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Hampshire
County Council

NOTICE OF MEETING

Meeting	Culture and Communities Select Committee
Date and Time	Thursday, 16th January, 2020 at 10.00 am
Place	Mitchell Room, Ell Podium, The Castle, Winchester
Enquiries to	members.services@hants.gov.uk

John Coughlan CBE
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

All Members who believe they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Part 3 Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore all Members with a Non-Pecuniary interest in a matter being considered at the meeting should consider whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, consider whether it is appropriate to leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with the Code.

3. MINUTES OF PREVIOUS MEETING (Pages 3 - 8)

To confirm the minutes of the previous meeting.

4. DEPUTATIONS

To receive any deputations notified under Standing Order 12.

5. CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

6. 2020/21 REVENUE BUDGET REPORT FOR RECREATION AND HERITAGE (Pages 9 - 20)

To consider a report of the Directors of Culture, Communities and Business Services and Corporate Resources – Corporate Services setting out proposals for the Recreation and Heritage budget for 2020/21 in accordance with the Council's Medium Term Financial Strategy.

7. 2020/21 REVENUE BUDGET REPORT FOR COUNTRYSIDE AND RURAL AFFAIRS (Pages 21 - 30)

To consider a report of the Directors of Culture, Communities and Business Services and Corporate Resources – Corporate Services setting out proposals for the Countryside and Rural Affairs budget for 2020/21 in accordance with the Council's Medium Term Financial Strategy.

8. WORK PROGRAMME

To consider the Committee's forthcoming Work Programme.

ABOUT THIS AGENDA:

On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING:

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

Public Document Pack Agenda Item 3

AT A MEETING of the Culture and Communities Select Committee of
HAMPSHIRE COUNTY COUNCIL held at the castle, Winchester on Thursday,
19th September, 2019

Chairman:
p Councillor Anna McNair Scott

p Councillor Christopher Carter	a Councillor John Bennison
Councillor Fred Birkett	p Councillor Jackie Branson
p Councillor Ann Briggs	p Councillor Zilliah Brooks
p Councillor Peter Chegwyn	p Councillor Daniel Clarke
p Councillor Rod Cooper	p Councillor Pal Hayre
p Councillor Dominic Hiscock	a Councillor Mocatta
p Councillor Michael White	

76. **APOLOGIES FOR ABSENCE**

Apologies were noted from Cllr Bennison & Cllr Mocatta. Cllr Carew & Cllr Dibbs attended as Conservative Deputies.

77. **DECLARATIONS OF INTEREST**

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

78. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed.

79. **DEPUTATIONS**

No deputations were received.

80. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman noted that in April 2019 Calshot Activities Centre opened a new Pay & Play facility. The new facility has proved very popular with families looking for a wet-weather activity. This marks a new transition for the Centre, moving towards providing an improved recreational offer to its customers.

Runway's End Outdoor Centre has increased its residential capacity, particularly through the recent opening of 10 glamping pods on the site. Combined with the existing facilities, the centre can now reach out to schools and groups with large numbers of young people.

That Chairman was also pleased to announce the re-opening of the visitor centre and café at Queen Elizabeth Country Park. This has been a hugely successful transformation which has completely changed the space to create an open and airy café and reception area along with a multi use hall. This is the third project to be completed as part of the Country Park Transformation programme.

In addition, the Chairman noted that the Summer Reading Challenge had now come to end and had once again been a great success with 25,710 children from 533 schools taking on the challenge. Research from The Reading Agency shows that finishing the Summer Reading Challenge and regularly reading for pleasure can help children keep up their reading skills during the long summer holiday.

Lastly, the Chairman shared that Basingstoke Discovery Centre had been the recipient of an 'A place to be proud of' award for their partnership work providing digital skills and technology training to those who have never been online or lacked digital confidence. The Library also received a Silver Business Partnership award for commitment to providing work placements for young people with special educational needs and learning difficulties to help prepare them for employment.

81. **TRANSFORMATION TO 2021 – REVENUE SAVINGS PROPOSALS (RECREATION AND HERITAGE)**

The Committee received a report from the Director of Culture, Communities and Business Services (CCBS) providing an overview of the Revenue Savings Proposals included as part of Transformation to 2021 (T21).

