

Culture and Communities Transformation to 2021 (Tt2021) Revenue Saving Proposals

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Summary

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Spending Review 2019

- 2019/20 represented final year of the current SR period.
- Four year SR originally planned for summer 2019 but impacted by Brexit and the national political situation.
- One year SR announced on 4th September. We still have no certainty beyond 2020/21 but this was not unexpected and was partly balanced by the promise of an early indication of the 'settlement' for local government.
- Content mirrored key issues we have been raising for some time with government, particularly cost pressures in social care services which are outstripping forecasts included in the original Tt2021 planning figures.

Spending Reviews 2019

Key issues for the County Council

- ✓ £2.5bn nationally for continuation of existing one off grants across social care - HCC allocation circa £38.5m, majority already assumed in MTFs.
 - ✓ Extra £1bn for adults' and children's social care - HCC allocation £15m - £20m depending on distribution methodology (to be consulted upon).
 - ✓ Core council tax 2% and continuation of a 2% adult social care precept. Below assumptions in the MTFs - loss to HCC circa £12m of recurring income over the two years of the Tt2021 Programme.
 - ✓ Additional funding for schools, including £700m for SEN – HCC allocation if distributed on basis applied before, circa £16.8m. Would help address future growth but is not a solution to the cumulative deficit position schools will face at the end of 2019/20.
- Overall position broadly neutral.

County Council Context

- £480m removed from budgets over nine years.
- £80m forecast budget gap for the two years to 2021/22.
- Tt2019 was significantly more challenging than previous programmes and so Tt2021 will be even more difficult.
- Extended delivery and overlapping programmes increases risk and complexity.
- County Council public consultation.
- Medium Term Financial Strategy update to Cabinet in October and County Council in November.

Departmental Context (1)

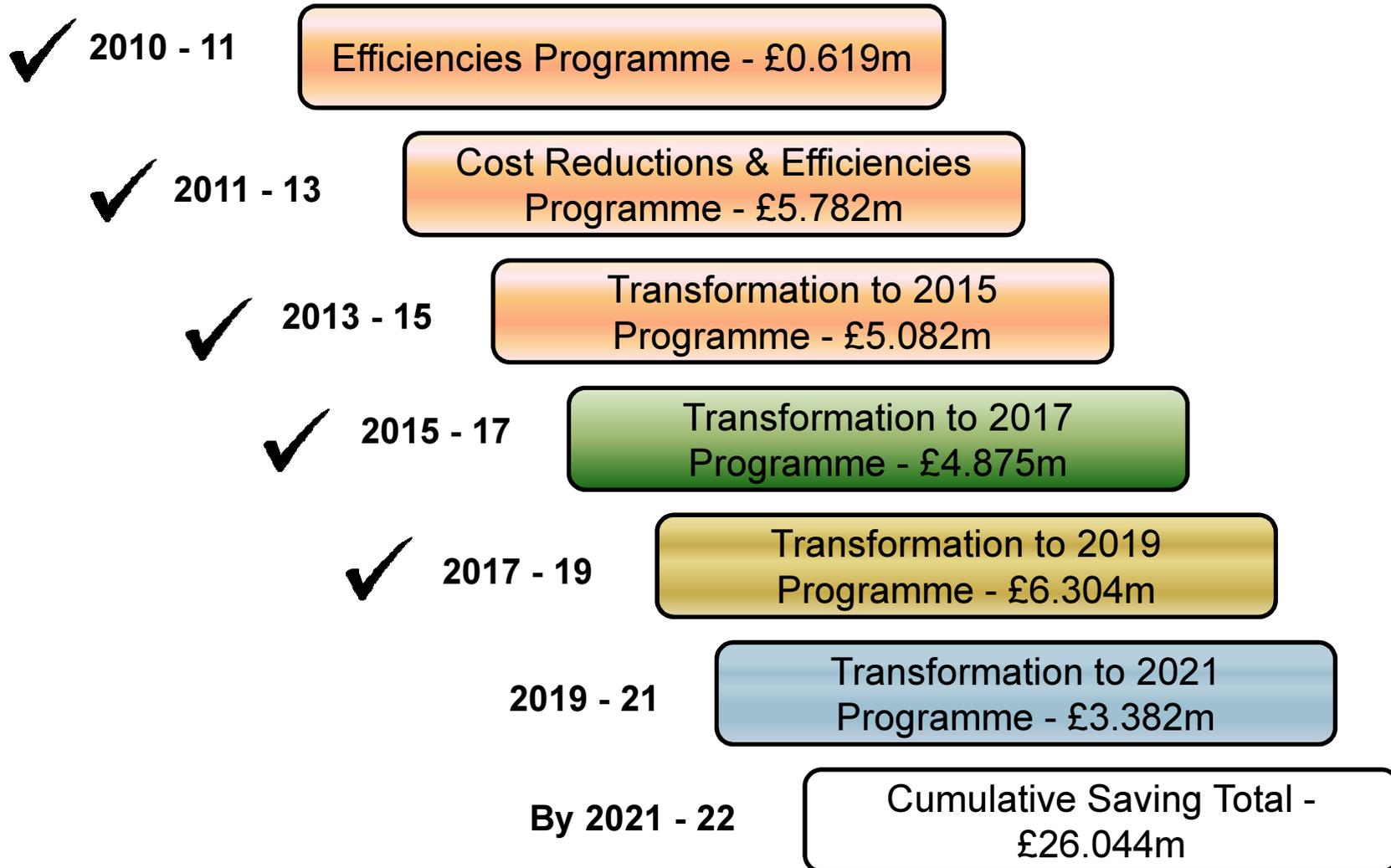
- Department split across Executive Member responsibilities
- Budget – CCBS as a whole
- Savings proposals– Culture & Communities remit only:
 - Library Service
 - Countryside and Rural Affairs
 - Archives and Records
 - Arts & Museums grant funding (HCT)
 - Sport funding (Energise Me)
 - Community & Cultural grants

