



Hampshire
County Council

Policy and Resources Select Committee 21 January 2022 Budget Briefing 2022/23

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Business Services (CCBS)

Presentation Outline

- Local Government Finance Settlement – Key Issues
- Corporate Services and Culture, Communities and Business Services (CCBS) Revenue Budget
- CCBS Capital Programme
- Key Departmental Challenges and Priorities

Local Government Finance Settlement – Key Issues

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 which planned to balance the overall budget using **£40.2m from the budget bridging reserve**. It is now forecast that a significantly bigger draw from the reserve will be required.

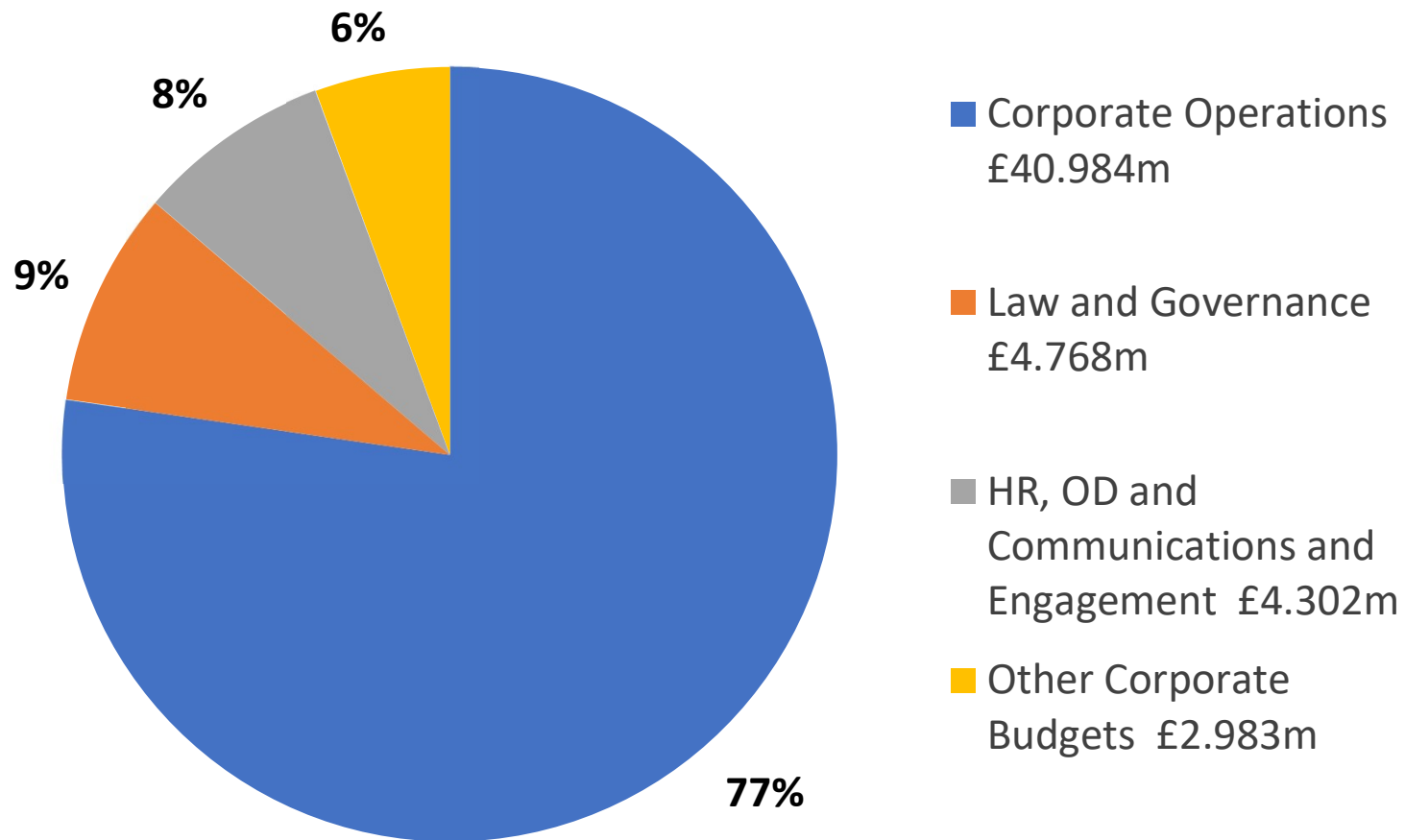
Proposed Budgets 2022/23

(relevant to the Policy and Resources Select Committee)

