

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Leader and Executive Member for Hampshire 2050 and Corporate Services
<b>Date:</b>	22 January 2024
<b>Title:</b>	2024/25 Revenue Budget Report for Corporate Services
<b>Report From:</b>	Director of Corporate Operations and Director of People and Organisation

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### Section A: Purpose of this Report

1. The purpose of this report is to set out proposals for the 2024/25 revenue budget for Corporate Services in accordance with the Council's Medium Term Financial Strategy (MTFS) approved by the County Council in November 2023. It also proposes a revised revenue budget for Corporate Services for 2023/24.

### Section B: Recommendation(s)

To approve for submission to the Leader and the Cabinet:

2. The revised revenue budget for 2023/24 as set out in Appendix 1.
3. The summary revenue budget for 2024/25 as set out in Appendix 2

### Section C: Executive Summary

4. This report provides the summary outputs of the detailed budget planning process undertaken by Corporate Services for 2024/25 and the revised budget for 2023/24. This process has been undertaken against the backdrop of a budget gap of £132m by 2025/26, which the Council is unable to close through savings alone, and escalating cost pressures within key demand led services, including Adult Social Care and School Transport. Over £130m of inflation, pressures and growth has been added to budgets since 2023/24, significantly exceeding increases in the Council's funding. The current high inflationary

environment also continues to present particular challenges in balancing budget certainty for Directorates with levels of affordability for the Council.

5. Disappointingly, the Autumn Statement delivered by the chancellor on 22 November didn't include any additional financial measures to ease the pressures facing local authorities. The announcement of a higher National Living Wage for 2024/25 than had previously been forecast is likely to result in additional financial pressures for the Council, both through increasing costs for our service providers and also impacting future local government pay awards. It was also notable that the tightening of medium term spending limits set by the government suggests a worrying direction of travel for future funding settlements.
6. The anticipated delay to delivery of some aspects of the remaining Transformation to 2021 (Tt2021) programme and Savings Programme to 2023 (SP2023) have been factored into our financial planning, and one-off Directorate funding will be provided where required to bridge the forecast savings gap in 2024/25. As of September 2023, £10.2m of Tt2021 savings and £11.4m SP2023 savings have yet to be delivered across the Council. Plans are in place to deliver most of the remaining Tt2021 and SP2023 savings by 2024/25, however this presents a considerable challenge for directorates in addition to the £17.1m SP2025 savings due to be delivered next year. The report discusses the specific issues impacting delivery of the savings programmes for Corporate Services in Section H.
7. The report also provides an update on the business as usual financial position for the current year as at the end of September and the outturn forecast for the Directorate for 2023/24 is a balanced position. The revised budget is shown in Appendix 1.
8. The proposed budget for 2024/25 analysed by service is shown in Appendix 2.
9. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2023/24 and detailed service budgets for 2024/25 for Corporate Services. The report has been prepared in consultation with the Executive Member and will be reviewed by the Hampshire 2050, Corporate Services and Resources Select Committee. It will be reported to the Leader and Cabinet on 6 February 2024 to make final recommendations to County Council on 22 February 2024.

## **Section D: Contextual Information**

10. In November 2023, Full Council approved the Medium Term Financial Strategy and Savings Programme to 2025 (SP2025) which set out the scale of the financial challenges which the Council currently faces and the proposed measures which will begin to address the budget gap of £132m to 2025/26. However, for the first time the Council finds itself in the position of being unable to close the budget gap through savings proposals alone, with a substantial

recurring shortfall of £41.6m remaining from 2025/26 after accounting for SP2025 savings.

