



# Hampshire County Council

Policy and Resources  
Select Committee  
21 January 2022  
Budget Briefing 2022/23

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# Presentation Outline

- Local Government Finance Settlement – Key Issues
- Corporate Services and Culture, Communities and Business Services (CCBS) Revenue Budget
- CCBS Capital Programme
- Key Departmental Challenges and Priorities

# **Local Government Finance Settlement – Key Issues**

# Provisional Local Government Finance Settlement 2022/23

- A one year provisional Finance Settlement for 2022/23 was announced on 16 December but final figures will not be confirmed by the Government until late January or early February
- Future year's funding allocations will be determined following the outcome of a consultation on the existing local government funding formula to be carried out in Spring 2022
- Key items include:
  - **£11.0m** additional social care grant distributed based on the existing adult's funding formula
  - **£8.3m** 2022/23 Services Grant. The £822m national pot will be redistributed based on the new funding formula from 2023/24.
  - A **£3.6m** uplift in business rates compensation grants

# Provisional Local Government Finance Settlement 2022/23

- An initial allocation of **£3.2m** from the **Market Sustainability and Fair Cost of Care Fund**. This is part of the government’s package to support the recently announced social care reforms, providing funding for local authorities to:
  - Work with care providers to prepare local care markets for reform
  - Move towards paying providers a fair cost of care
- A **£0.9m** inflationary uplift for the Improved Better Care Fund
- Continuation of the New Homes Bonus for a further year, worth **£3.5m** to the Council in 2022/23
- **Total additional funding of £26.5m**
- **2.99% increase in Council tax, 1% lower than the assumption held within the MTFS. Estimated increase of £29.7m rather than previously assumed £36.7m**
- **Total increase in core spending power of 6.3%**

# County Council context

## Increasing financial pressure:

- **Seven** successive two-year **change programmes** implemented since 2010 to deliver cumulative savings of **£640m**
- As at December 2021 the Council is working to achieve **savings of £127m** including **£47m** of slipped Tt2019 and Tt2021 savings and a further **£80m** SP2023 savings required by 2023/24.
- **Inflation** has risen to the highest level since 2011, with CPI reaching **5.1%** in November 2021
- Additional National Insurance costs of **£2.3m** for internal staff and associated increases to contractual costs
- Significant pressures are building in adult social care with **market prices** now around **16-18% higher** than the Council's existing provision, which will create an **additional budget pressure in 2022/23**
- 2022/23 is an interim year within the context of the MTFs which planned to balance the overall budget using **£40.2m from the budget bridging reserve**. It is now forecast that a significantly bigger draw from the reserve will be required.

