

Hampshire 2050 and Corporate Services Savings Programme to 2025 (SP2025) Revenue Saving Proposals

Page 1

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25 September 2023

Summary

- County Council Context
- SP2025 Approach
- Equality Impact to Highlight
- Consultation Key Findings
- Corporate Operations
 - Directorate Context
 - Budget & SP2025 Savings Required
 - Saving Proposals
- People and Organisation (detail as above)
- Hampshire 2050 (detail as above)
- Key considerations and opportunities

Page 2

County Council Context

- £640m removed from budgets over thirteen years.
- £132m forecast budget gap for the two years to 2025/26.
- £71m of Tt2021 and SP2023 savings still to deliver across 2023/24 and 2024/25.
- Extended delivery and overlapping programmes increases risk and complexity.
- County Council public consultation (12 June – 23 July).
- Medium Term Financial Strategy update to Cabinet in October and County Council in November 2023.

Page 3

County Council Context

The significant gap to 2025/26 has necessitated the County Council to move towards a 'bare minimum' level of services.

Whilst this is difficult to define across our varied and complex services there are a number of key principles we can apply :

- Resources will be focussed on statutory and critical services.
- Discretionary preventative services will only be provided where there is a clear and demonstrable longer term value for money business case.
- Resident services to be online by default, with appropriate alternatives available where required.
- Enabling functions to be provided as efficiently and effectively as possible from the centre of the organisation at a level sufficient to provide an adequate level of corporate governance and informed decision making.
- Discretionary service areas must have a strong rationale for being delivered and need to be cost neutral. Fees and charges to be increased if this allows a discretionary service to continue.

Page 4

SP2025 Approach

- In recognition of the size of the financial challenge, directorates were not issued with defined savings targets
- Directorates were instead instructed to review what savings might be achievable if the Council was to move towards a 'bare minimum' provision of services
- A detailed review of each budget line was undertaken to identify all potential savings options available
- Savings options were subject to a robust scrutiny process to ensure that opportunities have been maximised whilst limiting cumulative impacts across service user groups as far as possible
- The savings identified are currently insufficient to meet the budget gap to 2025/26
- We continue to lobby Government to seek a fairer funding formula and legislative change for some services to help us close the gap

Page 5

Hampshire 2050 and Corporate Services Equality Impacts to Highlight

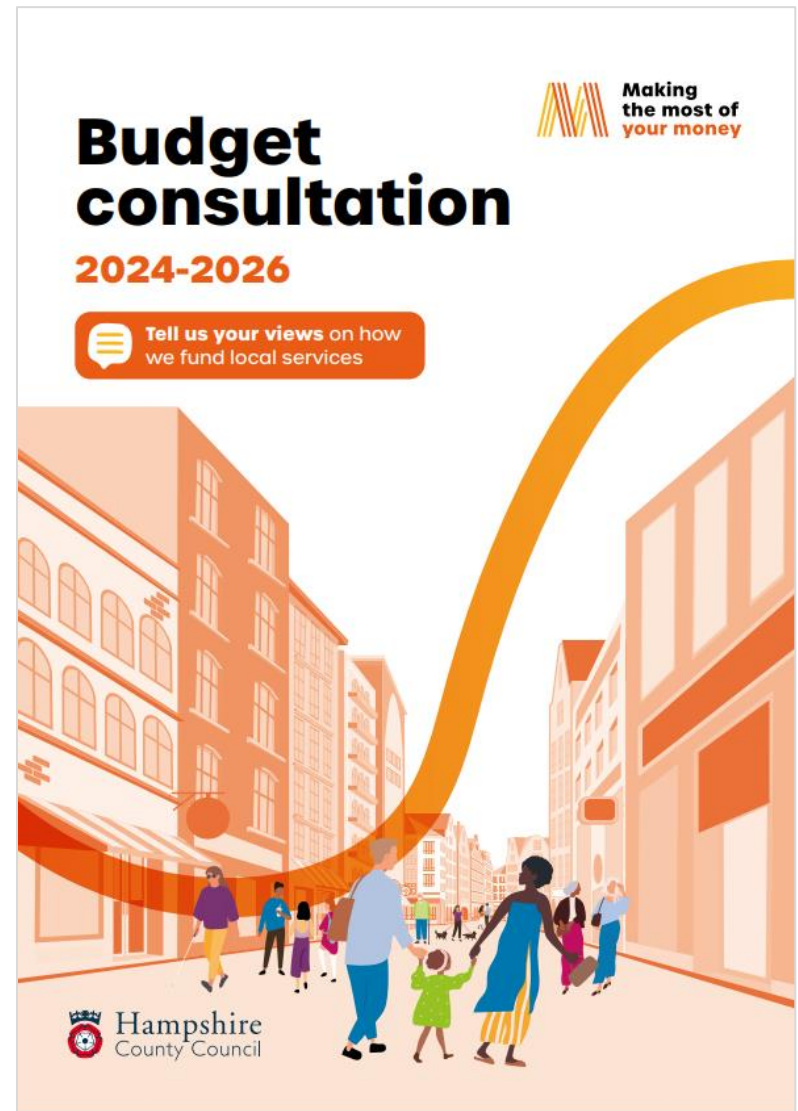
- Equality Impact Assessments (EIAs) have been undertaken for all savings proposals to ensure potential impacts on groups with protected characteristics are identified and considered in the decision-making process.