11. As reported to Cabinet in December, the cost pressures facing the County Council have worsened further since the MTFs was set, most notably within Adult Social Care, Special Educational Needs and School Transport. Where the impact of these pressures is known, additional funding has been included in the provisional cash limits and allocated to services as part of the detailed budget setting process undertaken by directorates.
12. The provisional cash limits for 2024/25 include over £130m of inflation, pressures and growth added to budgets since 2023/24. This represents an average increase in directorate cash limits of over 12% in a single year, which is clearly an unsustainable position when set against a maximum increase in Council tax of 5%. It is therefore not surprising that the Council expects to draw some £86m from reserves to balance the budget for the forthcoming year.
13. Setting a budget in a high inflationary environment presents particular challenges in balancing budget certainty for Directorates with levels of affordability for the Council, given the potential for the position to worsen or improve substantially throughout the year in line with changes in the economic picture. The budget for Corporate Services therefore represents a prudent assessment of the funding level required to deliver services, with additional corporately held risk contingencies playing an important role to mitigate the impact of financial uncertainty on service delivery.
14. The Council's approach to planning and delivering savings over a two year period means that the 2024/25 cash limits do not include any new savings proposals. However, given that the balance of the Budget Bridging Reserve will be fully utilised in 2024/25, all SP2025 savings delivered in the forthcoming year will be transferred to the BBR at the end of the financial year.

### **Autumn Statement**

15. The Government announced the 2023 Autumn Statement on 22 November. Disappointingly, the Statement didn't include any additional financial measures to ease the pressures facing local authorities, despite strong lobbying from the sector in the period leading up to the Statement, which attracted widespread press coverage.
16. Of particular significance for Local Government was the announced of a 9.8% increase in the National Living Wage for 2024/25 to £11.44 per hour. This significantly exceeds the previous central estimate of £11.16 published by the Low Pay Commission in May on which the current MTFs forecasts are based. This increase is likely to result in additional financial pressures for the Council, both through increasing costs for our service providers and also impacting future local government pay awards.

17. The Economic and Fiscal Outlook published by the Office for Budgetary Responsibility alongside the Statement showed that Local Authority spending has fallen from 7.4% of GDP to just 5% since 2010/11 and the Government's current spending plans suggest that spending outside the NHS will fall further in real terms over the next five years. This sets a worrying backdrop for the medium term outlook for local government finance and suggests that there is unlikely to be sufficient scope to address the funding shortfalls faced by Councils within the government's current spending plans.

### **Operating model changes**

18. The Council transitioned to a new operating model in January 2023 which established new directorates for the delivery of place shaping services and our Hampshire 2050 vision. When the 2023/24 budget was set, it was highlighted that further changes to budgets would be required to ensure budget allocations accurately match the services and roles aligned to each Directorate. The 2023/24 original budget has therefore been restated to reflect the detailed work undertaken on the later phases of the restructure since the budget was set in February 2023.
19. In addition to the early delivery of some SP2025 savings, the Fit for The Future operating model reviews will continue to be progressed and will ensure that the Council's corporate enabling functions, transformation and administrative activity are delivered as efficiently as possible, and that our contact model takes full advantage of new technologies and the changing ways in which residents interact with the Council. It is anticipated that these reviews will identify some further efficiency savings, however these will not be sufficient to bridge the remaining budget gap.
20. Corporate Services has been developing its service plans and budgets for 2024/25 and future years in keeping with the County Council's priorities and the key issues, challenges and priorities for the Directorate are set out below.

## **Section E: Directorate Challenges and Priorities**

### **Corporate Operations**

21. Corporate Operations includes the following services:
  - Finance
  - Pensions, Investments and Borrowing
  - Integrated Business Centre (IBC) - providing transactional services such as payroll, payments to suppliers, and resourcing services including General Enquiries – providing General Enquiry telephone, web and email contact services on behalf of the County Council, Directorate contact is now embedded in each Directorate.
  - Information Technology

- Strategic Procurement
- Audit Services

In addition, the Director of Corporate Operations has oversight of some smaller corporate budgets including for example, the External Audit fee for the County Council.