Ahead of the departmental framework, officers detailed the national context and the effect on the County Council as a whole. It was noted the budget was for CCBS as a whole but that the department was split across Executive Member responsibilities. Members heard that the key themes for CCBS for T21 were commercialism, income generation, efficiencies and customer focus. Proposed savings areas included;

- Library Service (£1.76m) – Savings would be provided through reduction to opening hours and reviewing community libraries, potentially closing or relocating some. Alongside this would be efforts for income generation and other efficiencies including digital resources and a rationalisation of the number of public computers.
- Countryside and Rural Affairs (£0.3m) – increased revenue through revised car parking strategy and a general service re-design.
- Archives and Records (£90k) – through income generation and efficiencies
- Grants and efficiencies (£0.432m);
 - Arts & Museums grant funding (HCT)
 - Sport funding (Energise Me)
 - Community & Cultural grants

Officers highlighted the potential risks for the T21 budget, particularly that over 50% of the savings target sits within the library service, a service which the public have previously been resistant to see change. Cllrs also noted that increasing income can be challenging and is impacted by the financial constraints of customers such as schools and other local authorities.

Members also received the headline findings of 'Serving Hampshire – Balancing the Budget 2019' Consultation.

In response to questions members heard that;

- There were no changes or proposals to change funding for the Basingstoke Canal.
- The number of people visiting country parks had increased due to the increased investment.
- There would be a full consultation on the proposals for the Library service which will allow the public to inform the final decision. It could be that some libraries close or there could be changes to opening hours for all. Officers shared that a review of all libraries was timely as some are too small or not in the right place to be effective.
- There is work being undertaken to increase the use of 'Automatic Number Plate Recognition' alongside improving gates and footpaths in country parks. Officers added that they were indebted to the work of volunteers in relation to footpath maintenance.
- The proposals in relation to the Library service would be covered by a future meeting of the Library Task & Finish group.

The recommendation was proposed, and a vote was held with the following outcome;

For	7
Against	4
Abstain	1

RESOLVED: That the Culture and Communities Select Committee consider the detailed savings proposals and support the recommendations being proposed to the Executive Member for Recreation and Heritage in section 2 of the report.

82. **TRANSFORMATION TO 2021 - REVENUE SAVINGS PROPOSALS (COUNTRYSIDE AND RURAL AFFAIRS)**

This item was considered alongside the previous item.

The recommendation was proposed, and a vote was held with the following outcome;

For	9
Against	3
Abstain	0

RESOLVED: That the Culture and Communities Select Committee consider the detailed savings proposals and support the recommendations being proposed to

the Executive Member for Countryside and Rural Affairs in section 2 of the report.

83. UPDATE ON LIBRARY STRATEGY 2016–2020 AND DRAFT STRATEGY 2020–2025

The Committee received a presentation from the Director of Culture, Communities and Business Services (CCBS) providing an update on the Library Strategy 2016-2020 and an overview of the draft Strategy for 2020-2025.

Members received an overview of the service as it was currently including the number of libraries and staffing details. Details of the strategy to 2020 were provided alongside this to provide the context for the strategy going forwards.

Cllrs received the draft vision to 2025, encompassing three core strands;

- Reading – engaging people through books, focusing on early-stage learning to cultivate reading for pleasure,
- Community – connecting communities through assets, support people to develop skills,
- Digital – targeting digital inequality and providing training and resources for online services.

Officers noted that this vision would be underpinned by a sound financial strategy and a strong commercial focus. This would include the T21 £1.76 million savings target to be achieved through a balance of delivering efficiencies, managing assets, changes to operations and income generation.

In response to questions members found that;

- Any libraries that are proposed for closure following the consultation could be converted to a community run library if volunteers can be recruited and retained. Consideration for Health & Safety, building running costs and organisation would need to be given by any group contemplating this.
- The statutory responsibility for the County Council is to provide a physical book lending facility without cost which is comprehensive for all residents of Hampshire.

RESOLVED: That the Culture and Communities Select Committee recommends that the Executive Member for Recreation and Heritage;

- i) Notes the progress made with the Library Strategy 2016-2020.
- ii) Endorses the progress made on the new draft Strategy 2020-2025.

