

HAMPSHIRE COUNTY COUNCIL

Decision Report

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| Decision Maker: | Executive Member for Policy and Resources |
| Date: | 25 January 2022 |
| Title: | 2022/23 Revenue Budget Report for Corporate Services |
| Report From: | Chief Executive, Director of Corporate Operations, Director of HR, Organisational Development, and Communications and Engagement and Head of Law and Governance |

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Section A: Purpose of this Report

1. The purpose of this report is to set out proposals for the 2022/23 budget for Corporate Services in accordance with the Council's Medium Term Financial Strategy (MTFS) approved by the County Council in November 2021. It also proposes a revised budget for Corporate Services for 2021/22.

Section B: Recommendation(s)

To approve for submission to the Leader and the Cabinet:

2. The revised revenue budget for 2021/22 as set out in Appendix 1.
3. The summary revenue budget for 2022/23 as set out in Appendix 1

Section C: Executive Summary

4. This report provides the summary outputs of the detailed budget planning process undertaken by Corporate Services for 2022/23 and the revised budget for 2021/22. This process has been undertaken against a backdrop of considerable uncertainty, both in terms of the resources available to the Council and the ongoing impacts of Covid-19 on service delivery. As we transition towards a 'new normal', the distinction between latent and longer term Covid impacts and 'business as usual' financial pressures is difficult to establish. For the purposes of budget setting, the impact of Covid-19 continues to be dealt with as a discrete one-off financial impact as far as possible, separate from the business as usual medium term financial strategy.

5. The 2021 Spending Review announced a 3% per annum real terms increase in local government core spending power to 2024/25. In 2022/23, local authorities will benefit from a considerable boost to grant funding allocated through the single year local government finance settlement, however this is set against a requirement for £26m additional grant as part of the SP2023 programme. The Spending Review has therefore not diminished the challenges that the authority faces in securing financial sustainability over the medium term.
6. The current financial strategy, which the County Council operates, works on the basis of a two year cycle of delivering departmental savings targets, with deficits in the intervening years being met from the Budget Bridging Reserve (BBR). In line with this strategy, there will be no new savings proposals presented as part of the 2022/23 budget setting process. Savings targets for 2023/24 were approved as part of the MTFs in July 2020 and detailed savings proposals, developed through the Savings Programme to 2023 (SP2023), were agreed by Cabinet and County Council during October and November last year.
7. The anticipated delay to delivery of some aspects of the existing Transformation to 2019 (Tt2019) and Transformation to 2021 (Tt2021) programmes has been factored into our financial planning, and a combination of one-off corporate and departmental funding will be provided to bridge the forecast savings gap in 2021/22 and 2022/23. As of November 2021, £9m of Tt2019 savings and £38m of Tt2021 savings have yet to be delivered, in addition to the £80m of SP2023 savings required by 2023/24. The Council therefore faces the substantial challenge of delivering three overlapping change programmes, requiring a total of £127m budget savings. Corporate Services has fully achieved all previous savings targets and is thus in a good position to continue to provide professional support to other departments in delivering their transformation and savings programmes and also focus on the Corporate Services savings programme for 2023.
8. The report also provides an update on the business as usual financial position for the current year as at the end of October and the outturn forecast for the Department for 2021/22, excluding the financial impact of Covid-19, is a budget saving of £2.4m.
9. The proposed budget for 2022/23 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 2021/22 and detailed service budgets for 2022/23 for Corporate Services. The report has been prepared in consultation with the Executive Member and will be reviewed by the Policy and Resources Select Committee. It will be reported to the Leader and Cabinet on 8 February 2022 to make final recommendations to County Council on 17 February 2022.