22. The budget that was set for 2023/24 includes the removal of SP2023 savings totalling £3.6m, the majority of which have already been delivered this year with a delay for some savings within IT and the IBC linked to the de-commissioning of the current social care system. The replacement systems to Swift have been delayed to ensure that the new systems are fit for purpose and operating correctly before transitioning across and the temporary loss of savings will be met by Corporate Services cost of change funding in the meantime.
23. Hampshire Pension Services continues to perform well providing pensions administration for six different pension funds covering local government, police and fire. Changes arising from the McCloud judgement come into force this year creating additional complexity and work for the team, particularly given that final regulations did not come out in good time for the October 2023 implementation date.
24. Recruitment to vacant roles continues to present challenges for services across the whole Directorate which is driven by demand for the associated skillsets in the wider market and shortage of a suitably qualified workforce from which to draw upon. In line with the other Directorates, we continue to look at innovative ways of attracting new staff including 'growing our own' through apprenticeships and other training programmes and taking part in corporate initiatives to attract and retain our workforce. The flat rate pay awards for last year and this year has helped to bridge some of the pay gap between the Council and the private sector and is starting to help with staff recruitment and retention.
25. The constantly changing world of IT brings both opportunities in terms of new technologies that can support more efficient ways of working and also threats with cyber security being one of the biggest risks for the County Council with new tactics constantly being employed by cyber criminals and high profile cases of ransomware crippling large organisations for months at a time. In February this year Cabinet will be asked to increase the IT budget by over a £1m to meet service and price pressures and to increase resilience in this area and to ensure that we try, as far as possible, to stay ahead of the curve in countering cyber-attacks.
26. The IBC has been in place for Hampshire Partners since 2014, with new Partners joining in 2015 and 2018. As you would expect, Partners continue to review their operating models to ensure that the IBC and wider shared services meets their changing requirements and this has led to some changes this year across Police and Fire as they take back some of their professional support functions such as HR and Finance (for Police only) and the planned off-boarding of the Royal Borough of Kensington and Chelsea, who have decided

to pursue their own Enterprise Resource Planning system, which is due to be implemented later in 2024. Nevertheless, in terms of transactional shared services, the efficiencies and economies of scale of the partnership model remain valuable for the remaining six partners.

27. Strategic Procurement and Audit Services have set challenging targets to sustain and increase income generation to reduce their net service cost and deliver corresponding savings. This approach requires these services to actively seek appropriate opportunities to increase partnership working in addition to delivering business as usual support to the County Council. This has benefitted the Council and its partners through building a wide base of expertise and resources across multiple authorities, improving service efficiency and resilience. Audit Services now have 31 separate partners ranging from local authorities, universities, colleges and police forces, underlining the strength of their business model.

## **People and Organisation**

28. The People and Organisation Directorate comprises:

- Democratic Services and Information Compliance
- Emergency planning and resilience
- Legal services
- Human Resources and Organisational Development services
- Health & Safety
- Communications & engagement
- Organisational Strategy
- Chief Executive's and Leader's offices

In addition, the Director of People and Organisation has oversight of some corporate budgets including Members expenses and Members devolved grants and provides a lead role for Corporate Risk.

29. The forecast outturn for 2023/24 for People and Organisation confirms the successful delivery of its Savings Programme to 2023 (SP2023). A balanced position is forecast for the year, and in addition, the Directorate is expecting to deliver early in-year savings. Some of these will be one-off in nature (for example as a result of higher levels of turnover and vacancies than budgeted for), whilst other additional savings achieved through broader efficiency measures implemented, are intended to support early delivery of the Directorate's future savings requirement for SP25, as we prepare for the expected funding challenges. Achievements so far place the new People and Organisation Directorate in as strong a position as is possible at this stage, to contribute towards these.