Page 6

Across Hampshire 2050 and Corporate Services, no medium or high negative impacts have been identified at this stage. As the savings proposals are progressed further, EIAs will be revisited and updated where appropriate.

*Making the most
of your money*
**Balancing the
Budget 2023
Consultation**
Headline Findings

Page 7

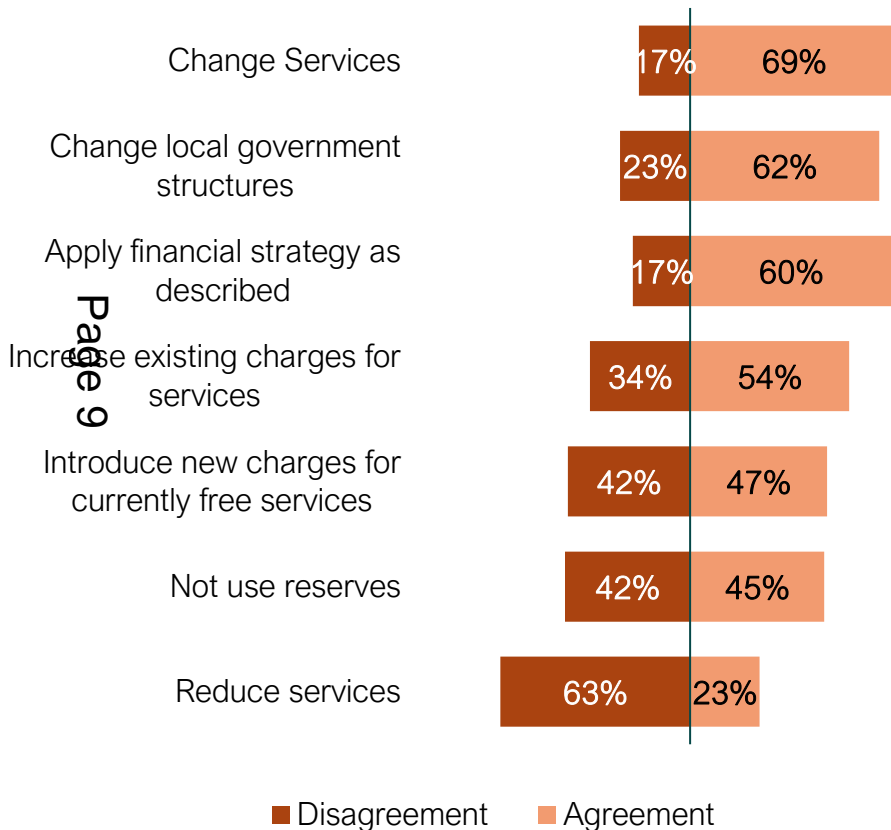


Consultation context

- The 2023 *Making the most of your money* 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 **12 June to 23 July 2023** 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 2,935 responses – 2,806 via the consultation Response Form and 129 as unstructured responses via email / letter (37) or social media (92).
- Of the responses submitted via the consultation Response Form, 2,743 were from individuals and 25 from democratically elected representatives. In total, there were 56 responses from groups, organisations or businesses (38 using the Response Form and 18 as unstructured responses by email / letter).

Level of agreement with proposed options

Agreement or disagreement as to whether the County Council should . . . (Base: 2787-2663)



Respondents generally agreed with the County Council's financial strategy

A notable majority of respondents agreed that changes to council services and structures should be considered to help balance the budget.

Respondents were supportive of raising existing charges, but opinion was divided as to whether new service charges should be introduced.

Opinion was also split as to the use or not of council reserves.

Respondents were notably opposed to service reduction.

Page 9

Corporate Services

Corporate Services covers two distinct directorates, each providing services to the wider county council, and to our shared services partners:

Corporate Operations – Director: Rob Carr

Page 10

Includes IT, Shared Services (Integrated Business Centre), Internal Audit, Finance, Pensions, Investments & Borrowing, and Strategic Procurement.

People and Organisation – Director: Jac Broughton

Includes Communications and Engagement, Emergency Planning and Resilience, Democratic & Member Services, and Information Compliance, HR and Organisational Development, Health and Safety, and Legal Services.