Section D: Contextual Information

11. The Medium Term Financial Strategy (MTFS) update presented to Cabinet and County Council in October and November respectively, addressed the challenges of long term financial planning in an environment of significant uncertainty, in respect of both ongoing spending commitments and the national funding position for the local government sector.
12. The 2021 Spending Review represents the first multi-year budget since 2016/17 following single year spending announcements in 2019 and 2020 linked to uncertainty surrounding the UK's exit from the EU and recently the economic impacts and fiscal response to Covid-19. Whilst the additional certainty offered by a multi-year settlement is welcome, it is disappointing that local authority funding will remain relatively flat in 2023/24 and 2024/25. The settlement therefore does not present a long term solution to funding growth in service demand, for which the Council has lobbied the government for a number of years.
13. The impact of Covid-19 continues to be dealt with as a discrete one-off financial impact, separate from the business as usual medium term financial strategy. The budget summary presented in this report does not take account of Covid impacts as these will be centrally funded on a one-off basis in line with the pressures reported by departments in their financial monitoring returns. However, it should be noted that as we transition towards a 'new normal' post-pandemic, the distinction between latent and longer term Covid impacts and 'business as usual' financial pressures is difficult to establish. The complex inter-relationship between numerous variables post-pandemic makes forecasting challenging, but based on recent analysis carried out as part of detailed budget preparation work, the medium term forecast for departmental spending now anticipates significant pressure building by 2024/25 within Adults' and Children's social care.
14. 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.
15. The County Council's action in tackling its forecast budget deficit and providing funding in anticipation of further reductions, places it in a strong position to produce a 'steady state' budget for 2022/23, giving itself the time and capacity to develop and implement the SP2023 Programme to deliver the next phase of savings totalling £80m by April 2023. This also avoids the worst effects of sudden and unplanned decisions on service delivery and the most vulnerable members of the community.

16. Consequently, there are no new savings proposals to be considered as part of the 2022/23 budget, however other factors will still affect the budget, such as the publication of specific grant allocations and potential increases in unavoidable pressures such as inflation.
17. The Autumn Budget and Spending Review announcement took place on 27 October 2021 and the key elements were as follows:
 - Local government Core Spending Power will increase by 3% per year in real terms in the period to 2024/25, however this includes raising Council tax and the Adult Social Care (ASC) Precept by the maximum permitted increases.
 - Over the next three years, local authorities will be allowed to increase core council tax by up to 2% per year without a referendum. In addition, ASC authorities will be allowed to raise the ASC Precept by 1% each year. The MTFS assumes that the Council will have the flexibility to raise the ASC Precept by 2% each year and the reduction in the available precept therefore presents a further funding shortfall for the Council of £7m in 2022/23 and £14m by 2023/24.
 - An additional £4.8bn grant funding was announced for social care and other services to 2024/25. This includes around £1.5bn per year to be distributed through the local government finance settlement in addition to an extra £200m for the Supporting Families Programme and over £70m to boost cyber security and to further strengthen local delivery and transparency.
 - The Spending Review confirmed that £3.6bn of the additional £5.4bn funding for adult social care reforms announced on 7 September 2021 will be routed through to local government. The funding is expected to cover all additional costs resulting from the personal care cap and revised capital limits.
 - Included within the Department of Health and Social Care settlement was an additional £1.7bn over three years to improve the wider social care system, including the quality and integration of care. At least £500m of this will be allocated to improve qualifications, skills, and wellbeing across the adult social care workforce.
 - £2.7bn funding for local road maintenance for non-mayoral authorities over the remaining years of the parliament, equivalent to £900m per year. This allocation is expected to maintain highways funding at 2021/22 levels.
 - The government published its report on the outcome of the Fundamental Review of Business Rates. The review reaffirmed the advantages of business rates as a form of business taxation and did not propose any fundamental changes to the basis on which the tax is levied. However, the government announced a move to 3-yearly revaluations starting in 2023, a freeze on the multiplier and significant new temporary and permanent reliefs, including a 50% relief for retail, hospitality and leisure businesses

in 2022/23. Local authorities will be fully compensated for the multiplier freeze and new reliefs via Section 31 grants.

Provisional Local Government Finance Settlement

18. The Provisional Local Government Finance Settlement sets out the key funding allocations that the Council will receive from Government for the coming financial year. This year's settlement covers 2022/23 only as the allocations of funding from 2023/24 will be the subject of a review of the local government funding regime and further consultation, to be carried out in Spring 2022.
19. The key outcomes of the settlement for the County Council are show below and are split between general resources which will contribute to meeting the Council's overall budget requirement, and specific resources which are needed to meet new departmental costs:

| Funding Source | 2021/22 allocation (£m) | 2022/23 allocation (£m) | Change (£m) |
|----------------------------------|--|--|------------------------|
| Social Care Grant | 26.2 | 37.2 | +11.0 |
| 2022-23 Services Grant | - | 8.3 | +8.3 |
| Business rates grant | 6.3 | 9.9 | +3.6 |
| Total 'general' resources | 32.5 | 55.4 | +22.9 |

| Funding Source | 2021/22 allocation (£m) | 2022/23 allocation (£m) | Change (£m) |
|--|--|--|------------------------|
| Market Sustainability and Fair Cost of Care Fund | - | 3.2 | +3.2 |
| Improved Better Care Fund | 30.4 | 31.3 | +0.9 |
| New Homes Bonus | 3.9 | 3.4 | -0.5 |
| Total 'specific' resources | 34.3 | 37.9 | +3.6 |

