



Hampshire  
County Council

# Hampshire 2050, Corporate Services and Resources Select Committee 19<sup>th</sup> January 2023 Budget Briefing 2023/24

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# Presentation Outline

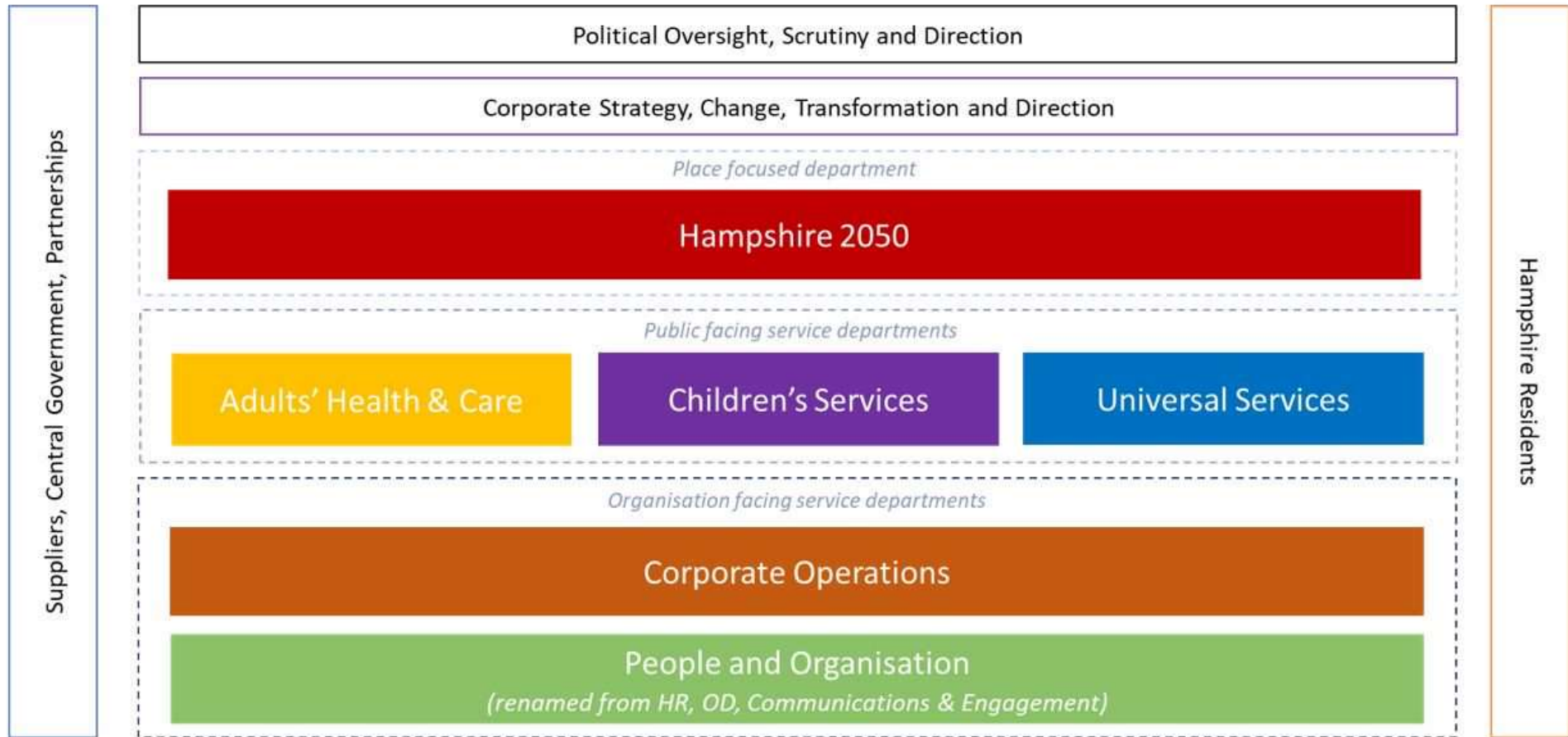
- Local Government Finance Settlement and Provisional Cash Limits
- Revenue Budgets by Directorate
- Key Directorate Challenges and Priorities

