

## NOTICE OF MEETING

<b>Meeting</b>	Executive Member for Policy and Resources Decision Day
<b>Date and Time</b>	Friday, 18th January, 2019 at 3.30 pm
<b>Place</b>	Chute Room, Ell Court South, The Castle, Winchester
<b>Enquiries to</b>	members.services@hants.gov.uk

John Coughlan CBE  
Chief Executive  
The Castle, Winchester SO23 8UJ

## FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

## AGENDA

### NON-KEY DECISIONS

**1. 2019/2020 REVENUE BUDGET REPORT FOR POLICY AND RESOURCES (Pages 3 - 18)**

To consider a report of the Chief Executive, Director of Culture, Communities and Business Services, Director of Corporate Resources and Director of Transformation and Governance setting out proposals for the 2019/20 budget for Policy and Resources in accordance with the Council's Medium Term Financial Strategy.

**2. 2019/2020 TO 2021/2022 CAPITAL PROGRAMME REPORT FOR POLICY AND RESOURCES (Pages 19 - 34)**

To consider a report of the Chief Executive, Director of Culture, Communities and Business Services, Director of Transformation and Governance and Director of Corporate Resources regarding proposals for the Policy and Resources capital programme for 2019/20 to 2021/2022.

### KEY DECISIONS

**3. ANNUAL CORE INFRASTRUCTURE GRANTS TO VOLUNTARY AND COMMUNITY SECTOR ORGANISATIONS (Pages 35 - 42)**

To consider a report of the Chief Executive regarding core infrastructure grants from the Policy and Resources budget to voluntary and community sector organisations.

**ABOUT THIS AGENDA:**

**On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.**

**ABOUT THIS MEETING:**

**The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact [members.services@hants.gov.uk](mailto:members.services@hants.gov.uk) for assistance.**

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Policy and Resources		
<b>Date:</b>	18 January 2019		
<b>Title:</b>	2019/20 Revenue Budget Report for Policy and Resources		
<b>Report From:</b>	Chief Executive, Deputy Chief Executive and Director of Corporate Resources, Director of Culture, Communities and Business Services and Director of Transformation and Governance		
<b>Contact name:</b>	Rob Carr		
<b>Tel:</b>	01962 847508	<b>Email:</b>	rob.carr@hants.gov.uk

#### 1. Recommendation(s)

To approve for submission to the Leader and the Cabinet:

- 1.1. The revised revenue budget for 2018/19 as set out in Appendix 1.
- 1.2. The revenue budget for 2019/20 as set out in Appendix 1.

#### 2. Executive Summary

- 2.1. The purpose of this report is to set out proposals for the 2019/20 budget for Policy and Resources in accordance with the Council's Medium Term Financial Strategy (MTFS) approved by the County Council in September 2018.
- 2.2. The deliberate strategy that the County Council has followed to date for dealing with grant reductions and the removal of funding that was historically provided to cover inflation, coupled with continued demand pressures over the last decade is well documented. It involves planning ahead of time, through a two-yearly cycle, releasing resources in advance of need and using those resources to help fund transformational change.
- 2.3. This strategy has served the County Council, and more particularly its services and community well, as it has delivered transformation programmes on time and on budget allowing maximum planning time and minimising disruption. Put simply, it is an approach that has ensured Hampshire County Council has continued to avoid the worst effects of funding reductions that have started to blight other local authorities.
- 2.4. In line with this financial strategy there were no new savings proposals presented as part of the 2018/19 budget setting process and the budget was balanced through the use of the Grant Equalisation Reserve (GER). Targets for 2019/20 based on a reduction of approaching 19% in cash limited spend, were approved by the County Council in July 2016 as part of the MTFS to

2020. Proposals to meet these targets were approved by Executive Members, Cabinet and County Council in October and November 2017 and are being implemented through the Transformation to 2019 (Tt2019) Programme.

- 2.5. The report also provides an update on the financial position for the current financial year. Overall the outturn forecast for Policy and Resources for 2018/19 is a balanced budget that uses early achievement of savings to fund one-off investment to deliver the transformation programmes.
- 2.6. The proposed budget for 2019/20 analysed by service is shown in Appendix 1.
- 2.7. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2018/19 and individual service budgets for 2019/20 for Policy and Resources. The report has been prepared in consultation with the Executive Member and will be reviewed by the Policy and Resources Select Committee. It will be reported to the Leader and Cabinet on 1 February 2019 to make final recommendations to County Council on 14 February 2019.

### **3. Context and Priorities**

- 3.1. The current financial strategy the County Council operates works on the basis of a two year cycle of delivering change to release resources and close the anticipated budget gap. This provides the time and capacity to properly deliver major transformation programmes every two years, with deficits in the intervening years being met from the Grant Equalisation Reserve (GER). Any early delivery of resources are retained by departments to use for cost of change purposes or to cash flow delivery and offset service pressures. The model has served the authority well.
- 3.2. The County Council's strategy placed it in a very strong position to produce a 'steady state' budget for 2018/19 and safely implement the next phase of changes through the Transformation to 2019 (Tt2019) Programme to deliver savings totalling £140m.
- 3.3. The Tt2019 Programme is progressing well and to plan, but it is clear that bridging a further gap of £140m is extremely difficult and will take longer to achieve in order to avoid service disruption. The Chief Executive's report entitled Transformation to 2019 – Report No. 5 was presented to Cabinet in December 2018 and outlined the positive progress being made.
- 3.4. The anticipated delay in the delivery of some elements of the programme has been factored into our medium term planning to ensure that sufficient one-off funding exists both corporately and within departments to meet any potential gap over the period. Taking up to four years to safely deliver service changes rather than being driven to deliver within the two year financial target requires the careful use of reserves as part of our overall financial strategy and further emphasises the value of our reserves strategy.
- 3.5. Budget setting for 2019/20 will therefore be different in that the majority of decisions in respect of major changes to the budget were taken early. However other factors will still affect the budget, such as council tax decisions

and inflation, but these will not be as significant as the transformation programme that has already been put in place.

