

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Lead Member for Hampshire 2050 and Corporate Services
<b>Date:</b>	23 January 2025
<b>Title:</b>	2025/26 Revenue Budget, Savings & Capital Programme Report for Hampshire 2050
<b>Report From:</b>	Deputy Chief Executive and Director of Hampshire 2050

**Contact name:** Gary Westbrook / Sarah Magness

**Email:** [Gary.westbrook@hants.gov.uk](mailto:Gary.westbrook@hants.gov.uk)  
[Sarah.magness@hants.gov.uk](mailto:Sarah.magness@hants.gov.uk)

### Section A: Purpose of this Report

1. The purpose of this report is to set out the proposed 2025/26 revenue and capital budget for Hampshire 2050 (H2050), and for the Executive Lead Member for H2050 and Corporate Services to recommend for approval to Cabinet the proposed SP25 phase 2 savings proposals as set out in the report and in Appendix 2.

### Section B: Recommendation(s)

- i. To recommend the revised 2024/25 Budget and proposed 2025/26 Budget for H2050 Directorate to Cabinet as set out in Appendix 1 which reflects the Officer proposed SP25 phase 2 savings set out in the report.
- ii. It is recommended that the Executive Member approves the savings proposals set out in Appendix 2 for submission to Cabinet.
- iii. To recommend the summary capital budget for 2025/26 to 2027/28 as set out in Appendix 3.

### Section C: Executive Summary

2. This report provides the summary outputs of the detailed budget planning process undertaken by H2050 Directorate for 2025/26 and the revised budget for 2024/25. Despite finding significant savings of £66m (which rise to £84.1m in a full year) there remains a budget gap of £97.6m by 2025/26, which the Council is unable to close through savings alone. Put simply, the escalating cost of our demand led services, Adult Social Care, Children's Social Care, School Transport and the impact of inflation exceeds the Council's ability to increase

funding. Every Directorate continues to look for further efficiency savings and opportunities to raise income as we work tirelessly to bridge this gap.

3. The County Council recognises this period of financial challenge is difficult for our most vulnerable residents who may be concerned about the assistance they receive. Our financial situation does not, and will never, impede the services to those of our residents and neighbours most needing of our support. The County Council will continue to enact our Core Purpose; caring for our most vulnerable residents, assisting those with disabilities to lead fulfilling lives, providing protection to those children at risk of harm and supporting the education of those children with special educational needs.
4. It was hoped that the Local Government Finance Settlement would deliver on the government's commitment in the Autumn Statement to provide an 'initial rescue package' for local government through the 2025/26 financial settlement, with a wholesale review of the local government funding model to follow in 2026/27.
5. However, the detail of the draft settlement proved very disappointing for Hampshire, with the Council now expecting to receive an additional £3.1m compared with the MTFs assumptions from the additional settlement grants in 2025/26, subject to confirmation when the final settlement is published late January.
6. We are concerned that the Policy Statement published in December signals a worrying direction of travel, with the government likely to increase the weighting of deprivation in future grant distributions, a measure which is unlikely to assist the Council's financial prospects.
7. As a result of the Council's increasingly challenging financial position, Officers have been considering what further savings could be made if the Council reviews every service we deliver whilst ensuring we continue to support our core purpose, an exercise which has been supported by an Independent Panel of experts. The additional savings identified for Hampshire 2050 are set out in Section J and Appendix 2. These savings will contribute a total of £0.3m to the remaining budget shortfall.
8. The proposed budget for 2025/26 analysed by service is shown in Appendix 1.
9. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2024/25 and detailed service budgets for 2025/26 for H2050 Directorate. 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 4 February 2025 to make final recommendations to County Council on 13 February 2025.

## Section D: Background and Context

10. In the Medium Term Financial Update to Cabinet and Council in November 2024, it was reported that the Council's gross budget gap for 2025/26 had increased to £182m. After accounting for expected additional social care grant funding of £8.7m and after the savings agreed in the autumn through SP25 Phase 1 Savings were taken into account, a gap of £116m still remained.
11. Following the announcement of the draft Local Government Finance Settlement, the revised budget gap is £97.6m, as set out below.