Corporate Operations

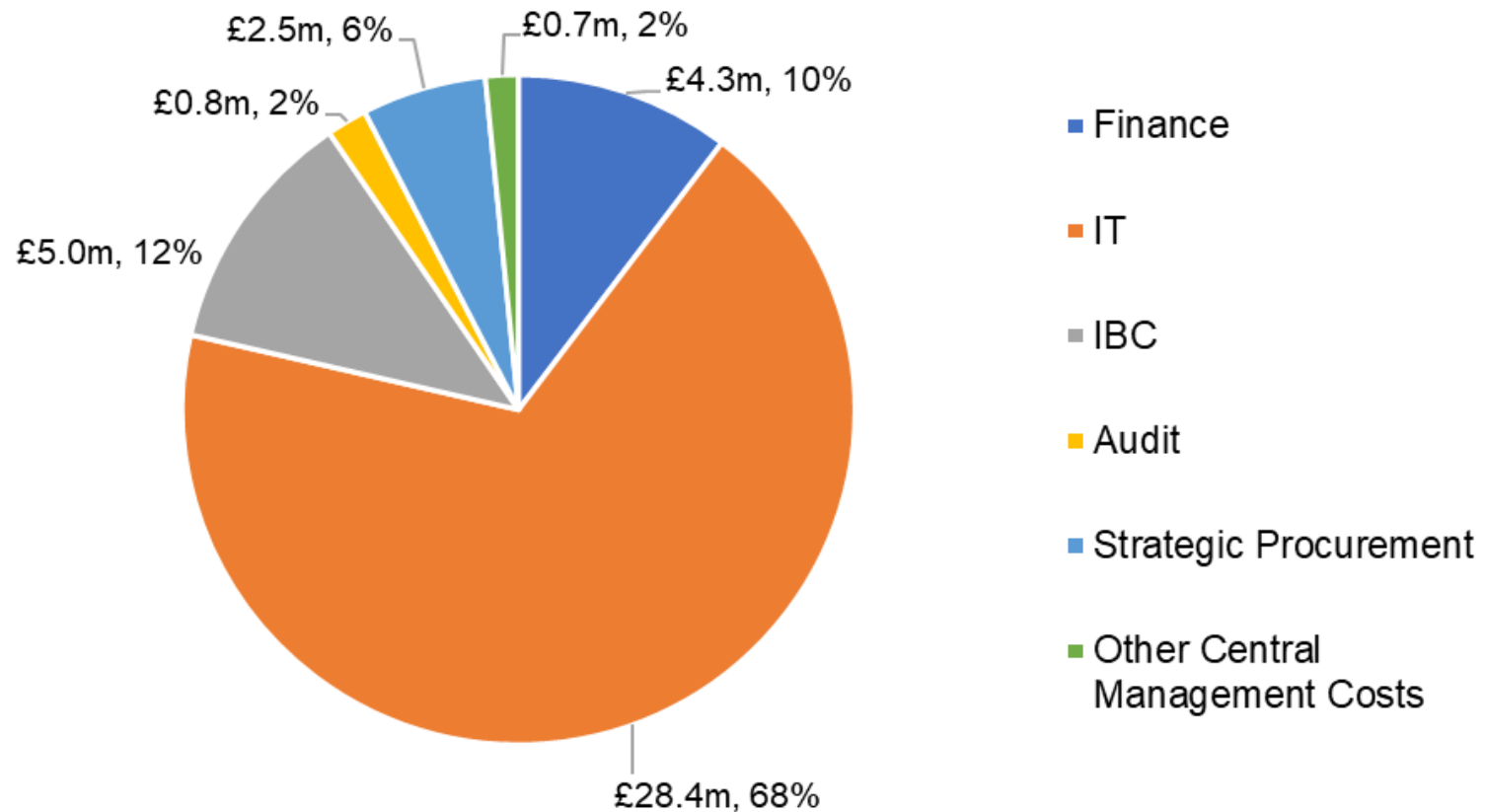
Savings Programme to 2025 (SP2025) Revenue Saving Proposals