- 3.6. The MTFs approved by the County Council in September 2018 flagged that the expectation was for minimal change to the provisional Local Government Finance Settlement for 2019/20, the final year of the current Comprehensive Spending Review (CSR). However, it was acknowledged that the Budget in the autumn could potentially contain some additional information that could impact our planning assumptions.
- 3.7. In overall terms, the announcements in the Budget had very little impact on the revenue position reported in the MTFs, although there were some welcome announcements in respect of one off additional funding for both adults' and children's social care and for highways. Although this funding falls far short of the amount required and is only one off (we have received extra grant of £12.8m against growth pressures of at least £24m), it does however signal that some of the pressures on local government are being recognised by the Treasury and the hope is that this will feed through to further changes within the next years CSR.
- 3.8. The provisional Local Government Settlement announced on 13 December confirmed the grant figures for 2019/20 broadly in line with the four year settlement and there has been no change to the council tax thresholds, with the exception of the police precept. The other key elements of the provisional settlement were:
  - The County Council's Revenue Support Grant (RSG) was reduced to zero in 2019/20 as part of the original four year settlement. On top of this a further of £1.6m was lost as a result of 'negative RSG' which reduced the top up grant from business rates. However, the Government has announced that there will be no 'negative RSG' in 2019/20 and this therefore represents a benefit of £1.6m to the County Council.
  - A £180m surplus from the business rates levy account will be distributed pro rata to the Settlement Funding Assessment (SFA), the County Council's allocation is £1.8m.
  - The continuation of 100% pilots in Devolution Deal Areas and fifteen 75% business rates retention pilots. Hampshire County Council's bid was not successful but Portsmouth, Southampton and the Isle of Wight have had their existing pilot extended, albeit at a lower retention level (2018/19 was 100% retention).
  - £20m has been added to the settlement to maintain the New Home Bonus (NHB) baseline at 0.4% (only growth in new homes above this baseline level attract the NHB). Hampshire will receive approaching £4.9m from the NHB and this is already factored into the MTFs for next financial year.
  - The provisional settlement confirmed the allocations of adult social care funding announced in the Budget but the Green Paper for adult social care which was originally due to be published in summer 2018 has been delayed further.

- 3.9. Policy and Resources departments have been developing service plans and budgets for 2019/20 and future years in keeping with the County Council's priorities and the key issues, challenges and priorities for the departments are set out below.

#### **4. Departmental Challenges and Priorities**

##### **Corporate Services**

- 4.1. Across Corporate Services, excellent progress has been made to ensure successful delivery of its Tt2019 Programme. The financial position for the current financial year provides further assurance that the cash savings can be removed from the budget from 1 April 2019 with some planned and targeted use of the Corporate Services cost of change reserve to allow new operating models to become fully embedded in the coming months and ensure service stability following reductions in headcount. In addition, Corporate Services teams will continue to provide critical support to other departments during the implementation of their own transformation programmes and it will be important for the Department to manage this further pressure to service delivery.

##### **Corporate Resources**

- 4.2. Corporate Resources includes the following services – the Integrated Business Centre (provides transactional services such as payroll and payments to suppliers), Finance, HR & Resourcing, Information Technology and Internal Audit. In line with its Tt2019 savings target, the Department will deliver savings of £6.534m through a range of efficiency improvements including additional partnership working, generation of new income and digital enhancements. This innovative and forward thinking approach is testament to the commercial strategy that the County Council has put in place without resorting to some of the higher risk strategies employed by other councils.
- 4.3. 2018/19 has seen further expansion of the Shared Services Partnership with the London Borough of Hammersmith and Fulham, the Royal Borough of Kensington and Chelsea and Westminster City Council all joining the partnership. The Southern Internal Audit Partnership also works with an increasing number of local authorities. The partnership model continues to bring economies of scale and resilience to ensure the delivery of more efficient and effective services for all partners.
- 4.4. A range of service enhancements have been made including the implementation of a new e-recruitment solution and a digital learning management system. The Department continues to be engaged in the corporate transformation programmes 'enabling productivity' and SharePoint, ensuring that the whole County Council, its partners and service users maximise the benefit of the latest technology and modern ways of working. All of these developments better enable the delivery of the wider transformation programme for the County Council.

## **Transformation and Governance**

- 4.5. Transformation and Governance comprises Law and Governance, Transformation Practice and Strategic Procurement. The transformation target of £950,000 is realised through operational improvements and income generation.
- 4.6. Robust support around governance of the County Council remains a key priority. Opportunities to streamline processes and modernise systems have been implemented across the various aspects of governance including procurement.
- 4.7. Legal Services continues to proactively look to broaden its offer and seek to support a wider range of external customers. Externally generated income of £1.27m has enabled the net cost of the service to be steadily and sensibly reduced, whilst we retain the highest quality capacity and capability to meet the varied needs of the County Council. Positively, the Strategic Procurement function is also beginning to attract and secure external business opportunities meaning it will steadily reduce its net service cost whilst maintaining and adding to the quality of professional capacity available to perform for the County Council.
- 4.8. With the continuing need for the Council to further transform to achieve efficiency and effectiveness in the delivery of modern services, the organisation continues to require strong programme leadership and robust project management input. During 2018/19 the County Council has continued to develop its internal capacity in its Transformation Practice in order to support the organisation through its next Transformation Programme to 2021.

## **Customer Engagement Service**

- 4.9. The Customer Engagement Service (CES) supports the County Council's insight and engagement activities including public consultations; marketing and advertising of a range of Council services and Corporate Communications. These teams sit alongside the Leader's and Chief Executive's offices and together provide a range of core support functions to departments and Councillors, as well as several external public facing services. A restructuring has secured the required savings of £333,000.

## **Non-Departmental Budgets**

- 4.10. The Policy and Resources portfolio includes provision for a range of grants to the voluntary and community sector. This includes Members' devolved budgets which for 2017/18 were reduced by £234,000 (£5,000 per Member from £8,000) in line with the approved Transformation to 2017 (Tt2017) Programme savings. Cabinet and County Council reviewed this decision and agreed to retain the grant level at £8,000 for a further two years (2017/18 and 2018/19) by drawing from Policy and Resources reserves.
- 4.11. Given the importance of the grants and the wider services that they support across many communities, Cabinet agreed in December 2018 that they be retained at the same level for a further two years, which also means that any

future change to the level of the budget will coincide with the new Council term from 2021/22 onwards. The additional cost of a further two years is £468,000 and as before it is proposed that this is again funded from Policy and Resources reserves.

- 4.12. Policy and Resources also includes the revenue budget for repair and maintenance of the County Council's estate and is managed by the Director of Culture, Communities and Business Services.

### **Culture Communities and Business Services (CCBS)**

- 4.13. The Department delivers a wide range of services with gross expenditure in the region of £81m a year and income streams of around £52m, leaving a cash limit of £29m. In addition, the Department is responsible for:
- Business units with a combined turnover of over £59m and a forecast surplus in 2019/20 of £549,000.
  - Managing the repairs and maintenance of the corporate estate (£8.4m).
  - Service level agreements with 504 schools, including 32 Academies (£18m).
  - HM Coroner Service in Hampshire (£1.8m).
  - The relationship with various major Trusts including the Hampshire Cultural Trust.
  - Delivery of the Broadband programme of £30m and an annual programme of capital projects of circa £20m.
- 4.14. CCBS has made excellent progress to ensure successful delivery of its Tt2019 programme. The financial position for the current year (a net saving of £2.546m excluding a planned contribution to the Printsmart reserve) provides further assurance that the cash savings can be removed from the budget from 1 April 2019 with some planned and targeted use of the Department's cost of change reserve to cover a timing issue associated with the organisation's changing need for office accommodation.