	£m	£m
Budget gap as per MTFS		116.2
<b>Impact of Draft Local Government Finance Settlement:</b>		
Additional Social Care Grant (£13.5m increase compared with MTFS assumption of £8.7m)	(4.8)	
Change to other grant assumptions	1.7	(3.1)
<b>Other Significant Grant Changes:</b>		
Extender Producer Responsibility grant guarantee (One off impact)		(5.0)
<b>Other Changes:</b>		
Estimated Collection Fund Surplus <sup>1</sup>		(6.0)
Additional new savings achieved through the Mutually Agreed Resignation Scheme (MARS)		(4.5)
<b>Revised Gap</b>		<b>97.6</b>

12. As set out in the MTFS, given the size of the net budget gap and the extent of savings already achieved to 2025/26, the County Council believes that it has reached the point where it is unable to find the level of savings required to balance the budget on a recurring and sustainable basis, a position supported by the work of an Independent Panel of subject matter experts. The impact of the Local Government Finance Settlement does not alter this view.

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<sup>1</sup> Will be confirmed once all Hampshire billing authorities confirm their estimated collection fund surplus / deficit due by end of January

13. The current budget gap position represents the cumulative impact of financial pressures across Social Care, Special Education Needs and School Transport which have been building since 2021/22. Pressures across these key areas are expected to increase by a further £118m in 2025/26, and together with inflationary increases will add a total of £188m to cash limited budgets next year. This represents an increase of over 15% before savings, far outstripping the proposed 4.99% increase in the Council Tax Precept. The Council is working to identify every available route to bridging this gap and anticipates that a balanced budget can be presented for 2025/26 using drawings (if required) from reserves built up in previous years.
14. The 2024/25 budget position has also been affected by in-year pressures, with an overspend of £6.9m forecast based on month 8 after utilising all remaining corporate contingency budgets. The major contributing factors include a significant increase in pupils with Special Educational Needs and associated school transport costs, a lack of grant funding to cover the care costs of Unaccompanied Asylum Seeking Young Children, and the increasing complexity of client needs within Younger Adults care.
15. The Council continues to relentlessly seek further savings, while protecting the services delivering our Core Purpose. To address the in-year pressures strict in-year spend controls were introduced in September 2024 with the aim of reducing the overspend, including a freeze on all non-business critical recruitment.
16. It is against this backdrop that the Council continues to review all options for balancing the 2025/26 budget and directorates have therefore been required to bring forward additional savings for implementation in 2025/26 to help close the remaining gap.

## **Section F: Returning to our Core Purpose**

17. Previous reports to Cabinet and County Council have outlined the need to consider what further savings could be made if we were to deliver only those services that form or are at the level of our Core Purpose as set out by statute. Officers have been working on this premise of delivering our core purpose over the Summer and have produced a significant body of evidence covering 177 separate service lines to evidence the thought processes and outcomes of this exercise, challenged and supported by an independent panel (Chaired by Rob Whiteman CBE), many of whom are already commissioners at other authorities and are very experienced in this sort of role.
18. The scale of this exercise should not be underestimated. The key challenge is that whilst regulations place many statutory requirements on local government, they are rarely defined in any detail (if at all) leaving local authorities to interpret what must be provided to meet that statutory duty.
19. The independent panel will provide a written report in support of their findings which will be included within the budget setting report to Cabinet and County Council in February 2025, but their emerging thoughts and feedback from

discussion to date supports our view that the Council has reached a tipping point where we are now unable to find sufficient new savings to balance the budget on a recurring and sustainable basis.

