

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member for Policy and Resources
Date of Decision:	26 January 2011
Decision Title:	Policy and Resources Revenue Budget for 2011/12
Decision Reference:	2467
Report From:	The County Treasurer and Chief Officers

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1. Executive Summary

- 1.1. This report seeks approval for submission to the Leader and Cabinet the revised budget for 2010/11 and detailed proposals for the 2011/12 revenue budget. A medium term financial plan to cover the period 2012/13 to 2014/15 will be developed for consideration by Cabinet later in 2011.
- 1.2. This report has been prepared in consultation with the Executive Member and will be reviewed by the Policy and Resources Select Committee. It will be reported to the Leader and Cabinet on 11 February 2011 to make final recommendations to County Council on 24 February 2011.
- 1.3. The report considers revisions to the 2010/11 budget. In respect of the 2011/12 budget the report includes detailed proposals for achieving the savings required to meet the budget guideline, the redeployment of resources, the annual review of income and charges and the workforce implications of the proposed budget.
- 1.4. The budget proposals contained in this report are derived from the corporate efficiency and expenditure reduction workstreams and departmental service plans which have been developed to support the priorities of the Corporate Strategy.

2. Contextual information

- 2.1. The Cabinet agreed a three year budget plan for 2010/11 to 2012/13 in February 2010. This included proposals for corporate efficiency savings of £15m per annum in 2011/12 and 2012/13 in view of the expected reduction in government grant from 2011/12. However as the extent and pace of the public spending reductions required to consolidate the public finances has become clearer, the budget plan for 2011/12 and 2012/13 has been reviewed during the Spring and Summer of 2010. Following the new

government's Emergency Budget in June, The Cabinet approved an Efficiencies and Expenditure Reduction Programme in July 2010. Its main features were as follows:

- Planning on the basis of an 8% per annum reduction in service budgets in 2011/12 and 2012/13, in addition to the previous £15m corporate efficiency savings target, in anticipation of a reduction in Government grant of over 15% in 2011/12; and
- Establishing a number of corporate efficiency workstreams, designed to minimize the impact on front line services of achieving the planned spending reductions.

- 2.2. The subsequent Spending Review announcement in October 2010, and the Revenue Support Grant settlement in December have confirmed that spending reductions on the scale planned are both sufficient and necessary to meet the actual reductions in Government grant that have now been announced. The grant settlement covers the two year period 2011/12 and 2012/13 and the County Council's loss of formula grant is 14.3% and 10.4% in the two years respectively. Though the majority of the former specific and area based grants have been transferred into formula grant, the reduction in the remaining grants is in excess of 20% in 2011/12. The Cabinet in December 2010 therefore confirmed that service budgets should be prepared on the basis of the planned 8% reduction in spending and that in addition reductions in specific and area based grants should be 'passported' to the relevant service, to the extent that the reduction in grant exceeds the savings relating to grant funded expenditure in the service's savings proposals.
- 2.3. Though the Spending Review covers the four year period to 2014/15, the Government proposes to carry out a review of grant distribution arrangements prior to 2013/14, so that the Government grant payable to the County Council in 2013/14 and 2014/15 is uncertain. In view also of the tight timescale for formulating the 2011/12 budget following a relatively late grant settlement, proposals for a medium term financial plan covering the period 2012/13 to 2014/15 will be submitted to the Cabinet later in 2011.
- 2.4. The budget strategy is closely linked to the Corporate Strategy and Corporate Improvement Plan to ensure that savings are achieved, where possible, in accordance with the corporate workstream priorities agreed by the Cabinet.
- 2.5. For this service, the budget guideline for 2011/12 is £71.4 million.

Key Issues

3. Revised budget 2010/11

- 3.1. The cash limit for the revised budget is £82.7 million. The calculation is shown in Appendix 4.
- 3.2. The forecast outturn for 2010/11 is expected to be below the cash limit. In line with the revised financial management policy, all under spends in cash

limited budgets may be carried forward within the cash limit if they are to be used to contribute to and support the change agenda. Such carry forwards will be in consultation with the Treasurer.

- 3.3. Comments on specific departmental budgets are shown below.

Chief Executive's Department (including Human Resources)

- 3.4. As a result of previous years' under spending and reductions in the current year, the department is projecting to under spend at the end of 2010/11 across most budgets. It is proposed that this sum is earmarked to assist in the achievement of further reductions and efficiencies, as detailed below. Under spends have been partly achieved through vacancy management across the department during the year, resulting in a reduction of approximately 10 posts.
- 3.5. The Workforce Projects Planning and Remuneration Team has some additional temporary funding. Under spending from 2010/11 could be allocated to maintain this essential resource during 2011/12 in order to support the corporate workforce efficiency programmes. This team directly facilitates the delivery of significant corporate savings and helps to maintain the focus and momentum on the workforce efficiency programme.
- 3.6. It is proposed that under spends achieved in 2010/11 are also used to contribute towards future redundancy and early retirement costs, ensuring that overall savings are achieved sooner.
- 3.7. The costs associated with the implementation of system and business process changes, to drive reductions in operating costs, are also proposed to be funded from under spending in 2010/11.
- 3.8. The work of the Equal Pay Team for the remainder of this financial year is focussed on collating and reviewing the considerable amount of information which claimants have cited, in order to determine the Council's prospects of success on individual cases. At this stage, the team is projected to under spend on its budget allocation from the Equal Pay Reserve by approximately £40,000. In addition, the budget provision for external legal costs, as funded from the same reserve, is projected to be under spent by approximately £150,000. It is proposed to return these balances to the reserve to fund costs incurred in resolving equal pay claims in future years.