30. In addition to their business-as-usual activity, the directorate has provided a key role in supporting the Corporate Management Team to develop and shape the existing organisational model, to ensure that the County Council is 'Fit for the Future'. This has included work to develop our organisation vision, values and behaviours, continued review of our HR policies and practices, as well as developing the approach to the strategic review of our corporate enabling functions across the organisation and other key aspects of how we work as an organisation. The directorate has also continued to embed the organisation's Inclusion Strategy through a range of priority actions and continues to develop the wellbeing resources in place to support our workforce.
31. Our Leadership and Management Development programmes continue to be delivered and the completed review of our approach to development materials, matched against an up-to-date understanding of our developmental needs, stands us in good stead for the future. Significantly, the Service continues to progress, under the leadership of the Corporate Management Team, a Strategic Workforce Programme intended to support and improve the attraction in to and retention of our workforce, reflecting the extremely challenging labour market situation we continue to experience nationally.
32. Our Legal Services team continues to provide advice and guidance to our directorates on the full range of County Council services, including management of complex safeguarding cases in Children's Services and Adults Health and Care. The team also provides comprehensive legal support to the County Council in respect of contracting and procurement, data protection, property, planning, employment and litigation, and governance and decision making. As part of the County Council's ongoing savings programmes, Legal Services is aiming to reduce the net cost of legal support to the County Council. Legal Services does this by working with internal client directorates to manage and control their demand for legal support and then deploying the capacity released on external, income generating, activity. In this way, Legal Services aims to retain a large, resilient and expert practice for the County Council's benefit, whilst at the same time reducing the net cost.
33. Through our strategic approach to Communications and Engagement, the directorate continues to provide effective communication support to the organisation, enabling it to effectively communicate with residents and partners about the discharge of its democratic function, as well as the County Council's strategic priorities. This has included the development of key communication campaigns covering the themes of 'Serving Hampshire' (linked to the delivery of our Strategic Plan), the financial challenges we face and the approach to these through the 'Making the Most of Your Money' campaign, and the future vision for Hampshire the place through Hampshire 2050. More widely internal communications have heavily supported the cascading of important messages to our workforce, including the financial challenges we face, and changes we are making across the organisation as part of Fit for the Future work.
34. Of specific note is the contribution to the County Council's 'Making the Most of Your Money' budget consultation completed during the summer 2023 (which supported the development of the SP25 savings proposals considered in the

autumn 2023), and the related stage 2 consultations in early 2024, assisting both Officers and Members to take important decisions about future services. This work involves the close working of Communication and Engagement, Democratic Services and our Monitoring Officer.

35. In addition, the directorate has led work which has strengthened our digital communication channels, including a review of our website homepage and the creation of a new mobile digital app 'OurHants', both of which are intended to make it quicker and easier for residents, suppliers, and customers to access our services on-line.
36. Ensuring we can provide robust support around assurance, compliance and governance of the County Council remains a key priority. The directorate has continued to strengthen the organisations approach to Health and Safety and Risk Management, including facilitating a full review of our Strategic Corporate Risks and mitigating controls, and our approach to providing assurance of these. We have also continued to streamline processes and modernise systems which underpin our broader governance and democratic functions.
37. Looking to 2024/25, we continue to be focussed on delivery of our SP25 proposals, the ongoing work involved in overseeing and reporting on the Stage 2 consultation and ensuring that our communication and engagement strategy and plans continue to be fit for purpose, particularly considering the challenging financial circumstances.
38. As an 'enabling function', our Business as Usual work is ongoing and remains a priority, ensuring that we are delivering for our service directorates in support of their public facing duties.