Rob Carr, Director of Corporate Operations

Page 11

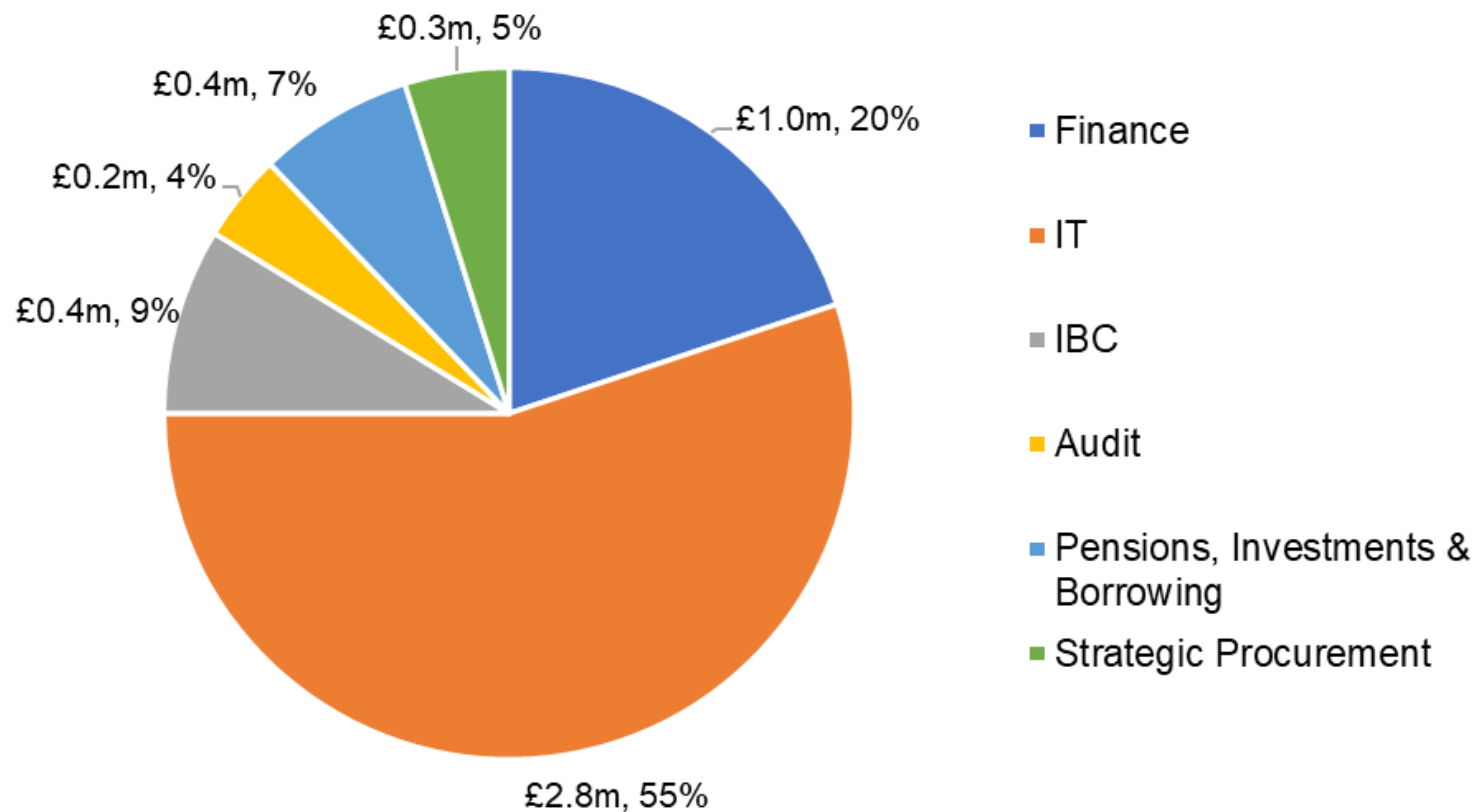
Corporate Operations Budget

2023/24 Net Budget of £41.6m by Service Activity



Corporate Operations SP2025 Reductions

SP2025 Savings of £5.1m by Service Activity



Corporate Operations Budget Savings

Budget Savings % by Service Activity

Service Activity	Net Budget £'000	Savings Proposals £'000	% Budget Reduction
Finance	4,298	1,018	24%
IT	28,411	2,819	10%
IBC	4,950	446	9%
Audit	812	210	26%
Pensions, Investments & Borrowing *	-	373	-
Strategic Procurement	2,489	250	12%

* The service has a net nil budget, so the savings proposals will seek to generate a contribution to corporate overhead costs through additional income generation

Corporate Operations SP2025 Savings

	Full-year impact £'000	Estimated FTE impact
Information Technology - technology consolidation & rationalisation, supply chain efficiencies, further operating model changes and various other smaller efficiencies including removal of non-essential and subsidised telephony services	2,819	6
Shared Services - Integrated Business Centre (IBC) - further automation and rationalisation of existing manual processes, removal of non-standard business processes, demand management and maximising use of partnership contributions.	446	13
Internal Audit - Increased income generation through onboarding of local authorities in the partnership.	210	0
Finance - further efficiencies, reduced demand management through increased automation, standardisation and on-going self-service.	1,018	15
Pensions, Investments and Borrowing - cumulative impact of previous on-boardings together with further expansion of existing sold services to increase income generation	373	0
Strategic Procurement - further expansion of existing sold services to increase income generation	250	0
Corporate Operations Total	5,116	34