# Local Government Finance Settlement

	December Report £m	LGF Settlement £m	Change £m
Increase in Social Care Grant	15.0	23.5	8.5
Decrease in Services Grant	(8.2)	(3.5)	4.7
Business Rates	16.0	13.0	(3.0)
<b>Total change in resources</b>	<b>22.8</b>	<b>33.0</b>	<b>10.2</b>

- The Council is £10.2m less worse off than previous forecasts reported to December Cabinet
- The reduction in Business Rates income reflects the change from RPI to CPI, however this is still a best estimate of the impact at this stage
- Whilst this is welcome news, this still leaves the Council with a predicted gap of at least £41m for 2023/24
- A full update on the Finance Settlement and budget position will be provided to Cabinet and Council in February and will be covered in the all Member briefing

# HCC Organisation Model



- ❑ Provisional cash limits are broadly aligned to the new Directorate structure set out above
- ❑ Budgets have initially been restructured on a 'lift and shift' basis, and further refinement will be required during the period to 2023/24 to ensure budgets accurately match the services and roles aligned to each Directorate

# Provisional Cash limits

	All Directorates		Hampshire 2050		Corporate Services	
	£m	% Change	£m	% Change	£m	% Change
<b>2022/23 Non-Schools Cash Limit</b>	<b>910</b>		<b>9.5</b>		<b>54</b>	
+ Base changes	55	6%	-0.5	-5%	2	4%
+ Inflation	56	6%	0.3	3%	3	6%
+ Growth and Pressures	98	11%	2	21%	1	2%
2023/24 Cash Limit before savings	1,119	23%	11.3	19%	60	11%
- SP2023 Savings	-80	-9%	-0.4	-4%	-5	-9%
<b>2023/24 Cash Limit after savings</b>	<b>1,039</b>	<b>14%</b>	<b>10.9</b>	<b>15%</b>	<b>55</b>	<b>2%</b>

- **Base changes:** Includes an adjustment for the 2021/22 pay award and budget realignments between Directorates following the organisational restructure
- **Inflation:** Includes £4.1m for the 2022/23 pay award and a reduction of £0.8m in non-pay inflation, largely due to income from partnership working
- **Growth and Pressures:** £2m relating to Strategic Land (as agreed by County Council in February 2022) and £760,000 relating to IT growth and pressures as reported in December 2022