## **5. 2018/19 Revenue Budget**

- 5.1. The cash limited budget for Policy and Resources for 2018/19 included the early achievement of Tt2019 proposals of £4.3m during the year. This and any further early delivery achieved during the year can be transferred to cost of change reserves and used to fund future transformational change or to cash flow delivery and offset service pressures.
- 5.2. Enhanced financial resilience reporting, which looks not only at the regular financial reporting but also at potential pressures in the system and the achievement of savings being delivered through transformation, has continued through periodic reports to the Corporate Management Team (CMT) and to Cabinet.



- 5.3. Overall, for Policy and Resources, the expected financial position at the end of 2018/19 is a balanced budget.
- 5.4. This net position results from a combination of factors including:
- Early achievement of Tt2019 savings.
  - One-off savings in 2018/19 including staff vacancies.
  - Off set by one off expenditure relating to the transformation programmes which will be funded from cost of change or other reserves at the end of the year.
- 5.5. The budget for Policy and Resources has been updated throughout the year and the revised budget is shown in Appendix 1.
- 5.6. The increase of £6.7m from the original approved budget comprises:
- Inflation.
  - Budget transfers between departments reflecting changes in management responsibility.
  - Corporately funded allocations previously agreed by Cabinet.
  - Use of departmental cost of change reserves.

## **6. 2019/20 Revenue Budget Pressures and Initiatives**

- 6.1. Over this prolonged period of austerity, all departments have been required to deal with increasing work pressures at a time that staffing resources and other budgets are reducing significantly. Furthermore, as savings become harder and more complex to deliver (linked for example to changes in digital technologies) the cost and timeframes to deliver savings get higher and longer, placing additional strain on the resources available to deliver business as usual activity.
- 6.2. Whilst in relative terms, Policy and Resources departments are in quite a strong financial position it is clear that pressure is increasing in these areas. Policy and Resources departments have also been using their cost of change reserves to fund additional capacity in their transformation teams and the corporate Transformation Practice. The longer timeframes for delivering the County Council's Tt2019 Programme together with planning for the next Transformation Programme to 2021, will also mean that these teams will be in place for longer, placing further pressure on available resources.

## **7. 2019/20 Revenue Savings Proposals**

- 7.1. Policy and Resources was given a savings target for 2019/20 of £14.929m which was approved by the County Council in July 2016 as part of the MTFS to 2020. Proposals to meet these targets were approved by Executive Members, Cabinet and County Council in October and November 2017 and have been developed through the Tt2019 Programme.

- 7.2. During the last year, departments have been progressing the implementation of these proposals, which have been subject to regular reporting to Cabinet and CMT.
- 7.3. It is now anticipated that full year savings of £14.5m will be achieved in 2019/20 with the shortfall against the target being made up from the cost of change reserve pending full delivery of the transformation programme.
- 7.4. The shortfall relates to two areas, Hantsdirect and office accommodation, which in part are impacted by the transformation programmes of other service departments. For Hantsdirect, a further review of the customer contact model is being progressed and for office accommodation, on-going engagement with departments is planned to understand service needs and to ensure that office accommodation aligns with new ways of working and merging service needs.
- 7.5. Rigorous monitoring of the delivery of the programme will continue during 2019/20, to ensure that the Department is able to stay within its cash limited budget as set out in this report.
- 7.6. This early action in developing and implementing the savings programme for 2019/20 means that the County Council is in a strong position for setting a balanced budget in 2019/20 and that no new savings proposals will be considered as part of the budget setting process for the next financial year.

## **8. 2019/20 Revenue Budget Other Expenditure**

- 8.1. The budget includes some items which are not counted against the cash limit. This includes business units whose costs are covered by customer income and also the Coroner's service which is budgeted for outside of the Policy and Resources cash limit, as the County Council has no direct control over service levels required and costs incurred.

## **9. Budget Summary 2019/20**

- 9.1. The budget update report presented to Cabinet in December included provisional cash limit guidelines for each department. The cash limit for Policy and Resources in that report was £84.540m which was a £6.981m decrease on the previous year.
- 9.2. At that stage the cash limit guidelines did not include an allowance for the second year of the two year pay award covering the 2018/19 and 2019/20 financial years. However, the required allocations have now been finalised and have been added. For Policy and Resources this amount is £3.623m and increases the cash limit to £88.163m. This includes provision for the national living wage which is eventually expected to add £5m to the pay bill for the County Council and significantly increase the costs of care purchased in the private sector.
- 9.3. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by Policy and Resources for 2019/20 and show that these are within the cash limit, including provision for the 2019/20 pay award, set out above.

9.4. In addition to these cash limited items there are further budgets which fall under the responsibility of Policy and Resources, which are shown in the table below:

	<b>2019/20</b>	
	<b>£'000</b>	<b>£'000</b>
Cash Limited Expenditure	202,524	
Less Income (Other than Government Grants)	(114,361)	
<b>Net Cash Limited Expenditure</b>		<b>88,163</b>
Trading Units Net (Surplus)		(549)
Coroners		1,821
Less Government Grants:		
• Local Reform and Community Voice	(569)	
• Inshore Fisheries and Conservation	(204)	
• Vulnerable Persons Relocation Scheme	(350)	
Total Government Grants		(1,123)
<b>Total Net Expenditure</b>		<b>88,312</b>

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	Yes/No
<b>People in Hampshire live safe, healthy and independent lives:</b>	Yes/No
<b>People in Hampshire enjoy a rich and diverse environment:</b>	Yes/No
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	Yes/No

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
<a href="#">Transformation to 2019 - Revenue Savings Proposals</a> (Executive Member for Policy and Resources)	22 September 2017
<a href="#">Medium Term Financial Strategy Update and Transformation to 2019 Savings Proposals</a>	Cabinet - 16 October 2017 County Council – 2 November 2017
<a href="#">Looking Ahead - Medium Term Financial Strategy</a>	Cabinet - 18 June 2018 County Council – 20 September 2018
<a href="#">Budget Setting and Provisional Cash Limits 2019/20</a> (Cabinet)	10 December 2018

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2 Equalities Impact Assessment:**

The budget setting process for 2019/20 does not contain any proposals for major service changes which may have an equalities impact. Proposals for budget and service changes which are part of the Transformation to 2019 Programme were considered in detail as part of the approval process carried out in October and November 2017 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 4 to 7 in the October Cabinet report linked below:

[Equality Impact Assessments](#)

### **2. Impact on Crime and Disorder:**

The proposals in this report are not considered to have a direct impact on the prevention of crime, but the delivery of some services may have an indirect impact on crime and disorder and where this is the case it will be taken into account as part of the service delivery.