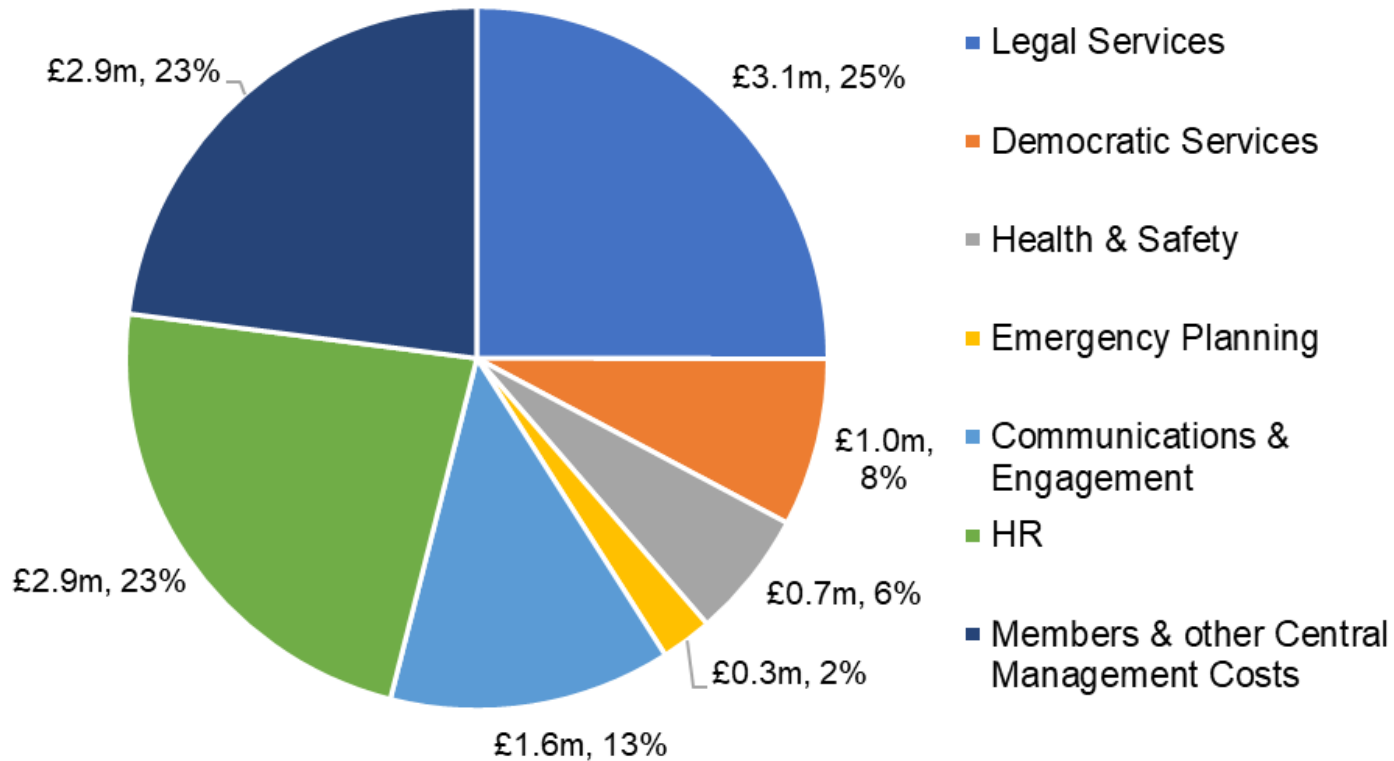
People and Organisation

Savings Programme to 2025 (SP2025) Revenue Saving Proposals

Jac Broughton, Director of People and Organisation

People and Organisation Budget

2023/24 Net Budget of £12.6m by Service Activity

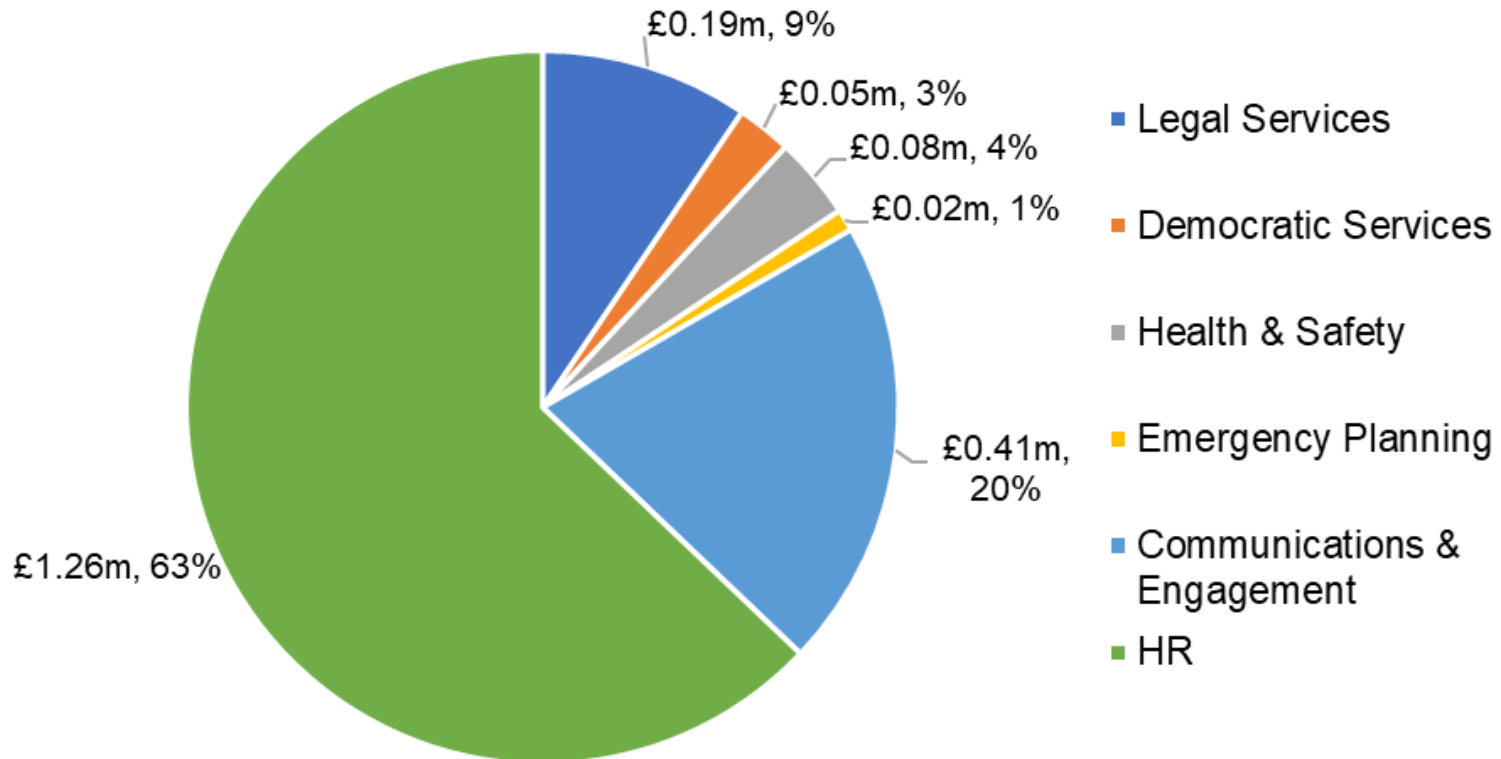


Page 17

People and Organisation SP2025 Reductions

SP2025 Savings of £2.0m by Service Activity

Page 18



People and Organisation Budget Savings

Budget Savings % by Service Activity

Service Activity	Net Budget £'000	Savings Proposals £'000	% Budget Reduction
Legal Services	3,149	190	6%
Democratic Services	973	50	5%
Health & Safety	738	75	10%
Emergency Planning	297	20	7%
Communications & Engagement	1,634	410	25%
HR	2,902	1,262	43%

Page 19

People and Organisation SP2025 Savings

	Full-year impact £'000	Estimated FTE impact
Communications & Engagement – redesign of operating model, further review of current systems and processes	410	7
Emergency Planning and Resilience – system and process efficiencies	20	0.5
Democratic & Member Services and Information Compliance – review of operating model to include reduction in management capacity	50	1
HR and Organisational Development (OD), including Education Personnel Services and Corporate Health and Safety – review of operating models, system and process efficiencies, increased income generation activities	1,337	20
Legal Services – review of operating model, reducing internal support and demand, increased income generation activities	190	0
Total People and Organisation	2,007	28.5