20. The panel feedback also concluded that the Council is well run, is performing across its services, has delivered consistently on its savings programmes, but is now unable to find sufficient new recurring savings to balance the 2025/26 budget, with a significant risk that in the medium term the Council is no longer sustainable.
21. With the Council now unable to find sufficient savings to balance the budget on a recurring and sustainable basis, it is clear that whilst there remains a number of options to support the achievement of a balanced budget for 2025/26, ultimately Government need to find a solution to ensure the viability of local government, be that increased funding, additional Council Tax flexibility and the flexibilities and freedoms and changes to legislation which the Council has requested; the Local Government Finance Policy Statement has not provided any grounds for optimism.
22. Officers have been working across four separate service categories as set out below, applying a set of principles to ensure that future service delivery aligns with the Council's Core Purpose:
  - **Statutory** – resources will be focussed on statutory services
  - **Discretionary Preventative** – services we continue to deliver must evidence that they provide a positive financial impact within a year
  - **Enabling** – services will be provided as efficiently and effectively and possible from the centre of the organisation
  - **Discretionary** – services should at least break even and make a suggested target of 15% contribution to corporate overheads
23. The review of service activities and budgets against the Core Purpose principles was followed by a focused period of challenge with the Corporate Management Team, wider Chief Officer Group and with members of the Independent Panel to establish how directorates could achieve further efficiencies and savings, while still being able to provide services at the level identified by our assessment of Core Purpose. The additional savings identified through this exercise are set out in Section J.
24. Although the scale of the Council's financial challenges means that we must consolidate and recalibrate our activity back to our core purpose, underpinning this policy position is the principle that, irrespective of our financial challenges 'what we do, we will do well'. We will continue to perform to high professional standards, validated by external review and the Council will remain a £2.5bn a year business providing services to the most vulnerable in our society and providing a range of other statutory services and discretionary services where they are able to cover their own costs from income.

25. It is important to recognise the County Council will continue to provide services to those in the Hampshire who need it most, caring for our most vulnerable residents, assisting those with disabilities to lead fulfilling lives, providing protection to those children at risk of harm and supporting the education of those children with special educational need. Our financial situation does not, and will never, impede the services to those of our residents and neighbours most needing of our support.

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

26. The Hampshire 2050 Directorate is now well established in the organisation following the organisational redesign and restructure completed in January 2023. The Directorate comprises the organisation's key place shaping functions, aligned to the Hampshire 2050 vision that was revalidated by Cabinet and Full Council in 2023/24.
27. The Directorate works at the centre of the organisation drawing teams and partners together to set the strategic direction for Hampshire as a place, enabling the County Council's operational service delivery and the development the future environment, infrastructure, skills and opportunities for residents and communities for many years to come. Following the publication of the Government's English Devolution White Paper in December, there is significant alignment of the strategic place shaping work of the Directorate and the Government's set out future Devolution ambitions in relation to infrastructure, skills, economic growth and spatial planning. The Directorate will therefore play a significant role in developing these opportunities in 2025/26.
28. The Directorate is comprised of three core areas:

**Strategic Land and Assets** – driving and implementing the strategic vision for the County Council's land and assets portfolio including schools, the corporate estate and the County Council's strategic land holdings. Key priorities for the Land and Asset team include delivering the objectives of the County Council's Strategic Asset Management Plan (SAMP) to unlock commercial development potential of strategic land holdings such as Manydown (located west of Basingstoke), driving and delivering the rationalisation of the County Council's office buildings, reviewing the Corporate Land portfolio and co-ordinating a one-organisation approach to the use of the County Council's assets. The Strategic Development team maintains responsibility and accountability for School Organisation and the wider Children's Service Capital Programme – securing investment to ensure that children in Hampshire get the best possible start in life. Priorities for the year include delivering new facilities according to the capital programme as well as improvement and modernisation programmes for existing facilities.

**Culture, Communities and Strategic Programmes** – oversight of the County Council’s strategic, cultural and community offer. Key priority programmes include the progression of the Hampshire 2050 vision and partnership following the 2050 Summit held in November 2023 and the establishment of the Hampshire 2050 Year of Health and Wellbeing launched in September 2024. The Directorate is responsible for oversight and co-ordinating delivery of the Climate Change Strategy and associated strategic framework, the on-going relationship with Hampshire Cultural Trust (HCT) and wider thematic programme priorities such as the Digital Strategy (approved by Cabinet in 2024), National Landscapes and Rural Communities.

**Skills, Economy, Strategic Transport and Strategic Planning** – oversight of the County Council’s strategic role and ambition to drive economic growth and prosperity alongside the development of integrated transport strategy, infrastructure and statutory planning responsibilities. Key priorities include the new responsibilities the County Council has for economic development and growth following the integration of Local Economic Partnerships (LEPs) into Upper Tier Councils in April 2024. This includes responsibilities for governing and overseeing strategic economic growth, skills, business relationships and the delivery of significant government programmes in the Hampshire County Council geographic footprint under the governance of a newly established Hampshire Prosperity Partnership Board and updated economic strategy that was approved by Cabinet in November 2024. Key statutory priorities also include the adoption of the County Councils Minerals and Waste Plan, the implementation of Local Transport Plan 4 (LTP4) and the new responsibility to develop a Local Nature Recovery Strategy (LNRS) which will be considered in 2025.