20. The key features of the settlement are:
- A 6.3% increase in Core Spending Power, of which 3% is attributable to the grant allocations set out above and 3.3% is attributable to council tax increases (including 1% for ASC) and tax base growth. This compares with an average 7.5% increase for Shire Counties.
 - The 2022/23 Services Grant will be distributed based on the 2013/14 local government funding formula for 2022/23 only. The distribution will be re-evaluated for future years in light of the proposed review of local government funding.
 - The Market Sustainability and Fair Cost of Care Fund is part of the government's package to support the recently announced social care reforms, providing funding for local authorities to prepare their care markets for reform and move towards paying providers a fair cost of care.

There are a number of conditions associated with the funding which will require new consultation and market intervention activity and therefore it will not contribute towards meeting the budget deficit in 2022/23.

- The New Homes Bonus was expected to end in 2022/23 but will instead continue for a further year to 2023/24, albeit at a reduced level and has traditionally been used for one-off purposes by the County Council.
21. The final grant settlement for 2022/23 is not due out until January / February 2022. The impact of the final settlement will be reflected in the budget setting report to Cabinet and County Council.
 22. Corporate Services Directorates have been developing their service plans and budgets for 2022/23 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

Corporate Services Directorate

23. In July 2021, the Employment in Hampshire County Council Committee approved several senior management adjustments with associated changes to the structure of the Corporate Services Department.
 - Human Resources and Organisational Development has moved from the former Corporate Resources Directorate to become part of Human Resources, Organisational Development, Communications and Engagement
 - Strategic Procurement has moved from the former Transformation and Governance Directorate to become part of Corporate Operations
24. In addition, taking account of functions that naturally aligned either to each other or to other council departments, as well as identifying which departments required additional capability or capacity of specific skill sets, the Emergency Planning, Corporate Risk Management and Health and Safety functions moved from Corporate Services to the Culture, Community and Business Services Department.
25. The former Corporate Transformation Practice has been disbanded and the budget allocated out to departments to fund their ongoing transformation activity. It was felt that this arrangement better fulfils the specific needs of departments in relation to their transformation programmes by facilitating a tailored service offering.
26. The original 2021/22 budgets set out in Appendix 1 take account of the structural changes detailed above.

Corporate Operations

27. 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, Departmental contact is now embedded in each department.
 - Information Technology
 - Strategic Procurement
 - Audit Services
28. The forecast outturn for 2021/22 for Corporate Operations confirms the successful delivery of its Transformation to 2021 (Tt2021) Programme. The Department is expecting to achieve budget savings totalling £2.0m in 2021/22, of which £1.1m relate to early delivery of its SP2023 savings target. The Department is in a strong position to deliver quality services to other departments within the County Council and to the many partner organisations who receive services from the Department.
29. Corporate Operations has an SP2023 target of £3.585m which will be delivered through a range of proposals including changes to service operating models, vacancy management and income generation. The Department also continues to play a key role in supporting transformational change across the organisation.
30. Hampshire Pension Services has recently commenced the delivery of pensions administration for two new local authority partners – Westminster City Council and the London Borough of Hillingdon. The Investments and Borrowing Team will commence provision of Treasury Management services for a new partner, the Police and Crime Commissioner for Hertfordshire, on 20 January 2022. The further expansion of these services will increase their cost effectiveness for all partners and will contribute to delivering the SP2023 target for Pensions, Investments and Borrowing.
31. Recruitment to vacant roles continues to present challenges for services including IT, Finance and Audit which is driven by demand for the associated skillsets in the wider market. The IT Service continues to require support from agency staff, particularly in providing the specialist knowledge required to deliver IT projects. However, efforts to increase the number of permanently employed staff have produced significant success in recent years, reducing agency spend on core service delivery from £1.2m in 2019 to just £0.2m in 2021.

32. The pandemic has accelerated the shift towards more flexible ways of working across home and office locations and IT continues to play a key role in supporting the implementation of communication tools to facilitate hybrid working practices. The introduction of Microsoft 365 has also brought new opportunities to innovate and increase efficiency through process automation and improvements to data accessibility, reducing the administrative support required by departments.
33. The IBC, 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.