Departmental Context (2)

Key themes for CCBS

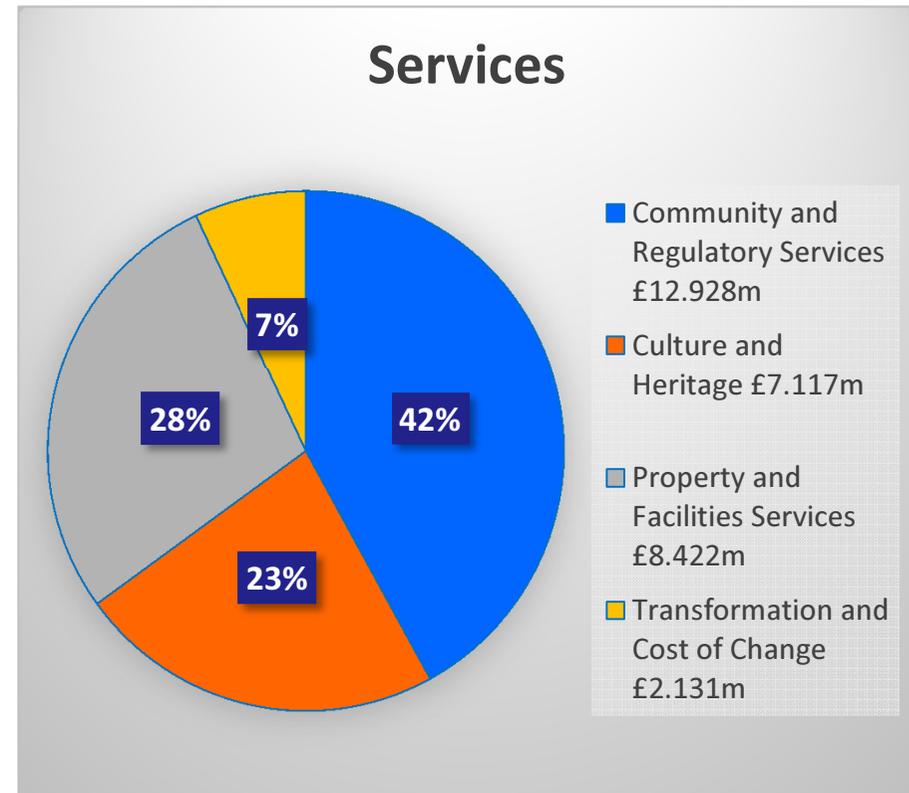
- Commercialism
- Income generation
- Efficiencies – including exploitation of digital technology
- Customer focus

