

Policy & Resources Savings Programme 2023 (SP2023) Revenue Saving Proposals

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Summary

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- County Council Context
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- Policy & Resources Budget & SP23 Savings Required
- Corporate Services savings proposals
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Funding Recap (SR2020)

- One year spending review (SR) period to April 2022 as a result of economic and fiscal uncertainty due to Covid.
- Continuation of existing £38.5m social care grants but limited additional funding provided (£1.2m for Hampshire).
- Announcements dominated by one-off Covid-19 financial support package, however additional local funding of £69m required to meet unfunded pressures and delayed savings.
- Adult Social Care precept not confirmed beyond 2021/22 resulting in potential funding gap of up to £29m by 2023/24.
- Record levels of government borrowing due to the pandemic, necessitating a further period of fiscal restraint.

County Council Context

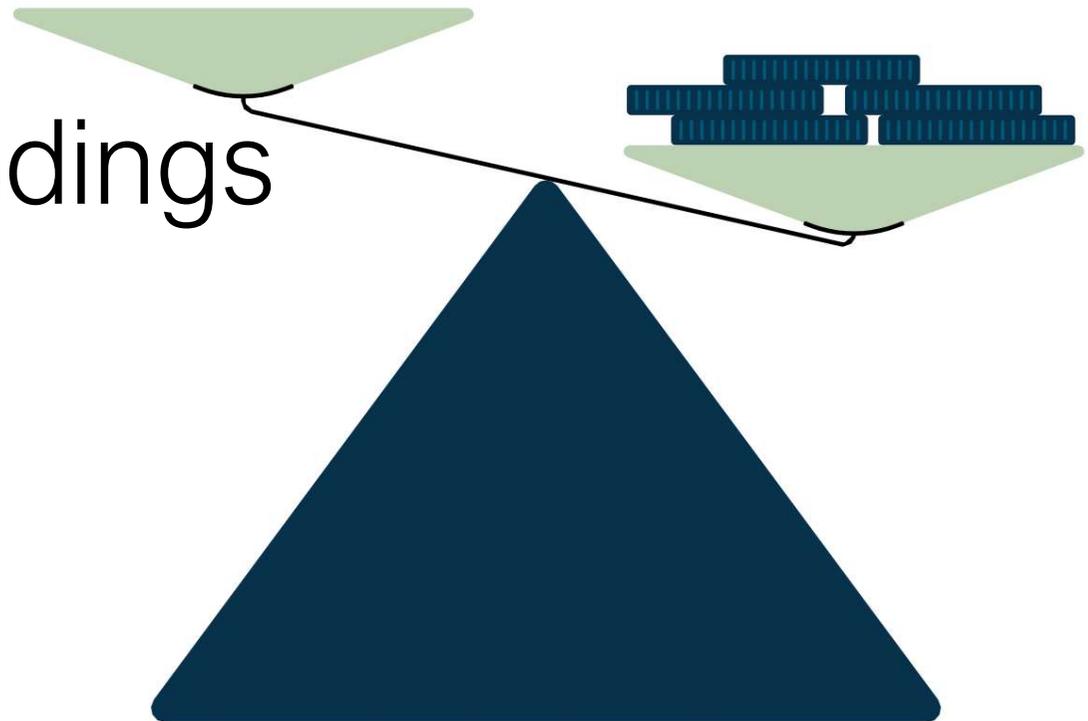
- £560m removed from budgets over eleven years.
- £80m forecast budget gap for the two years to 2023/24.
- £45m of Tt2019 and Tt2021 savings still to deliver across 2021/22 and 2022/23, including delays of £25m due to the impacts of Covid-19.
- Extended delivery and overlapping programmes increases risk and complexity.
- County Council public consultation (7 June – 18 July).
- Medium Term Financial Strategy update to Cabinet in October and County Council in November 2021.

SP2023 Approach

- Departments within Policy & Resources (Corporate Operations, HR, Organisational Development, Communications & Engagement, Law & Governance) & services within CCBS (Property Services & Facilities Management, Transformation & Business Services, Emergency Planning, & Health & Safety) identified potential savings opportunities across each area of service;
- These opportunities sought to build on previous efficiencies delivered as part of Tt2019 and Tt2021 programmes which have concluded;
- Opportunities identified challenged by Corporate Management Team;
- *'Serving Hampshire - Balancing the Budget'* consultation completed;
- Savings opportunities further reviewed and refined;
- Programme of proposals identified for consideration by Executive Member, Cabinet and County Council.

