



Hampshire
County Council



Culture and Communities
Select Committee
16 January 2020
Budget Briefing 2020/21

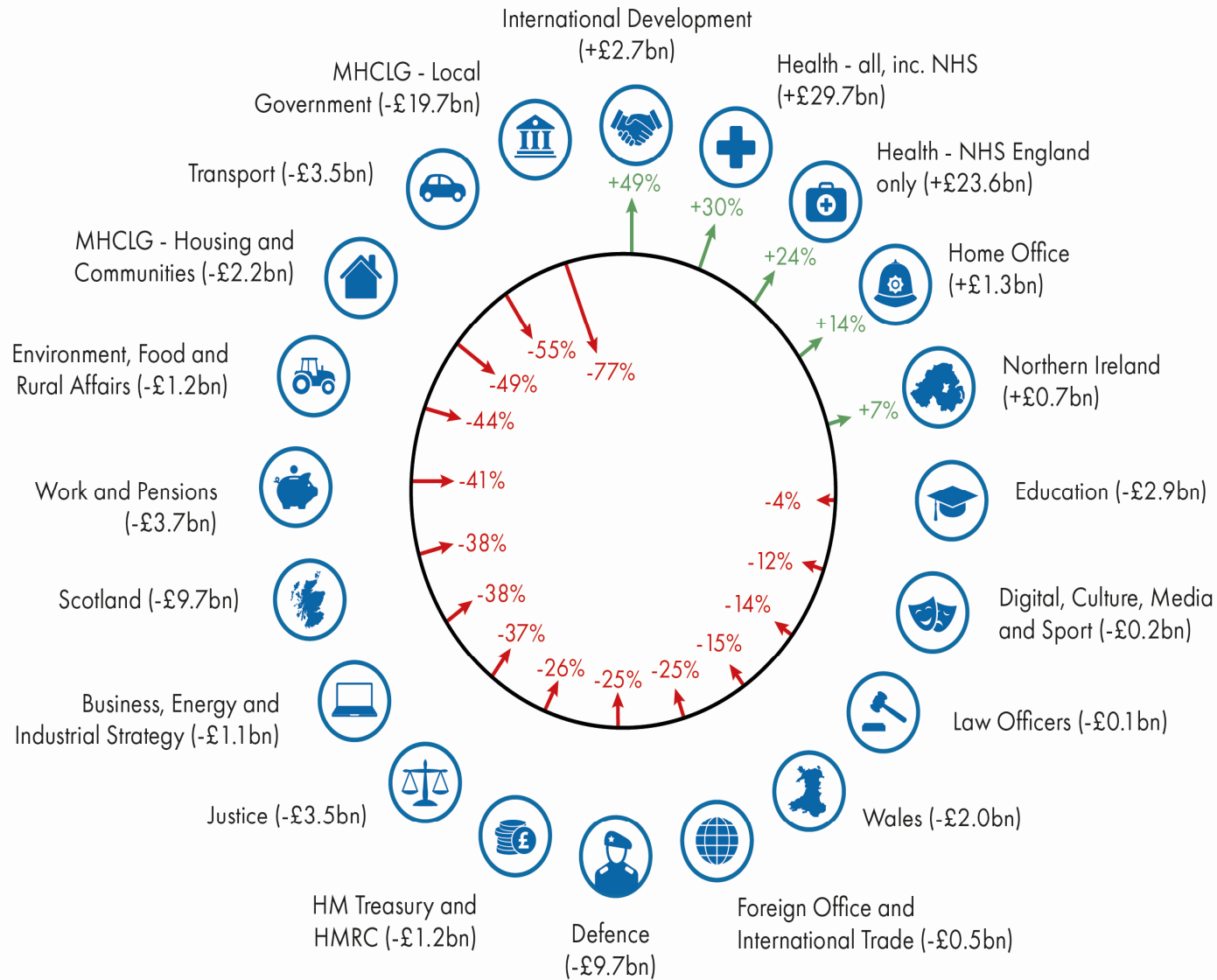
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Presentation Outline