Departmental Transformation Journey



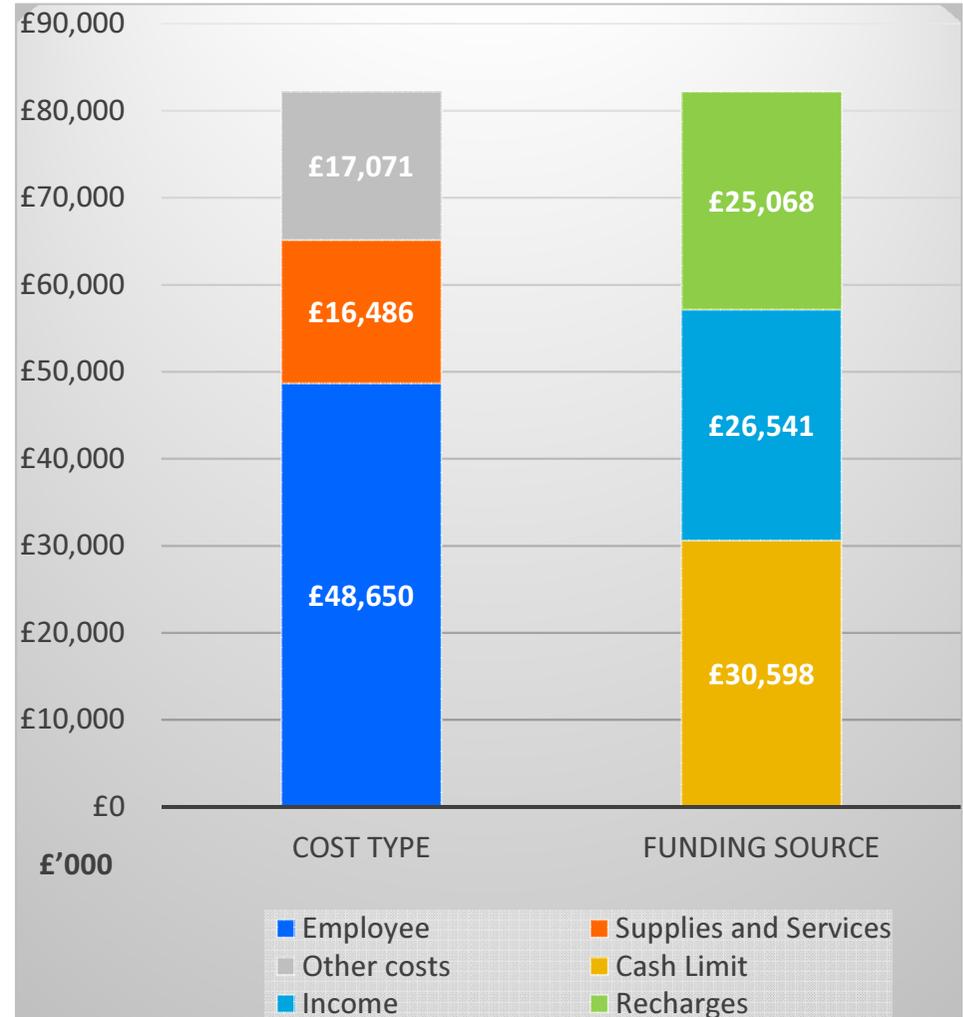
CCBS cash limited budget 2019/20 – by service

Service	£'000
Library Services	11,013
Regulatory/Community	1,915
Countryside	2,582
Arts & Museums	2,619
Other Culture & Heritage	1,916
Property Services	2,787
Office Accommodation	3,439
Facilities Management	3,318
Other Property Services	(1,122)
Transformation, Broadband & Cost of Change	2,131
TOTAL CCBS cash limit	30,598



CCBS cash limited budget 2019/20 – cost type and funding sources

Cost type / Funding source	£'000
Employee	48,650
Supplies and Services	16,486
Premises	11,133
Support Services	3,960
Transport & Other Costs	1,978
Recharges	25,068
Fees and Charges	19,135
Rental Income	3,560
Grants and Contributions	1,488
Other Income	2,358
CCBS Net Cash Limit	30,598