Serving Hampshire – **Balancing the Budget 2021 Consultation**

Headline Findings



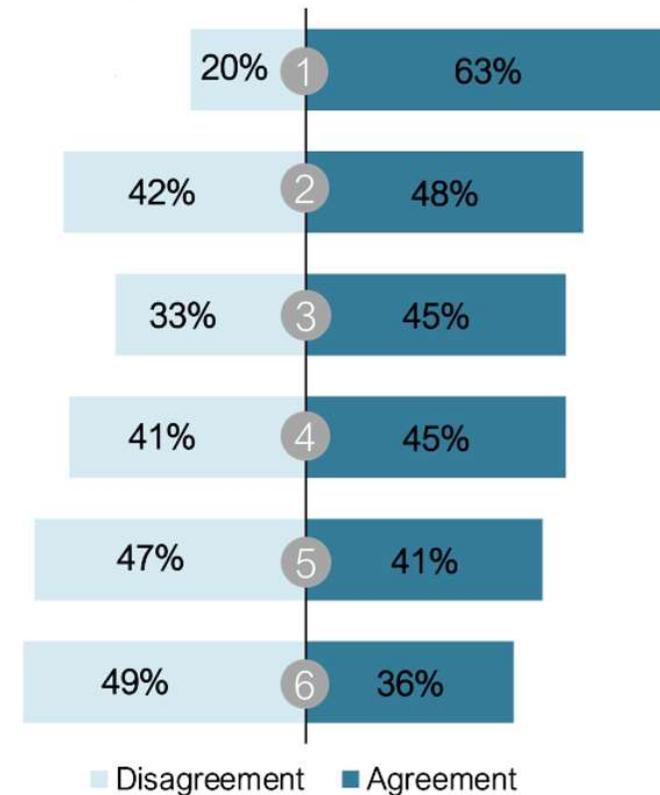
Consultation context

- The 2021 *Serving Hampshire - Balancing the Budget* consultation was designed to give all Hampshire residents and stakeholders the opportunity to have their say about ways to balance the County Council's budget.
- The consultation ran from **07 June to 18 July 2021** and was widely promoted through a range of online and offline channels.
- Information Packs and Response Forms were made available both digitally and in hard copy in standard and Easy Read formats, with other formats available on request. Unstructured responses could be submitted via email, letter or as comments on social media.
- The **consultation received 2,027 responses** – 1,931 via the consultation Response Forms and 96 as unstructured responses via email/ letter (44) or social media (52).
- Of the responses submitted via the consultation Response Forms, **1,878** were from individuals and **21** from democratically elected representatives. Including the unstructured responses **41** groups, organisations or businesses responded