84. CCBS SPONSORSHIP AND PARTNERSHIP UPDATE

The Committee received a report from the Director of Culture, Communities and Business Services (CCBS) providing an overview of the objectives and strategy undertaken by CCBS in relation to Sponsorship and Partnerships.

Officers detailed their efforts to explore new business opportunities in order to generate income, and the desire to take a more coordinated and professional approach in order to reach large scale opportunities.

Cllrs heard how the County Council were in a unique position to offer highly effective and competitively priced opportunities for customer target campaigns. It was noted that the department would need to ensure that work was undertaken with suitable partners, in line with the organisation's ethos and priorities.

In response to questions members heard that;

- The strategy provided the opportunity for organisations to engage with the public, and any information captured as part of this would be by those organisations and so they would be responsible for the correct handling of data.

RESOLVED: That the Culture and Communities Select Committee note the update provided in relation to the objectives and strategy undertaken by CCBS in relation to Sponsorship and Partnerships.

85. **WORK PROGRAMME**

The Committee received the report of the Director of Transformation and Governance – Corporate Services which set out the Committee's upcoming work programme. There were no suggested amendments.

RESOLVED: That the Committee notes the Work Programme.

Chairman, Culture and Communities
Select Committee

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HAMPSHIRE COUNTY COUNCIL

Report

Committee:	Culture and Communities Select Committee
Date:	16 January 2020
Title:	2020/21 Revenue Budget Report for Recreation and Heritage
Report From:	Director of Culture, Communities and Business Services and Deputy Chief Executive and Director of Corporate Resources

Contact name: Felicity Roe
Sue Lapham

Tel: 01962 847876
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Purpose of this Report

1. The purpose of this report is to set out proposals for the 2020/21 budget for Recreation and Heritage services within the Culture, Communities and Business Department in accordance with the Councils Medium Term Financial Strategy (MTFS) approved by the County Council in November 2019.
2. The Executive Member for Recreation and Heritage is requested to approve the budget proposals for submission to Cabinet and full County Council in February 2020.

Recommendations

That the Culture and Communities Select Committee consider the detailed budget proposals and:

3. Support the recommendations being proposed to the Executive Member for Recreation and Heritage.
4. Agree any feedback or comments relating to the Select Committee's recommendations for consideration by the Executive Member when making their decision.

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HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Culture and Communities Select Committee
Date:	16 January 2020
Title:	2020/21 Revenue Budget Report for Recreation and Heritage
Report From:	Director of Culture, Communities and Business Services and Deputy Chief Executive and Director of Corporate Resources

Contact name: Felicity Roe
Sue Lapham

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Email: felicity.roe@hants.gov.uk
sue.lapham@hants.gov.uk

Section A: Purpose of this Report

1. The purpose of this report is to set out proposals for the 2020/21 budget for Recreation and Heritage services in accordance with the Council's Medium Term Financial Strategy (MTFS) approved by the County Council in November 2019.

Section B: Recommendation(s)

That the Culture and Communities Select Committee recommend to the Executive Member for Recreation and Heritage that he approve for submission to the Leader and the Cabinet:

2. The revised revenue budget for 2019/20 as set out in Appendix 1.
3. The summary revenue budget for 2020/21 as set out in Appendix 1, subject to approval by Cabinet of the provisional cash limits.

Section C: Executive Summary

4. The deliberate strategy that the County Council has followed to date for dealing with central government grant reductions and the removal of funding that was historically provided to cover inflation, coupled with continued demand pressures over the last decade, is well documented. It involves planning ahead of time, through a two-yearly cycle, releasing resources in advance of need and using those resources to help fund transformational change.