Hampshire 2050

Savings Programme to 2025 (SP2025) Revenue Saving Proposals

Gary Westbrook, Director of Hampshire 2050

Directorate Context

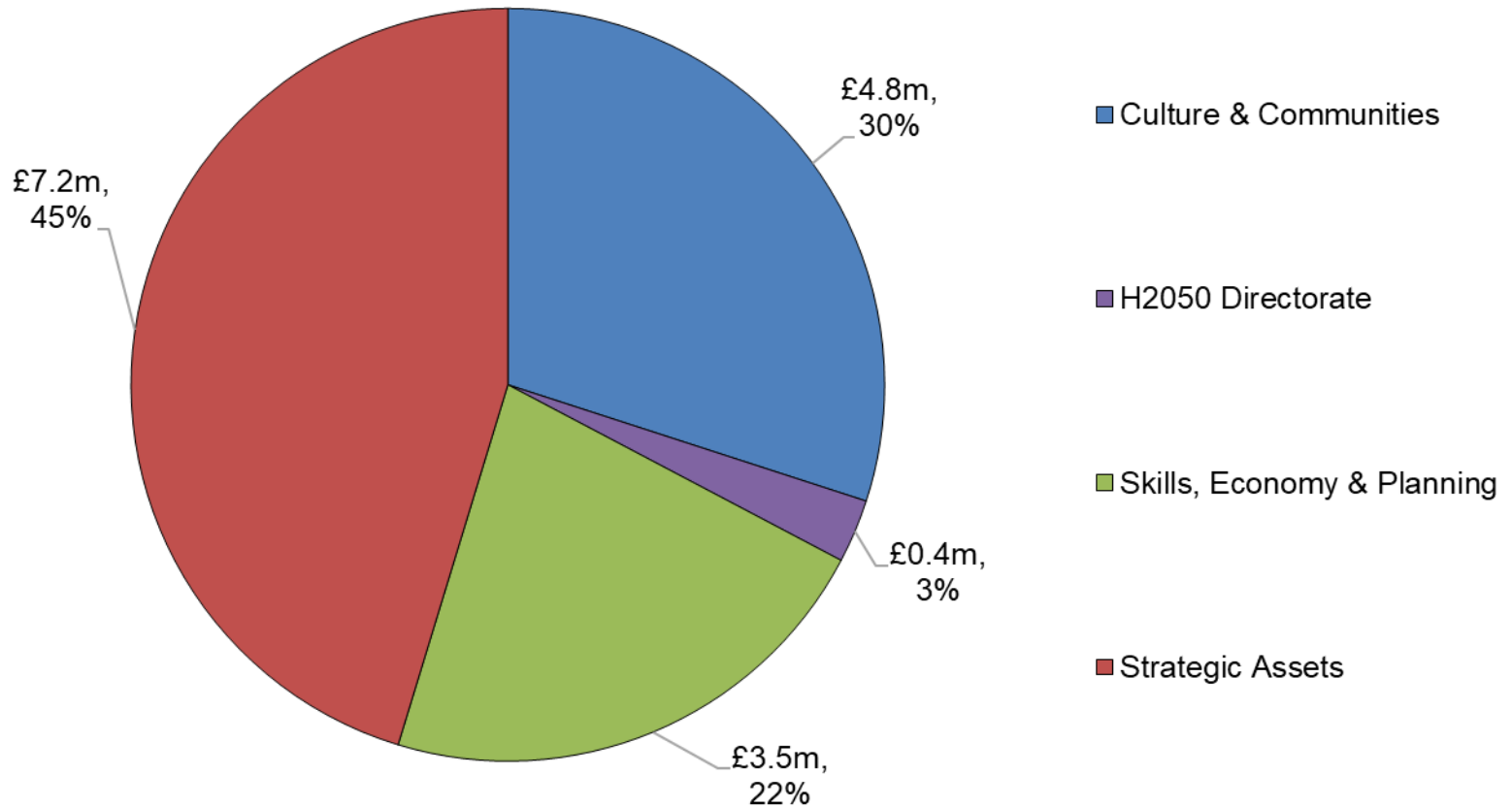
The Hampshire 2050 Directorate was formed in January 2023 and comprises the organisation's key place shaping strategic functions, aligned to the Hampshire 2050 vision:

- **Land and Assets** – the strategic one-organisation oversight of the County Council's land and assets portfolio including schools, the corporate estate and the County Council's strategic land holdings.
- **Culture, Communities and Strategic Programmes** – oversight of the County Council's strategic, cultural and community offer including grants.
- **Skills, Economy and Strategic Planning** – oversight of the County Council's strategic role and ambition to drive economic growth and prosperity alongside the development of transport strategy, infrastructure and statutory planning responsibilities (such as Minerals and Waste Planning and Local Nature Recovery).

Given the nature of the Directorate, a proportion of activity is focussed on development of place shaping across Hampshire rather than direct operational delivery of front-line services to residents and communities.