# Corporate Services Budget 2023/24

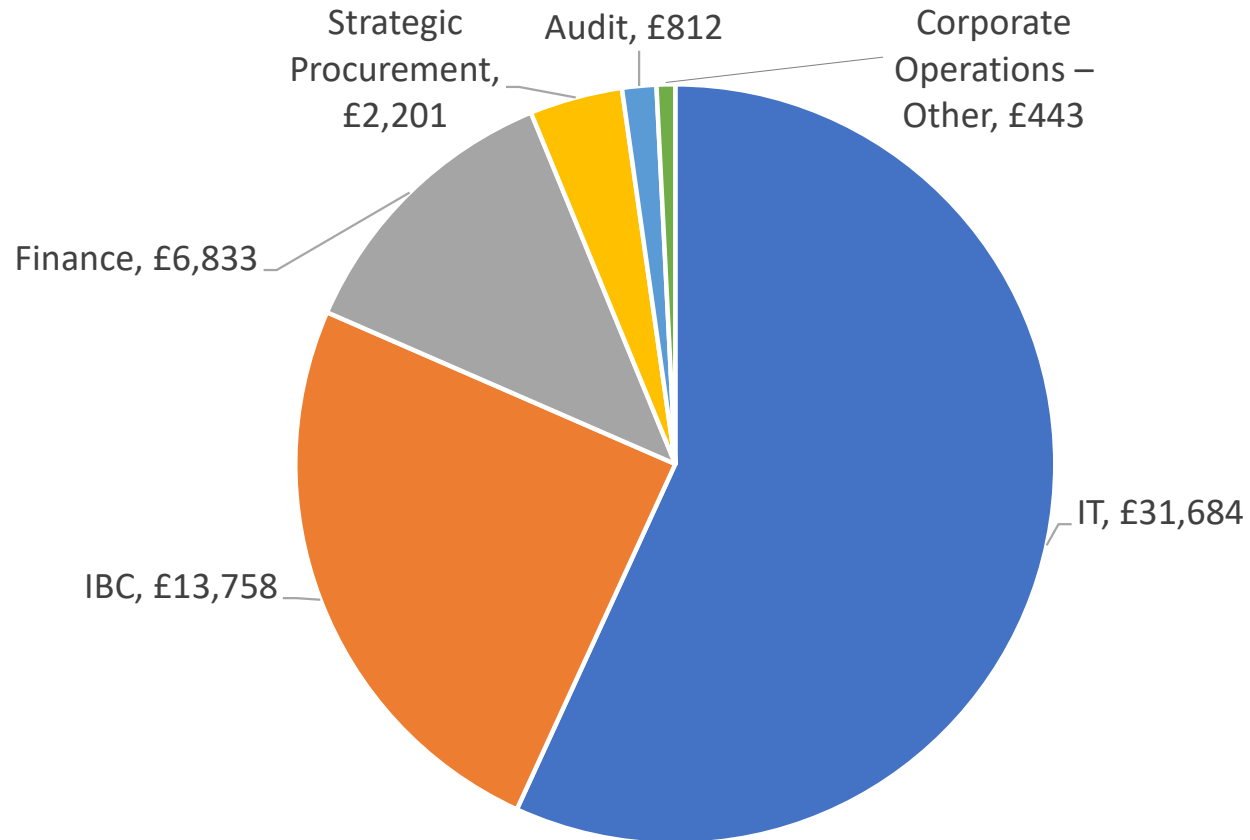
# Corporate Services Proposed Budget

<b>Service Activity</b>	<b>Original Budget 2022/23 £'000</b>	<b>Revised Budget 2022/23 £'000</b>	<b>Proposed Budget 2023/24 £'000</b>
<b>Corporate Operations</b>	<b>37,702</b>	<b>40,186</b>	<b>37,949</b>
<b>People &amp; Organisation</b>	<b>16,408</b>	<b>16,893</b>	<b>16,187</b>
<b>Net Cash Limited Expenditure</b>	<b>54,110</b>	<b>57,079</b>	<b>54,136</b>



# Corporate Operations Budget 2023/24

# Corporate Operations Revenue Budget 2023/24 (in £000s)



# Corporate Operations Budget 2023/24

<b>Service Activity</b>	<b>Original Budget 2022/23 £'000</b>	<b>Revised Budget 2022/23 £'000</b>	<b>Proposed Budget 2023/24 £'000</b>
<b>Corporate Operations</b>			
Audit	797	841	812
Finance	7,091	7,020	6,833
Pensions, Investments & Borrowing	-377	-210	-23
IBC	13,439	14,029	13,758
IT	30,928	34,190	31,684
Strategic Procurement	2,196	2,236	2,201
Shared Services Partnership Income	-16,789	-17,512	-17,759
Corporate Operations – Other <sup>1</sup>	417	417	443
Cost of change – Corporate Operations	-	-820	-
<b>Total Corporate Operations</b>	<b>37,702</b>	<b>40,191</b>	<b>37,949</b>
Government Grants	-	-5	-
<b>Net Expenditure Corporate Operations</b>	<b>37,702</b>	<b>40,186</b>	<b>37,949</b>

<sup>1</sup> Corporate Operations Other includes Audit Fee, Contribution to Hampshire Music Service, Corporate & Democratic Representation and Other.

