



Hampshire
County Council

Policy & Resources Select Committee

Revenue Savings Proposals

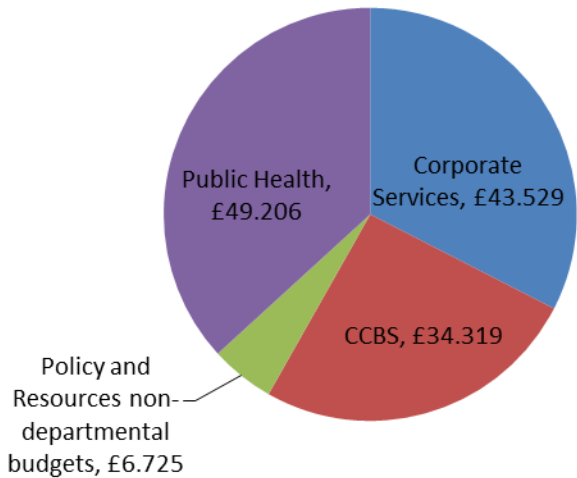
Rob Carr – Head of Finance

Summary

- Current budget and Transformation to 2017 (Tt2017) savings target for departments within Policy & Resources
- Key services and associated costs
- Savings already delivered as part of Transformation to 2015
- Approach to developing proposals for Tt2017
- Proposed savings for Tt2017
- Key points identified within Equality Impact Assessments
- Highlights from recent Spending Review public consultation

2015/16 Budget and Tt2017 savings targets

Policy and Resources - 2015/16 Original Budget (£133.8m)



	Savings Target £'000
Corporate Services	6,201
CCBS	4,875
P&R non-departmental budgets	625
Public Health*	0
Total savings target for Policy and Resources	11,701

** No savings target applied to Public Health as funded by a ring-fenced specific grant*

Policy & Resources - Key services

- Corporate Services:
 - Corporate Resources - includes HR, Finance, IBC Shared Services, IT, Internal Audit and Hantsdirect (£32.5m)
 - Policy & Governance – includes Communications and Performance, Legal Services, Governance, Policy and Transformation (£7.1m)
 - Other Corporate Services – includes Chief Executives Office, Learning & Development for Corporate Services (£4.0m)
- CCBS :
 - Community – includes Library and Registration Service, Trading Standards, Grants fund and Business Support (£17.0m)
 - Business Services – includes Workstyle, Facilities Management, Sir Harold Hillier Gardens and Scientific Services (£9.2m)
 - Culture and Heritage – includes Countryside, Outdoor Centres and Archives and Records (£7.4m)
 - Property Services (Turnover of £29.2m with a £1.3m cash limit)
 - CCBS also runs a number of income-generating Business Units with a turnover in excess of £54m

Values as per 2015/16 original budget

Policy & Resources - Key services

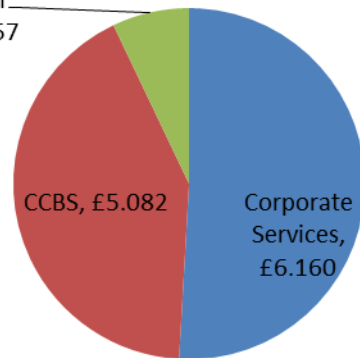
- Policy & Resources non-departmental budgets – includes:
 - Members expenses/support costs (£1.7m)
 - Members Devolved Grants budgets (£0.6m)
 - Corporate Expenses (£0.1m)
 - Grants to Councils of Voluntary Services, voluntary organisations and contributions to other organisations (£1.1m)
 - Supporting Troubled Families (£1.6m)
 - Corporate Procurement (£0.6m)
 - Other corporate expenditure, including External Audit Fee, Former Direct Service Organisations (DSO) pension costs, salary sacrifice scheme, Rural Affairs, Southern Sea Fisheries and subscriptions (£1.0m)

Values as per 2015/16 original budget

Savings delivered as part of Transformation to 2015 programme

Policy and Resources - Tt2015 Savings achieved - total £12.099m

Policy &
Resources non-
departmental
budgets, £0.857



In addition, £4.410m of responsibilities transferred to Public Health

Savings delivered as part of Transformation to 2015 programme

	Full-year impact in 2015/16 £'000
Corporate Services:	
Corporate Services – additional 4% saving	1,500
Integrated Business Centre and associated restructure savings within Corporate Resources	1,622
Review of IT processes / software / hardware / management (net of additional IBC licencing costs)	1,851
Efficiencies within HantsDirect	302
Removal of vacant posts in Communications and Performance team	225
Restructure and other efficiencies within Policy and Governance	500
Restructure within Internal Audit	87
Other smaller Corporate Services savings	73
Sub-total Corporate Services	6,160

Savings delivered as part of Transformation to 2015 programme

	Full-year impact in 2015/16 £'000
CCBS:	
Workstyle Implementation	2,000
Trading Standards senior management re-structure	325
Reduced grants to community organisations	154
New Library strategy	300
Closure of Accredited Community Safety Officer service	1,500
Review of Registration service pricing strategy	105
Review of term maintenance contract agreements	237
Review of countryside service	120
Property Services efficiencies and increased income	112
Other smaller CCBS savings	334
Sub-total CCBS	5,082

Savings delivered as part of Transformation to 2015 programme

	Full-year impact in 2015/16 £'000
Other Policy and Resources non-departmental budgets:	
Review and housekeeping of centrally held budgets	255
Reduction in grants and contributions to other bodies	125
Reduction in external audit fee	74
Other Policy & Resources non-departmental budget savings <i>(includes release of historic underspends and inflation management)</i>	403
Sub-total Other Policy and Resources	<hr/> 857
Transfer of responsibilities to Public Health	4,410
Total savings proposals for Policy and Resources	<hr/> 16,509 <hr/>