Hampshire 2050 Budget

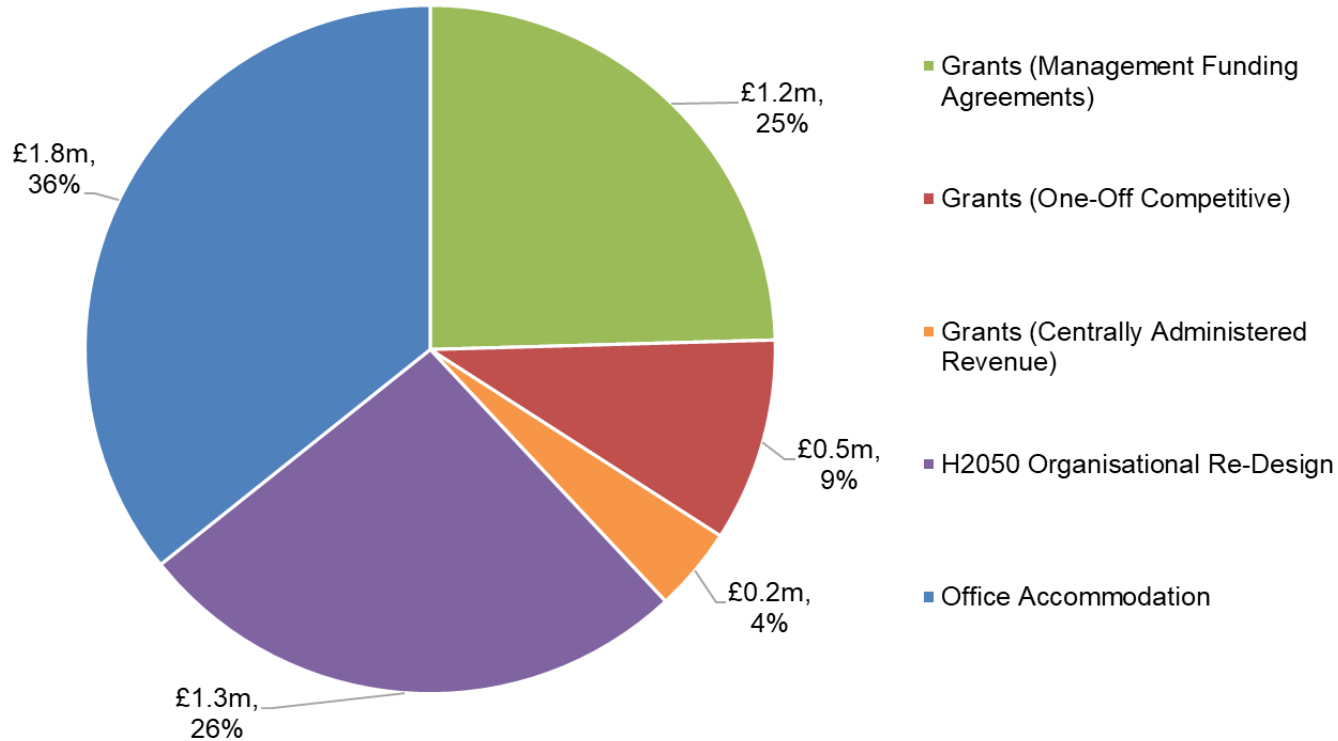
Net Budget 2023/24 of £15.9m by Service Activity



Page 23

Hampshire 2050 SP2025 Reductions

SP2025 Saving of £5.0m by Workstream



Page 24

H2050 Budget Savings

Budget Savings % by Workstream

	Original Budget (£000s)	Savings (£000s)	Reduction %
Grants	3,321	1,917	58%
H2050 Organisational Re-Design	5,393	1,320	24%
Office Accommodation	7,215	1,800	25%
Total	15,929	5,037	32%

Page 25

Hampshire 2050 SP2025 Savings

	Full-year impact £'000	Estimated FTE impact
Grants:		
Grants (Management Funding Agreements)	1,237	-
Grants (One-Off Competitive)	481	-
Grants (Centrally Administered Revenue)	199	-
Office Accommodation	1,800	-
H2050 Organisational Redesign	1,320	32
Hampshire 2050 Total	5,037	32

Hampshire 2050 and Corporate Services

Key Considerations and Opportunities

- Balancing the on-going importance of enabling positive, strategic place shaping across Hampshire, whilst proposing opportunities that maximise savings, reduce duplication and move to a principle of bare minimum for service delivery.
 - Ensuring partners who are not delivering core statutory functions on behalf of the County Council to become less reliant on County Council grant funding for their revenue expenditure.
- Delivering a large-scale office accommodation programme which meets the changing needs of the County Council.
- Changes to operating models and reduced provision of services to other directorates, leading to greater reliance on self-service and dependency on staff across the wider County Council adopting new ways of working. Some changes may also impact where and how customers access services.
- Challenges to services generating further income, on top of sustaining existing levels of income and against a backdrop of a competitive operating environments and financial constraints for customers.
 - Dependency on ability to continue to exploit digital tools and develop digital skills, to achieve greater automation and standardisation of systems and processes.

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