### **Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

The proposed budget contains measure that will assist in reducing the County Council's carbon footprint and changes to services are designed in such a way to also achieve this objective

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The delivery and transformation of services will ensure that climate change issues are taken into account where relevant.

## Budget Summary 2019/20 – Policy and Resources

<b>Service Activity</b>	<b>Original Budget 2018/19 £'000</b>	<b>Revised Budget 2018/19 £'000</b>	<b>Proposed Budget 2019/20 £'000</b>
<b>Transformation and Governance</b>			
Legal Services	2,495	2,798	2,683
Transformation & Strategic Procurement	1,012	1,543	1,164
Governance	2,463	3,170	2,760
<b>Total Transformation and Governance</b>	<b>5,970</b>	<b>7,511</b>	<b>6,607</b>
<b>Corporate Resources</b>			
Finance	3,717	3,911	3,448
HR <sup>1</sup>	4,366	3,151	2,589
IT	21,341	22,470	20,460
Audit	661	695	633
Customer Business Services	2,404	7,303	6,948
Corporate Resources Transformation	854	870	1,022
Corporate Resources Management	183	98	21
<b>Total Corporate Resources</b>	<b>33,526</b>	<b>38,498</b>	<b>35,121</b>
<b>Customer Engagement Service</b>			
Communication, Marketing & Advertising	565	730	634
Corporate Customer Services <sup>2</sup>	2,824	0	0
Web Team <sup>3</sup>	563	0	0
Insight & Engagement	722	867	640
Chief Executive's Office & Leadership Support	764	621	575
<b>Total Customer Engagement Service</b>	<b>5,438</b>	<b>2,218</b>	<b>1,849</b>
<b>Total Corporate Services</b>	<b>44,934</b>	<b>48,227</b>	<b>43,577</b>

<sup>1</sup> Recruitment (£1.6m) transferred to Customer Business Services

<sup>2</sup> Corporate Customer Services transferred to Customer Business Services

<sup>3</sup> Web team transferred to IT

<b>Service Activity</b>	<b>Original Budget 2018/19 £'000</b>	<b>Revised Budget 2018/19 £'000</b>	<b>Proposed Budget 2019/20 £'000</b>
<b>Policy and Resources Non-Departmental Budgets (Direct)</b>			
Corporate & Democratic Representation	66	66	66
Grants to Vol	227	227	232
Grants & Contributions to Voluntary Bodies	806	806	823
Southern Sea Fisheries	307	307	307
Members Devolved Budgets	390	624	390
Rural Affairs	200	137	200
Other Miscellaneous	221	261	441
	<b>2,217</b>	<b>2,428</b>	<b>2,459</b>
<b>Policy and Resources Non-Departmental Budgets (Central)</b>			
Members Support Costs	1,749	1,749	1,584
Repairs & Maintenance	7,812	8,013	8,375
Strategic Asset Management	1,254	3,271	1,259
Other Miscellaneous	331	331	311
	<b>11,146</b>	<b>13,364</b>	<b>11,529</b>
<b>Total Other Policy and Resources</b>	<b>13,363</b>	<b>15,792</b>	<b>13,988</b>
<b>Culture, Communities and Business Services (CCBS):</b>			
<b>Transformation and Business Management</b>			
Transformation	210	775	558
Business Development Team		578	532
Rural Broadband	250	253	262
CCBS IT Budget	76	98	78
<b>Total Transformation and Business Management</b>	<b>536</b>	<b>1,704</b>	<b>1,430</b>
<b>Community and Regulatory Services</b>			
Regulatory Services	1,076	1,257	1,163
Business Support	833	461	553



<b>Service Activity</b>	<b>Original Budget 2018/19 £'000</b>	<b>Revised Budget 2018/19 £'000</b>	<b>Proposed Budget 2019/20 £'000</b>
Scientific Services	49	129	25
Asbestos	(21)	(2)	(8)
<b>Total Community &amp; Regulatory Services</b>	<b>1,937</b>	<b>1,845</b>	<b>1,733</b>
<b>Culture &amp; Heritage</b>			
Risk, Health & Safety	199	53	27
Sir Harold Hillier Gardens	87	87	64
<b>Total Culture &amp; Heritage</b>	<b>286</b>	<b>140</b>	<b>91</b>
<b>Property Services and Facilities</b>			
Corporate Estate	(194)	(193)	(206)
County Farms	(497)	(497)	(497)
Development Account	(415)	(412)	(348)
Sites for Gypsies and Travellers	55	61	11
Property Services	1,687	2,091	2,787
Office Accommodation/Workstyle	4,591	5,088	3,439
Facilities Management	3,337	3,457	3,318
Hampshire Printing Services	(136)	(125)	(80)
Caretaking & Cleaning Services	(11)	(6)	
Segensworth Unit Factories	(12)	(12)	(12)
Print Sign Workshop	9	10	10
<b>Total Property Services and Facilities</b>	<b>8,414</b>	<b>9,462</b>	<b>8,422</b>
<b>CCBS Planned contribution to Cost of Change</b>	<b>1,093</b>	<b>(97)</b>	<b>296</b>
<b>Total CCBS P&amp;R Services</b>	<b>12,266</b>	<b>13,054</b>	<b>11,972</b>
<b>CCBS Recreation &amp; Heritage Services</b>	<b>19,848</b>	<b>20,151</b>	<b>17,480</b>
<b>CCBS Countryside &amp; Rural Affairs Services</b>	<b>1,110</b>	<b>1,021</b>	<b>1,146</b>
<b>Total CCBS</b>	<b>33,224</b>	<b>34,226</b>	<b>30,598</b>

<b>Service Activity</b>	<b>Original Budget 2018/19 £'000</b>	<b>Revised Budget 2018/19 £'000</b>	<b>Proposed Budget 2019/20 £'000</b>
<b>Total Policy and Resources</b>	<b>91,521</b>	<b>98,245</b>	<b>88,163</b>
<b>Coroners</b>	<b>1,747</b>	<b>1,799</b>	<b>1,821</b>
<b>Trading Units:</b>			
River Hamble	(25)	91	55
County Supplies	(328)	(328)	(439)
HC3S	(115)	(115)	(114)
Hampshire Transport Management	(116)	(116)	(51)
<b>Total Trading Units</b>	<b>(584)</b>	<b>(468)</b>	<b>(549)</b>
<b>Government grants:</b>			
Local reform and Community Voice	(561)	(569)	(569)
Inshore Fisheries and Conservation	(204)	(204)	(204)
Vulnerable Persons Relocation Scheme	0	(709)	(350)
<b>Total Government grants</b>	<b>(765)</b>	<b>(1,482)</b>	<b>(1,123)</b>
<b>Total Net expenditure Policy and resources</b>	<b>91,919</b>	<b>98,094</b>	<b>88,312</b>

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Policy and Resources
<b>Date:</b>	18 January 2019
<b>Title:</b>	2019/20 to 2021/22 Capital Programme Report for Policy and Resources
<b>Report From:</b>	Chief Executive, Director of Culture, Communities and Business Services, Director of Transformation and Director of Corporate Resources

**Contact name:** Rob Carr

**Tel:** 01962 847508

**Email:** rob.carr@hants.gov.uk

#### 1. Recommendation(s)

To approve for submission to the Leader and the Cabinet:

- 1.1. The capital programme for 2019/20 to 2021/22 as set out in Appendix 1.
- 1.2. The revised capital programme for 2018/19 as set out in Appendix 2.