## **Section F: 2023/24 Revenue Budget**

39. 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.
40. The anticipated business as usual outturn forecast for 2023/24 is a balanced position. Within this, the savings from staffing vacancies pending recruitment and early delivery of SP25 savings are offsetting cost of change investments and any net savings will be transferred to the Budget Bridging Reserve in line with the new policy.
41. The budget for Corporate Services has been updated throughout the year and the revised budget is shown in Appendix 1. The revised budget shows an increase of £1.9m made up of:
  - Budget transfers between directorates reflecting changes in management responsibility £1m



- Increase to IT budget from IT reserves for HPSN3 project (temporary) and relating to savings £1m
- Reduction in Shared Services income of £0.8m following offboarding changes from 1 October 2023, offset by reductions in expenditure in Finance and IBC.
- Net other adjustments -£0.1m

### **Section G: 2024/25 Revenue Budget Pressures and Initiatives**

42. Given the nature of Corporate Services, which are generally made up of staffing costs, it is unusual for there to be any specific ongoing revenue pressures, although additional staffing is sometimes appointed on a temporary basis to deal with specific time limited problems or pieces of work.
43. The only exception to this is within IT where the budget includes a high proportion of other costs related to the maintenance and refresh of hardware and licenses for software and other system costs. Many of these costs can be influenced by relative exchange rates with other currencies and by the wider market in terms of inflationary costs or where products or components are in short supply, pushing up prices.
44. IT pressures of £638,000 have been identified for 2024/25 onwards and relate to a number of costs, by far the biggest of which is the additional support costs associated with the introduction of CareDirector and Mosaic as replacements to the Swift social care system. This level of support has been assessed for the first year as the systems bed down and will be reviewed at the end of the year to consider the ongoing requirement for support.
45. IT systems are now critical in supporting virtually all services that we provide, not just in the back office but in front line services too, where access to key systems and data is required on a day to day basis. Protecting these systems and data is therefore vital for the effective running of the organisation and ongoing investment in cyber security to help continue to protect systems as far as we are able is planned for next year, with £405,000 identified for new measures in this area.

### **Section H: Revenue Savings Proposals**

46. The County Council's financial strategy is continuing with a two year approach to planning for savings. Consequently, no new savings are proposed for 2024/25 and savings proposals for 2025/26 have been developed through the Savings Programme to 2025 and were approved by Executive Members in September 2023, and by Cabinet and County Council in October and November 2023. In recognition of the size of the financial challenge which the Council faces, directorates were not issued with savings targets as per previous savings programmes but were instead instructed to review what savings might be achievable if we were to move towards a 'legal minimum' provision of services.

47. The total Savings Programme to 2025 is insufficient to meet the forecast budget gap for 2025/26 and taking account of the planned timing of savings delivery, a significant budget gap of £56.9m remains for 2025/26. Given the shortfall within the Budget Bridging Reserve beyond 2024/25, SP2025 savings delivered in 2024/25 will be transferred to the BBR at the end of the financial year.
48. Since transfers to the BBR will reflect actual savings delivered, the 2024/25 cash limits have not been adjusted in line with planned savings. For Corporate Services, total savings for 2025/26 are £7.123m of which £5.239m are currently anticipated to be delivered during 2024/25.
49. Delivery of these savings presents a significant challenge for the directorate, particularly against a backdrop of continued high inflation. Rigorous monitoring of the implementation of the programme will begin during 2024/25, to ensure that the Directorate is able to deliver its SP2025 savings in line with planned timescales.
50. This early action in developing and implementing the Savings Programme to 2025 means that the County Council is in the best possible position for setting a balanced budget in 2024/25 and that no new savings proposals will be considered as part of the budget setting process for the forthcoming financial year.
51. Additionally, it is anticipated that £0.41m of SP2023 savings will remain to be achieved in 2024/25. The main reasons for the delays to savings delivery relate to the delayed implementation of the replacement IT systems for Adults and Children's Social Care, with related implications for planned changes to system support requirements within IT and the IBC.

## **Section I: Budget Summary 2024/25**

52. The budget update report presented to Cabinet on 12 December 2023 included provisional cash limit guidelines for each Directorate. The cash limit for Corporate Services in that report was £54.1m, a £0.9m increase on the previous year. The increase comprised:
  - An allocation for inflation on non-pay and income budgets -£1m
  - Budget transfers between directorates reflecting changes in management responsibility +£1m
  - Corporately funding allocations previously agreed by Cabinet +£0.4m
  - Increase to IT budget from IT reserves relating to savings +£0.5m
  - Reduction in Shared Services income of £3.4m following HIOWC & HIWFERS offboarding changes, offset by reductions in expenditure in HR, Finance and IBC.

53. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by Corporate Services for 2024/25 and show that these are within the cash limit set out above. A summary is shown in the table below:

	<b>2024/25</b>	
	<b>£'000</b>	<b>£'000</b>
<b>Corporate Operations</b>		
Cash Limited Expenditure	79,018	
Less Income (Other than Government Grants)	(39,070)	
		<b>39,948</b>
<b>People &amp; Organisation</b>		
Cash Limited Expenditure	23,385	
Less Income (Other than Government Grants)	(9,238)	
		<b>14,147</b>
		<b>54,095</b>

## **Section J: Climate Change Impact**

54. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
55. This report deals with the revenue budget preparation for 2024/25 for the Corporate Operations and People and Organisation Directorates. Climate change impact assessments for individual services and projects will be undertaken as part of the approval to spend process. There are no further climate change impacts as part of this report which is concerned with revenue budget preparation for 2024/25 for the Corporate Operations and People and Organisation Directorates.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes / No
People in Hampshire live safe, healthy and independent lives:	Yes / No
People in Hampshire enjoy a rich and diverse environment:	Yes / No
People in Hampshire enjoy being part of strong, inclusive communities:	Yes / No

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<p><u>Title</u> Corporate Services Savings Programme to 2025 – Revenue Savings Proposals (Leader and Executive Member for Hampshire 2050 and Corporate Services) <a href="https://democracy.hants.gov.uk/ielIssueDetails.aspx?Id=57856&amp;Opt=3">https://democracy.hants.gov.uk/ielIssueDetails.aspx?Id=57856&amp;Opt=3</a></p> <p>Medium Term Financial Strategy Update and Savings Programme to 2025 Savings Proposals <a href="https://democracy.hants.gov.uk/mgAi.aspx?ID=63758#mgDocuments">https://democracy.hants.gov.uk/mgAi.aspx?ID=63758#mgDocuments</a></p> <p>Budget Setting and Provisional Cash Limits 2024/25 <a href="#">Financial Update and Budget Setting and Provisional Cash Limits 2024/25 (hants.gov.uk)</a></p>	<p><u>Date</u> 25 September 2023</p> <p>Cabinet – 10 October 2023 / County Council – 9 November 2023</p> <p>Cabinet – 12 December 2023</p>
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>
<p><b>Section 100 D - Local Government Act 1972 - background documents</b></p> <p><b>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.)</b></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 2024/25 does not contain any proposals for major service changes which may have an equalities impact. Proposals for budget and services changes which are part of the Savings Programme to 2025 Programme were considered in detail as part of the approval process undertaken in September, October and November 2023 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 3 to 7 of the October Cabinet report linked below:

<https://democracy.hants.gov.uk/mgAi.aspx?ID=62985#mgDocuments>

For proposals where a Stage 2 consultation is required, the EIAs are preliminary and will be updated and developed following this further consultation when the impact of the proposals can be better understood. The results of these consultations and any changes to equality impacts will be reported to the relevant Executive Member as the savings proposals are further developed and implemented.