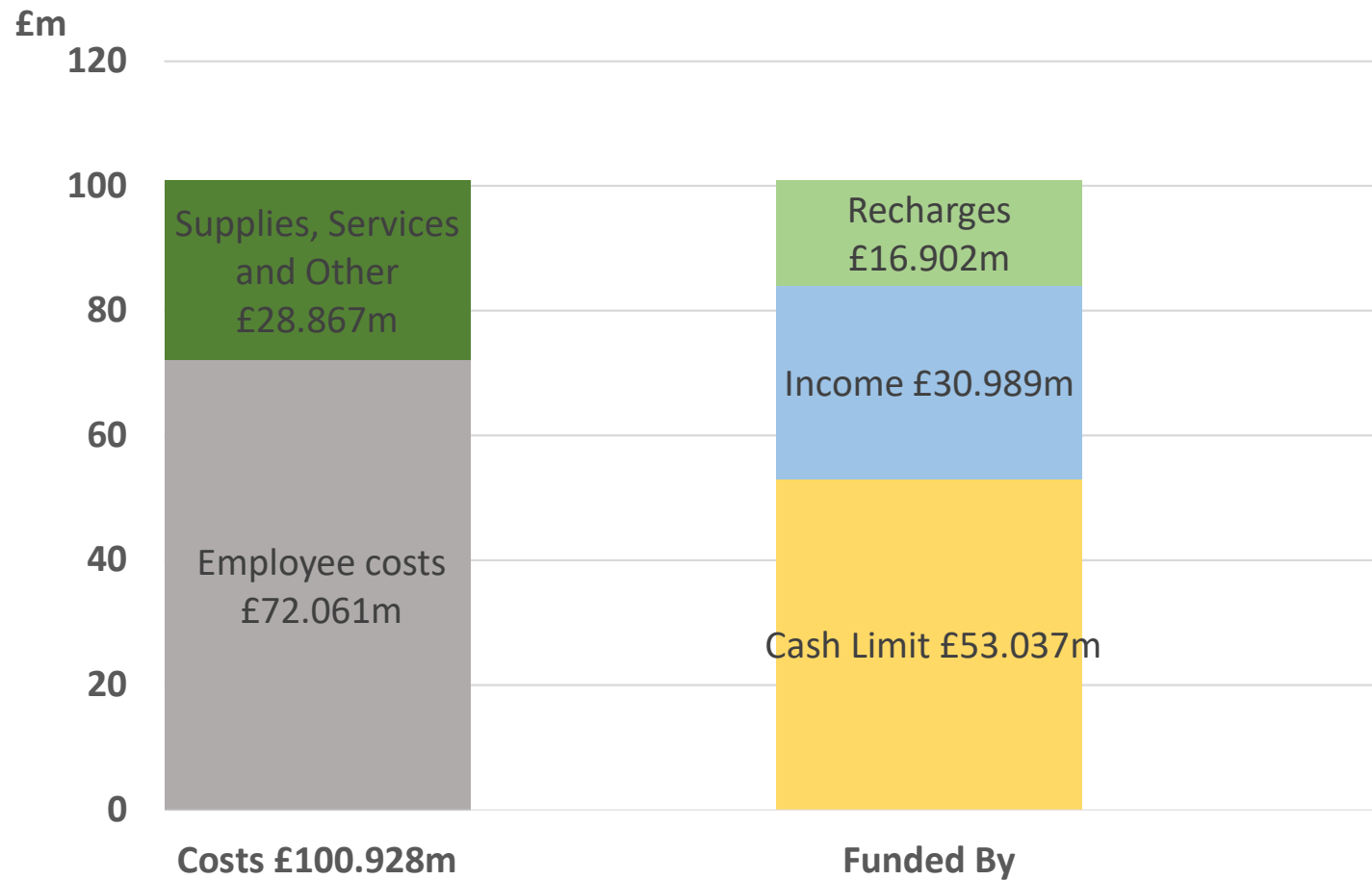
Proposed Revenue Budgets

	2021/22 Original £'000	2021/22 Revised £'000	2022/23 Forward £'000
Corporate Services (Executive Member for Policy and Resources)	49,965	55,116	52,458
CCBS			
Property, Transformation and Business Management (Executive Member for Commercial Strategy, Estates and Property)	23,170	28,497	24,570
Health & Safety (Executive Member for Performance, Human Resources and Partnerships)	748	748	770
Emergency Planning (Executive Member of Economy, Transport and Environment)	295	289	301

