

COUNTY COUNCIL MEETING – 17 DECEMBER 2010

Statement from: Cllr Martin Hill – Leader and Executive Councillor for Policy, Strategy, Communications, County Farms and Finance

Finance

The finance agenda is presently centred on work to pull together the Council budget for 2011/12 and the three subsequent years.

The budget process

This timescale arises from the October 2010 Spending Review, which requires the Council to prepare a budget based upon the loss of around 28% in real terms of its general grant from Government (known as formula grant) over the next four years. Around half that reduction in grant is currently scheduled to take place in 2011/12, representing a significant challenge in budgeting and service delivery.

At the time of writing, the Council is awaiting the details of its grant settlement from Government for next year and beyond. This will quantify the precise financial impact of the Spending Review on the County Council. May I remind members that a seminar on the detailed budget proposals for next year and beyond is taking place at 10.30am on 21st December in the Council Chamber. I would urge all members to attend.

The detailed budget proposals will then be considered by the Executive on 5th January. It intends to agree a budget for consultation over the rest of the month, including consideration of individual proposals by the relevant Scrutiny Committee. Final proposals will go to the Executive meeting in early February and thereafter to full Council on the 11th February for final approval.

Consultation with stakeholders

On the subject of consultation, a constructive meeting was held with stakeholders from the business community, churches, trade unions and other public sector partners on 30th November. The attendance was excellent, despite the adverse weather.

Attendees generally recognised that the Council will have to make difficult decisions in the coming weeks to match available resources with highest priorities. I took the opportunity to emphasise that whilst there will undoubtedly be reductions in services, these will not be uniform and across the board. Rather, the Council will seek to protect, as far as possible, valued public-facing services.

A further meeting will be held with stakeholders on 26th January to look at the Council's detailed budget proposals.

Pay and conditions

The Council is contributing to national pay negotiations with the very clear view that public sector pay should see no increase in the next year. Negotiations have also started locally on reviewing conditions of employment.

In both these areas, the Council greatly values the contribution made by staff in these difficult economic times, but remains determined to play its part in supporting the recovery.

Community-based budgets

Lincolnshire has been chosen as one of the first 16 “first-phase” areas to create community budgets for work to support families with complex needs. No new money will be provided but, from next April, significant funds will flow direct to the county (rather than through a range of national, regional and local organisations), allowing spending decisions to be made locally.

Lincolnshire is also working with government departments on both “Total Environment” (helping initially to address some of the county’s flooding risks) and “Excellent Ageing”.

These are exciting opportunities reflecting Lincolnshire's status as an innovative county that can be relied on to deliver change benefiting local people.

Local Enterprise Partnership

Following the success of the Greater Lincolnshire Local Enterprise Partnership bid, I was asked to invite 12 business and civic leaders from across Lincolnshire to form the LEP’s inaugural Board. At the time of writing, the Board was due to meet at the University of Lincoln to agree its terms of reference and elect a chairman from amongst the members.

As an urgent priority, the LEP will be preparing funding bids to the new Regional Growth Fund. If successful, these could benefit projects such as North Hykeham’s Teal Park and areas with Growth Point Status such as Grantham and Lincoln.

Overall, the formation of the LEP is a major step forward for Lincolnshire as we strive to create jobs and stimulate business growth.

Senior management restructure

The Council needs to reduce costs in the face of the anticipated cuts to our grant income, and to ensure that it takes all opportunities to do so that are not related to front-line service delivery.

That must include our management overhead, and to that end the Chief Executive has drawn up plans for a senior management structure – all posts at Head of Service level and above – that is reduced in size by around one-third.

Following consultation upon those plans, a final structure was implemented on 1 December. Some 30 senior managers have consequently either left the Council or are in the process of doing so. I am grateful to all of them for their efforts over the years, and naturally regret that they have to leave in these circumstances.

The Council's new management structure has now been populated by managers appointed either by assimilation or by competitive selection. Those managers are already busy reshaping the Council's workforce in order to reinvigorate service delivery for the future, and to carry forward our well-earned reputation for continuous improvement.

Extreme weather

Finally, I'd like to express my sincere thanks to all the gritting crews and members of the emergency services who worked so hard to keep Lincolnshire moving during the recent bad weather. Thanks also to all the Council staff who battled into work to ensure vital public services were maintained.