



Hampshire
County Council



Culture and Communities
Select Committee
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Budget Briefing 2022/23

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Presentation Outline

- Local Government Finance Settlement – Key Issues
- CCBS Culture and Communities Revenue Budgets
- Key Departmental Challenges and Priorities

Local Government Finance Settlement – Key Issues



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Provisional Local Government Finance Settlement 2022/23

- A one year provisional Finance Settlement for 2022/23 was announced on 16 December but final figures will not be confirmed by the Government until late January or early February
- Future year's funding allocations will be determined following the outcome of a consultation on the existing local government funding formula to be carried out in Spring 2022
- Key items include:
 - **£11.0m** additional social care grant distributed based on the existing adult's funding formula
 - **£8.3m** 2022/23 Services Grant. The £822m national pot will be redistributed based on the new funding formula from 2023/24.
 - A **£3.6m** uplift in business rates compensation grants

Provisional Local Government Finance Settlement 2022/23

- An initial allocation of **£3.2m** from the **Market Sustainability and Fair Cost of Care Fund**. This is part of the government's package to support the recently announced social care reforms, providing funding for local authorities to:
 - Work with care providers to prepare local care markets for reform
 - Move towards paying providers a fair cost of care
- A **£0.9m** inflationary uplift for the Improved Better Care Fund
- Continuation of the New Homes Bonus for a further year, worth **£3.5m** to the Council in 2022/23
- **Total additional funding of £26.5m**
- **2.99% increase in Council tax, 1% lower than the assumption held within the MTFS. Estimated increase of £29.7m rather than previously assumed £36.7m.**
- **Total increase in core spending power of 6.3%**

County Council context

Increasing financial pressure:

- **Seven** successive two-year **change programmes** implemented since 2010 to deliver cumulative savings of **£640m**
- As at December 2021 the Council is working to achieve **savings of £127m** including **£47m** of slipped Tt2019 and Tt2021 savings and a further **£80m** SP2023 savings required by 2023/24.
- **Inflation** has risen to the highest level since 2011, with CPI reaching **5.1%** in November 2021
- Additional National Insurance costs of **£2.3m** for internal staff and associated increases to contractual costs
- Significant pressures are building in adult social care with **market prices** now around **16-18% higher** than the Council's existing provision, which will create an **additional budget pressure in 2022/23**
- 2022/23 is an interim year within the context of the MTFs with the budget being balanced using **£40.2m from the budget bridging reserve**. It is now forecast that a significantly bigger draw from the reserve will be required.

CCBS Culture & Communities Revenue Budgets 2022/23

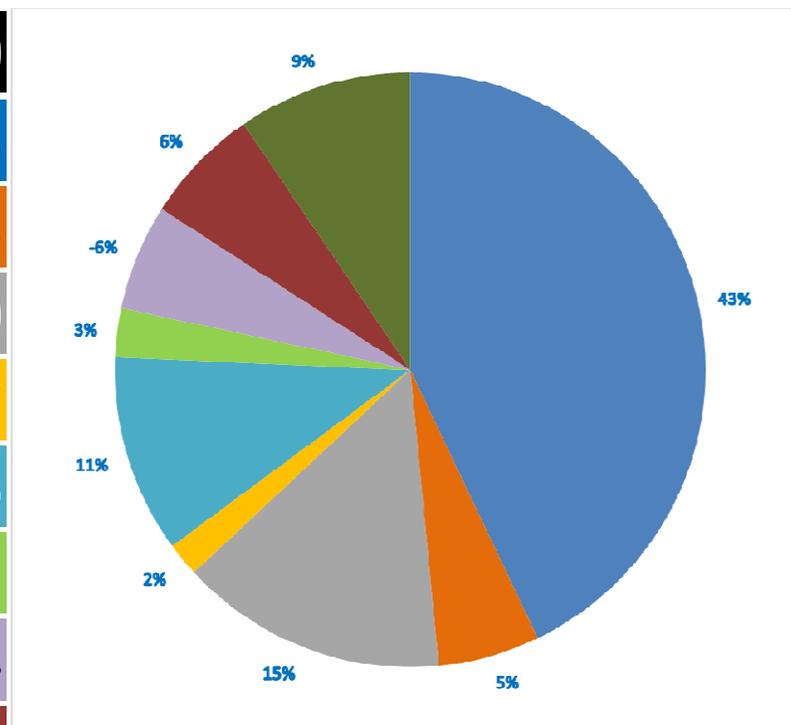
Proposed Budgets

Revenue Budget:	£'000
Revised Budget for 2021/22 ⁽¹⁾	21,352
Proposed Budget for 2022/23	19,134

(1) The revised budget includes one-off allocations including funding to deal with Rights of Way bridge repairs, countryside path recovery programme and Ash Dieback mitigation measures.

2022/23 Revenue Budgets By Service

Service	£'000
Library Services	9,275
Strategic Management Team	1,203
Countryside and Rural Affairs	3,160
Outdoor Centres	397
Arts & Museums	2,326
Archives	577
Registration	-1,244
Trading Standards	1,379
Other (inc. planned early SP23 savings)	2,061
TOTAL Culture and Communities	19,134



And by cost type and funding source

Cost type / Funding source	£'000
Employee	22,330
Supplies and Services	10,124
Premises	4,657
Support Services	996
Transport & Other Costs	1,163
Recharges	3,392
Fees and Charges	10,605
Rental Income	996
Grants and Contributions	1,429
Other Income	3,714
Culture & Communities Net Cash Limit	19,134



Culture & Communities services capital schemes in 2021/22 & 2022/23 CCBS capital programmes

Scheme	Service	£'000
Basingstoke Canal Crookham Deeps Embankment Lining	Basingstoke Canal	314
Basingstoke Canal - Swan Cutting Restoration	Basingstoke Canal	775
Other Countryside Projects - various improvements	Countryside	619
Worthy Down & South Wonston Access Improvements	Countryside	319
Connections and Reflections Woodland	Countryside	249
Countryside Bridges - planned improvements	Countryside	400
Rights of Way - planned improvements	Countryside	282
Winchester Discovery Centre	Library Service	515
Gosport Old Grammar School	Museums	998
County Farms Improvement Projects	Rural Estates	444
County Farms Improvement Projects	Rural Estates	775
Hollam Hill Farm building works	Rural Estates	657
Lyde Green Farm building works	Rural Estates	550
TOTAL		6,897



Key CCBS Departmental Challenges and Priorities

Importance of Income

- CCBS overall cash limited services 62% funded from income & recharges (C&C services 51%)
- Challenges
 - Maintain existing levels
 - Build sustainable new income (SP2023)

Impact of Covid-19

- Financial impact and recovery has been mixed
- Longer term impact not yet fully clear

Climate Change

- Cabinet funding and approved programme (£1.2m)
- Projects already underway
- All aspects of CCBS activity

Recruitment and retention

- Wide-ranging impact
- Lower-paid roles (e.g. Country Parks catering)
- Will need creative solutions

Inflation

- Construction costs
- Energy
- General (November CPI 5.1%)