

**EXECUTIVE
 5 JANUARY 2022**

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

Councillors Mrs P A Bradwell OBE (Executive Councillor for Children's Services, Community Safety and Procurement) (Deputy Leader), Mrs W Bowkett (Executive Councillor for Adult Care and Public Health), R D Butroid (Executive Councillor for People Management, Legal and Corporate Property), 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, Community Engagement, Registration and Coroners)

Councillors: R B Parker attended the meeting as observers

Officers in attendance:-

Debbie Barnes OBE (Chief Executive), Katrina Cope (Senior Democratic Services Officer), Andrew Crookham (Executive Director Resources), James Drury (Executive Director Commercial), Glen Garrod (Executive Director - Adult Care and Community Wellbeing), Michelle Grady (Assistant Director – Finance), Andy Gutherson (Executive Director Place), Heather Sandy (Executive Director of Children's Services), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and Rachel Wilson (Democratic Services Officer)

51 APOLOGIES FOR ABSENCE

There were no apologies for absence.

52 DECLARATIONS OF COUNCILLORS' INTERESTS

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

53 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

The Executive Councillor for Economic Development, Environment and Planning provided an update in relation to the Western Growth Corridor planning application which was due to be determined shortly by the City of Lincoln Council. He reported that Highways had substantial objections to the Scheme, and in consultation with the Executive Councillor for Highways, Transport and IT, had determined that it should be referred to the Secretary for State for decision as it was not believed that the objections could be overcome by the scheme in its current form. The Executive Councillor advised that he had registered to speak

as an objector and had written to the Secretary of State requesting that the application was called-in.

The Chief Executive provided an update on Covid-19, and the recent media reporting on the position around hospital and community health trusts. The Executive were advised that all three health Trusts in Lincolnshire were under significant pressure. ULHT had announced it was in OPEL 4 in terms of critical emergency. The challenge related more to business continuity and the numbers of staff off sick either with Covid-19 or self-isolating than the number of patients being admitted. There had been a briefing the previous day from all of the hospital trusts and all services were working under business continuity arrangements, and there were some minor outpatient services that had been affected, but all services were running.

From an LCC perspective, the staff situation was being monitored closely, and there had not been a need to invoke any business continuity plans.

54 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON 7 DECEMBER 2021

RESOLVED

That the minutes of the meeting of the Executive held on 7 December 2021 be confirmed as a correct record and signed by the Leader.

55 COUNCIL BUDGET 2022/23

A report on the Council's Budget for 2022/23 was presented by Andrew Crookham, Executive Director – Resources, and Michelle Grady, Assistant Director – Finance. The proposals, which would be subject to consultation, had been based on the provisional local government settlement for 2022/23 which had been issued on 16 December 2021. The announcement of the final settlement was expected in February 2022, and this was anticipated to be in line with the provisional settlement.

Further budgetary information was awaited from the Lincolnshire district Councils on likely council tax and business rate income for 2022/23. A number of new cost pressures had emerged in addition to the pressures identified for 2022/23 in the previous year's budget process, and some areas, cost pressures previously identified had been reduced.

The key elements of the provisional local government finance settlement had been a new tranche of Social Care Support grant was confirmed at £9.3m; confirmation of LCC's share of new funding to deal with local authority pressures (£7.7m) called "Services Grant", this would be for one year only; the council tax referendum limit would be 2% for general council tax increases, and social care authorities could raise up to 1% for a further Adult Social Care precept. Social care authorities were also able to raise an Adult Social Care precept in 2022/23 for any element of the 3% precept for 2021/22 which was deferred to 2022/23. It was estimated that a Council Tax increase of 3% would generate additional income of £9.6m based on the tax base for the current year.

It was proposed that the Council Tax would be increased by the 3% Adult Social Care (ASC) precept which was deferred from 2021/22. At this point, a general council tax increase and a further ASC precept were not proposed.

The Capital Programme was included at Appendix C to the report, and it was noted that due to uncertainty of future funding, no new projects had been added to the capital programme in this budget process. The net programme for 2022/23 was £87.734m, after grants and contributions had been taken into account.

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

- It was proposed to embed funding for flooding issues in the budget for the coming two years to enable work to continue using the remaining Development Fund Initiatives earmarked reserves.
- Details on the final council tax estimates from the district council were expected at the end of January 2022.
- Work was underway to try and resolve the issue of the £12m reduction in the Highways Maintenance grant. The Leader of the Council and members of the Executive had met with MP's and the Transport Minister on this issue following a debate at the full Council meeting on 10 December 2021. It was not yet clear whether the campaign to have the funding reinstated had been successful.
- Clarification was sought in relation to the purpose of some of the earmarked reserves, it was noted that these reserves related to funding received for specific purposes, such as tackling Covid-19, the Better Care Fund, and the Dedicated Schools Grant. The Council also had a financial volatility reserve to enable it to respond to anything unexpected. The remaining earmarked reserves were for specific purposes or projects.
- Using the reserves to balance revenue spending was not an approach that was recommended. The reserves were required in order to give the Council some flexibility.
- In terms of funding which was received from government for specific purposes, such as the Covid-19 funding, the Council was required to evidence that the money had been used for its intended purpose.
- A number of grants had been received from the government over the past two years, some had been quite general in terms of use, but others had been very specific, for example workforce grants for social care providers, which enabled providers to pay staff overtime and provide mutual aid to each other.
- It was acknowledged that despite the reduction of the Highways Maintenance grant, the provisional finance settlement was better than expected.
- Disappointment was expressed that only a one-year settlement had been announced, as this made it difficult for the authority to plan for the coming years.
- The use of the 3% ASC precept was supported, as it was commented that Adult Social Care did need this additional funding.
- It was considered important that the Council maintained healthy reserves.

- It was queried whether there was any indication of any shortfall in business rates due to the impact of Covid-19 on businesses. The Executive was advised that there was no suggestion at this time of anything of concern in relation to business rates collection.
- If the council was required to take on any additional responsibilities, it was likely that additional funding would be provided, as the government was required to provide funding for any new burdens.
- A query was raised whether the projected figure for highways asset management (p.42 of the report) cost pressures was high enough or if it should be re-visited. Officers advised that contracts were kept under review would report back if there were likely to be any significant changes.

RESOLVED

That the budget proposals as described in the report be approved as the preferred option for the purposes of further consultation, namely:

1. The key budget setting assumptions set out in Appendix A of the report.
2. A 3% Adult Social Care (ASC) precept in 2022/23, which is the amount of ASC precept allowed for 2021/22 but which this Council deferred.
3. The budget savings and cost pressures, covering the years 2022/23 to 2025/26 as set out in Appendix B to the report.
4. The draft capital programme 2022/23 onwards as set out in Appendix C to the report.
5. The allocation of the remaining Development Fund Initiatives earmarked reserve as set out in paragraph 1.47 of the report.

The meeting closed at 11.25 am