



Hampshire
County Council

Culture and Communities Select Committee Budget Briefing 2014/15

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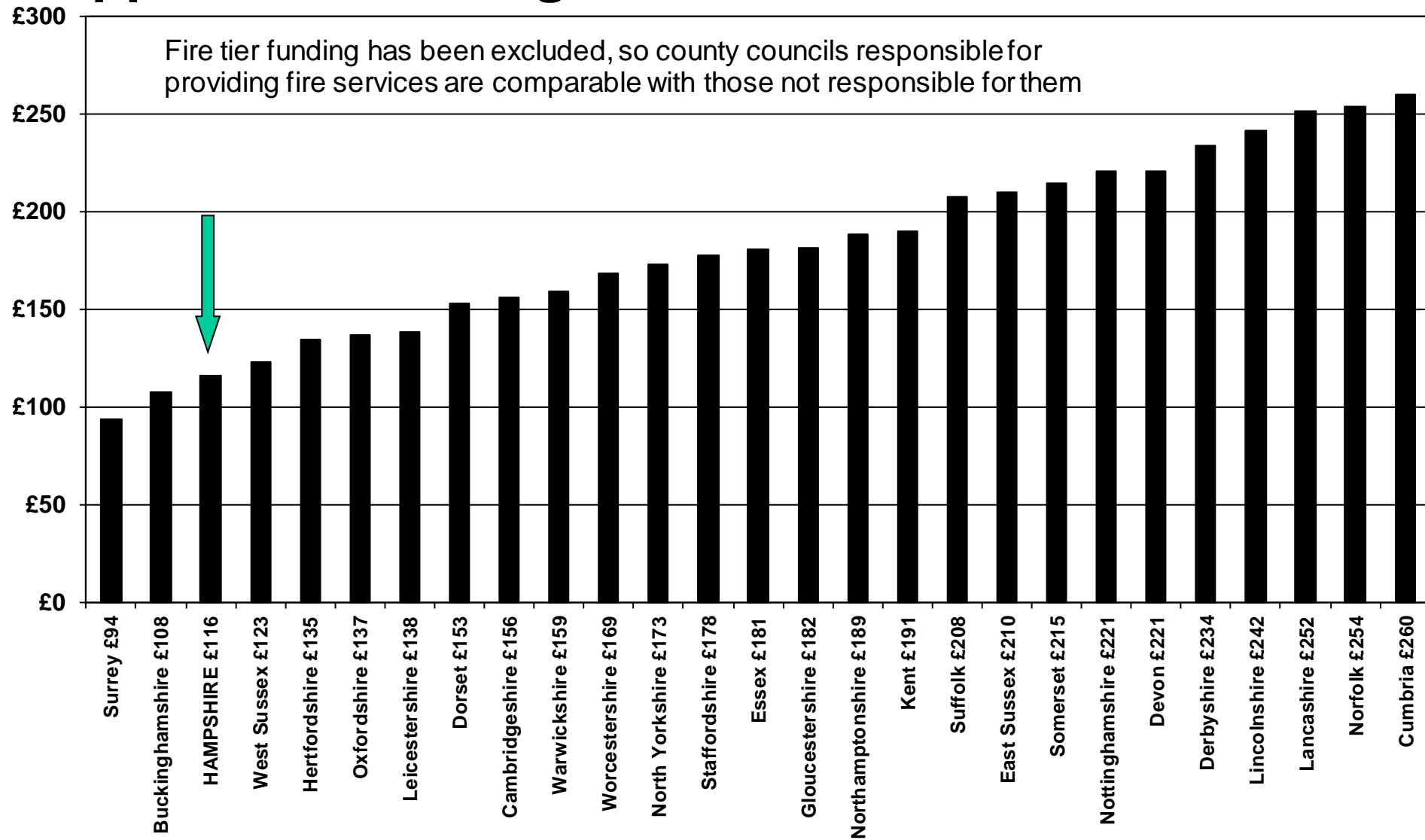
Presentation outline

- Background to the grant settlement
- Impact on the County Council's overall budget position
- Culture, Recreation and Countryside budget proposals
- Meeting the savings target to 2015
- Workforce implications