#### **Section H: 2024/25 Revenue Budget**

29. The anticipated business as usual outturn forecast for 2024/25 is a saving compared to budget of £0.8m. This is primarily due to holding staff vacancies (£0.6m) as well as an increase in planning fee income (£0.3m). Early Achievement savings linked to organisational re-design of £0.4m will also be delivered.
30. The budget for H2050 has been updated throughout the year and shows an increase of £2.2m (from £16.4m to £18.6m) primarily made up of:
  - £1.1m funding for the Bus Service Improvement Plan
  - £0.6m approved funding drawn from the Strategic Land Reserve.

#### **Section I: 2025/26 Budget Pressures**

31. The £0.6m of inflationary pressure for H2050 is primarily pay costs plus £0.1m of energy inflation. Other budget pressures of an additional £0.5m are due to:
  - A re-assessment of how DSG funding will be applied across directorates. The £0.3m pressure in H2050 created by the removal of this previously

budgeted income will be funded corporately and has a neutral impact on Hampshire County Council's overall budget.

- £0.2m increase in business rates associated with the office accommodation portfolio

## **Section J: Revenue Savings Proposals**

32. Savings of £3.3m have been the principle driver in the reduction to the proposed budget for FY25/26 of £14m compared to the approved FY24/25 budget of £16.4m. These savings are made up of:
  - SP25 Phase 1– a total of £3m of which £1.3m of savings linked to directorate re-organisation, £0.9m of rates and utilities savings linked to the rationalisation of Hampshire County Council's office estate and a further £0.8m delivered by grant savings, with £0.4m of this proposed by the removal of the Leader's grants.
  - SP25 Phase 2 savings proposed in the FY25/26 budget are a further £251k. £51k savings are linked to operational efficiencies within Spatial Planning, Integrated Transport and Strategic Development Teams and a further £200k of potential savings has been identified through alternative funding opportunities (for example, through use of ringfenced reserves for climate change) and planned restructures in 2025/26. See Appendix 2 for details. These Phase 2 savings proposals have been removed from the proposed 2025/26 budget, with the recommendation that Cabinet approves the Phase 2 SP25 savings at the same time as the 2025/26 forward budget, subject to any stage 2 public consultations where required.
  - An exception to this is the SP25 Phase 2 proposal for Members' Grants of £624k which has been maintained in the 2025/26 budget. This budget is discretionary in nature and the Executive Member for Hampshire 2050 and Corporate Services endorsed at his December Decision Day (5<sup>th</sup> December 2024) a review of the current County Councillor Grant Scheme, to conclude following the completion of the 2024/2025 grant award window, and confirmed that the 2025/2026 County Councillor Grant Scheme will not be opened until the outcomes of this review have been reviewed and considered, which will inform decisions about the future operation of the Scheme.
33. During November, the County Council offered all staff (excluding schools) an opportunity to apply to voluntarily resign from their employment under the Mutually Agreed Resignation Scheme (MARS). The Scheme was introduced to minimise the need for compulsory redundancies given the Council's financial position and to allow the delivery of additional savings in 2024/25 with resignations effective from 31st January. The MARS scheme has enabled the early delivery of £279k Phase 1 and 2 SP25 savings and £14k of additional savings which are reflected in the 2025/26 Budget Position.
34. As part of the budget preparation process, directorates were asked to undertake a detailed review of non-pay budgets to determine whether it was possible to



make any further budget reductions to account for the impact of stringent spend controls implemented in the current financial year. For H2050 Directorate, these corporate housekeeping savings total £48k across budgets including staff travel, catering, printing and photocopying, postage and external room hire. The remaining budget of £29k is for travel within Property Services and Spatial Planning and professional subscriptions.