Human Resources, Organisational Development, Communications and Engagement

34. HR, OD & CE comprises:
 - Human Resources (HR) covering HR policy and casework and occupational health
 - Organisational Development (OD) and design, including leadership and management development
 - The Communications and Engagement Service, comprising Insight and Engagement, Corporate Communications, Marketing and Advertising
35. The forecast outturn for 2021/22 for HR, OD & CE confirms the successful delivery of its Transformation to 2021 (Tt2021) Programme. The Department is expecting to achieve budget savings totalling £0.4m in 2021/22. This places it in a good position to progress its SP23 target of £0.421m.
36. In addition to their business as usual activity, the HR and OD services continue to develop their offer to support the whole organisation in adapting to new ways of working. This includes updated learning and development material to facilitate hybrid working, maximising the opportunities and benefits of mixed face to face and remote working. Another strong focus for the department is further development of working practices and resources to support staff wellbeing and also to continue to promote and embed in the organisation the County Council's Inclusion Strategy and progressing the associated action plan.
37. The Communications and Engagement Service provides 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. The service also supports the

development and promotion of policy agendas for the wider organisation, providing public consultation and engagement services, marketing services, behaviour change research and corporate performance monitoring. The service continues to maintain its proactive approach to delivering effective communications and engagement across external and internal audiences in response to the evolving and ongoing challenges brought about by the pandemic.

Law and Governance

38. Law and Governance comprises:
- Legal Services
 - Democratic and Member Services
 - Information Governance
39. The forecast outturn for 2021/22 for Law and Governance confirms the successful delivery of its Transformation to 2021 (Tt2021) Programme. The Department is expecting to achieve a balanced budget position in 2021/2. This places it in a good position to progress its SP23 target of £0.462m
40. Robust support around governance of the County Council remains a key priority. Opportunities to streamline processes and modernise systems have been implemented across the various aspects of governance. Legal Services continues to look to broaden its offer and seek to support a wider range of external customers. This will enable the net cost of the service to be steadily and sensibly reduced, whilst we retain the highest quality capacity and capability to meet the varied needs of the County Council.

Non-Departmental Budgets

41. In addition to the departmental budgets, Corporate Services manage a range of other budgets including Members' support costs, corporate subscriptions, the Council's external audit fee and Members' devolved budgets. Following County Council's decision in February 2021, the Members' devolved budgets remain at £8,000 per Member per year. The opening date for grant requests is normally 1 June and the deadline for submitting grant requests is the 28 February in each financial year. There is no carry forward of any unallocated budget. These grants play a vital role in supporting local community groups and organisations, many of which have been severely impacted as a result of the pandemic, and it is therefore appropriate that the council retains its commitment to the scheme.
42. During the spring of 2021, the government consulted on changes to the Local Audit Regulations 2015 in response to Sir Tony Redmond's review of the effectiveness of external audit and transparency of financial reporting in local authorities. The amended legislation will provide the Public Sector Audit

Appointments (PSAA) with additional flexibility to agree fees that more closely match the actual costs of audit. The PSAA has recently agreed additional fees in respect of the completed 2019/20 audit of the County Council and it is expected that the annual fee will increase for subsequent years. Consequently, additional budget allocations of £42k and £24k have been provided for 2021/22 and 2022/23 respectively, funded from savings elsewhere in the non-departmental budgets.

43. The Hampshire Music Service has benefitted from one-off funding allocations from the Corporate Services non-departmental budget, which has allowed the service to provide high quality ensembles for major county events including royal visits, commemorative services and opening ceremonies. In order to aid future planning, an annual contribution of £40k is proposed for a period of three years to contribute to the training, performance and management support costs associated with supporting similar events in the future.
44. It is proposed that the budget adjustments set out in paragraphs 42 and 43 will be met from savings in the Other Miscellaneous budget as set out in appendix 1.

Section F: 2021/22 Revenue Budget

45. Enhanced financial resilience reporting has continued through periodic reports to the Corporate Management Team (CMT) and to Cabinet. This looks not only at the regular budget monitoring but also at potential pressures in the system, the impact of Coronavirus and the achievement of savings being delivered through the transformation and savings programmes. Corporate Services has fully achieved all previous savings targets and is thus in a good position to continue to provide professional support to other departments in delivering their transformation and savings programmes and also focus on the Corporate Services savings programme for 2023.
46. The anticipated business as usual outturn forecast for 2021/22 for Corporate Services departments is a budget saving of £2.4m. The majority of this saving relates to staffing vacancies pending recruitment and the early delivery of SP2023 savings. This saving will be transferred to the Cost of Change Reserve at year end and may be used to fund investment required to secure future savings and reinvestment into services, for example to replace IT equipment and systems. This position does not include the in-year pressures relating to Covid-19 which are funded from the Corporate Covid-19 response package. These pressures continue to be monitored and are included in financial update reports to Cabinet.
47. 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 £5.2m made up of:
 - Permanent increase to members' devolved budgets +£0.23m

