



Hampshire
County Council

CCRA Select Committee Budget Briefing 2013/14

Rory Fitzgerald
Finance Business Partner – Culture
Community and Business Services

Karen Murray
Director of Culture Community and
Business Services



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County Council

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Key Issues for 2013/14

- Business Rate Retention replaces old grant system (sort of)
- Council Tax Benefit replaced by local Council Tax Support Schemes
- Two year grant settlement for last two years of CSR 2010
- Mini CSR expected spring 2013 for 2015/16 only
- Period of austerity expected to last until 2017/18 financial year

Key Issues from 2013/14

- Further year of Council Tax Freeze Grant (equivalent to 1% increase - £5.3M) payable in 2013/14 and 2014/15 only
- Public Health grant of £36.7M rising to £40.4M announced. Still studying detail but looking favourable at the moment
- Hampshire is still a 'floor' authority
- Floor Authorities get maximum grant decrease – 8.7% in 2013/14 and 9.6% (calculated) in 2014/15
- Small increases in Learning Disability and Health Reform Grant
- Large decreases in Early Intervention Grant (EIG)

Council Tax Calculation 2012/13

	£'000
Budget Requirement	711,613
Formula Grant	(177,253)
Collection Fund Surplus	(4,190)
Council Tax Requirement	530,170
Tax base	510,820
Band D Council Tax	£1,037.88

Council Tax Calculation 2013/14

	2012/13	2013/14	Change	Change
	£'000	£'000	£'000	%
Budget Requirement	711,613	755,379	43,766	6.2%
Business Rates & Grant	(177,253)	(262,963)	(85,710)	48.4%
Collection Fund Surplus	(4,190)	(1,500)	2,690	-64.2%
Council Tax Requirement	530,170	490,916	(39,254)	-7.4%
Tax base	510,820	473,000	(37,820)	-7.4%
Band D Council Tax	£1,037.88	£1,037.88	(0.00)	0.0%

New Grant Model – Old Inputs

	£'000
Formula Grant Funding	131,086
Council Tax Freeze Grant (2011/12)	13,161
Council Tax Support Grant	43,430
Early Intervention Grant	31,066
Lead Local Flood Authorities Grant	208
Learning Disability and Health Reform Grant	44,012
Total	<u>262,963</u>

New Grant Model - Outputs

	£'000
Retained Business Rates	41,841
Top up from Government	63,212
Revenue Support Grant	157,910
Total	<u>262,963</u>

Net Grant Reduction

	2013/14	2014/15	Total
	£'000	£'000	£'000
Settlement - Net Loss of Grant	(12,128)	(16,051)	(28,179)
Assumed in June MTFS	(14,768)	(11,946)	(26,714)
Net (Loss) / Gain	2,640	(4,105)	(1,465)

Other Budget Changes

- Loss of Council Tax Income due to further freeze
- Partly offset by Council Tax Freeze Grant
- Additional contingencies for extra care transition
- Carry forward of £16M unspent 2012/13 contingencies to provide one off funding for 2013/14 and 2014/15 budget
- EIG reduction - cash flow funding in 2013/14
- Reliance on grant equalisation reserve to smooth impact and give more time for next phase of transformation

Overall Budget Position

	2013/14	2014/15
	£'000	£'000
Revised Deficit following Settlement	5,458	*16,290

Options to close the gap :-

- Extra collection fund surplus 2012/13 – One off
- 2012/13 pay inflation not required – Recurring
- New Homes Bonus – Recurring
- Grant equalisation reserve – One off

* Based on a 2% council tax referendum limit

Timetable

January 2013	<ul style="list-style-type: none"> • Select Committee and Executive Member consideration of service budget proposals
February 2013	<ul style="list-style-type: none"> • Cabinet and County Council approval of 2013/14 budget and council tax

2012/13 Outturn and Savings

- 2012/13 C&R Budget £23.6m
 - Quarter 2 £97k overspend projected, improved position anticipated for Quarter 3
- 2012/13 Savings
 - C&R £1.890m target, £1.818m now achieved
 - High confidence of remainder being achieved

New C&R savings 2013/14

	£000
Libraries – efficiencies	307.4
Sport & Community – efficiencies	29.1
Countryside, Outdoor Centres, Arts & Museums – efficiencies	131.8
Countryside, Outdoor Ctrs and Archives – Increased income	<u>60.3</u>
	<u>528.6</u>

Cost of change to be met from 2011/12 underspend carried forward and any 2012/13 underspend

Capital Programme

The current core Capital programme will continue to be supported at current levels.