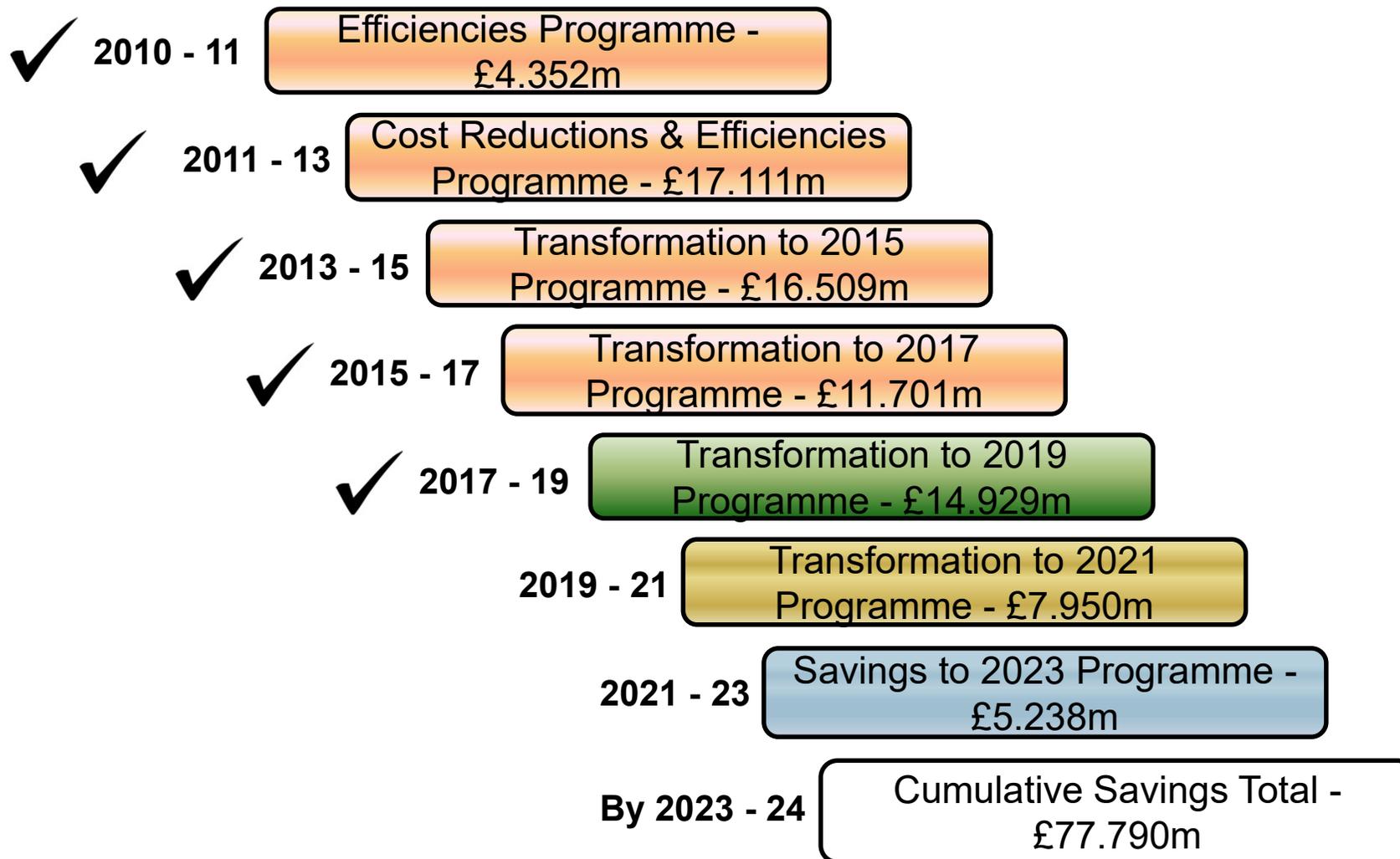
Level of agreement with proposed options

1. Six out of ten respondents (63%) felt that consideration should be given to changing local government arrangements in Hampshire
2. Almost half of respondents (48%) thought that the Council should **not** use reserves to plug the budget gap
3. 45% of respondents agreed that the Council should continue with its current financial strategy
4. This was also the number who agreed with the principle of increasing existing charges for services
5. Four in ten respondents (41%) agreed with the principle of introducing new charges for some services that are currently free, however a higher proportion (47%) felt that new charges should not be applied
6. Just over one in three respondents (36%) agreed with the principle of reducing or changing services, however almost half of respondents (49%) disagreed with this approach

Agreement or disagreement as to whether the County Council should. . . (Base: 1772-1917)



Departmental Transformation Journey – Corporate Services and CCBS combined



Slide 9

RS4

Randall, Stephanie, 24/08/2021

RS5

Anne/Jonathan - can you add the total savings for P&R SP23 - I only have Corp Serv so far