Key Issues for 2014/15

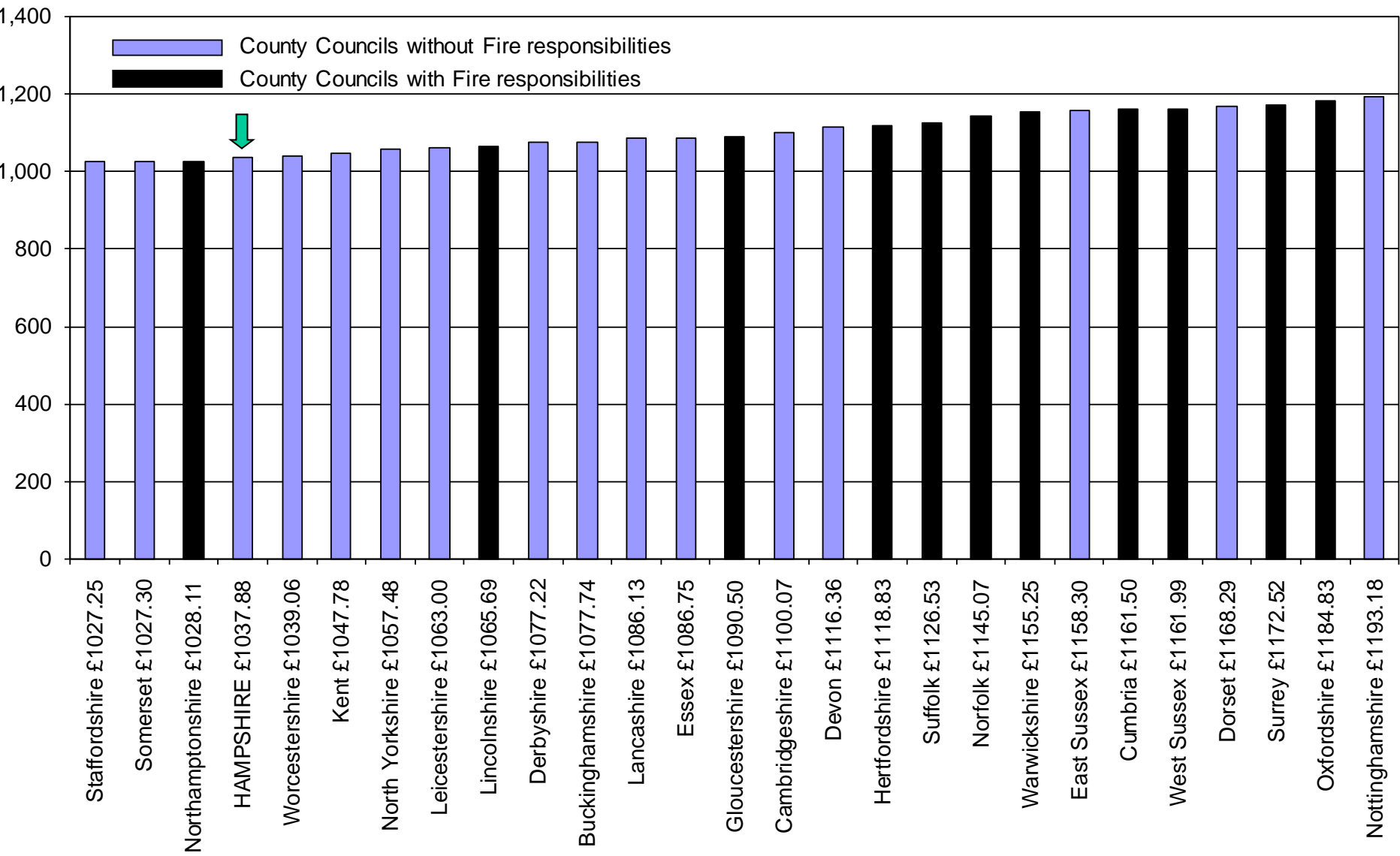
- Impact of Council Tax Support Schemes
- Impact of Business Rates Retention
- Finance Settlement for 2014/15
- Budget position for 2014/15 and 2015/16

Upper Tier Funding Per Head 2014/15



Council Tax 2013/14

£/band
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Low Grant, Low Council Tax

Grant levels per head the same as Kent
(average figure) would give us £95M more

Council Tax levels the same as Nottingham
(highest figure) would give us £73M more

Council Tax 2014/15

- Hampshire County Council: Council tax freeze proposed to continue for 2014/15
- A survey of county councils before the settlement indicated that:
 - 41% were planning to freeze
 - 59% were planning an increase
- However, the announcement in the settlement that freeze funding will be baselined has led to some councils reconsidering whether to proceed with their planned increase
- Lack of an announcement on the referendum limit may also further persuade some Council's!