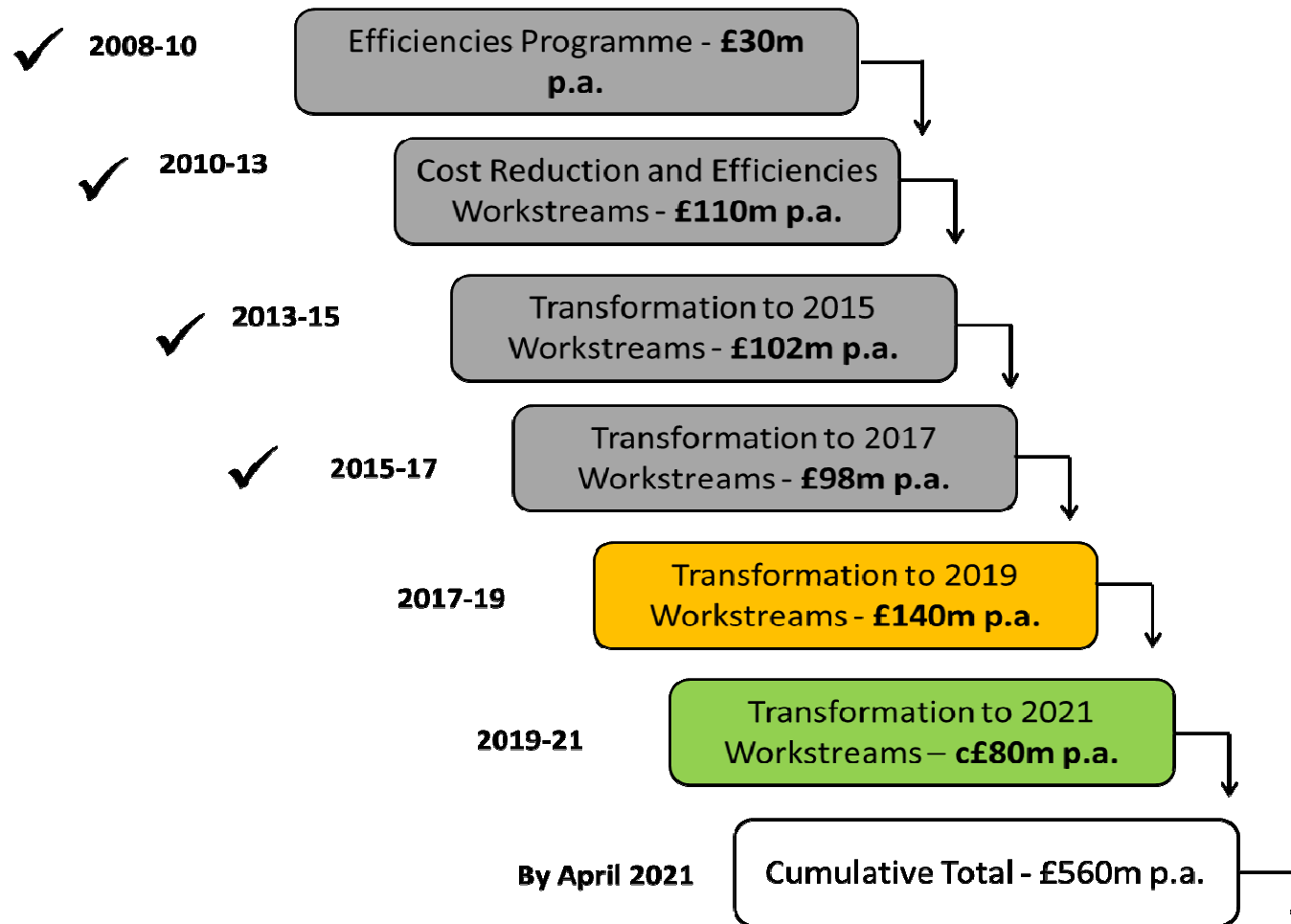
- County Council Context
- Local Government Finance Settlement – Key Issues
- Reserves Position
- Update on Transformation to 2021 (Tt2021) Programme
- Key Departmental Challenges and Issues
- CCBS Revenue Budget Proposals