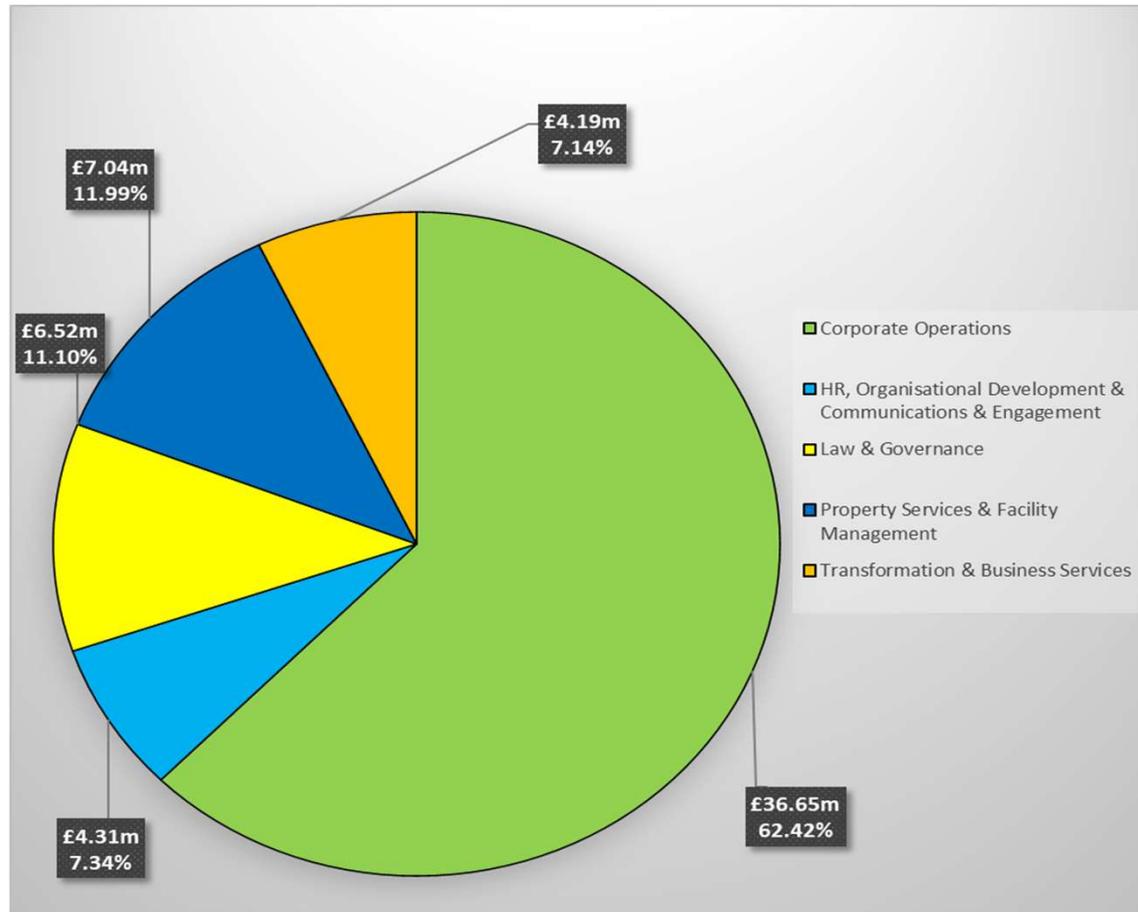
Randall, Stephanie, 24/08/2021

LS1

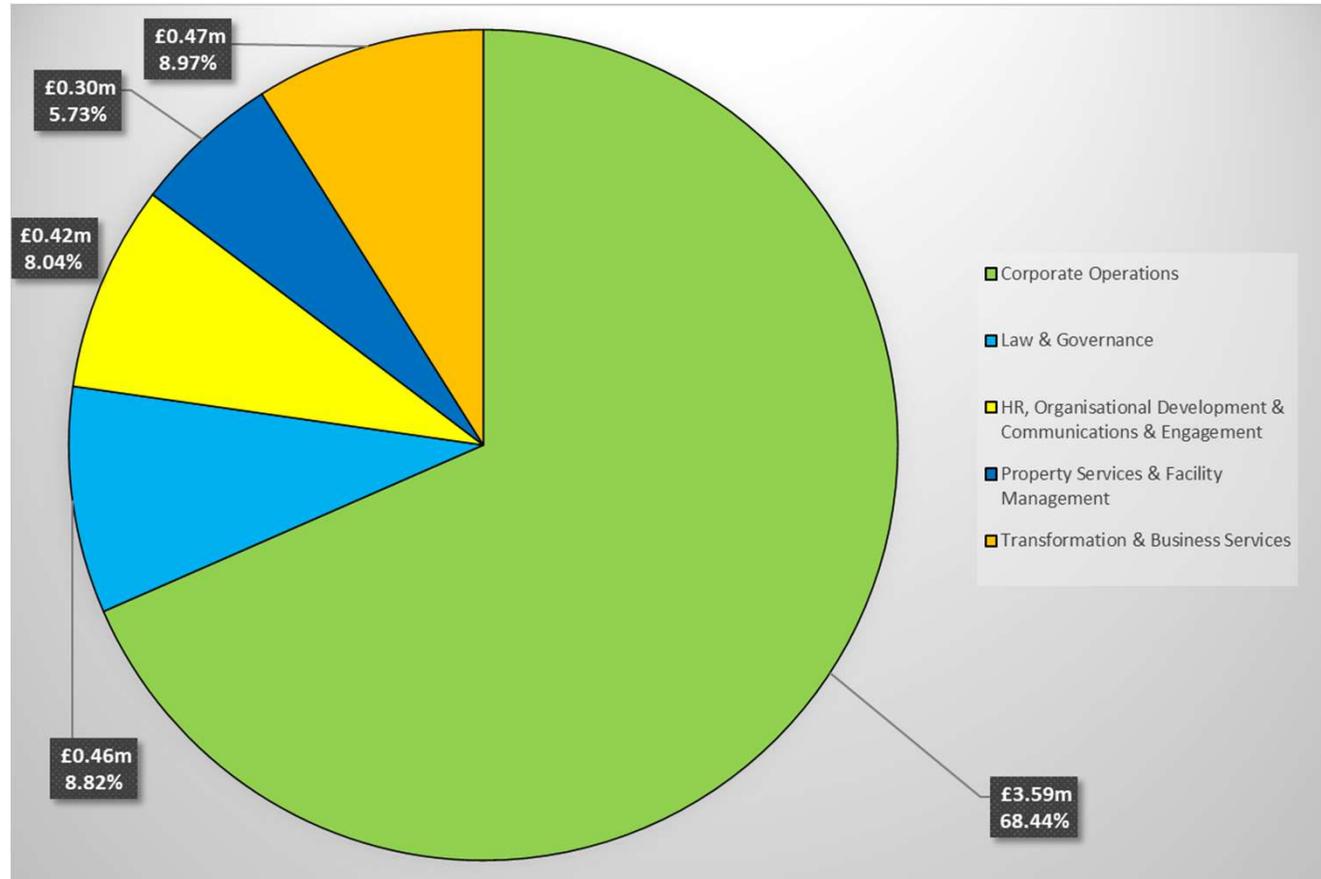
I can provide the equivalent slide for the whole of CCBS which is included in the Culture & Communities slides if that helps?

Lapham, Sue, 08/09/2021

Corporate Services & CCBS (Property Services & Facilities Management and Transformation & Business Services) Net Original Budget 2021-22 of £58.71m by Service



Corporate Services & CCBS (Property Services & Facilities Management and Transformation & Business Services) SP23 Reductions Target of £5.24m by Service



Departmental Context – Corporate Services

Corporate Services

Corporate Services covers three Departments, each providing services to the wider county council, and to our shared services partners:

- **Corporate Operations** – includes Finance, Pensions, Investments & Borrowing, Strategic Procurement, Internal Audit, Shared Services (Integrated Business Centre), and IT;
- **HR, Organisational Development, Communications & Engagement** – includes HR Policy & Casework, Occupational Health, Organisation Development & Design (including Leadership & Management Development), Marketing, Advertising, Communications, and Insight & Engagement services (e.g. public consultation and engagement, behaviour change research, and corporate performance);
- **Law & Governance** – includes Legal Services, and Governance & Democratic Services.

Corporate Services SP2023 proposals

	Full-year impact £'000	Estimated FTE impact
Corporate Services:		
<i>Corporate Operations</i>		
Finance and Pensions – further efficiencies, demand management, and increased partnership contributions	394	1.0 – 4.0
Shared Services (Integrated Business Centre) – further partnership efficiencies, demand management, and maximising use of available partnership contributions	511	14.0
Shared Services (Transformation) – anticipated demand reduction and maximising use of available partnership contributions	86	1.0 – 2.0
Information Technology – technology consolidation & rationalisation, supply chain review, further operating model changes including demand management, and various other smaller efficiencies	2,348	22.0
Internal Audit – Optimising technology to build on a ‘virtual audit approach’ and increasing partnership contributions	74	0.0
Strategic Procurement – Increased income generation	172	0.0
Corporate Operations sub-total	3,585	38.0 – 42.0