5. This strategy has served the County Council, and more particularly its services and community well, as it has delivered transformation programmes on time and on budget with maximum planning and minimum disruption. Put simply, it is an approach that has ensured Hampshire County Council has continued to avoid the worst effects of funding reductions that have started to adversely affect other local authorities and enabled us to sustain some of the strongest public services in the country.
6. In line with this strategy there will be no new savings proposals presented as part of the 2020/21 budget setting process. Savings targets for 2021/22 were approved as part of the Medium Term Financial Strategy (MTFS) in July 2018 and detailed savings proposals have been developed through the Transformation to 2021 (Tt2021) Programme which were agreed by Cabinet and County Council during October and November last year. Any early achievement of resources from proposals during 2020/21 as part of the Tt2021 Programme will be retained by departments to use for cost of change purposes.
7. Alongside this, delivery of the Transformation to 2019 (Tt2019) Programme continues. The anticipated delay to delivery of some elements of the programme has been factored into our financial planning and whilst sufficient one-off funding exists both corporately and within departments to meet any potential gap over the period, the need to commence the successor programme does mean that there will be overlapping change programmes.
8. The report also provides an update on the financial position for the current year. Overall the outturn forecast for 2019/20 for the Culture, Communities and Business Services Department (of which the Recreation and Heritage services are a part) is to break even against the budget and this position will be included in a consolidated position for the Culture, Communities and Business Services Department in the report to the Executive Member for Policy and Resources.
9. The proposed budget for 2020/21 analysed by service is shown in Appendix 1.
10. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2019/20 and detailed service budgets for 2020/21 for Recreation and Heritage services. The report has been prepared in consultation with the Executive Member and will be reviewed by the Culture and Communities Select Committee. It will be reported to the Leader and Cabinet on 3 February 2020 to make final recommendations to County Council on 13 February 2020.

Section D: Contextual Information

11. The current financial strategy which the County Council operates, works on the basis of a two year cycle of delivering change to release resources and close the anticipated budget gap. This provides the time and capacity to properly deliver major transformation programmes every two years, with deficits in the intervening years being met from the Budget Bridging Reserve (BBR) and with

any early delivery of resources retained by departments to use for cost of change purposes or to cash flow delivery and offset service pressures. The model has served the authority well.

12. The County Council's action in tackling its forecast budget deficit and providing funding in anticipation of further reductions, has placed it in a very strong position to produce a 'steady state' budget for 2020/21, giving itself the time and capacity to develop and implement the Transformation to 2021 (Tt2021) Programme to deliver the next phase of savings totalling £80m. This also avoids the worst effects of sudden and unplanned decisions on service delivery and the most vulnerable members of the community. Consequently, there are no departmental savings targets built into the 2020/21 budget. However, other factors will still affect the budget, such as council tax decisions and inflation.
13. The Spending Round 2019 (SR2019) announcement took place on 4 September and the content of the proposed settlement and the issues it addressed were pleasing to see as they mirrored the key issues that we have been consistently raising for some time directly with the Government and through our local MPs.
14. In overall terms, there was a net resource gain to the County Council, albeit that is only for one year at this stage. However, the cost pressures we face, particularly in adults' and children's social care services are significantly outstripping the forecasts that were included in the original Tt2021 planning figures.
15. Without the additional injection of funding, the County Council would have faced a revised deficit position of nearly £106m by 2021/22, but the additional resources bring us back to a broadly neutral position. It is worth highlighting that the additional grant from the £1bn plus the 2% adult social care precept generates additional resources of around £29m for the County Council, but this must be measured against growth pressures and inflation across adults' and children's social care services which total nearly £57m for 2020/21 alone.
16. The Autumn Budget which was planned for 6 November was cancelled and it is now anticipated that there will be a Budget in Spring 2020. The provisional Local Government Finance Settlement was announced on 20 December 2019 and confirmed the grant figures and council tax thresholds for 2020/21 in line with the SR2019 and the clarification provided in the subsequent technical consultation. The final grant settlement for 2020/21 is not due out until this report has been dispatched, however it is not anticipated that there will be any major changes to the figures that were released in December 2019.
17. The Culture, Communities and Business Services Department which includes Recreation and Heritage services has been developing its service plans and budgets for 2020/21 and future years in keeping with the County Council's priorities and the key issues, challenges and priorities for the Department are set out below

Section E: Departmental Challenges and Priorities

18. Recreation and Heritage services are delivered by the Culture Communities and Business Services (CCBS) Department. The Department delivers a wide range of services with gross expenditure in the region of £88.7m a year and income streams of around £55.1m, leaving a cash limit of £33.6m. In addition, the Department is responsible for:
- Business units with a combined turnover of £60m
 - Managing the repairs and maintenance of the corporate estate (£8.6m).
 - Service level agreements with 469 schools (£14m).
 - HM Coroner Service in Hampshire (£2m).
 - The relationship with various major Trusts including the Hampshire Cultural Trust.
19. CCBS already relies on income and recharges to fund 62% of the cost of service delivery and maintaining and developing new external sources of funding remains a high but challenging priority for the department.