#### 2. Executive Summary

- 2.1. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for Policy and Resources for 2019/20 to 2021/22.
- 2.2. The report has been prepared in consultation with the Executive Member and will be reviewed by the Policy and Resources Select Committee. It will be reported to the Leader and Cabinet on 1 February 2019 to make final recommendations to County Council on 14 February 2019.
- 2.3. In accordance with the provisional capital guidelines approved by Cabinet in December 2018, the report considers the schemes which it is proposed to include in the capital programmes for 2019/20, 2020/21 and 2021/22 and also presents the revised programme for 2018/19.
- 2.4. The proposals contained in this report are derived from the departmental service plans which have been developed to support the priorities of the Corporate Strategy.

#### 3. Contextual information

- 3.1. Executive Members have been asked to prepare proposals for:
  - a locally-resourced capital programme for the three-year period from 2019/20 to 2021/22 within the guidelines used for the current capital

programme including the third year, 2021/22, at a similar level to 2020/21

- a programme of capital schemes in 2019/20 to 2021/22 supported by Government grants as announced by the Government.

3.2. The medium term financial strategy is closely linked to the Corporate Strategy and the Corporate Business Plan to ensure that priorities are affordable and provide value for money and that resources follow priorities.

#### **4. Locally resourced capital programme**

4.1. The cash limit guidelines for the locally resourced capital programme for the Policy and Resources portfolio service set by Cabinet are as follows:

	<b>£'000</b>
2019/20	4,692
2020/21	4,692
2021/22	4,692

4.2. Executive Members may vary the guidelines between years provided their total three-year guideline is not exceeded and bunching of payments in any one year or front-loading is avoided.

4.3. Executive Members may propose supplementing their capital guidelines under the 'prudential framework' agreed by Cabinet at its meeting on 24 November 2003, as amended by Cabinet in February 2006. From 2009/10, Hampshire Transport Management (HTM) has used prudential borrowing to fund the purchase of vehicles instead of leasing them to generate savings. The allocation for this scheme is included within the guidelines above.

4.4. Further details of the 2019/20 capital programme are provided in section 5.

#### **5. Proposed capital programme 2019/20 to 2021/22 – locally resourced schemes**

5.1. The programme proposed for 2019/20 to 2021/22 is largely based upon the allocation of resources between priorities in the current 2018/19 to 2020/21 capital programme. The programme is detailed in Appendix 1.

5.2. Capital investment by business units is also included in the capital programme. This includes an annual allocation of £3 million for vehicle purchases by Hampshire Transport Management (HTM). An increase of £1m per annum from 2017/18 was approved by Cabinet in October 2017 to enable HTM to respond to growing business especially with schools and colleges looking for an environmentally friendly fleet alongside an upsurge in customers reviewing their fleets again considering environmental credentials alongside potential efficiencies. The cost of these purchases is recovered through business unit charges to customers.

5.3. In February 2018, County Council approved additional funding of £1.5m to fund essential infrastructure works on the Basingstoke Canal. Of this total,

£0.23m is included in the 2018/19 capital programme and £0.25m in the 2019/20 capital programme, with the balance funding associated revenue repair and maintenance works.

5.4. In addition, a sum of £1.8m was approved by County Council in September 2018, to be added to the 2018/19 capital programme and £0.5m to the 2019/20 capital programme, to support the next phase of the Country Parks Transformation Programme and specific proposals for the Empire Room at Royal Victoria Country Park, the farm attractions at Staunton and Manor Farm and for Queen Elizabeth Country Park. This is to be funded from departmental reserves. Due to re-phasing of projects between financial years, £1.65m is shown in the 2018/19 programme and £0.45m in the 2019/20 programme, and £0.2m has been set aside to fund associated revenue costs.

5.5. These movements are summarised in the table below:

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Guideline set by Cabinet	4,692	4,692	4,692
Basingstoke Canal	250	-	-
Country Parks Transformation Programme – Phase 2	450	-	-
<b>Proposed locally resources programme</b>	<b>5,392</b>	<b>4,692</b>	<b>4,692</b>

## **6. Proposed capital programme 2019/20 to 2021/22 supported by Government allocations**

- 6.1. The Government has allocated all of its support for the capital programme in the form of capital grants, and not as borrowing allocations.
- 6.2. The Secretary of State has not yet announced details of individual local authority capital allocations for 2019/20, 2020/21 and 2021/22. However, for planning purposes, a continuation of 2018/19 allocations is being assumed.
- 6.3. In 2018/19, the Government announced a Schools Condition Allocation (SCA) grant of £17,264,317 for local authority schools and Sure Start early years centres. This is similar to the allocation for 2017/18 and is indicative of future years allocations, although these will be adjusted for any changes in the size of the Hampshire school estate.
- 6.4. The full grant is added to the Policy and Resources cash limit to allow the funding to be managed flexibly between condition and suitability works. Priorities are jointly agreed with Children’s services.
- 6.5. Priorities for 2019/20 include two 2 storey timber framed schools in Hampshire that need replacing. This need was reported to EMPR on 9 March 2017. The schools are Fryern Junior School in Chandlers Ford and Grange Junior School in Gosport. Feasibility work has been undertaken to consider the options of how best to replace these structures. Consequently, it is proposed to fund the replacement of both these schools in totality and to include replacement of the single storey parts of both schools as this is only marginally more expensive than the alternative partial rebuild and

refurbishment solutions. It also has the significant benefit of removing the cost of otherwise addressing all the condition liabilities and associated risks in those residual single storey parts of the existing school building structures. Furthermore, value for money will be achieved through the economies of scale in adopting a common approach to the design, procurement and delivery of the two projects. The total cost estimate for full replacement of the two schools is £15.566m.

- 6.6. Owing to the size of these projects, it is proposed to include them in the Children’s Services capital programme and transfer the required funding from the Policy and Resources 2018/19 SCA grant allocation.
- 6.7. The cash limit guidelines for this part of the capital programme are as follows:

**Capital grant**

**£’000**

2019/20 (Assumed)	17,264
2020/21 (Assumed)	17,264
2021/22 (Assumed)	17,264

- 6.8. Close working between Property Services and Children’s Services staff ensures maximum impact is achieved from the Schools Condition Allocation funding. The detailed programme of work will continue to be reported to the Building, Land and Procurement Panel with any major schemes being reported to the Executive Member Policy & Resources for approval.