County Council Context

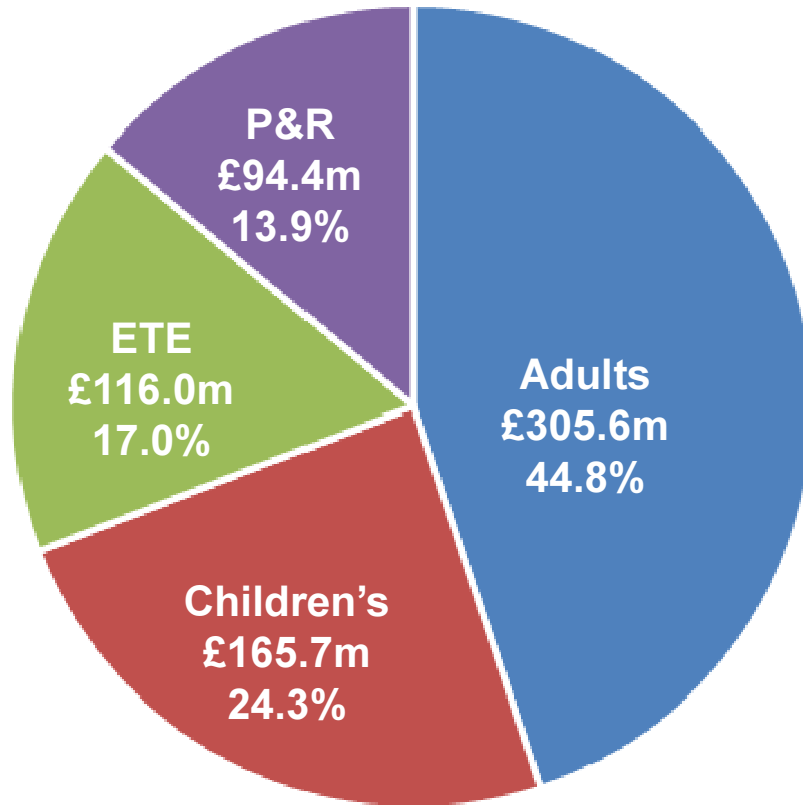
Percentage change in Government Departmental revenue budget – 2009/10 to 2019/20



Efficiency and Transformation Programmes

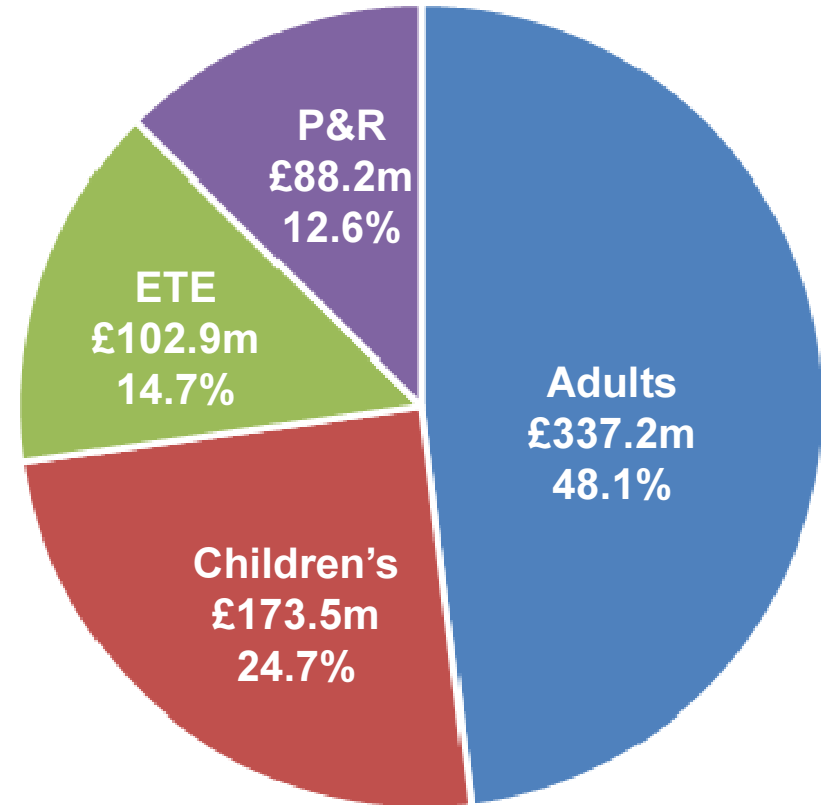


Cash Limit Comparison 2009/10 to 2019/20



2009/10

Total Cash Limits £681.7m



2019/20

Total Cash Limits £701.8m



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Cash Limit Comparisons

	2009/10		2019/20 *		Change
	£'000	%	£'000	%	%
Adults' Health and Care	305,585	44.80%	337,257	48.10%	3.20%
Children's Services - Non Schools	165,730	24.30%	173,524	24.70%	0.40%
ETE	115,950	17.00%	102,856	14.70%	-2.40%
P&R	94,450	13.90%	88,163	12.60%	-1.30%
	<u>681,715</u>	<u>100.00%</u>	<u>701,800</u>	<u>100.00%</u>	
Adults' and Children's		69.10%		72.80%	3.60%
Other		30.90%		27.20%	-3.60%
<u>Nationally for all County Councils</u>					
Adults' and Children's		67.40%		74.80%	7.40%
Other		32.60%		25.20%	-7.40%

* Excludes Public Health but includes contingencies allocated to Children's and Adults' Services