Impact of Council Tax Support Schemes

- Council Tax Support Schemes (CTSS) replaced council tax benefit from April 2013
- Reduction in council tax base replaced by Government grant of £43M (after 10% national cut)
- Funding now in baseline grant and being cut in 2015/16 (and probably to 2017/18)
- All Council's had difficulties estimating the impact on council tax bases and collection rates
- Actual impact less than anticipated
- Council tax surplus of around £6.5M (£5.0M higher than forecast)

Impact of Business Rate Retention

- HCC to keep 9% of business rates collected in Hampshire from April 2013
- Huge problems in forecasting income for 2013/14
- Only getting worse – impact of accruing for appeals not understood across the country or in Government
- Many Hampshire Districts at the ‘safety net’ (i.e. they have lost more than 7.5% of their BR income)
- Significant one off impact in 2013/14 leading to Business Rates collection fund deficit of £1.9M
- Some knock impact to estimates for 2014/15 resulting in loss of £1.4M compared to forecasts
- Loss of income as a result of business rates cap to be compensated by Government but no details yet!

Local Government Settlement

- No major changes to methodology (for once!)
- New Homes Bonus being retained in current form (funding for LEPs now through additional borrowing)
- Council Tax Freeze Funding 'in baselines' from 2016/17
- Revenue support grant lower by £1.4M following further 1% cut to Government Departmental Expenditure Limits
- Business Rates Top Up reduced by £800,000 but assume this will be compensated by Government s31 Grant

Council Tax Freeze Grant

- Council tax freeze funding for 4 years (11/12, 13/14, 14/15 and 15/16) expected to be built into future grant baselines
- For HCC we had assumed that £28.4m would drop out in 2016/17 (the 'cliff edge')
- BUT – not entirely sure what this means, could be funded by greater cuts to grant levels from 2016/17
- Details may not be available for some time, but in relative terms HCC would still expect to be better off

Budget Forecast 2014/15 - Summary

- £17.8M loss of Government grant
- £12.4M inflation and base changes
- £11.5M of social care growth
- £6.3M of savings from Children's for Early Intervention Grant loss and £3M of slipped savings from Adults
- Assumption of no increase in Council Tax
- Net Deficit of £32.2M for the year

Budget Forecast 2014/15 – Other Issues

- 2% Annual Efficiency Target ‘rolled up’ into 2015/16 target to allow longer time for delivery
- Housekeeping workstream to generate investment and inflation savings of £6.8M
- Balance of funding (£25.4M) to come from Grant Equalisation Reserve
- In line with stated direction of Medium Term Financial Strategy when budget was set in February 2013

Updated Position 2014/15

Anticipated draw from Grant Equalisation Reserve	25.4
Loss of Revenue Support Grant	1.4
Business Rates collection fund deficit 2013/14	1.9
Lower 2014/15 retained business rate estimates from Districts *	1.4
Council Tax collection fund surplus (above forecast)	(5.0)
Revised draw from Grant Equalisation Reserve	<hr/> 25.1 <hr/>

* Seeking clarification from Districts on the basis of their estimates following business rate changes in Autumn Statement

Transforming the Council to 2015

- Target of £93.2M to be in place by April 2015
- Programme based around corporate workstreams as in previous years
- External spend, working with Health and Integrated Business Centre a key focus, but looking again at senior management, IT spend and staff overheads
- As in previous programmes, early delivery of savings within 2014/15 budget will generate funding for the costs of change
- All savings proposals to be approved as part of 2014/15 budget

Culture, Recreation and Countryside proposed budget

£'000

Revenue budget:

Revised budget for 2013/14

23,397

Savings in 2013/14

528

Proposed budget for 2014/15

22,420

Proposed savings in 2014/15

74



Revised budget 2013/14

	£'000
Total net expenditure	<u>23,397</u>
Forecast overspend at end of Quarter 3 –	99
Pay award pressures	
Other pressures (net)	13
Draw on Cost of Change Reserve	-112
Forecast balanced budget by year end	0

Proposed budget 2014/15

£'000

Cash limit set by Cabinet	22,468
Trading unit surplus	-48
Total net expenditure	22,420

Savings Plans to 2015 – Firm Proposals

£'000

Reduction in revenue grants and policy initiatives

154

Community Support staffing restructure

47

Savings Plans to 2015 – Other Proposals

£'000

New library strategy and staffing re-structure	300
Strategic review of Countryside	275-340
Cultural Trust	80–100
Archives - service review	80-100
Expenditure reduction/income generation at Outdoor Centres	40-50
Alternative delivery model for SHIOW	20-25
Total	795-915

Workforce Implications

	Full time equivalent (FTE) numbers
FTE staff as at 31 March 2014	706
Transfers and other changes	-87
Changes relating to savings proposals	-2
FTE staff as at 31 March 2015	<hr/> 617 <hr/>

Any Questions?