35. The savings that have been put forward have been profiled to reflect a realistic delivery during 2025/26 with a full year impact in future years. The savings in 2025/26 will be taken into account in setting the 2025/26 budget and should any of these be rejected as part of the political process or following any future stage 2 public consultations and decision making, then the assumption is that any lost savings will be met through a draw from reserves whilst other savings options are developed.

### Section K: Overall Budget Position for 2025/26

36. The outline of FY24/25 and FY25/26 budgets are contained in Appendix 1 and include pressures and savings.
37. The budget update report presented to Cabinet on 10 December 2024 included provisional cash limit guidelines for each Directorate. The cash limit for H2050 in that report was £14m, a £2.4m saving vs the previous year. The net saving is principally comprised of:
- £3.3m of SP25 Phase 1 and Phase 2 savings (see Section J above for detail)
  - The above savings are offset by £0.6m of inflationary pressure and £0.6m of other pressures (see Section I: 2025/26 Budget Pressures)
  - The proposed 2025/26 budget position is as set out below:

	<b>2025/26</b>	
Cash Limited Expenditure	27,660	
Less Income (Other than Government Grants)	(13,365)	
<b>Net Cash Limited Expenditure before SP25 Phase 2 Savings</b>		<b>14,295</b>
Officer Savings Proposal SP25 Phase 2		(251)
Corporate Housekeeping Savings		(48)
MARS Savings		(14)

<b>Net Cash Limited Expenditure after SP25 Phase 2 Savings</b>		<b>13,982</b>
<b>Add Non-Cash Limit Budgets:</b>		
Chichester Harbour Conservancy		235
<b>Less Government Grants:</b>		<b>0</b>
<b>Total Net Expenditure</b>		<b>14,217</b>

### **Section L: 2025/26 Review of Fees and Charges**

38. For Hampshire 2050, the 2025/26 revenue budget includes income of £0.9m from fees and charges to service users. This is an increase of £0.13m (16.7%) on the revised budget for 2024/25.
39. Hampshire 2050 fees and charges come from rental income on office accommodation and support to developers on planning applications. The rates are reviewed regularly and uplifted for inflation.

### **Section M: Climate Change Impact**

40. 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.
41. This report deals with the revenue budget preparation for 2025/26 for the Hampshire 2050 Directorate and further SP25 savings proposals. Climate change impact assessments for individual services and projects will be undertaken as part of the approval to spend process, and for individual savings proposals if appropriate as part of the implementation process. There are no further climate change impacts as part of this report, and therefore the two climate change decision-making tools are not considered relevant to this decision report.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
Savings Programme to 2025 – Revenue Savings Proposals (Executive Member for Hampshire 2050) <a href="https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=811&amp;MId=10857&amp;Ver=4">https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=811&amp;MId=10857&amp;Ver=4</a>	25 September 2023
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>	Cabinet – 10 October 2023 / County Council – 9 November 2023
Medium Term Financial Strategy Update and Savings Programme to 2025 Savings Proposals <a href="https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=163&amp;MId=11427">https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=163&amp;MId=11427</a>	Cabinet – 15 November 2024 / County Council – 28 November 2024
Budget Setting and Provisional Cash Limits 2024/25 <a href="https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=163&amp;MId=11427">Financial Update and Budget Setting and Provisional Cash Limits 2024/25 (hants.gov.uk)</a>	Cabinet – 12 December 2023
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>
<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<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:**

As part of the process for developing savings proposals, Directorates are required to assess the equality impact of each proposal that is put forward. For Hampshire 2050 all proposals are inward facing, in that they do not have a direct impact on members of the public. With this in mind, Officers have carried out a high-level Equality Impact Assessment and the only impact is on staff which will be addressed through staff consultation processes as appropriate when revised structures or changes are brought forward. Given this position, no separate Equality Impact Assessments are being published with these papers.