Section F: 2019/20 Revenue Budget

20. Enhanced financial resilience reporting, which looks not only at the regular financial reporting but also at potential pressures in the system and the achievement of savings being delivered through transformation, has continued through periodic reports to the Corporate Management Team (CMT) and to Cabinet.
21. Overall the outturn forecast for 2019/20 for the Culture, Communities and Business Services Department (of which the Recreation and Heritage services are a part) is to break even against the budget and this position will be included in a consolidated position for the Culture, Communities and Business Services Department in the report to the Executive Member for Policy and Resources.
22. The budget for Recreation and Heritage services has been updated throughout the year and the revised budget is shown in Appendix 1.

Section G: 2020/21 Revenue Budget Pressures and Initiatives

23. A significant contribution was made to Transformation to 2019 (Tt2019) savings from growing income to replace cash limit funding across a range of services including Countryside, Outdoor Centres and the Great Hall and the Tt2021 savings programme includes further targets for growth in this area. It therefore remains important for many of the Recreation and Heritage services that current income levels are both sustained and grown.

24. Achieving significant additional net income continues to be challenging:
- Key public sector markets are experiencing ongoing financial pressures.
 - Recreation and Heritage 'choose to use' services such as the Outdoor Centres and Country Parks are effectively competing with a wide range of alternative visitor attractions in Hampshire and need to ensure their offer continues to meet public expectations.
 - The potential economic impacts of Brexit could lead to reduced consumer confidence and reduced capacity for spending. The latter may impact on income to attractions such as the Country Parks and it is anticipated that further capital investment, building on the success of investment to date, may be required to sustain and grow income in future.
25. There is a potential risk to future European Union grant funding streams of up to £350,000 currently received by the Countryside Service and used for the management of Countryside land in a good environmental and agricultural condition.

Section H: Revenue Savings Proposals

26. In line with the current financial strategy, there are no new savings proposals presented as part of the 2020/21 budget setting process. Savings targets for 2021/22 were approved as part of the MTFs by the County Council in July 2018. Savings proposals to meet these targets have been developed through the Tt2021 Programme and were approved by Executive Members, Cabinet and County Council in October and November last year.
27. Some savings will be implemented prior to April 2021 and any early achievement of savings in 2020/21 can be retained by departments to meet cost of change priorities. It is anticipated that £0.8m of savings for the CCBS Department will be achieved in 2020/21, the share of which relating to Recreation and Heritage services is £0.4m, and this has been reflected in the detailed estimates contained in Appendix 1.

Section I: Budget Summary 2020/21

28. The budget update report presented to Cabinet on 6 January included provisional cash limit guidelines for each department. The cash limit for the CCBS Department services in that report was £33.6m which was a £3m increase on the previous year. £18.6m of the Department's 2020/21 cash limit relates to Recreation and Heritage Services, an increase of £1.143m resulting from:
- £557,000 increase for inflation

- £125,000 addition following the decision to create a Community grants budget incorporating the £125,000 annual allocation previously held in the capital programme
- £70,000 increase relating to forecast business rate changes
- Changes to Recreation and Heritage service budgets resulting from line management and other internal changes (net increase of £381,000)
- Other minor increases totalling £10,000.

29. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by Recreation and Heritage Services for 2020/21 and show that these are within the cash limit set out above.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Transformation to 2021 – Revenue Savings Proposals (Executive Member for Recreation and Heritage) http://democracy.hants.gov.uk/documents/s38258/2019-09-09%20EMRH%20Final%20T21%20Savings%20Proposals.pdf	19 September 2019
Medium Term Financial Strategy Update and Transformation to 2021 Savings Proposals http://democracy.hants.gov.uk/documents/s39439/MTFS%20T2021%20Report.pdf	Cabinet – 15 October 2019 County Council – 7 November 2019
Budget Setting and Provisional Cash Limits 2020/21 (Cabinet) http://democracy.hants.gov.uk/documents/s42775/Dec%20Report%20-%20Cabinet%20-%20FINAL.pdf	6 January 2020
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