# **Proposed Budgets 2022/23**

**(relevant to the Policy and Resources Select Committee)**

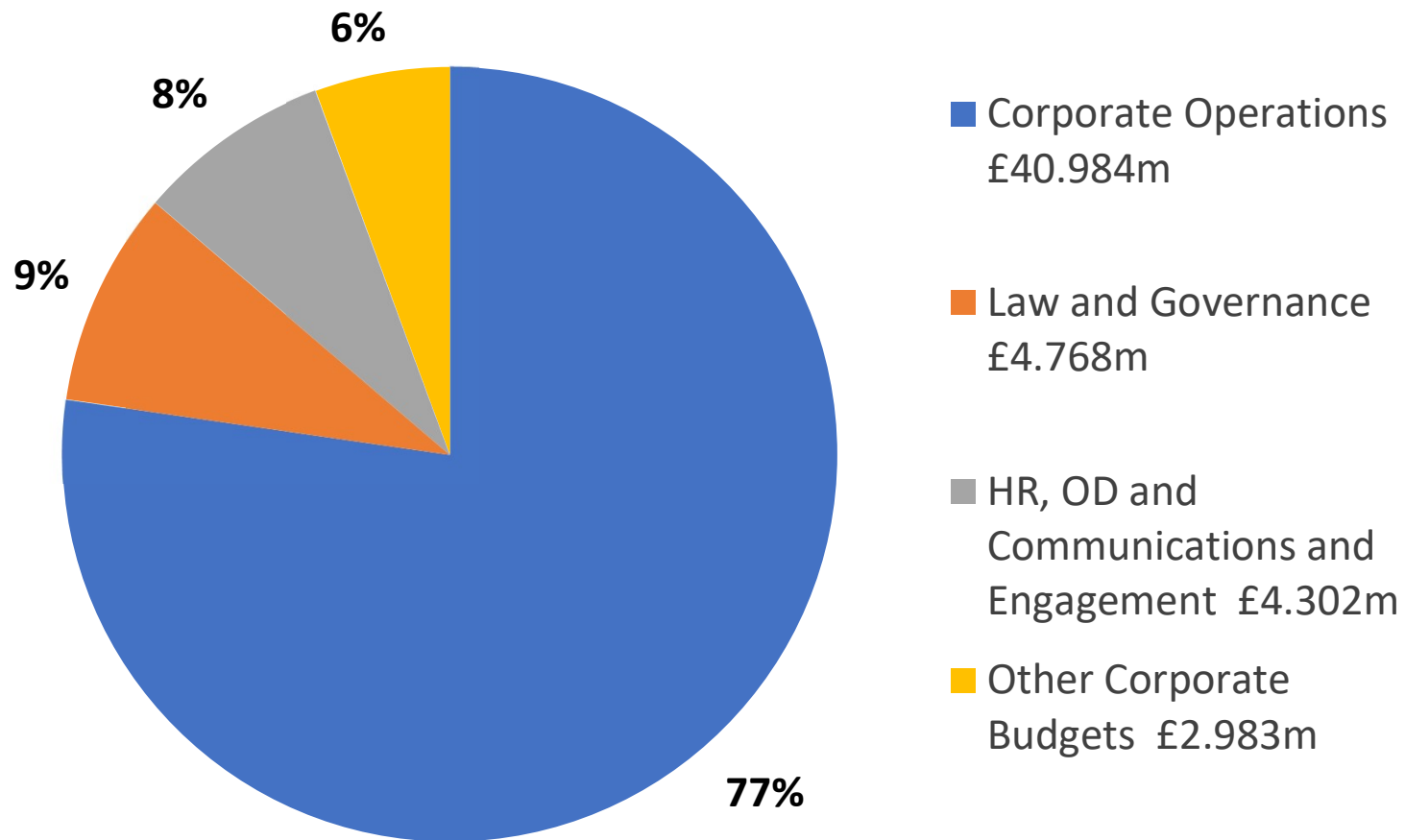




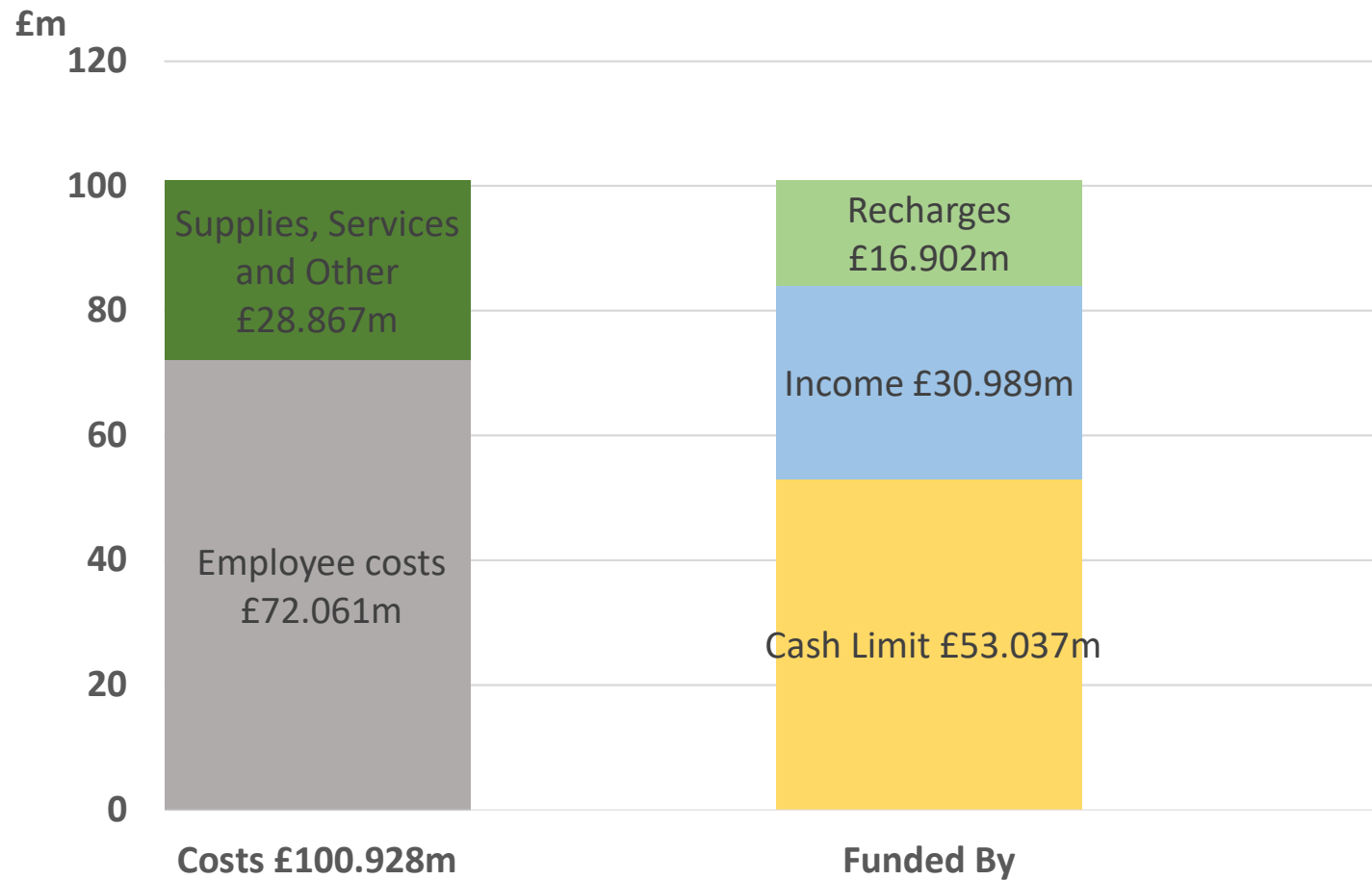
# Proposed Revenue Budgets

	2021/22 Original £'000	2021/22 Revised £'000	2022/23 Forward £'000
<b>Corporate Services</b> (Executive Member for Policy and Resources)	49,965	55,116	52,458
<b>CCBS</b>			
Property, Transformation and Business Management (Executive Member for Commercial Strategy, Estates and Property)	23,170	28,497	24,570
Health & Safety (Executive Member for Performance, Human Resources and Partnerships)	748	748	770
Emergency Planning (Executive Member of Economy, Transport and Environment)	295	289	301