## Budget Summary 2023/24 – Corporate Services

Service Activity	Original Budget 2023/24 <sup>1</sup> £'000	Revised Budget 2023/24 £'000
Audit	812	812
Finance	7,026	6,392
Pensions, Investments & Borrowing	(23)	(23)
IBC <sup>2</sup>	13,758	14,036
IT	31,684	35,571
Strategic Procurement	2,201	2,997
Shared Services Partnership Income <sup>2</sup>	(18,841)	(19,328)
Other Central Management Costs <sup>3</sup>	663	659
Cost of Change – Corporate Operations	0	(2,055)
<b>Total Corporate Operations</b>	<b>37,280</b>	<b>39,061</b>
Government Grants	0	0
<b>Net Cash Limited Expenditure Corporate Operations</b>	<b>37,280</b>	<b>39,061</b>

<b>Service Activity</b>	<b>Original Budget<sup>1</sup> 2023/24 £'000</b>	<b>Revised Budget 2023/24 £'000</b>
Democratic Services	973	1,002
Emergency Planning	297	297
Legal Services	3,153	3,548
HR Operational Services	6,228	6,879
Health & Safety	741	738
Communications & Engagement <sup>4</sup>	1,560	2,767
Members & Other Central Management Costs <sup>5</sup>	2,930	2,925
Cost of Change – People & Organisation	0	(2,106)
<b>Total People &amp; Organisation</b>	<b>15,882</b>	<b>16,050</b>
Government Grants	0	0
<b>Net Cash Limited Expenditure People &amp; Organisation</b>	<b>15,882</b>	<b>16,050</b>
<b>Net Cash Limited Expenditure Corporate Serves</b>	<b>53,162</b>	<b>55,111</b>

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<sup>1</sup> The 2023/24 original budget has been restated to reflect final restructure changes associated with the directorate changes from January 2023.

<sup>2</sup> The net increases in the IBC budget and Shared Services Partnership Income take account of one-off funding for the Shared Services Development Programme.

<sup>3</sup> Other Central Management Costs includes Audit fee, Contribution to Trading Units, Corporate & Democratic Representation and Other.

<sup>4</sup> The increase in the Communications & Engagement budget reflects one-off funding from the Directorate Cost of Change reserve.

<sup>5</sup> Members & Other Central Management Costs includes Chief Executives and Leaders Office, Members Support costs, Subscriptions to LGA and corporate hospitality.

## Budget Summary 2024/25 – Corporate Services

<b>Service Activity</b>	<b>Original Budget 2023/24<sup>6</sup> £'000</b>	<b>Proposed Budget 2024/25 £'000</b>
Audit	812	755
Finance	7,026	5,733
Pensions, Investments & Borrowing	(23)	(183)
IBC	13,758	13,444
IT	31,684	33,174
Strategic Procurement	2,201	2,986
Shared Services Partnership Income	(18,841)	(16,629)
Other Central Management Costs <sup>7</sup>	663	668
<b>Total Corporate Operations</b>	<b>37,280</b>	<b>39,948</b>
Government Grants	0	0
<b>Net Cash Limited Expenditure Corporate Operations</b>	<b>37,280</b>	<b>39,948</b>



<b>Service Activity</b>	<b>Original Budget<sup>1</sup> 2023/24 £'000</b>	<b>Proposed Budget 2024/25 £'000</b>
Democratic Services	973	956
Emergency Planning	297	293
Legal Services	3,153	3,273
HR Operational Services	6,228	4,253
Health & Safety	741	738
Communications & Engagement	1,560	1,687
Members & Other Central Management Costs <sup>8</sup>	2,930	2,947
<b>Total People &amp; Organisation</b>	<b>15,882</b>	<b>14,147</b>
Government Grants	0	0
<b>Net Cash Limited Expenditure People &amp; Organisation</b>	<b>15,882</b>	<b>14,147</b>
<b>Net Cash Limited Expenditure Corporate Serves</b>	<b>53,162</b>	<b>54,095</b>

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<sup>6</sup> The 2023/24 original budget has been restated to reflect final restructure changes associated with the directorate changes from January 2023.

<sup>7</sup> Other Central Management Costs includes Audit fee, Contribution to Trading Units, Corporate & Democratic Representation and Other.

<sup>8</sup> Members & Other Central Management Costs includes Chief Executives and Leaders Office, Members Support costs, Subscriptions to LGA and corporate hospitality.