The budget setting process for 2020/21 does not contain any proposals for major service changes which may have an equalities impact. Proposals for budget and service changes which are part of the Transformation to 2021 Programme were considered in detail as part of the approval process carried out in October and November 2019 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 5 to 8 in the October Cabinet report linked below:

<http://democracy.hants.gov.uk/documents/s39447/Appendix%20%20EMPR%20EIAs.pdf>

Budget Summary 2020/21 – Recreation and Heritage Services

Service Activity	Original Budget 2019/20 £'000	Revised Budget 2019/20 £'000	Proposed Budget 2020/21 £'000
Library Services	11,013	11,696	11,553
Energise Me Grant (Sport)	133	133	133
Community Grants	813	2,200	938
Community	49	0	0
Community Services	12,008	14,029	12,624
Countryside – Country Parks, Countryside Sites, Nature Reserves	1,470	1,750	1,717
Arts and Museums (including HCT grant)	2,619	2,533	2,434
Archives	695	705	689
Outdoors Centres	299	848	377
Great Hall	18	(1)	(5)
Culture and Heritage Services	5,101	5,835	5,212
Net Contribution to / (from) Cost of Change	371	(620)	787
Net Cash Limited Expenditure	17,480	19,244	18,623
Total Countryside & Rural Affairs	1,146	1,368	1,370
Total Policy & Resources	11,972	12,944	13,622
Total CCBS Net Cash Limited Expenditure	30,598	33,556	33,615

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HAMPSHIRE COUNTY COUNCIL

Report

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Report From:	Director of Culture, Communities and Business Services and Deputy Chief Executive and Director of Corporate Resources

Contact name: Felicity Roe
Sue Lapham

Tel: 01962 847876
01962 847804

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Purpose of this Report

1. The purpose of this report is to set out proposals for the 2020/21 budget for Countryside and Rural Affairs services within the Culture, Communities and Business Department in accordance with the Councils Medium Term Financial Strategy (MTFS) approved by the County Council in November 2019.
2. The Executive Member for Countryside and Rural Affairs is requested to approve the budget proposals for submission to Cabinet and full County Council in February 2020.

Recommendations

That the Culture and Communities Select Committee consider the detailed budget proposals and:

3. Support the recommendations being proposed to the Executive Member for Countryside and Rural Affairs.
4. Agree any feedback or comments relating to the Select Committee's recommendations for consideration by the Executive Member when making their decision.

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Contact name: Felicity Roe
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Section A: Purpose of this Report

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Section B: Recommendation(s)

That the Culture and Communities Select Committee recommend to the Executive Member for Countryside and Rural Affairs that he approve for submission to the Leader and the Cabinet:

2. The revised revenue budget for 2019/20 as set out in Appendix 1.
3. The summary revenue budget for 2020/21 as set out in Appendix 1, subject to approval by Cabinet of the provisional cash limits.

Section C: Executive Summary

4. The deliberate strategy that the County Council has followed to date for dealing with grant reductions and the removal of funding that was historically provided to cover inflation, coupled with continued demand pressures over the last decade is well documented. It involves planning ahead of time, through a two-yearly cycle, releasing resources in advance of need and using those resources to help fund transformational change.

5. This strategy has served the County Council, and more particularly its services and community well, as it has delivered transformation programmes on time and on budget with maximum planning and minimum disruption. Put simply, it is an approach that has ensured Hampshire County Council has continued to avoid the worst effects of funding reductions that have started to adversely affect other local authorities and enabled us to sustain some of the strongest public services in the country.
6. In line with this strategy there will be no new savings proposals presented as part of the 2020/21 budget setting process. Savings targets for 2021/22 were approved as part of the Medium Term Financial Strategy (MTFS) in July 2018 and detailed savings proposals have been developed through the Transformation to 2021 (Tt2021) Programme which were agreed by Cabinet and County Council during October and November last year. Any early achievement of resources from proposals during 2020/21 as part of the Tt2021 Programme will be retained by departments to use for cost of change purposes.
7. Alongside this, delivery of the Transformation to 2019 (Tt2019) Programme continues. The anticipated delay to delivery of some elements of the programme has been factored into our financial planning and whilst sufficient one-off funding exists both corporately and within departments to meet any potential gap over the period, the need to commence the successor programme does mean that there will be overlapping change programmes.
8. Overall the outturn forecast for 2019/20 for the Culture, Communities and Business Services Department (of which the Countryside and Rural Affairs services are a part) is to break even against the budget and this position will be included in a consolidated position for the Culture, Communities and Business Services Department in the report to the Executive Member for Policy and Resources.
9. The proposed budget for 2020/21 analysed by service is shown in Appendix 1.
10. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2019/20 and detailed service budgets for 2020/21 for Countryside and Rural Affairs services. The report has been prepared in consultation with the Executive Member and will be reviewed by the Culture and Communities Select Committee. It will be reported to the Leader and Cabinet on 3 February 2020 to make final recommendations to County Council on 13 February 2020.