- Approved reserve funding for the leadership management development programme +£0.32m
- Transfer to other departments to reflect the changed operating model for the Transformation Practice -£1.47m
- Temporary increase to IT budget relating to Corporate support for delivering Tt2019 & Tt2021 savings programmes +£2.2m
- Temporary increase to IT budget from IT reserves for data centre network refresh, mobile phone replacements and servers +£1.8m
- Corporate growth into IT to provide increased resilience against cyber-attacks and to meet increases in the costs of renewing vital software +£1.3m.
- Transfers from/to departments relating to IT +£0.8m

Section G: Revenue Savings Proposals

48. Corporate Services has fully achieved all previous savings targets and there are no set savings targets for 2022/23. This places the Directorates in a good position to work towards the savings targets for 2023/24 that were approved as part of the MTFs by the County Council in July 2020. Proposals to meet these targets have been developed through the SP2023 Programme and were approved by Executive Members, Cabinet and County Council in October and November 2021.
49. In line with the Council's financial strategy, SP2023 savings will be delivered over a two year period with the business as usual deficit in 2022/23 being met from the Budget Bridging Reserve. Given the medium term deficit due to Covid-19 pressures and the resulting financial response package, which uses up all available financial flexibility, it remains critical that SP2023 is delivered by 1 April 2023.
50. Some SP2023 savings will be implemented prior to April 2023 and any early achievement of savings in 2022/23 can be retained by departments to meet cost of change priorities. It is anticipated that at least £1.4m of the departments' SP2023 target of £4.468m will be achieved in 2022/23 and this is reflected within the detailed estimates contained in Appendix 1.
51. Rigorous monitoring of the delivery of the programme will continue during 2022/23, to ensure that the Department is able to stay within its cash limited budget as set out in this report.
52. This early action in developing and implementing the savings programme for 2023/24 means that the County Council is in a strong position for setting a balanced budget in 2022/23 and that no new savings proposals will be considered as part of the budget setting process for the next financial year.

Section H: Budget Summary 2022/23

53. The budget update report presented to Cabinet on 7 December 2021 included provisional cash limit guidelines for each department. The cash limit for Corporate Services in that report was £53.037m, a £2.493m increase on the previous year. This includes:
- An allocation for inflation on non-pay budgets and an allowance for step progression within pay grades. At this stage the cash limit does not include an allowance for a pay award for 2021 or 2022 as these are subject to negotiation and the outcome is uncertain. An amount will be retained centrally in contingencies until the awards are agreed.
 - Budget transfers between departments reflecting changes in management responsibility.
 - Corporately funded allocations previously agreed by Cabinet.
 - Use of departmental cost of change reserves
54. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by Corporate Services for 2022/23 and show that these are within the cash limit set out above. The overall position is shown in the table below:

| | 2022/23 | |
|--|----------|---------------|
| | £'000 | £'000 |
| Cash Limited Expenditure | 100,928 | |
| Less Income (Other than Government Grants) | (47,891) | |
| Net Cash Limited Expenditure | | 53,037 |
| Less Government Grants: | | |
| • Local reform and Community Voice | (579) | |
| Total Government Grants | | (579) |
| Total Net Expenditure | | 52,458 |

Section I: Consultation, Equalities and Climate Change Impact

55. Consultation on the budget is undertaken every two years when the County Council considers savings to help balance the budget. All savings proposals put forward by the County Council has an Equality Impact Assessment published as part of the formal decision making papers and for some proposals stage 2 consultations are undertaken before a final decision is made by the relevant Executive Member.

56. This report deals with the revenue budget preparation for 2022/23 for the Corporate Services Department. This is the interim year of the two year financial planning cycle when no new savings proposals are being considered. Therefore, no consultation or Equality Impact Assessments are required.
57. 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.
58. This report deals with the revenue budget preparation for 2022/23 for the Corporate Services Department. 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 2022/23 for the Corporate Services Department.