**7. Capital programme summary**

- 7.1. On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2021/22 are:

	<b>Schemes within locally resourced guidelines</b>	<b>Schemes supported by Government allocations</b>	<b>Total</b>
	<b>£’000</b>	<b>£’000</b>	<b>£’000</b>
2019/20	5,392	17,264	22,656
2020/21	4,692	17,264	21,956
2021/22	4,692	17,264	21,956

## 8. Revenue implications

- 8.1. The on-going service and maintenance implications of the proposed capital programme are funded from within the revenue budget. Some schemes are of an invest to save nature and thus have a positive impact on the revenue budget.
- 8.2. In line with proper accounting practice, the asset value resulting from capital expenditure is depreciated over the expected life of the asset with a corresponding charge to the income and expenditure account. However, this accounting adjustment does not directly impact the cash limited budget of services. The estimated depreciation arising from the proposed capital programme is as follows:

	<b>Full year cost</b>
	<b>£'000</b>
2019/20	678
2020/21	663
2021/22	663
Total	<u>2,004</u>

## 9. Revised 2018/19 capital programme

- 9.1. The revised 2018/19 capital programme for Policy and Resources is shown in Appendix 2 and totals £39.2 million. The changes since the capital programme was approved in February 2018 are summarised below:

	<b>2018/19</b>
	<b>£'000</b>
Approved programme	22,828
Underspends and schemes carried forward from previous years	28,682
Draw down of approved corporate funding	2,880
Removal of schemes from capital programme	-400
Adjustment to Government grant	-272
Share of 2017/18 capital receipts	290
Developers contributions	271
Net revenue contributions to capital and other technical adjustments	513

Transfer of SCA grant funding to Children's Services	-15,566
	<hr/>
	39,226
	<hr/>

## 10. Conclusions

10.1. The proposed capital programme for Policy and Resources as summarised in section 7 is in line with the guidelines set by Cabinet. In addition, it plans to use the allocated Government grants in full. The main priority of the programme continues to be structural maintenance and improvement of the County's built and rural estate, and cultural and community facilities. The programme supports the delivery of services countywide and contributes to the corporate aims:

- Hampshire maintains strong and sustainable economic growth and prosperity
- People in Hampshire live safe, healthy and independent lives
- People in Hampshire enjoy a rich and diverse environment
- People in Hampshire enjoy being part of strong, inclusive communities.



**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	Yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	Yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	Yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	Yes

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
Looking Ahead - Medium Term Financial Strategy (Cabinet) <a href="#">Medium Term Financial Strategy</a>	18 June 2018
Budget Setting and Provisional Cash Limits 2019/20 (Cabinet) <a href="#">Budget Setting and Provisional Cash Limits</a>	10 December 2018
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2 Equalities Impact Assessment:**

Equalities impact assessments will be considered when individual project appraisals are developed.

### **2. Impact on Crime and Disorder:**

2.1 Crime prevention issues will be considered when individual project appraisals are developed.

### **Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

All relevant developments within the capital programme are subject to specific, detailed assessments. Energy conservation, and where applicable enhancing biodiversity, are priorities for all major building schemes.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Where appropriate capital schemes are planned with adaptation to climate change in mind, such as the inclusion of passive cooling, solar shading, sustainable urban drainage and rainwater harvesting systems in building projects where technically feasible and deliverable within budget constraint

## Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
<b>2019/20 Schemes</b>							
<b>Schemes Supported from Local Resources</b>							
<b>Culture, Communities and Business Services</b>							
1	Office Accommodation Schemes	350	58	-	408	-	8
2	Vehicles for Hampshire Transport Management #	-	-	3,000	3,000	-	300
3	Community Buildings and Village Halls	-	-	125	125	-	-
4	CCBS Capital	328	-	-	328	-	7
5	Country Parks Transformation (Phase 2) - Staunton Country Park	386	64	-	450	-	9
6	Basingstoke Canal	215	35	-	250	-	5
<b>Corporate Services</b>							
7	Contingency	185	-	-	185	-	3
<b>Total Programme Supported by Local Resources</b>		1,464	157	3,125	4,746	-	332

## Capital Programme - 2019/20

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
<b>The following schemes all reflect the current Corporate Priorities</b>				
N/A	-	-	Various schemes throughout the County	1
N/A	-	-	Continuing programme of replacing vehicles	2
Owned	1	12	Grants and contributions towards the development of community buildings and village halls.	3
N/A	1	12	Provision of minor works across the department including Library and Countryside services	4
Owned	1	12	To support a range of specific improvements at Staunton Country Park, including development of glasshouses and farm attractions, as well as improvements to catering facilities and toilets	5
Owned	1	12	Essential infrastructure works to ensure the Canal remains in good working order and the County Council meets its obligations as part owner of the Canal	6
N/A	-	-		7
# controlled on an accrued expenditure basis				

## Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	<b>2019/20 Schemes (continued)</b>						
	<b>Schemes Supported by the Government</b>						
	<b>Schools Condition Allocation (SCA)</b>						
8	Crestwood School, Eastleigh	800	132		932	-	19
9	Stoke Park Infant School, Eastleigh	800	132		932	-	19
10	Testbourne School, Whitchurch	2,500	413		2,913	-	58
11	Schools Condition Allocation (costing less than £250,000)	10,718	1,769	-	12,487	-	250
	<b>Total Schemes Supported by the Government</b>	14,819	2,445	-	17,264	-	346
	<b>Total Excluding Land</b>				22,010	-	678
	Advance and Advantageous Land Purchases				646	-	-
	<b>Total Programme</b>				22,656	-	678

## Capital Programme - 2019/20

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
			The following schemes all reflect the current Corporate Priorities	
Owned	2	9	Roof replacement	8
Owned	2	9	Roof replacement	9
Owned	2	9	SCOLA recladding and internal alterations	10
Owned	-	-	Major improvements to school buildings	11

## Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	<b>2020/21 Schemes</b>						
	<b>Schemes Supported from Local Resources</b>						
	<b>Culture, Communities and Business Services</b>						
12	Office Accommodation Schemes	350	58	-	408	-	8
13	Vehicles for Hampshire Transport Management #	-	-	3,000	3,000	-	300
14	Community Buildings and Village Halls	-	-	125	125	-	-
15	CCBS Capital	328	-	-	328	-	7
16	Contingency	185	-	-	185	-	3
	<b>Total Programme Supported by Local Resources</b>	863	58	3,125	4,046	-	318
	<b>Schemes Supported by the Government</b>						
17	Schools Condition Allocation	14,819	2,445	-	17,264	-	345
	<b>Total Schemes Supported by the Government</b>	14,819	2,445	-	17,264	-	345
	<b>Total Excluding Land</b>				21,310		663
	Advance and Advantageous Land Purchases				646		
	<b>Total Programme</b>				21,956		663