Section D: Contextual Information

11. The current financial strategy which the County Council operates, works on the basis of a two year cycle of delivering change to release resources and close the anticipated budget gap. This provides the time and capacity to properly deliver major transformation programmes every two years, with deficits in the intervening years being met from the Budget Bridging Reserve (BBR) and with

any early delivery of resources retained by departments to use for cost of change purposes or to cash flow delivery and offset service pressures. The model has served the authority well.

12. The County Council's action in tackling its forecast budget deficit and providing funding in anticipation of further reductions, has placed it in a very strong position to produce a 'steady state' budget for 2020/21, giving itself the time and capacity to develop and implement the Transformation to 2021 (Tt2021) Programme to deliver the next phase of savings totalling £80m. This also avoids the worst effects of sudden and unplanned decisions on service delivery and the most vulnerable members of the community. Consequently, there are no departmental savings targets built into the 2020/21 budget. However, other factors will still affect the budget, such as council tax decisions and inflation.
13. The Spending Round 2019 (SR2019) announcement took place on 4 September and the content of the proposed settlement and the issues it addressed were pleasing to see as they mirrored the key issues that we have been consistently raising for some time directly with the Government and through our local MPs.
14. In overall terms, there was a net resource gain to the County Council, albeit that is only for one year at this stage. However, the cost pressures we face, particularly in adults' and children's social care services are significantly outstripping the forecasts that were included in the original Tt2021 planning figures.
15. Without the additional injection of funding, the County Council would have faced a revised deficit position of nearly £106m by 2021/22, but the additional resources bring us back to a broadly neutral position. It is worth highlighting that the additional grant from the £1bn plus the 2% adult social care precept generates additional resources of around £29m for the County Council, but this must be measured against growth pressures and inflation across adults' and children's social care services which total nearly £57m for 2020/21 alone.
16. The Autumn Budget which was planned for 6 November was cancelled and it is now anticipated that there will be a Budget in Spring 2020. The provisional Local Government Finance Settlement was announced on 20 December 2019 and confirmed the grant figures and council tax thresholds for 2020/21 in line with the SR2019 and the clarification provided in the subsequent technical consultation. The final grant settlement for 2020/21 is not due out until this report has been dispatched, however it is not anticipated that there will be any major changes to the figures that were released in December 2019.
17. The Culture, Communities and Business Services Department has been developing its service plans and budgets for 2020/21 and future years in keeping with the County Council's priorities and the key issues, challenges and priorities for the Department are set out below.

Section E: Departmental Challenges and Priorities

18. Countryside and Rural Affairs services are delivered by the Culture Communities and Business Services (CCBS) Department. The Department delivers a wide range of services with gross expenditure in the region of £88.7m (20/21 £88.7m) a year and income streams of around £55.1m (20/21 £55.1m), leaving a cash limit of £33.6m. In addition, the Department is responsible for:
 - Business units with a combined turnover of £60m.
 - Managing the repairs and maintenance of the corporate estate (£8.6m).
 - Service level agreements with 469 schools (£14m).
 - HM Coroner Service in Hampshire (£2m).
 - The relationship with various major Trusts including the Hampshire Cultural Trust.
19. The cash limited budget for this portfolio covers the statutory Rights of Way service which has previously been reported as part of a wider Countryside Service budget (the remainder of the service budget is reported to the Executive Member for Recreation and Heritage).
20. In addition to the cash limited budget the Executive Member is responsible for approving business cases seeking funding from the recently established Parish and Town Council Investment Fund.