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

| Links to previous Member decisions: | |
|---|--|
| <u>Title</u> | <u>Date</u> |
| Savings Programme to 2023 – Revenue Savings Proposals (Executive Member for Policy and Resources) https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=173&MId=7570 | 28 September 2021 |
| Medium Term Financial Strategy Update and Savings Programme to 2023 Savings Proposals https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=163&MId=7737 | Cabinet – 12 October 2021 / County Council – 4 November 2021 |
| Budget Setting and Provisional Cash Limits 2022/23 https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=134&MId=7745 | Cabinet – 7 December 2021 |
| 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 2022/23 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 Savings Programme to 2023 Programme were considered in detail as part of the approval process carried out in October and November 2021 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 4 to 8 in the October Cabinet report linked below:

<https://democracy.hants.gov.uk/ieListDocuments.aspx?CIId=163&MIId=7737>

For proposals where a Stage 2 consultation was required the EIAs were preliminary and were to be updated and developed following this further consultation when the impact of the proposals could be better understood

Budget Summary 2022/23 – Corporate Services

| Service Activity | Original Budget ¹ 2021/22 £'000 | Revised Budget 2021/22 £'000 | Proposed Budget 2022/23 £'000 |
|---|--|------------------------------------|-------------------------------------|
| Corporate Operations | | | |
| Audit | 761 | 741 | 797 |
| Finance | 4,158 | 4,216 | 4,690 |
| IBC | 6,169 | 6,141 | 6,333 |
| IT ² | 24,255 | 32,153 | 27,531 |
| Strategic Procurement | 1,740 | 1,736 | 1,806 |
| Pensions, Investments & Borrowing | (200) | (211) | (377) |
| Corporate Services Centrally Managed | (235) | 130 | 204 |
| Cost of Change - Corporate Operations | 0 | (1,470) | 0 |
| Total Corporate Operations | 36,648 | 43,436 | 40,984 |
| Law and Governance | | | |
| Governance ^{3&4} | 1,527 | 1,514 | 1,468 |
| Legal Services | 3,168 | 3,443 | 3,300 |
| Transformation Practice | 1,822 | 308 | 0 |
| Cost of Change - Law & Governance | 0 | (324) | 0 |
| Total Law & Governance | 6,517 | 4,941 | 4,768 |
| HR, Organisational Development & Communications & Engagement | | | |
| HR & Leadership Development | 2,971 | 3,278 | 2,942 |
| Communications & Engagement | 1,341 | 1,786 | 1,360 |
| Cost of Change - HR, OD & CE | 0 | (692) | 0 |
| Total HR, Organisational Development & Communications & Engagement | 4,312 | 4,372 | 4,302 |
| Total Corporate Services | 47,477 | 52,749 | 50,054 |

| Service Activity | Original Budget¹ 2021/22 £'000 | Revised Budget 2021/22 £'000 | Proposed Budget 2022/23 £'000 |
|---|--|---|--|
| Corporate Non-Departmental Budgets (Central) | | | |
| Audit Fee | 152 | 194 | 176 |
| Contribution to Trading Units | 0 | 40 | 40 |
| Members Support Costs | 1,674 | 1,674 | 1,708 |
| Subscriptions to LGA | 175 | 175 | 179 |
| | 2,001 | 2,083 | 2,103 |
| Corporate Non-Departmental Budgets (Direct) | | | |
| Corporate & Democratic Representation | 66 | 66 | 66 |
| Grants & Contributions to Voluntary Bodies ⁴ | 210 | 0 | 0 |
| Members Devolved Budgets | 390 | 624 | 624 |
| Other Miscellaneous (direct) | 400 | 173 | 190 |
| | 1,066 | 863 | 880 |
| Total Other Corporate Budgets | 3,067 | 2,946 | 2,983 |
| Total Corporate Services & Other Corporate budgets | 50,544 | 55,695 | 53,037 |
| Government Grants: | | | |
| Local reform and Community Voice | (579) | (579) | (579) |
| Net expenditure Corporate Services | 49,965 | 55,116 | 52,458 |

¹ The 2021/22 original budget has been restated to reflect the changes to the Corporate Services structure and management.

² The 2021/22 revised budget for IT includes approved additional funding as set out in paragraph 47 of this report. Some of this continues into 2022/23.

³ The 2021/22 original budget has been restated to reflect the transfer to CCBS of Emergency Planning, Corporate Health and Safety and Leader Grants.

⁴ The 2021/22 original budget has been restated to reflect the transfer to Adult Services of the Vulnerable Persons Relocation Scheme and Grants and Contributions to Voluntary Bodies.