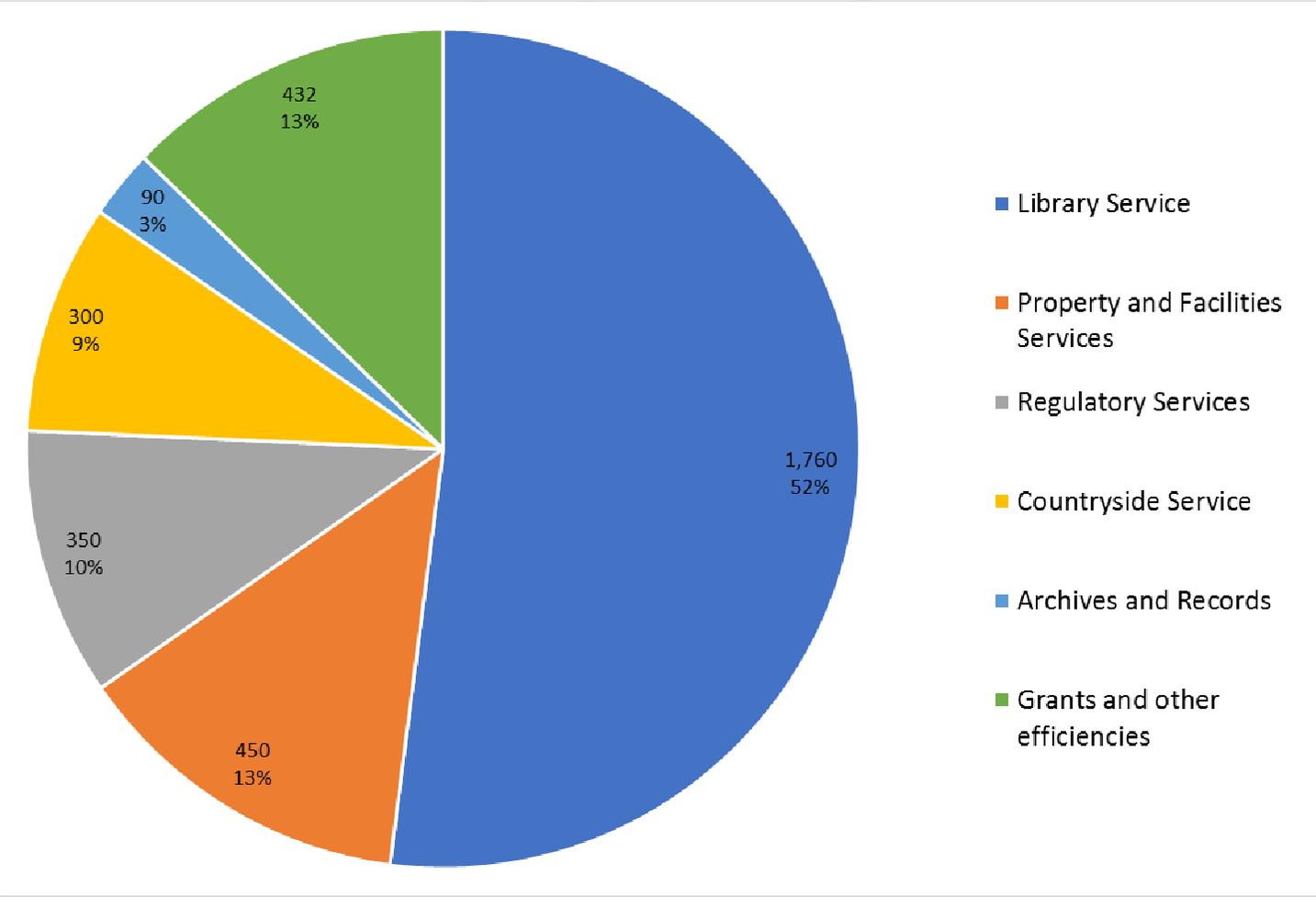
Tt2021 Approach

- Potential savings opportunities identified across each service
- Opportunities identified challenged by Corporate Management Team
- ‘Balancing the Budget’ consultation completed
- Savings opportunities further reviewed and refined
- Programme of proposals identified for consideration by Executive Member, Cabinet and County Council.

CCBS T2021 Savings

Programme		£'000	FTEs
Library Service		1,760	40-50
Countryside		300	1-5
Archives and Records		90	1-3
Grants and efficiencies:		432	0
	Arts & Museums grant (£281k)		
	Community grants (£76k)		
	Energise Me grant (£17k)		
	Rural grants (£26k)		
	Community (£32k)		
<i>Property and Facilities (EMPR)</i>		450	6-12
<i>Regulatory Services (EMPR)</i>		350	0-10
Total CCBS		3,382	48-80

CCBS Tt2021 proposals by workstream



Library Service (£1.76m)

Context

- Library Strategy to 2025

Savings

- Operations – to reduce opening hours and review Community Libraries
- Asset Strategy – to potentially close or relocate libraries
- Income generation
- Efficiencies including the digital resources budget and a rationalisation of the number of public computers in libraries

Countryside (£0.3m)

- Car parking strategy
- Service re-design
- Operational efficiencies

Archives and Records (£90k)

- Income generation
- Efficiencies

Grants and efficiencies (£0.432m)

- Arts & Museums grant: agreed with HCT (to 2022/23) plus savings in residual HCC cost liabilities
- Other grant streams (Cultural & Community, Energise Me, Rural) reduced by T21 requirement (13%)
- Savings from Community budget – asset ownership transferring to community organisations