Corporate Services Revenue Budget 2022-23



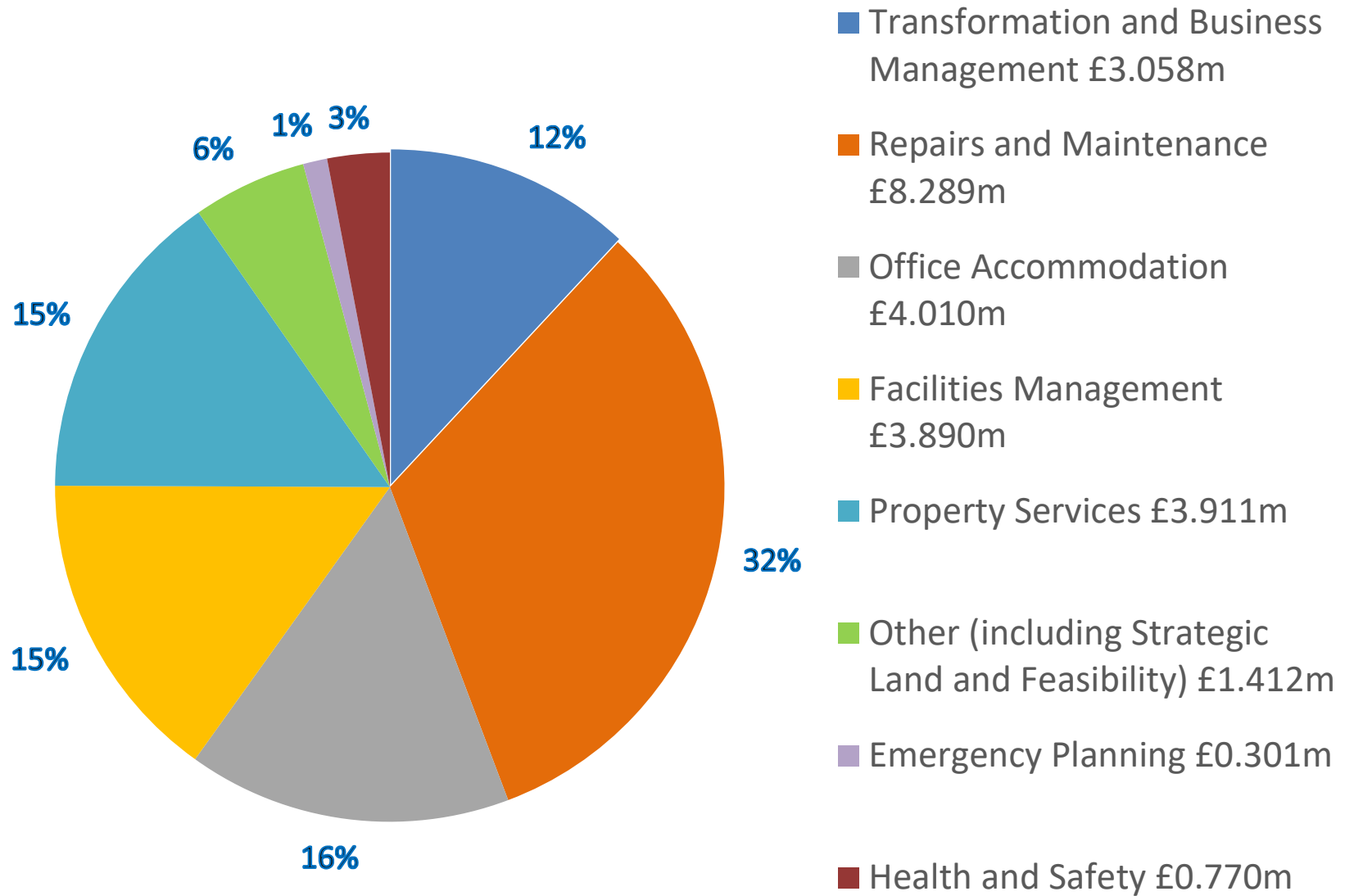
Corporate Services Revenue Budget 2022-23