- £448,000 for 2013/14
- £448,000 for 2014/15
- £448,000 for 2015/16

Current Capital Programme

	2013/14	2014/15	2015/16
	£000	£000	£000
Countryside and Rights of Way	120	120	120
Community Buildings and Village Halls	125	125	125
ICT Developments	40	40	40
DDA and Health and Safety Schemes	80	80	80
Libraries and Minor Works	<u>83</u>	<u>83</u>	<u>83</u>
	<u>448</u>	<u>448</u>	<u>448</u>

Budget Summary

Community:	£,000
Libraries	12,921
Sport	210
Community	340
Culture & Heritage:	
Countryside	3,018
Outdoor Centres	466
Arts and Museums	2,437
Archives	944
Milestones	339
Grants	1,312
Policy Fund	368
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Total	22,355

Key Challenges

- Maintaining/improving levels of income
- Customer satisfaction and channel shift
- IT investment to support modernisation
- Management capacity
- Volunteer/community capacity
- Future Governance
- Grants – more challenge around outcomes

Impact of 2% reductions

- Had already been planned for
- Mostly staff reductions (13 fte)
- Non-filling of vacancies
- Additional income/grants
- Minimal impact on service delivery

Library Service

- 50 Libraries, 3 Discovery Centres
- 6,383,000 visits 2011/12
- 7,427,000 issues 2011/12
- 625 staff – 394 full time equivalent

Libraries with self service installed during 2012/13

Elson	Gosport
Hedge End	Hythe
North Baddesley	Stanmore
West End	

Libraries with self service planned during 2013/14

Aldershot	Alton
Havant	Lymington
South Ham	Kingsclere
Petersfield	Bordon (tbc)

Libraries with volunteers working alongside staff to increase opening hours

Hedge End

West End

Community Libraries being run by others

Stanmore Community Library (run by the Carroll Centre staff and volunteers)

North Baddesley Library (run by volunteers from 1 April 2013)

Sport

- New Sport Hampshire & Isle of Wight (SHIOW) Strategy to the next Select Committee
- Separating County Council Sport budgets from SHIOW partnership budgets
- Olympic legacy report being worked on

Community Support

- To be combined with Community Safety
- New Head of Community Services, Jon Whale, starts on 1 February 2013
- Taken on co-ordination of CCBS and Ministry of Defence grants

Archives and Records Service

- Increased provision of specialist sold services including records management service provision to Winchester Cathedral and Hantsfile analysis work
- Review of digitisation strategy and increased capacity to meet growing demand for charged-for digitisation services
- Exploration/ development of income streams including philanthropic giving/donations in partnership with Hampshire Archives Trust
- Progression of plans for commercial partnership for online access to unique archival sources (e.g. family history)
- Development of Hedge End Records Management Centre and assessment of potential for sold services
- Development and wider utilisation of volunteer support which is already well established

Arts and Museums Service

- Phases 1 and 2 of the arts and museums service review has provided an opportunity to plan effectively for 2014/15
- Complete FIM option analysis : decision 2013 for implementation 2014
- Embed and support the successful professional/volunteer delivery model
- 2% savings will be delivered through efficiencies in: the Collections section; Hampshire Wardrobe as well as the rent of space at Chilcomb
- Building on successful programs run in 2012 e.g. Legomania
- Target external project funding e.g. HLF, and Trident Foundation
- Major effort towards Renaissance Strategic Funding for 2014/15 based on current collaborative work and with strong emphasis upon digital and added value programmes to maximise opportunities for audience development.

Countryside Service

- Sustain and increase income (2012/13 was £300,000 up on 2011/12 and this years 2 million counted visitor target already broken)
- 2% cuts will mostly be met by reductions a major country Parks based on identified income opportunities e.g. less weather dependent facilities (target to be financially self-supporting by 2016 - net costs reduced by 33% over last two years)
- Targeted external funding applications e.g. HLF for Royal Victoria
- Maximising use of volunteers (15,000 volunteer days in 2012/13)
- Completion of team reviews focusing on core priorities and front line
- Sustain sold services 'offer' properly balanced with core service
- Improved customer service with focus on safe, welcoming and good-quality venues and activities e.g. developing catering with HC3S

Outdoor Service

- Key drive to sustain educational activity levels and income in promoting high-quality, high-value products in a challenging market (income up 5% this year)
- Review of key support functions to maximise efficiency and cost-effectiveness e.g. admin and support services
- Developing and marketing new business areas and partnerships
- e.g. Runways End, Armed Services Community Covenant, Cass Foundation.
- Building upon Olympic legacy e.g. velodrome at Calshot with track cycling fully booked until April 2013
- Rationalising and integrating service provision and use of assets e.g. Beaulieu Development Centre