# **Key Corporate Operations Directorate Challenges and Priorities**

# Key Corporate Operations Directorate

## Challenges and Priorities

- The bulk of our SP23 savings will be delivered for 1 April 2023 with the exception of the de-commissioning of the Swift social care system
- The Directorate continues to be successful in maintaining and attracting external business with Treasury Management, Audit and Strategic Procurement taking on new clients
- Workforce pressures are a concern both in delivering on our commitments to partners and in some of the harder to recruit areas (like recruitment!!)
- Cyber security continues to be one of the biggest risks that the County Council faces so we are investing further in our mitigation
- Our priorities remain the same:
  - Maintaining and expanding shared services
  - Looking at opportunities for standardisation, automation and efficiencies
  - Attracting and retaining staff to ensure business continuity

# Hampshire 2050 Budget 2023/24

# Hampshire 2050 Proposed Budget

<b>Service Activity</b>	<b>Original Budget 2022/23 £'000</b>	<b>Revised Budget 2022/23 £'000</b>	<b>Proposed Budget 2023/24 £'000</b>
<b>Economy &amp; Skills</b>	<b>4,192</b>	<b>4,242</b>	<b>3,689</b>
<b>Culture &amp; Communities</b>	<b>2,892</b>	<b>3,257</b>	<b>2,884</b>
<b>Strategic Assets</b>	<b>2,447</b>	<b>6,249</b>	<b>4,242</b>
<b>Net Cash Limited Expenditure</b>	<b>9,531</b>	<b>13,748</b>	<b>10,815</b>

- *The budget for Skills and Participation is currently within the cash limit for Children's Services. A budget transfer will be determined to reflect the element transferring to the Hampshire 2050 Directorate.*

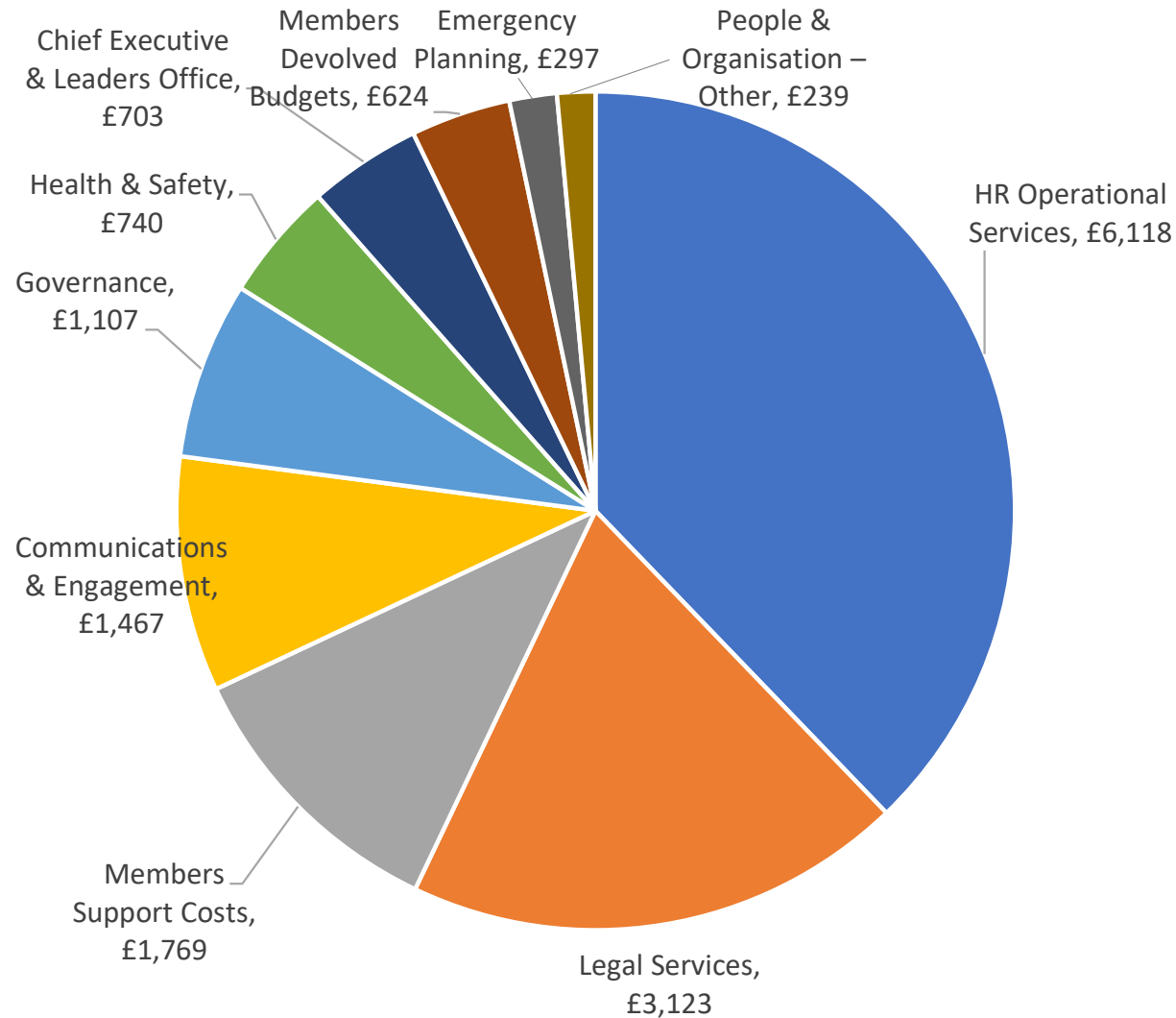
# H2050 Directorate Challenges, Priorities and Opportunities