## Capital Programme - 2020/21

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
			<b>The following schemes all reflect the current Corporate Priorities</b>	
N/A	-	-	Various schemes throughout the County	12
N/A	-	-	Continuing programme of replacing vehicles	13
Owned	1	12	Grants and contributions towards the development of community buildings and village halls.	14
N/A	1	12	Provision of minor works across the department including Library and Countryside services	15
N/A	-	-		16
Owned	-	-	Major improvements to school buildings	17
			# controlled on an accrued expenditure basis	

## Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	<b>2021/22 Schemes</b>						
	<b>Schemes Supported from Local Resources</b>						
	<b>Culture, Communities and Business Services</b>						
18	Office Accommodation Schemes	350	58	-	408	-	8
19	Vehicles for Hampshire Transport Management #	-	-	3,000	3,000	-	300
20	Community Buildings and Village Halls	-	-	125	125	-	-
21	CCBS Capital	328	-	-	328	-	7
22	Contingency	185	-	-	185	-	3
	<b>Total Programme Supported by Local Resources</b>	863	58	3,125	4,046	-	318
	<b>Schemes Supported by the Government</b>						
23	Schools Condition Allocation	14,819	2,445	-	17,264	-	345
	<b>Total Schemes Supported by the Government</b>	14,819	2,445	-	17,264	-	345
	<b>Total Excluding Land</b>				21,310		663
	Advance and Advantageous Land Purchases				646		
	<b>Total Programme</b>				21,956		663

## Capital Programme - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
			<b>The following schemes all reflect the current Corporate Priorities</b>	
N/A	-	-	Various schemes throughout the County	18
N/A	-	-	Continuing programme of replacing vehicles	19
Owned	1	12	Grants and contributions towards the development of community buildings and village halls.	20
N/A	1	12	Provision of minor works across the department including Library and Countryside services	21
N/A	-	-		22
Owned	-	-	Major improvements to school buildings	23
			# controlled on an accrued expenditure basis	

**Policy and Resources 2018/19 capital programme**

<b>1. Latest programme limit:</b>	<b>£'000</b>
Total programme as per budget book	22,828
Carry forward schemes from 2017/18	28,682
Additional approved capital allocations	2,880
Removal of schemes from capital programme	-400
School Condition Allocation funding change	-272
Share of capital receipts	290
Developers contributions	271
Net revenue contributions to capital and other technical adjustments	513
Transfer of SCA grant funding to Children's Services	<u>-15,566</u>
	<b><u>39,226</u></b>

<b>2. Analysis of 2018/19 programme including carry forwards from 2017/18:</b>	<b>£'000</b>
Vehicles for Hampshire Transport Management (HTM)	3,000
Havant Day Services access road	55
<b>Schemes controlled on an expenditure basis:</b>	<b>3,055</b>
Capital repairs - Schools Condition Allocation (SCA) works	1,698
Non Schools Estate Capital projects	573
Schools Capital projects	69
Office Accommodation	986
Facilities Management schemes	205
Workstyle schemes:	
- Capital House	440
- Falcon House	300
Gosport Community Hub	750
Hampshire Transport Management (HTM) – Vehicle Workshop Refurbishment	600
Investment in Hampshire	2,842
Advance and Advantageous Land	1,292
Botley – Infrastructure and Utility Works (provisional allocation)	15,695
Energy Performance Programme (EPP):	
- LED Lighting Replacement	1,620
- Electric Vehicles & Battery Storage Technology	1,000
Winchester Leisure Centre	1,000
Community Building Capital Grant Fund	379
	<b>£'000</b>
CCBS - ICT Developments	120



Customer Access Improvements	80
CCBS Capital	328
Calshot Pay and Play Activity Development	320
Runway's End:	
- Camping Pods	170
- Campsite Development	249
Meon Valley Trail - Enhancement	244
Manor Farm – Hand Wash Stations (Zoonosis)	199
Country Parks Transformation (Phase 2):	
- Manor Farm	550
- Royal Victoria Country Park	800
- Queen Elizabeth Country Park	300
Other Countryside projects	27
Basingstoke Canal	230
Footway Improvements	15
Capital receipts – restricted for County Farms	1,585
Unallocated 25% of Capital receipts	369
<b>Schemes controlled on a starts basis:</b>	<b>35,035</b>
Unallocated	1,136
<b>Policy and Resources Capital Programme 2018/19</b>	<b>39,226</b>

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## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Policy and Resources
<b>Date:</b>	18 January 2019
<b>Title:</b>	Annual core infrastructure grants to Voluntary and Community Sector Organisations
<b>Report From:</b>	Assistant Chief Executive – Corporate Services

**Contact name:** Philippa Mellish

**Tel:** 01962 847482

**Email:** [Philippa.mellish@hants.gov.uk](mailto:Philippa.mellish@hants.gov.uk)

#### 1. Recommendation(s)

1.1. This report recommends that the Executive Member for Policy and Resources approves the following grant funding allocations:

- two year's grant funding of £1,102,200 to Community First Wessex for voluntary sector infrastructure support within Hampshire
- one year's grant funding of £70,000 for Citizen's Advice Hampshire.

#### 2. Background

##### **Strategic partnership with Hampshire's Councils for Voluntary Service**

- 2.1. The County Council continues to recognise the vital contribution of the voluntary and community sector (VCS) to delivering its [Strategic Plan](#) and, in particular, preventing and managing demand for County Council services. To support a vibrant and sustainable sector within Hampshire, the County Council has a strategic partnership with Hampshire's Councils for Voluntary Service (CVS) organisation, which serve to support and develop the capability and capacity of the VCS.
- 2.2. As part of this partnership arrangement, the County Council provides core infrastructure grant funding to Hampshire's CVSs through the Policy and Resources budget. The County Council highly values its partnership with Hampshire's CVS, and remains fully committed to strengthening it further. This is reflected, in part, by the fact that core grant funding has been maintained for the previous two years, despite significant, ongoing spending reductions across its services.
- 2.3. An important focus of the partnership is to ensure that the infrastructure support offer in Hampshire is both efficient and effective, delivering impact and positive return on investment. To this end, the County Council and

Hampshire's CVSs have been working together to streamline the delivery of infrastructure support, reduce the risk of duplication and increase collaboration. Significant progress has been made in recent years, reducing the number of separate grant-funded organisations from nine to one.