# Corporate Services Revenue Budget 2022-23



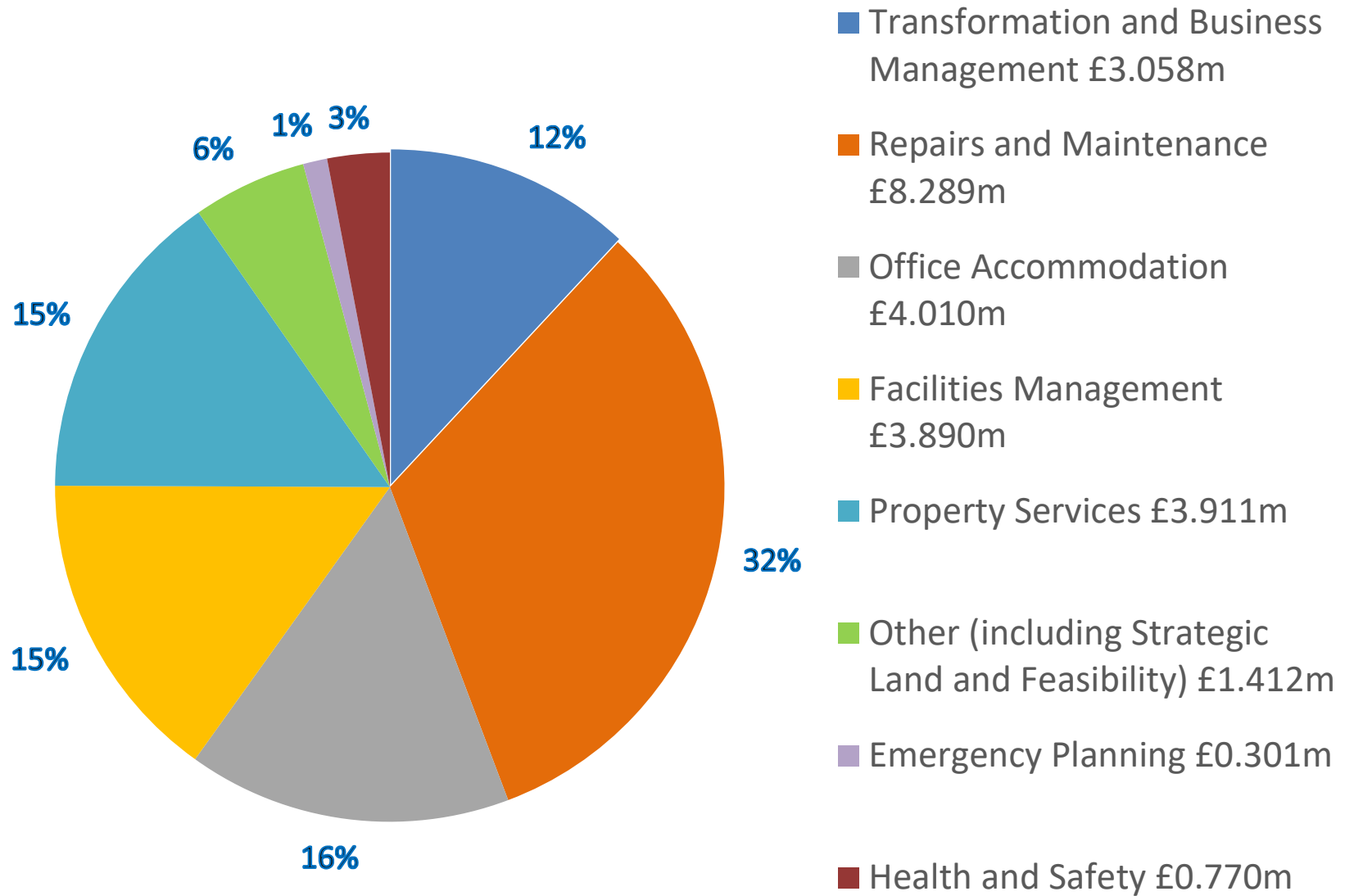
# Corporate Services Revenue Budget 2022-23