Section F: 2019/20 Revenue Budget

21. Enhanced financial resilience reporting, which looks not only at the regular financial reporting but also at potential pressures in the system and the achievement of savings being delivered through transformation, has continued through periodic reports to the Corporate Management Team (CMT) and to Cabinet.
22. Overall the outturn forecast for 2019/20 for the Culture, Communities and Business Services Department (of which the Countryside and Rural Affairs services are a part) is to break even against the budget and this position will be included in a consolidated position for the Culture, Communities and Business Services Department in the report to the Executive Member for Policy and Resources.
23. The budget for Countryside and Rural Affairs services has been updated throughout the year and the revised budget is shown in Appendix 1.

Section G: Revenue Savings Proposals

24. In line with the current financial strategy, there are no new savings proposals presented as part of the 2020/21 budget setting process. Savings targets for 2021/22 were approved as part of the MTFs by the County Council in July 2018. Savings proposals to meet these targets have been developed through the Tt2021 Programme and were approved by Executive Members, Cabinet and County Council in October and November last year.
25. Some savings will be implemented prior to April 2021 and any early achievement of savings in 2020/21 can be retained by departments to meet cost of change priorities. It is anticipated that £0.8m of savings for the CCBS Department will be achieved in 2020/21, the share of which relating to Countryside and Rural Affairs services is £0.1m, and this has been reflected in the detailed estimates contained in Appendix 1.

Section H: Budget Summary 2020/21

26. The budget update report presented to Cabinet on 6 January included provisional cash limit guidelines for each department. The cash limit for the CCBS Department services in that report was £33.6m which was a £3m increase on the previous year. £1.37m of the Department's 2020/21 cash limit relates to Countryside and Rural Affairs Services. This represents a net increase of £224,000, however this is largely the result of re-profiling budget provision between CCBS service budgets offset by the transfer of the Rural Affairs budget from Policy and Resources and does not reflect any reduction in service provision. A summary of the change is set out below:
 - Rural Affairs transfer (£274,000 increase)
 - Inflation (£38,000 increase)
 - Budget re-profiling (£84,000 reduction)
 - Business rates adjustment (£4,000 net reduction).
27. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by Countryside and Rural Affairs Services for 2020/21 and show that these are within the cash limit set out above.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Transformation to 2021 – Revenue Savings Proposals (Executive Member for Countryside and Rural Affairs) http://democracy.hants.gov.uk/documents/s38377/2019-09-19%20FINAL%20EMCRA%20RPT%20T21%20Savings%20Proposals.pdf	19 September 2019
Medium Term Financial Strategy Update and Transformation to 2021 Savings Proposals http://democracy.hants.gov.uk/documents/s39439/MTFS%20Tt2021%20Report.pdf	Cabinet – 15 October 2019 County Council – 7 November 2019
Budget Setting and Provisional Cash Limits 2020/21 (Cabinet) http://democracy.hants.gov.uk/documents/s42775/Dec%20Report%20-%20Cabinet%20-%20FINAL.pdf	6 January 2020
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

The budget setting process for 2020/21 does not contain any proposals for major service changes which may have an equalities impact. Proposals for budget and service changes which are part of the Transformation to 2021 Programme were considered in detail as part of the approval process carried out in October and November 2019 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 5 to 8 in the October Cabinet report linked below:

<http://democracy.hants.gov.uk/documents/s39447/Appendix%20%20EMPR%20EIAs.pdf>

Budget Summary 2020/21 – Countryside and Rural Affairs

Service Activity	Original Budget 2019/20 £'000	Revised Budget 2019/20 £'000	Proposed Budget 2020/21 £'000
Countryside – Rights of Way	1,112	1,062	1,001
Rural Affairs ¹	0	272	275
Net Contribution to / (from) Cost of Change	34	34	94
Net Cash Limited Expenditure	1,146	1,368	1,370
Total Recreation & Heritage	17,480	19,244	18,623
Total Policy & Resources	11,972	12,944	13,622
Total CCBS Net Cash Limited Expenditure	30,598	33,556	33,615

¹ Moved from Policy and Resources Non-Departmental Budgets (Direct)