## Budget Summary 2024/25 – Hampshire 2050

<b>Service Activity</b>	<b>Original Budget 2024/25 £'000</b>	<b>Revised Budget 2024/25 £'000</b>
<b>Skills, Economy &amp; Planning</b>	<b>3,777</b>	<b>4,979</b>
Spatial Planning	1,377	1,881
Economy & Skills	1,331	928
Integrated Transport	1,069	2,170
<b>Culture &amp; Communities</b>	<b>4,404</b>	<b>4,679</b>
Arts & Museums	2,795	2,874
CCBS Grants Fund	32	32
Leader's Grants	0	400
Members' Devolved Budgets	624	624
Sport	116	48
Rural Broadband	61	11
Climate Change & Environmental Strategy	705	618
H2050 Policy	71	72
<b>Strategic Assets</b>	<b>7,375</b>	<b>8,246</b>
Disposal of sites	250	250
Property Services	676	693
Strategic Land	1,782	2,340
Premises Mgmt	(35)	72
Strategic Development Team	150	150
Office Accommodation	4,552	4,741
<b>H2050 Directorate</b>	<b>859</b>	<b>943</b>
H2050 Directorate	463	523
H2050 Central Costs	396	420
<b>H2050 Cost of Change</b>	<b>0</b>	<b>(222)</b>
<b>Hampshire 2050</b>	<b>16,415<sup>1</sup></b>	<b>18,625</b>

1 The 2024/25 Budget figure in the January 2024 Decision paper was £15,984k. This was increased to £16,415k in the February 24 Cabinet paper due to the late addition of the pay award of £431k for H2050.

## Budget Summary 2025/26 – H2050

Service Activity	Original Budget 2024/25 £'000	Forward Budget 2025/26 £'000
<b>Skills, Economy &amp; Planning</b>	<b>3,777</b>	<b>3,120</b>
Spatial Planning	1,377	1,480
Economy & Skills	1,331	452
Integrated Transport	1,069	1,188
Enterprise & Growth	0	0
<b>Culture &amp; Communities</b>	<b>4,804</b>	<b>3,763</b>
Arts & Museums	2,795	2,717
CCBS Grants Fund	32	0
Leader's Grants	400	0
Members' Devolved Budgets	624	624
Sport	116	0
Rural Broadband	61	0
Climate Change & Environmental Strategy	705	348
H2050 Policy	71	74
<b>Strategic Assets</b>	<b>7,375</b>	<b>7,011</b>
Disposal of sites	250	255
Property Services	676	738
Strategic Land	1,782	1,656
Premises Mgmt	(35)	50
Strategic Development Team	150	463
Office Accommodation	4,552	3,849
<b>H2050 Directorate</b>	<b>459</b>	<b>88</b>
H2050 Directorate	463	384
H2050 Central Costs	(4)	(296)
<b>Hampshire 2050</b>	<b>16,415</b>	<b>13,982</b>

### Hampshire 2050 – Proposed SP25 Phase 2 Savings Options (Subject to consultation where appropriate)

Ref	Service Area and Description of Proposal	Impact of Proposal	2025/26	2026/27	Full Year Impact	Estimated Staffing Impact
			£'000	£'000	£'000	FTE
H2-SE-SP-D-8	<p><b>Spatial Planning.</b> Removal of the service budget that provides land supply and demography data which provides additional data and analysis above standard ONS Data.</p> <p>If this work is to continue it will need to be fully funded by external revenue which will be explored in the first instance through charging on a full cost recovery basis.</p>	<p>If this function cannot be externally funded, services will need to utilise standard ONS data to perform statutory duties such as school space planning.</p> <p>ONS data is thought to be less sophisticated and accurate than the internally produced land supply and demography data set.</p> <p>This saving cannot be realised until 2026/2027 due to contractual obligations with District and Borough Councils.</p>	0	135	135	0
H2-SE-SP-D-7, H2-SA-SD-S-1 and H2-H2-DM-S-1	<p><b>Further operational efficiencies and exploration of alternative funding opportunities</b> within Spatial Planning, Integrated Transport, Climate Change, Land and Assets and Strategic Development Teams.</p>	<p>Reduction in use of agency budgets and further consolidation of existing staffing and budgets may create additional capacity pressures on wider team. The basis on which some functions or posts are funded may change.</p>	251	331	331	1

Ref	Service Area and Description of Proposal	Impact of Proposal	2025/26 £'000	2026/27 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
<b>Total</b>			<b>251</b>	<b>466</b>	<b>466</b>	<b>1</b>