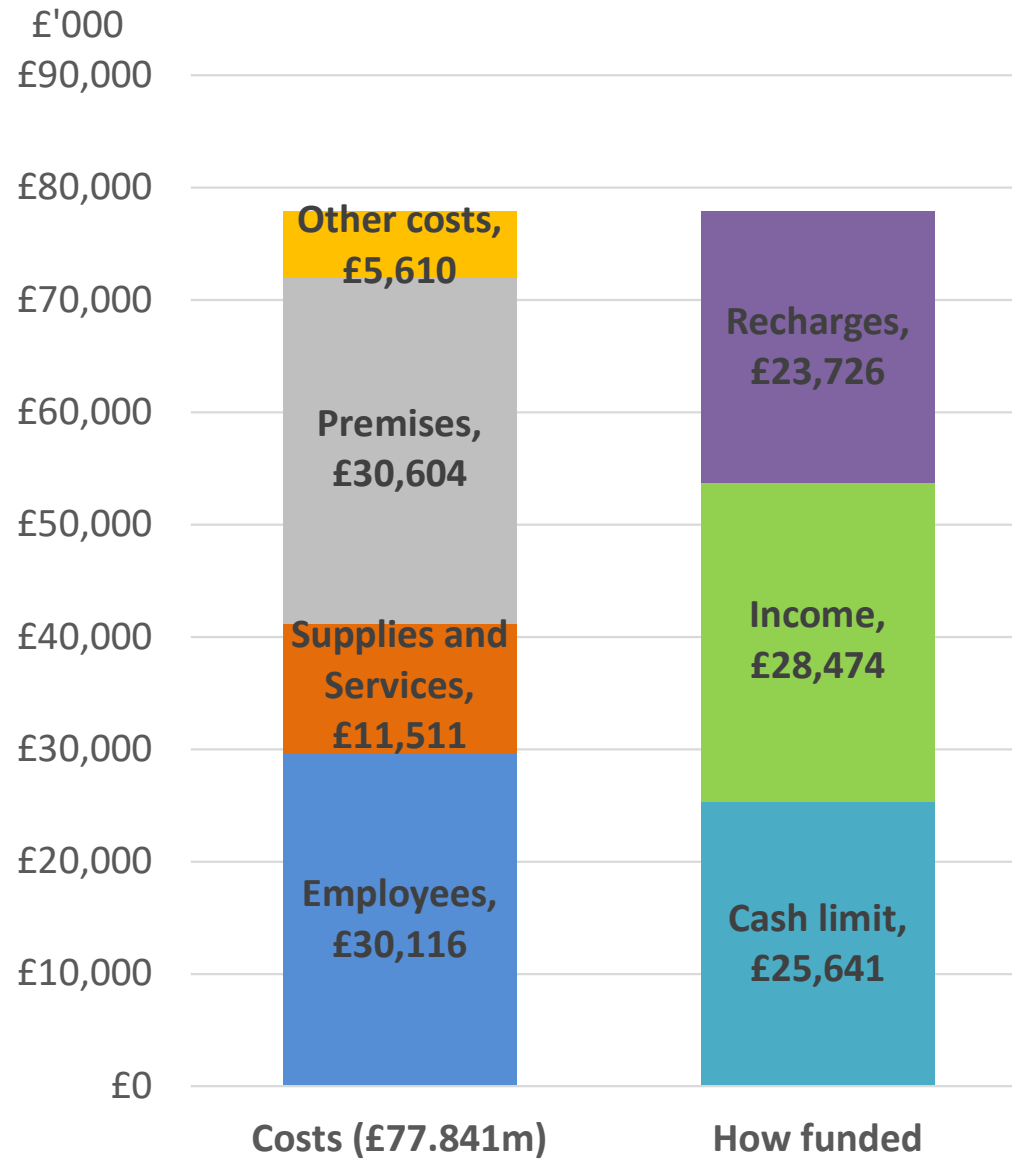
# CCBS Revenue Budget 2022/23

	Service	£'000
CSEP	Transformation and Business Management	3,058
	Repairs and Maintenance	8,289
	Office Accommodation	4,010
	Facilities Management	3,890
	Property Services	3,911
	Other (including Strategic Land and Feasibility)	1,412
ETE	Emergency Planning	301
PHRP	Health and Safety	770
<b>TOTAL CCBS (within Policy and Resources) cash limit</b>		<b>25,641</b>