Budget Forecast 2020/21 – MTFS Position

- Savings targets for 2021/22 were approved as part of the MTFS in 2018 to deliver £80m.
- Savings proposals agreed in November 2019 to give the time for implementation.
- Significant draw from the Budget Bridging Reserve (BBR) in 2020/21 in order to give the County Council the time and capacity to properly deliver the Tt2021 Programme.
- A 3.99% council tax increase, 2% for social care costs on top of the referendum limit of 2%.
- One year Spending Round (SR2019) for 2020/21

Local Government Finance Settlement – Key Issues



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Provisional Local Government Finance Settlement 2020/21

- No change from the previously announced one year Spending Round (SR2019) and subsequent clarification in the technical consultation.
- In summary, net additional funding provided – but for one year only at this stage.
- However, additional cost pressures, particularly in social care costs, are outstripping original forecasts.
- Overall the long term position is broadly unchanged and the requirement to deliver Tt2021 and £80m of savings remains.

Reserves Position

Reserves Strategy

- Deliberate policy to make savings ahead of need and then use these funds to meet costs of the next phase of transformation.
- Total reserves of almost £669.5m as at 31 March 2019.
- More than half of this (£345.4m) committed to existing revenue programmes and capital spend.
- £128.1m in Departments' cost of change and trading account reserves to be used for investment and future transformation and to cash flow delivery of Tt2019 and Tt2021.
- £38.8 set aside to mitigate risks (mainly the insurance reserve as we self insure).
- £26.9m in schools reserves, £4.7m for the EM3 LEP and £21.4m in GF balance (in line with minimum reserves policy).

Reserves Strategy

- Only £104.2m (15.6%) is truly 'available' to support one off spending and is made up as follows :

	Balance 31/03/18 £'000	Balance 31/03/19 £'000	% of Total
<u>'Available' Reserves</u>			
Budget Bridging Reserve	74,870	65,001	9.7
Invest to Save	32,109	29,201	4.4
Corporate Policy Reserve	5,889	6,397	1.0
Organisational Change Reserve	2,785	3,626	0.5
	115,653	104,225	15.6

* The use of the majority of the BBR to support the revenue budget and cash flow Tt2019 and Tt2021 savings is already planned in the period to 2023/24.

Update on Transforming the Council to 2021 Programme

Transforming the Council to 2021

- Savings target of £80m agreed as part of the MTFs in 2018.
- Savings proposals to meet this were agreed in November 2019.
- The focus for the programme is now very much on implementation and delivery. Where appropriate, this will include further service specific public consultations where proposals and options for service change will be debated with service users and key stakeholders.
- However, any modification to any proposal must be consistent with the financial and time imperatives of the overall programme.

Transforming the Council to 2021

- Scale of the transformation, notably in Adults' Health & Care and lead in times for achieving savings will cause delay in some of the delivery of cash savings for the Tt2021 Programme.
- Cash flow support required on a one-off basis to manage the extended delivery timetable will in the most part be met from departmental cost of change reserves, which will be boosted by some early delivery in 2020/21.
- Further contingency will be held corporately to cover any remaining shortfall (estimated to be up to £32m).
- High degree of confidence this can be covered but we will be managing this alongside the Tt2019 Programme.

Key Departmental Issues and Challenges

Key Departmental Issues / Challenges

- Balance of funding – cash limit and income & recharges
- Delivering Tt2021 savings

CCBS Budget 2020/21

CCBS Proposed Revenue Budget

	2019/20 revised £'000	2020/21 proposed £'000
Recreation & Heritage	19,244	18,623
Countryside & Rural Affairs	1,368	1,370
Sub-total Culture & Communities	20,612	19,993
<i>Policy & Resources (1)</i>	<i>12,944</i>	<i>13,622</i>
Total CCBS	33,556	33,615
<i>(1) Scrutinised by P&R Select Committee</i>		

2020/21 Costs and Funding: Culture and Communities services

Cost type / Funding source	£'000
Employees	18,609
Supplies and Services	9,600
Premises	4,565
Support Services	809
Transport & Other Costs	666
Total Costs	34,249
Recharges	3,035
Fees and Charges	6,121
Rental Income	416
Grants and Contributions	1,319
Other Income	3,365
CCBS Net Cash Limit	19,993



Culture and Communities Services

2020/21 proposed budget

Service	£'000
Library Services	11,553
Community Grants	938
Countryside	2,718
Arts & Museums	2,434
Archives	689
Outdoors Centres	377
Other (including early savings)	1,284
TOTAL CCBS cash limit	19,993