## Capital Programme 2025/26 to 2027/28

### Programme:

	Budget (£'000)	Prior Years (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	Future Years (£000)
Botley/UDI	33,651	31,898	1,753	-	-	-	-
Broadband	362	-	362		-	-	-
Investing in Hampshire Grants	830	550	280	-	-	-	-
Manydown <sup>1</sup>	39,566	-	37,790	1,776			
Office Accommodation	404	-	404				-
Use of LEP Reserves <sup>2</sup>	38,679	15,255	1,834	2,352	2,880	2,880	13,478
<b>Grand Total</b>	<b>113,492</b>	<b>47,703</b>	<b>42,423</b>	<b>4,128</b>	<b>2,880</b>	<b>2,880</b>	<b>13,478</b>

### Resources:

	Budget	Prior Years (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	Future Years (£000)
Prudential borrowing	37,077	20,948	14,353	1,776			
less repayments from Capital Receipts	-19,728			-350	-14,000		-5,378
Less repayments from Reserve	-2,349		-2,349				
Capital Grants	36,394	21,152	280	1,704	2,760	2,760	7,738
Contributions from other bodies, including developers	362	-	362				
Capital receipts	44,763	4,103	14,304	998	14,120	120	11,118
Use of capital reserve	16,973	1,500	15,473				-
<b>Total</b>	<b>113,492</b>	<b>47,703</b>	<b>42,423</b>	<b>4,128</b>	<b>2,880</b>	<b>2,880</b>	<b>13,478</b>

### Notes:

1. The £1,776k is the remaining funding that will be provided to DevCo LLP via B Loan funding. The £37,790k is HCC's 50% investment in the Manydown North site valued at £71m plus DevCo funding
2. Primarily final grant payments committed to by EM3 prior to LEP integration on 1<sup>st</sup> April 2024

Project	Project Budget (£'000)	Prior Years (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	Future Years £000)
<b>Botley/UDI</b>	<b>33,651</b>	<b>31,898</b>	<b>1,753</b>	-	-	-	-
Botley - Uplands Development Infrastructure	32,696	30,943	1,753	-	-	-	-
<b>Completed Schemes with outstanding repayments</b>							
Botley - Attwoods Drove Farm Relocation	955	955	-	-	-	-	-
<b>Broadband</b>	<b>362</b>	-	<b>362</b>		-	-	-
Broadband - Top Up Voucher Scheme (carry forward)	362	-	362		-	-	-
<b>Investing in Hampshire Grants</b>	<b>830</b>	<b>550</b>	<b>280</b>	-	-	-	-
<b>Manydown</b>	<b>39,566</b>	-	<b>37,790</b>	<b>1,776</b>			
Manydown Service C loans	12,750	-	12,750				
Manydown Service D loans	10,000	-	10,000				
Manydown Service B loans and other items	4,066	-	2,290	1,776			
Manydown Land Purchase	12,750		12,750				
<b>Office Accommodation</b>	<b>404</b>	-	<b>404</b>				-
Bar End	404	-	404				-
<b>LEP</b>	<b>38,679</b>	<b>15,255</b>	<b>1,834</b>	<b>2,352</b>	<b>2,880</b>	<b>2,880</b>	<b>13,478</b>
Basing View 5G Living Lab	1,961	1,000	961				-

<b>Project</b>	<b>Project Budget (£'000)</b>	<b>Prior Years (£'000)</b>	<b>2024/25 (£'000)</b>	<b>2025/26 (£'000)</b>	<b>2026/27 (£'000)</b>	<b>2027/28 (£'000)</b>	<b>Future Years £000)</b>
Woking STP Phase 1 LEP	3,000	1,970	1,030				-
Higher Education Science Ctr (Sparsholt)	943	-	943				-
New Shoots for Next Zero	454	-	454				-
LEP Reserve balance (Future projects)	20,036	-	-1,554	2,352	2,880	2,880	13,478
<b>Completed Schemes with outstanding repayments</b>							
Tanner Studios	1,300	1,300					-
Farnborough International	5,000	5,000					-
Farnham Road Bridge, Guildford LEP	2,850	2,850					-
LED Conversion and CMS Project LEP	2,639	2,639					-
Brooklands College, Weybridge Development	496	496					-
<b>Grand Total</b>	<b>113,492</b>	<b>47,703</b>	<b>42,423</b>	<b>4,128</b>	<b>2,880</b>	<b>2,880</b>	<b>13,478</b>