### **Background to CVS funding**

- 2.4. In 2015/16 the County Council stopped funding individual district-based CVS organisations and by 2017/18 had moved to funding three self-selecting CVS clusters (Northern, South East and Central and South West). In addition, Action Hampshire was awarded a separate grant to support county-wide working, complementing the work of local CVS.
- 2.5. During 2017/18, good progress was made to identify and implement opportunities to streamline delivery, which paved the way for the County Council to distribute infrastructure grant funding through one lead organisation for 2018/19. The nine CVSs and Action Hampshire nominated Community First as the single organisation to receive grant funding of £551,100. This was the same level as 2017/18 to allow for a period of transition and additional administrative burden placed on Community First to performance manage the grant.

### **3. Progress made during 2018/19 against the grant purpose**

- 3.1. On the whole, Hampshire's CVS organisations have responded very positively to the new funding arrangement. Community First has worked closely with each CVS organisation, plus Action Hampshire, to manage the onward distribution of funds, and put in place localised agreements which support the overarching grant purpose. Quarterly review meetings have been held throughout the year to review evidence and impact. Highlights from the most recent review meeting covering the first half of the year are as follows:
  - CVSs have supported VCSE organisations to secure £640,636 funding from other sources
  - 1,380 VCSE organisations have been supported by their local CVS
  - 629 volunteers have been placed into local VCSE organisations, representing an annual economic value of £704,285 (plus 26 volunteers placed into Hampshire County Council run settings)
  - CVSs are modernising and diversifying their communication channels with the wider sector, including through social media
  - 51 new VCSE organisations or projects have been delivered, including projects that support dementia awareness, carers, LGBTQ community and an online specialist cancer support network
  - 150 training sessions have been delivered to 1,763 learners.
- 3.2. Moving forward, Community First plan to capture wider intelligence on the quality and value of support being offered to the wider VCSE through a regular members' satisfaction survey - the first of which was issued during

Quarter three 2018/19. CVSs also recognise the need to keep modernising their offer – for example, further exploiting digital channels including social media, and encouraging the uptake of ‘informal’ volunteering.

#### **4. Proposal for 2019/20 and 2020/21**

- 4.1. Recognising the good progress that has been made to date, as detailed above, this report recommends that the County Council continues with the current arrangement and awards the same level of grant funding to a single organisation for both 2019/20 and 2020/21. This is based on feedback from CVSs that a two-year funding period would provide greater certainty and enable time to plan and deliver a more ambitious programme of transformation, supporting greater collaboration, efficiency and effectiveness.
- 4.2. It is further recommended that funding be awarded to Community First Wessex, providing further continuity and time to embed new ways of working, in line with the County Council’s priorities. During 2019/20. Community First worked successfully with Hampshire’s CVSs and Action Hampshire to lay a strong foundation for future joint working. Looking to the future, Community First will have an important role to play in ensuring that the expertise of individual CVS and CVS clusters is maximised, potentially encouraging different organisations to lead on specific areas. It will also be critical to ensure that where CVSs are themselves direct providers, this does not prevent effective infrastructure support being provided to the wider sector as a result of competition.
- 4.3. The single grant for infrastructure support will continue to be managed by the Assistant Chief Executive. Service specific grants will continue to be separately issued and managed by departments.

#### **5. Citizen Advice Hampshire**

- 5.1. Citizens Advice Hampshire delivers training and development to around 220 paid employees and 1000 volunteers across 14 local Citizens Advice offices. It also provides specialist advice lines on employment and welfare and maintains a single point of contact between Local Citizens Advice and wider strategic partners.
- 5.2. County Council’s funding enables the Service to support around 59,000 people each year – who are often among the most vulnerable residents in Hampshire’s communities. Citizens Advice offers a holistic service, addressing complex issues regarding welfare benefits, debt, housing and, increasingly, mental health.
- 5.3. In line with national work, Citizens Advice Hampshire is exploring opportunities to do more to support residents with mental health challenges, including through embedding case workers within professional mental health teams.
- 5.4. This is one way that the Service offers much more than advice by impacting on hospital admission and discharge, patient recovery and support, and future service demand. For example, Citizens Advice Hampshire undertook local

research demonstrating the positive impact of advice on people’s health and wellbeing. Of the 142 clients surveyed both before and four-six weeks after receiving advice, three out of five had higher wellbeing scores after receiving advice and one in three had a 20% or higher increase in scores. Local bureaux also support a number of community and health-based partnerships, including wellbeing centres.

5.5. In order to enable these opportunities to be explored in full, and to ensure the future viability of Citizens Advice Hampshire, it is recommended that core grant funding is retained at £70,000 for the 2019/20 financial year.

## 6. Finance

6.1. The **total amount** of the grants recommended for approval is £1,172,200, which is broken down as follows:

<b>Organisation</b>	<b>Recommended award 2019/20</b>	<b>Recommended award for 2020/21</b>
Community First Wessex	£551,100	£551,100
Citizens Advice Hampshire	£70,000	Funding allocation to be agreed in 2019/20
<b>Total funding</b>	<b>£621,100</b>	<b>£551,100</b>

## 7. Monitoring arrangements

7.1. The County Council maintains ongoing, open dialogue with Hampshire’s CVSs regarding the organisation’s financial situation, and delivery against the agreed grant purpose document. This includes through regular monitoring meetings between the County Council’s Assistant Chief Executive and the Chief Executive of Community First, as the lead CVS organisation, and of Citizen’s Advice Hampshire.

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	Yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	Yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	Yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	Yes

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

Document

Location

None

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **2. Equalities Impact Assessment:**

2.1. The purpose of the County Council's financial support to voluntary sector infrastructure organisations is to ensure that groups and organisations are helped to develop their effectiveness, particularly in supporting vulnerable groups. Core grant funding also promotes individual voluntary action to benefit vulnerable people, including those who participate and those who receive help as a result of that activity.

2.2. The health of the sector and level of voluntary action is fundamental to the wellbeing of residents including the most vulnerable and consequently to the demand on public services. For this reason, this report recommends grant funding remains at a consistent level.

2.3. The Assistant Chief Executive will continue to work closely with the Chief Executives of the CVS clusters, Action Hampshire and Citizen's Advice Hampshire to ensure that the revised grant purpose documents continue to be directed towards supporting vulnerable communities. The grant purpose will take into account the priorities of service departments in supporting their voluntary sector partners and provider markets and will include a requirement for voluntary organisations to promote equality, diversity and inclusiveness within the voluntary sector.



2.4. Further emphasis will be given to closer collaborative working across Hampshire's CVSs. In this way, the County Council will continue to support CVS organisations to transform - releasing resources

### **3. Impact on Crime and Disorder**

3.1. The grants support capacity within the community to develop resilience and the effectiveness of local voluntary groups to support strong and safe communities.

### **4. Climate Change:**

12.1 By continuing to work closely with the VCS infrastructure organisations, the County Council may have greater ability in the specification to influence these organisations, and their members, to support the County Council's aims with regard to climate change.

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