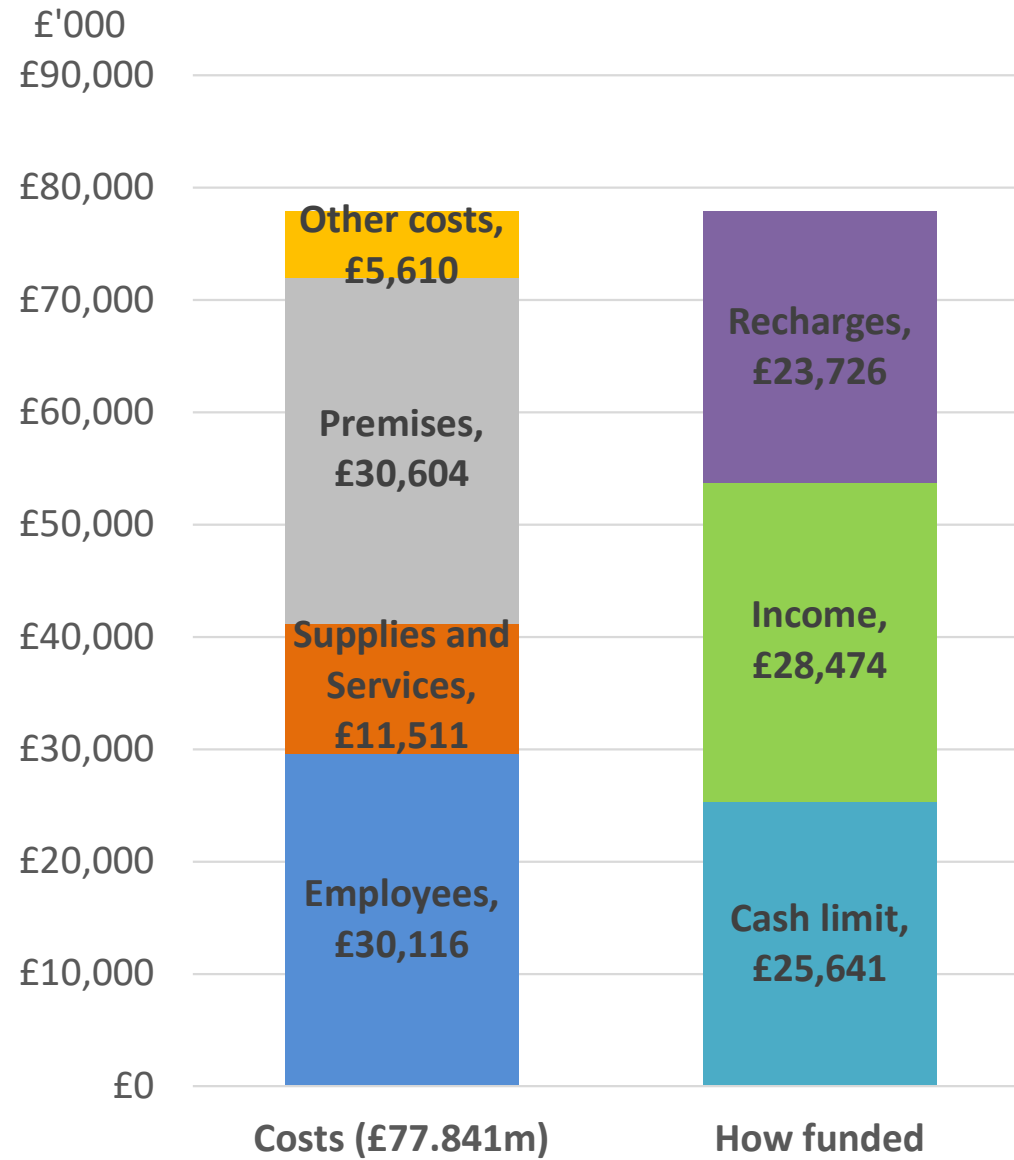
CCBS Revenue Budget 2022/23

	Service	£'000
CSEP	Transformation and Business Management	3,058
	Repairs and Maintenance	8,289
	Office Accommodation	4,010
	Facilities Management	3,890
	Property Services	3,911
	Other (including Strategic Land and Feasibility)	1,412
ETE	Emergency Planning	301
PHRP	Health and Safety	770
TOTAL CCBS (within Policy and Resources) cash limit		25,641