Culture and Communities Select Committee Departmental Priorities

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Budget Summary

	Revised 2013/14 £,000	2014/15 £,000
Community:		
Libraries	13,416	12,970
Sport	196	210
Community Support	335	343
Culture & Heritage:		
Countryside	3,116	3,053
Outdoor Centres	652	443
Arts and Museums	2,979	2,813
Archives	987	956
Cultural & Community Grants) Including Policy Fund)	1,680	1,680
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Total	23,361	22,468



Key Challenges

- Interim Trust Board for Arts and Museums Services
- Transformation of Country parks
- Review of Countryside Estate
- Maintaining/improving levels of income/moving to self sufficiency
- Customer satisfaction and channel shift
- Reducing Management capacity
- Growing Volunteer/community capacity
- Partnership Working
- Grants – more challenge around outcomes
- New Library Strategy to include staffing restructure

Impact of 12% reductions

- Proposed to support services from Policy and Resources Budget
 - Accredited Community Safety Officer (ACSO) Service
 - Workstyle
- Minimal staff reductions
- Non-filling of vacancies
- Additional income/grants

Library Service

- 48 Libraries, 3 Discovery Centres, 2 Community Libraries
- 6.1 million visits 2012/13
- 7.1 million issues 2012/13
- 612 staff – 388 full time equivalent

Impact of 12% Reduction on the Library Service

- 12% reduction would be over £1 million
- Reduced to £300,000 due to funding from Policy and Resources budget

Impact of 12% Reduction on the Library Service

- Make the saving by:
 - Re-providing Library Services in Grayshott, Kingsclere and Milford-on-Sea - £50,000
 - Reducing number of mobile library stops from about 350 to 250, lose one vehicle and Family Library Link - £130,000
 - New staffing restructure - £tbc



Sport

- Sport Hampshire and Isle of Wight (SHIOW) – hosted by Hampshire County Council
- Mainly funded by Sport England and HCC
- “Inspiring more people to be more active, more often”
- Hampshire Talented Athlete Scheme
Olympic Legacy Co-ordination
Hampshire School Games
- May move out of HCC by 2015/16

Community Support

- Provides support to Community Associations across Hampshire, also works with the Armed Forces and Gurkha and Nepalese communities
- Co-ordinates all the CCBS grants - £1.3m
- Also co-ordinates Armed Forces Community Covenant grants – 27 projects, £1.25m into Hampshire since 2011.

Archives and Records Service

- Continue to build business sustainability plans including developing partnerships (eg Hampshire Archives Trust, Universities, Winchester Cathedral)
- Contribute to corporate efficiency savings through effective records management including supporting the Workstyle programme and Hantsfile benefits realisation project (transition towards the 'paperless office')
- Plan for delivery of 12% savings for 2015/16 through robust and proactive income maximisation, including sold services, digital pay per view, combined with reshaping core services
- Apply for national quality accreditation to ensure best practice, to deliver customer expectations, support development and meet service standards

Arts and Museums Service

- Establish the Hampshire Solent Cultural Trust with targeted transfer of services and staff by September 2014
- Active support and induction for interim trustees and chief executive roles within the Trust
- Delivery of 2014 Big Theme Programme (1914 First World War) and preparation for subsequent programmes including Dinosaurs 2015 and Jane Austen 2017
- Build on successful public programmes delivered in 2013/14 (e.g. LegoMania 2013 at Milestones and touring)
- Establish the Heritage Lottery Fund Catalyst funded project, Inspiring a Culture of Philanthropy: a 3 year programme supporting fundraising across the Hampshire Solent museums sector
- Target external project investment for Hampshire Solent cultural offer (building on £2.2 million secured 2011-14), including leading on a consortium bid to Arts Council England for strategic funding



Countryside Service

- Developing and implementing the programme to transform our country parks to become financially self-sustaining by 2016
- Reviewing the non-country park estate to establish new, more cost effective ways of working. Collaboration with partners will be key to this
- Improving further the opportunities for people to volunteer – building on the Service's current 22,000 volunteer days a year
- Continuing to improve customer service – maintaining national accreditations and working with our on-site partners to provide safe and welcoming venues with popular, year-round activities
- Ensuring that countryside services are tailored to help deliver HCC priority objectives. e.g. 35,000 high quality educational visits and opportunities for healthy activities



Outdoor Service

- Continue to drive capacity across all the centres by identifying new capital opportunities to allow growth
- Seek external funding streams and where possible match funding with any revenue surplus to realise targeted development opportunities and improve existing provision to enhance the customer offer, e.g. Aiming High, Tile Barn Development, key facilities at Calshot
- Actively market high quality service provision to sell services to other Local Authorities, e.g. West Berkshire, Isle of Wight, Brecon Centre clients
- Continue to integrate working practices across all the centres driving efficiencies in all areas of administration and operational practice. Major focus upon catering and hospitality at Calshot
- Develop the successful partnerships at the Mountain Centre and at RWE, e.g. RWE in their second year of operation have managed to increase income from residencies by 94.7% after 3 quarters compared to whole of previous financial year