- 2050 vision and our place shaping role
- Importance of a strong and prosperous economy - strategic leadership and the implementation of the Economic Strategy
- Working more effectively in partnership both internally and externally e.g. Strategic Land and Assets



# People & Organisation Budget 2023/24

# People & Organisation Revenue Budget 2023/24 (in £000s)



# People & Organisation Budget 2023/24

Service Activity	Original Budget 2022/23 £'000	Revised Budget 2022/23 £'000	Proposed Budget 2023/24 £'000
<b>People &amp; Organisation</b>			
Governance	1,082	1,146	1,107
Emergency Planning <sup>1</sup>	301	486	297
Legal Services	3,300	3,655	3,123
HR Operational Services	6,457	6,856	6,118
Health & Safety <sup>1</sup>	770	789	740
Communications & Engagement	1,360	2,288	1,467
Chief Executive & Leaders Office	572	745	703
Members Support Costs	1,708	1,729	1,769
Members Devolved Budgets	624	624	624
People & Organisation – Other	234	234	239
Cost of Change – People & Organisation		-1,506	
<b>Total People &amp; Organisation</b>	<b>16,408</b>	<b>17,046</b>	<b>16,187</b>
Government Grants		-153	
<b>Net Expenditure People &amp; Organisation</b>	<b>16,408</b>	<b>16,893</b>	<b>16,187</b>

1 – Transfers into People & Organisation for the 23/24 Budget

# **Key People & Organisation Directorate Challenges and Priorities**

# Key People & Organisation Directorate Challenges and Priorities

- All of the directorates SP23 savings proposals have been delivered for 1 April 2023.
- The ability to attract and retain talent within our workforce remains a concern, impacting our capacity to support the wider County Council with the extreme workforce challenges experienced
- Our key priorities are:
  - Supporting the continued development of the future organisational model for the County Council;
  - Defining a new approach to Strategic Workforce Planning for the County Council, and the creation of a People Strategy for our wider workforce;
  - Retaining our focus on the Inclusivity, Diversity and Wellbeing of our workforce;
  - Continuing to strengthen the organisations resilience to future challenges;
  - Identifying further opportunities to work differently, smarter, more efficiently.