# CCBS Revenue Budget 2022/23



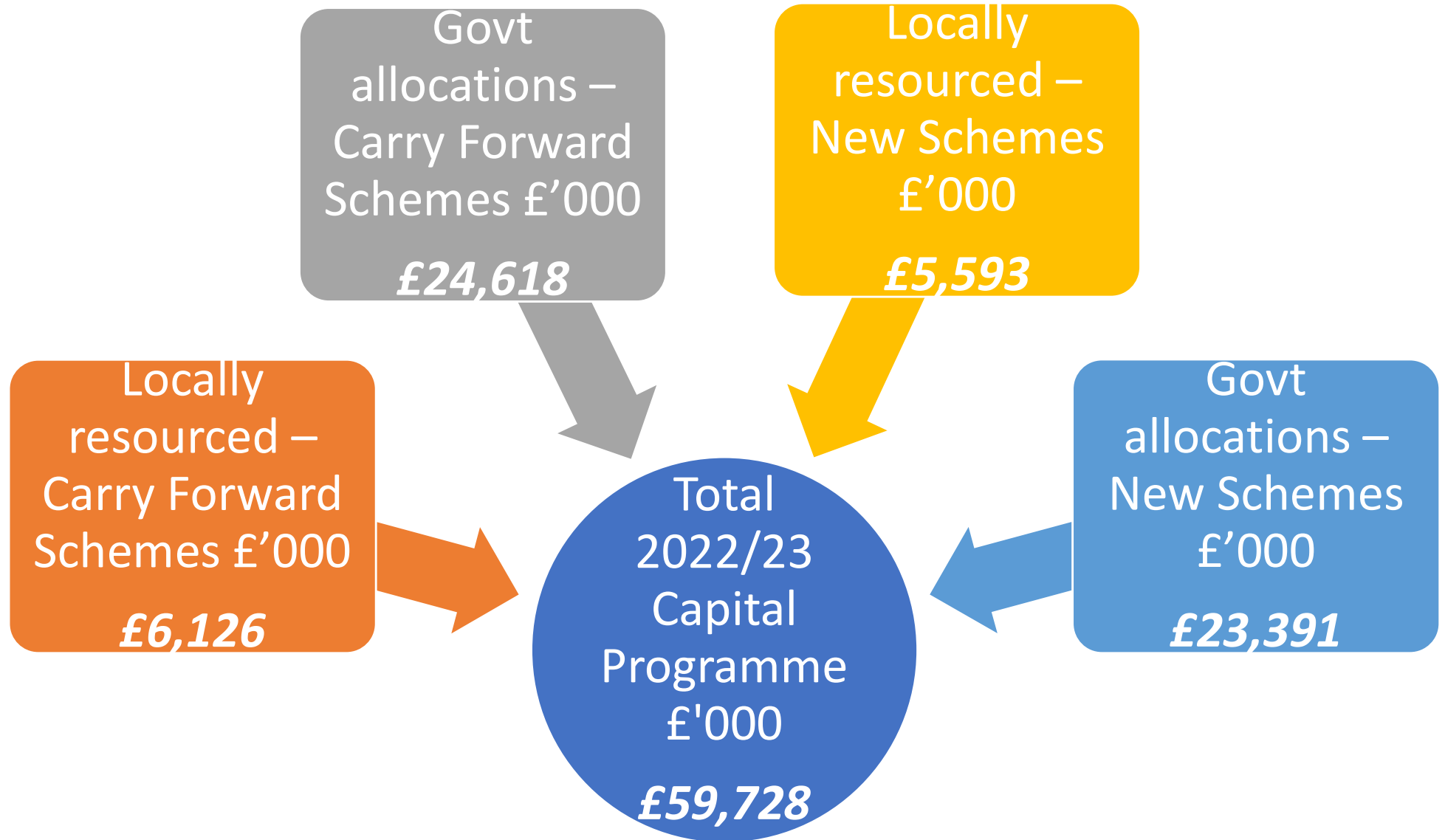
# CCBS Revenue Budget 2022/23



# CCBS Proposed Capital Programme

	<b>County Council Funded £'000</b>	<b>Government Funded £'000</b>	<b>Total £'000</b>
2022/23	11,719	48,009	<b>59,728</b>
2023/24	4,559	23,391	<b>27,950</b>
2024/25	4,559	23,391	<b>27,950</b>
<b>Total</b>	<b>20,837</b>	<b>94,791</b>	<b>115,628</b>

# 2022/23 Capital Programme Summary





# 2022/23 Capital Programme Significant Schemes

## Locally resourced – Carry Forward Schemes

- Basingstoke Canal – Swan Cutting Restoration £775k
- HTM Vehicle workshop refurbishment £600k

## Government allocations – Carry Forward Schemes

- Nightingale Primary, Eastleigh – SCOLA recladding £2.5m
- Warblington School, Havant – Recladding £2.1m

## Locally resourced – New Schemes

- Fareham Parkway Improvements £2.5m
- HTM Vehicle purchases £3.4m

## Government allocations – New Schemes

- Baycroft School, Fareham – SCOLA recladding & refurbishment £2.5m
- Henry Cort Community College – SCOLA reclad & ROSLA block £2.5m

# Corporate Services and CCBS

## Key Departmental Challenges and Priorities

- Importance of Income:
  - CCBS overall cash limited services 62% funded from income & recharges, Corporate Services is 38%
  - Challenges
    - Maintain existing levels
    - Build sustainable new income (SP2023)
- Impact of Covid-19:
  - Financial impact and recovery has been mixed
  - Longer term impact not yet fully clear

# Corporate Services and CCBS

## Key Departmental Challenges and Priorities

- **Climate Change:**
  - Cabinet funding and approved programme (£1.2m)
  - Projects already underway
  - All aspects of CCBS activity
- **Recruitment and retention:**
  - Wide-ranging impact
  - Lower-paid roles (e.g. Country Parks catering)
  - Will need creative solutions

# Corporate Services and CCBS

## Key Departmental Challenges and Priorities

- Inflation:
  - Construction costs
  - Energy
  - General (November CPI 5.1%)