Corporate Services SP2023 proposals

	Full-year impact £'000	Estimated FTE impact
Corporate Services continued:		
<i>HR, Organisational Development , Communications & Engagement</i>		
HR Casework, Occupational Health, and Organisational Change – further efficiencies including review of operating models and approach to demand management (e.g. increased use of self-service online resources and tools)	140	3.0
Leadership and Management Development – operating model efficiencies and demand management	148	5.0
Communications & Engagement – redistribution of historical unallocated funding	133	0.0
Sub-total HR, OD, C&E	421	8.0
<i>Law & Governance</i>		
Legal Services – Further efficiencies, renegotiation of contracts, building on sold service opportunities	437	2.0
Governance (Risk & Information) – demand management and income from sold services	25	0.0
Sub-total Law & Governance	462	2.0
Total Corporate Services	4,468	48.0 – 52.0

Departmental Context - CCBS

Culture, Communities and Business Services (CCBS)

CCBS is split across multiple Executive Member portfolios

Policy & Resources Select Committee's responsibilities cover:

- **Property Services**
 - **Transformation & Business Services**
 - **Health & Safety** – a corporate function managed within CCBS
 - **Emergency Planning** – a corporate function managed within CCBS
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- Income generation is critical to the majority of departmental activity
 - Driving a commercial approach to maximise public value
 - Developing services to be increasingly efficient
 - Responding to changing customer needs and expectations

CCBS SP2023 proposals

	Full-year impact £'000	Estimated FTE impact
CCBS		
Property Services – service efficiencies through further exploitation of systems, digital technology and service reviews	300	0
Transformation and Business Services – new operating model for the CCBS HantsDirect service; review and integration of Broadband, Transformation and Business Support functions	350	7
Health and Safety – whole service review including income generation opportunities and efficiencies through processes and technology development	75	2
Emergency Planning & Resilience – service review including structure, resourcing and workstreams undertaken	45	1
	<hr/> 770	<hr/> 10

Risks to Highlight

- There is likely to be a further reduction in the level of direct support available for key support services, for example for Financial planning, HR casework, and IT Programme Management;
- Changes to operating models will require a greater reliance on self-service;
- The extension of our sold services and our shared services partnership arrangements bring positive benefits, but do also increase delivery risk;
- Generating increased income represents a challenge for all services, on top of sustaining existing levels of income in challenging and, in places, highly competitive operating environments. For some services the financial constraints of customers, such as schools and other Local Authorities, represents a further risk to their trading opportunities;
- Services implementing new operating models have dependencies on staff across the wider County Council adopting new ways of working;
- Some proposals are dependent upon exploiting digital tools and growing digital skills to improve productivity and interactions with customers;
- Some changes to operating models may impact where and how customers access services.

Equality Impacts to Highlight

Equality Impact Assessments (EIAs) have been undertaken for all savings proposals to ensure potential impacts on groups with protected characteristics are identified and considered in the decision-making process.

Across Corporate Services and the relevant CCBS services, no medium or high impacts have been identified at this stage. As the savings proposals are progressed further, EIAs will be revisited and updated where appropriate.

SP2023 Key Messages

- A significant proportion of Corporate Services expenditure is staffing. To achieve the level of savings required for SP23, there is a need to further review and streamline our operating models;
- Across all areas within Corporate Services, we will continue with previous themes of reducing demand for services, increasing self-service through improved systems and processes, and generating new external income through our successful sold services and partnership working;
- Within CCBS, services will focus on developing efficient and sustainable customer- focused services, maximising income generation opportunities where appropriate to support this, noting the inherent risks in operating in highly competitive markets with slim margins;
- Exploiting the technical capability invested in through the County Councils Digital Strategy, will be key to our services maximising opportunities to generate improved efficiency and effectiveness and respond to changing customer needs and expectations;
- Developing our workforce strategy to ensure that we continue to attract the right people and skills, as well as being able to ensure the continued resilience of our teams;
- A targeted approach has been taken which defines the strategic direction for services looking at longer term service sustainability beyond SP23.