CCBS Revenue Budget 2022/23



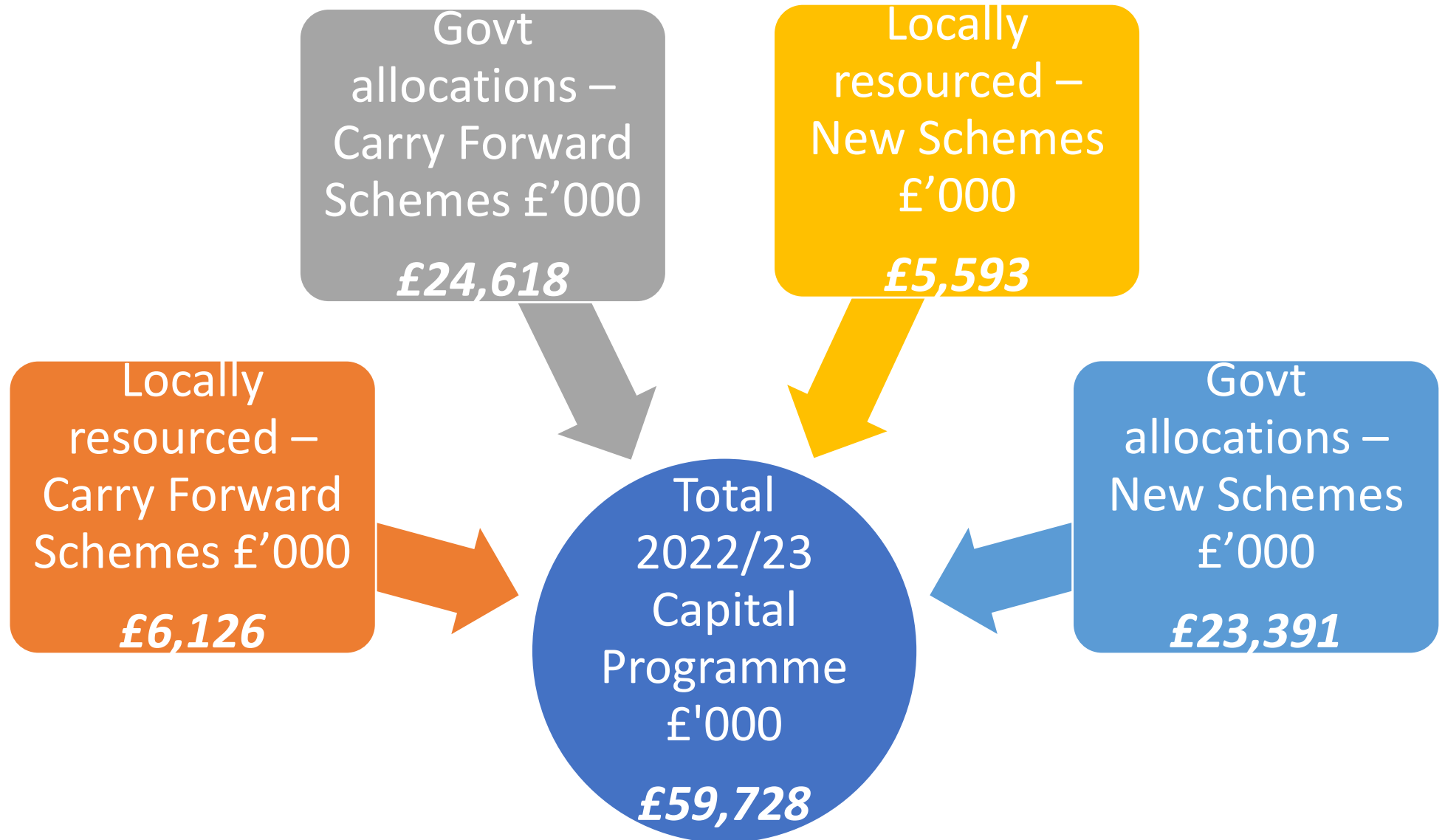
CCBS Revenue Budget 2022/23



CCBS Proposed Capital Programme

	County Council Funded £'000	Government Funded £'000	Total £'000
2022/23	11,719	48,009	59,728
2023/24	4,559	23,391	27,950
2024/25	4,559	23,391	27,950
Total	20,837	94,791	115,628

2022/23 Capital Programme Summary



2022/23 Capital Programme Significant Schemes

Locally resourced – Carry Forward Schemes

- Basingstoke Canal – Swan Cutting Restoration £775k
- HTM Vehicle workshop refurbishment £600k

Government allocations – Carry Forward Schemes

- Nightingale Primary, Eastleigh – SCOLA recladding £2.5m
- Warblington School, Havant – Recladding £2.1m

Locally resourced – New Schemes

- Fareham Parkway Improvements £2.5m
- HTM Vehicle purchases £3.4m

Government allocations – New Schemes

- Baycroft School, Fareham – SCOLA recladding & refurbishment £2.5m
- Henry Cort Community College – SCOLA reclad & ROSLA block £2.5m

Corporate Services and CCBS

Key Departmental Challenges and Priorities

- Importance of Income:
 - CCBS overall cash limited services 62% funded from income & recharges, Corporate Services is 38%
 - 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

Corporate Services and CCBS

Key Departmental Challenges and Priorities

- **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

Corporate Services and CCBS

Key Departmental Challenges and Priorities

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