 properties which were flooded internally and 168 flooded externally. There were five reports of land being flooded. It was also highlighted that 38 properties which flooded as a result of Storm Babet were flooded again the previous week as a result of Storm Henk. It was noted that the number of flooding incidents reported was expected to increase further.

It was reported that there was now a significant number of Section 19 investigations required, and it was noted that there were still a number of flood warnings in place, and the land was still saturated. It was expected that once the water had subsided damage to infrastructure was likely to be found.

The Executive Councillor commented that there had been intense rainfall over the past few weeks, and the authority needed to be prepared for more incidents similar to this in the future and so there was a need to ensure that the County Council was working with partners as the Lead Local Flood Authority.

It was reported that the Executive Director – Place would be writing to government to see if there was anything that could be done to influence the spring budget announcement in March 2024.

Appreciation was expressed for the work of Lincolnshire Fire and Rescue and it was also acknowledged that there were many parts of the county in which the pumping which had been carried out had saved many properties from flooding. It was also noted that there was a need to publicly thank all those people in local communities who were working to help each other during the flooding and bad weather including the Parish Councils which had emergency plans which they were able to put into practice. There was a need for the County Council to help build community resilience. Lincolnshire had experienced a major county wide event and so services were stretched and so the more that could be done at a local level the better.

The Executive Director – Place updated the Executive on the grants and support which was being made available to those residents who had experienced flooding. It was reported that there was £500 available per household for recovery and clean up. However, this was related to business rates and council tax and was managed through the district councils. The area where the County Council had a role was in relation to flood resilience grants of up to £5,000 per property. Residents needed to have the work done and then reclaim the money back, which created the issue of whether it would be affordable for everyone that had been affected. Work was taking place with the CCN and ADEPT to look at the way in which the grant was managed in order to take the burden away from the public. In terms of the £500 recovery and clean up grant it was believed that residents who had claimed this previously were able to claim again if they were flooded again.

The Executive was advised that work had commenced that morning to ensure that dedicated support could be put in place through the Customer Service Centre for residents who had queries related to claiming these grants.

That the minutes of the meeting of the Executive held on 5 December 2023 be signed by the Chairman as a correct record.

53 COUNCIL BUDGET 2024/25

A report on the Council's Budget for 2024/25 was introduced by the Deputy Chief Executive and Executive Director – Resources who advised that the proposals, which would be subject to consultation, had been prepared on the basis of a 3% increase in council tax. It was also noted that the Medium Term Financial Plan (MTFP) contained a number of proposals based on cost pressures and efficiencies which were outlined in the report in more detail.

The Assistant Director – Finance advised that the report set out the budget proposals as the basis for consultation, before the final proposals were considered by the Executive on 6 February 2024 before being submitted to full Council for approval. The report brought together updates from the Autumn Statement and the financial settlement from government, which were in line with previous indications and there was no additional funding announced particularly in relation the National Living Wage uplift. This had created a significant cost pressure against the original assumptions in the MTFP which had been presented previously.

It was noted that some additional funding had been received in relation to Adult Social Care, but this was offset by reductions in the service grant. The referendum limit for increases in council tax was set at no more than 5% which included 3% for councils plus an additional 2% for those authorities with responsibility for Adult Social Care.

There were some challenges around affordability of the Council's services where demand and cost continued to rise. Cost pressures were set out in detail in the appendices to the report.

Table A in the report set out the medium term plan based on a 2.99% increase in council tax, this created a deficit position of £7m for 2024/25 rising to £15m over the four year period of the Plan. Each of the deficits would be required to be met from the reserves, which would require use of around £49m of reserves over the length of the Plan.

Table B in the report set out the Council's overall proposed revenue budget for 2024/25 which included cost pressures of £60.6m and savings and additional income of £19.1m. The cost pressures related mainly to pay inflation and contract inflation particularly in the areas of social care and home to school transport. The report set out an approach to business process improvement as part of the efficiency savings in order to avoid service reduction.

The report also included scenarios based on council tax increases of 2.99%, 3.99% and 4.99% and it was noted that each 1% increase generated an additional £3.7m of funding into the base budget.

A breakdown of reserves was set out in Table F of the report, with earmarked reserves being those which could be used to support budget deficits, including the financial volatility reserve which was currently at £47m.

The report also included an update on the Capital Programme, and it was highlighted that there was no overall increase in the capital programme planned for 2024/25 to ensure its continued affordability.

During discussion by the Executive, the following comments were made:

- It was reported that the uplift announced for the National Living Wage of an additional 30p per hour on what was expected, would generate a cost pressure of approximately £6m that had not been planned for. This would mainly impact Adult Social Care.
- It was confirmed that every additional 1% increase in the council tax rate would add £15 per annum to a Band D property.
- The government plan had assumed a net reduction in funding for 2025/26, it was confirmed that the council's budget proposals had taken this into account.
- The information from district councils relating to the Council Taxbase and Collection Fund needed to be submitted by the end of January 2024. A provisional calculation of what was expected to be received was included within the budget proposals, but this would be finalised and slight amendments made once the final information was submitted. It was noted that estimates around business rates had been quite prudent.
- The Council had received additional funding in 2023/24 for Highways and following the cancellation of the HS2 project there had been announcements which committed to additional funding over a 7 - 9 year period. There had been announcements that some money had been identified for 2024 and 2025, although the amounts had not been finalised, it was expected to be around £5.9m.
- Table F in the report set out details of the earmarked reserves, which included the Financial Volatility Reserve. It was noted that a proposed council tax increase of 2.99% over the course of the MTFP would reduce the balance of this reserve to nil due to the need to use reserves to balance the budget.
- It was commented that the Council should feel fortunate for its current financial position, as there were some councils which would need to make some very difficult decisions in the coming year. There would be difficult decisions to make in the coming year, however, the Council was in a good position and so did have options.
- There was an expectation that there would extra resources identified to explore what more could be done to protect people from flooding.
- It was agreed that the Council should consult on a council tax increase of 4.99%.

RESOLVED

1. That the following elements of the budget for 2024/25 as its initial proposals subject to further consultation and scrutiny, namely:

- a) The budget requirement pre-use of reserves as set out in Table B;
 - b) The budget savings and cost pressures covering the 2024/25 financial year as set out in Appendix A of the report;
 - c) The draft capital investment programme 2023/24 onwards as set out in Appendix B of the report.
2. That the advice of the Executive Director for Resources as S151 Officer at paragraphs 1.106 to 1.112 of the report be noted.
 3. That a council tax increase for 2024/25 of 4.99% is proposed.
 4. That the carrying out of consultation and scrutiny on the Executive's initial proposals as set out in paragraphs 1 and 3 be approved.

The meeting closed at 11.11 am