Approach to developing proposals for Transformation to 2017 (Tt2017)

- Initial Opportunity Assessments process identified potential areas for savings across Corporate Services and CCBS
- External challenge and further refinement of proposals – Deloitte's & internal peer review
- Shaping Hampshire Spending Review consultation
- Programme of proposals identified for consideration by Executive Member, Cabinet and County Council

Objectives of Tt2017

- Save £11.7m across Policy and Resources
- Maximise opportunities for transformation to achieve efficiencies – minimise service impact by doing things differently
 - External spend - innovative partnerships with suppliers
 - New operating models to enable new ways of working
 - Replace budget funding with traded income where appropriate
- Grow traded services
- Looking beyond 2017 – building a sustainable approach

Proposals for Tt2017

	Full-year impact in 2017/18 £'000	Estimated FTE impact
Corporate Services:		
<i>Corporate Resources</i>		
Changing the way that professional Finance services are provided	400	10.0
Changing the way that professional HR services are provided <i>(Estimated net saving reflects investment in focused externally commissioned services)</i>	340	22.0
Expanding traded services opportunities for Internal Audit	80	-
Re-designing business support functions in Corporate Services	220	6.0
On-boarding of new customers to the Corporate Resources shared service offer	500	-
Changing the way that IT services are provided <i>(Estimated saving includes £1.7m staffing reductions, £0.3m contractor savings and £0.4m efficiencies through more effective market management of contracted services)</i>	2,354	32.0
Using latest technology to modernise and improve how Hantsdirect provides front-line services	360	20.0
Overachievement of previous savings programmes in Corporate Resources	1,000	-
Sub-total Corporate Resources	5,254	90.0

Proposals for Tt2017

	Full-year impact in 2017/18 £'000	Estimated FTE impact
Corporate Services:		
<i>Policy and Governance</i>		
Consolidation of the Policy and Governance operating model and identification of housekeeping savings	347	6.0
Reviewing the way in which the County Council manages and provides communication and other related services	50	1.0
Ceasing production of residents publication <i>Hampshire Now</i>	200	-
Growing the Legal Services traded service offer	200	-
Identification and release of efficiencies achieved within Policy budgets	150	-
Sub-total Policy and Governance	947	7.0
Sub-total Corporate Services	6,201	97.0

Proposals for Tt2017

CCBS	Full-year impact in 2017/18 £'000	Estimated FTE impact
Transformation of Outdoor Activities Centres, VR in Archives and Records, Risk, Health and Safety, and reduction in grant to Hampshire Cultural Trust	437	3.0
Country Parks Transformation and delivery of sites management and access strategy including changes through VR.	361	6.0
Development of new operating models following VR in Business Support, Community Services and Sport. Refocus of grants allocation based on outcome.	611	14.0
Changes in Library Service staffing through VR as part of Library Service Transformation to 2020.	947	30.0
Increased income to Hillier Gardens and operating efficiencies in Print Sign Workshop.	294	2.0
New operating model in Trading Standards as part of longer-term transformation	301	5.0
More efficient use of built estate through Workstyle programme and Facilities Management, and efficiencies in County estate, County farms and development account	1,358	18.0
Over-achievement of previous programmes	566	-
Sub-total CCBS	4,875	78.0

Proposals for Tt2017

	Full-year impact in 2017/18 £'000	Estimated FTE impact
Other Policy and Resources non-departmental budgets:		
Reducing the revenue budget contribution to the Corporate Procurement team	86	-
Reduction to the level of funding available to voluntary organisations, including Councils of Voluntary Services	120	-
Reducing amount spent on Corporate Expenses	30	-
Reducing the annual devolved grant budget provided to Members <i>(Reducing from £8,000 to £5,000 per annum, 37.5%)</i>	234	-
Housekeeping savings against a range of Policy and Resources non-departmental budgets	155	-
Sub-total Policy and Resources non-departmental budget savings	625	-
Total savings proposals for Policy and Resources	11,701	175.0
Savings Target	11,701	
Potential over / (under) achievement of savings target	0	

Equality Impact Assessments

EIAs undertaken for all new proposals to ensure impacts on groups with protected characteristics identified and considered in the decision-making process

- Corporate Services:
 - No high impacts identified
 - Potential medium impacts identified for proposals to changes within Hantsdirect but further work will be needed to fully understand and consider mitigating actions
- CCBS:
 - No high impacts identified
 - Potential medium impacts identified for proposals for the Outdoor Service, the management of the Countryside sites and the Sign Workshop delivery model, with further work needed to look at mitigating actions.
- Policy and Resources non-departmental budgets:
 - No high impacts identified
 - Potential medium impacts identified against proposals for a further reduction in the annual grants allocated to Voluntary and Community Sector infrastructure organisations. This impact will be mitigated through continued engagement with the Councils of Voluntary Services and other organisations

Highlights from *Shaping Hampshire - Spending Review Consultation*

- *Hampshire Now*
 - 79% of respondents to the telephone survey indicated a preference to cease production of the Hampshire residents publication
- CCBS
 - 72% of respondents indicated a preference to increase income at Hillier Gardens with 27% preferring to review grant funding to community and voluntary organisations
 - Country Parks, Right of Way and Libraries in the top three ‘most used’ services in the last 12 months

Next steps

- Where decisions can be made by Chief Officers, proposals will move in to implementation
- Further detailed consultation will be required for some CCBS proposals e.g. Outdoor Service
- Where formal decisions required these will be taken back to Executive Members as appropriate