Risks to Highlight

- For CCBS over 50% of our savings target sits within the library service, a service about which the public have previously been resistant to change.
- Generating increased income represents a challenge for all services, on top of sustaining existing levels of income in challenging operating environments. For some services the financial constraints of customers, such as schools and other Local Authorities, represents a further risk to their trading opportunities. This is further compounded in some areas by Brexit uncertainty which may negatively impact costs, supply chains and funding sources.
- Services implementing new operating models have dependencies on the delivery of technology solutions and on staff adopting new ways of working, both of which represent risks to their programmes if not implemented in full and in a timely way.
- Changes to operating models will require a greater reliance on self-service, guidance and other on-line tools and services, both for employees of the County Council, but also our customers and suppliers and there is a risk to income if new ways of working and new ways of accessing services are not adopted.

Equality Impacts to Highlight

- CCBS recorded 82% of impacts as neutral
- Low negative is the worst impact recorded
- All other categories are neutral, with Property Services and Asbestos recording entirely neutral impacts for their savings programmes
- More detailed EIAs will be undertaken once more detail is available, this may mean some impacts are recorded as higher further along in the process

Serving Hampshire – **Balancing the Budget 2019 Consultation**

Headline Findings



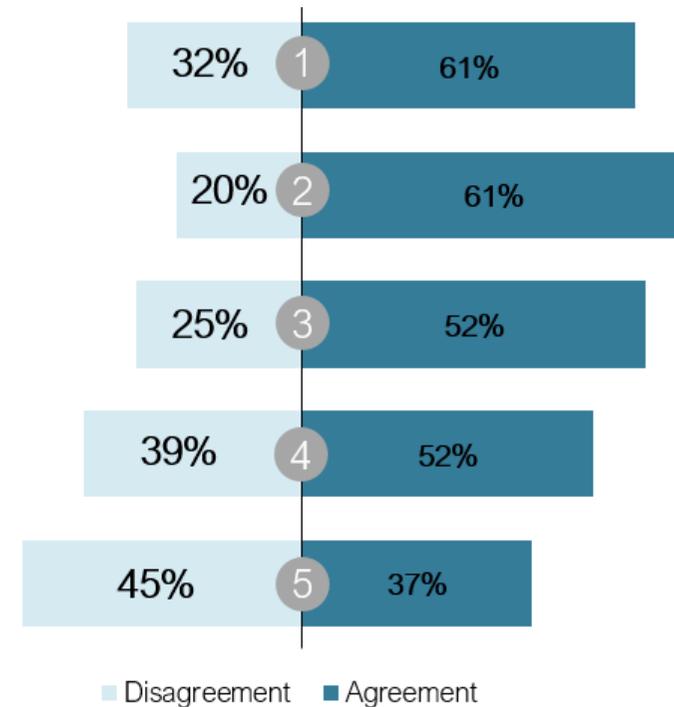
Consultation context

- The ***Serving Hampshire - Balancing the Budget*** 2019 consultation was designed to give all Hampshire residents and stakeholders the opportunity to have their say about ways to balance the County Council's budget.
- The consultation ran from midday on 5 June to 11.59 on 17 July 2019 and was widely promoted through a range of online and offline channels.
- Information Packs and Response Forms were made available both digitally and in hard copy in standard and Easy Read formats, with other formats available on request. Unstructured responses could be submitted via email, letter or as comments on social media.
- The **consultation received 5,432 responses** – 4,501 via the consultation Response Forms and 931 as unstructured responses via email/ letter (22) or social media (909).
- Of the responses submitted via the consultation Response Forms, 1,491 were from individuals and 28 from democratically elected representatives. Including the unstructured responses 44 groups, organisations or businesses responded.

Level of agreement with proposed options

1. Six out of ten respondents (61%) agreed with the position that reserves should not be used to plug the budget gap.
2. The same proportion (61%) felt that consideration should be given to changing local government arrangements in Hampshire.
3. Just over half of respondents (52%) agreed that the County Council should continue with its current financial strategy.
4. This was also the number that agreed with the principle of introducing and increasing charges for some services.
5. Just over one in three respondents (37%) agreed with the principle of reducing or changing services - but the proportion who disagreed was slightly higher (45%).

Agreement or disagreement as to whether the County Council should. . . (Base: 4264)



Tt2021 CCBS Key Messages

- A targeted approach which defines the strategic direction for longer term service sustainability beyond T21.
- Services are making revenue efficiencies, but we are also investing in them to enable service transformation and to continue to provide high quality public services.
- Given the importance of income as a proportion of CCBS' overall funding, the department is embedding core commercial values to ensure maximum public value is delivered from all our assets and services.