County Treasurer's Department

- 3.9. The department is working to deliver savings in 2010/11 to fund the costs of the reorganisation and structures required to deliver the ongoing savings necessary in 2011/12. Every opportunity is taken to reduce expenditure and commitments, including the continuation of turnover and vacancy management.
- 3.10. To enable a consistent approach across the departments and to simplify the capture of efficiency savings the devolved finance unit cash limits returned to the Treasurer's Department during the year.

Property, Business, Regulatory and IT

- 3.11. The department is expecting to achieve a significant planned under spend against its cash limited budget through the early implementation of savings plans. In accordance with the revised policy on carrying forward under spends, the department plans to carry forward under spends from 2010/11 into 2011/12 for various purposes, with the most significant call being the cost of voluntary redundancies. This includes revenue savings achieved in the early years of the Workstyle project, for which the funding model assumes that savings will be redeployed as part of the funding strategy for the upfront investment required.
- 3.12. Regulatory Services has already implemented a range of cost reduction measures through vacancy management and non-pay budget savings. Early investigations into the feasibility of a shared services approach to scientific testing work between the Council and Hampshire Police Authority are underway. Initial indications suggest that this has the potential to deliver financial benefits to both organisations to contribute towards saving targets. If the project goes ahead, subject to approval of the business case, it is anticipated that £300,000 would be required in 2011/12. This could be met from under spends achieved by the department during 2010/11. It is anticipated that the remainder of under spends from 2010/11 could be used towards funding the department's share of one-off costs associated with senior management reductions which are expected to be incurred in 2010/11 and 2011/12.

Other budgets within the Policy and Resources cash limit

- 3.13. Members' devolved budgets total £1,046,585 for 2010/11, including £266,585 carried forward from 2009/10. To date, authorised grants of £486,787 have been processed for payment. Under the approved scheme, unspent amounts can be carried forward once but not twice. In accordance with this policy, any unspent balance at the end of 2010/11 will be transferred to the Corporate Policy Reserve.
- 3.14. The fee from the Audit Commission for 2010/11 is expected to be in the region of £45,000 lower than the current budget. This is partly due to a reduction as a result of a decision by the Audit Commission to reduce fees in 2010/11 following their revised approach to local value for money audit work and because of a rebate for one year only, funded from reserves, for the extra audit costs associated with the implementation of International Financial Reporting Standards.
- 3.15. The budget for grants to voluntary organisations has not been fully committed and currently has an unallocated balance of £54,995. In accordance with the change to financial policy agreed by Cabinet in October 2010, budget allocations unspent at the end of the financial year can be carried forward to 2011/12, via the Corporate Policy Reserve, to support the efficiencies and expenditure reduction programme.

Other budgets outside the cash limit

Coroners

- 3.16. Pressures on the budget for Her Majesty's Coroner Service continue as in previous years. The cost of investigations and testing required to carry out the Coroner's role continue to increase ahead of inflation. The current outturn forecast for 2010/11 is £1.337 million. This is an increase of 5.1% against the actual spend in 2009/10 of £1,272,316.

4. Proposed budget 2011/12

- 4.1. The provisional budget for 2011/12 prepared last year was £67.84 million. This has now been updated for:
- revised base budget adjustments
 - an adjusted allocation for future inflation
 - revised saving and redeployment proposals (section 5 below).
- 4.2. Details of these adjustments are shown in Appendix 5.
- 4.3. The main adjustments required to update the 2011/12 budget are as follows:
- Transfers to and from other departments for Facilities Management (+£956,000), Older People's Wellbeing team (-£108,200), centralisation of IT staff (+£2.838 million), centralisation of budgets for devolved finance units (+£7.882 million) and procurement staff (+£154,000).
 - Reduction of cash limits across Policy and Resources (-£2.433 million) to meet the Policy and Resources share of the £15 million corporate efficiency savings target included in the provisional budget (referred to as phase 1 efficiency savings).
 - Reductions of cash limits across Policy and Resources totalling £6.295 million as part of the Council's 8% savings target to address the reduction in Government funding.
 - Re-phasing equal pay funding from 2010/11 (£190,000) and additional use of equal pay reserve (£185,000) to meet the pressures of the task in 2011/12.
 - Adjustment to allocation for future inflation of £188,000 to reflect budget transfers from other services.

5. Savings and redeployment proposals for 2011/12

- 5.1. The Cabinet requires all services to consider and report on:
- cost pressures absorbed within the budget guidelines
 - the redeployment of any resources required to offset any inescapable budget pressures, or legislative requirements which otherwise cannot be met within their budget guidelines

- savings and efficiency improvements.
- 5.2. Appendix 1 sets out the redeployment and savings proposals for Policy and Resources. It includes redeployment proposals of £185,000 and efficiency improvements of £6.8 million.
- 5.3. Departments have been allocated savings targets on the basis of expectations for reduced funding from central government. Phase 1 savings relate to a £15 million savings expectation that was built into the provisional budget for 2011/12. This has now been allocated across departments on the basis of programmes of savings including the implementation of HPSN2, reduction in mileage rates, corporate procurement review, income generation opportunities and facilities efficiencies.
- 5.4. In addition to Phase 1 savings, departments have been allocated a further saving target, calculated as 8% of the provisional budget, in order to deal with the implications of a substantial reduction in government grant for 2011/12. As reported to Cabinet since July 2010, various corporate workstreams have been established to assist in identifying opportunities for meeting these 8% targets within departments. Savings to meet this target within Policy and Resources can be analysed as follows:

	TOTAL
	£'000
Efficiencies	-5,579.5
Income generation	-513.0
Service reduction	-786.0
TOTAL	-6,878.5
8% target	6,295.0
Required to meet pressures	74.1
Savings in advance	-509.4

- 5.5. In terms of corporate workstreams these savings can be analysed as follows:

	Saving £'000
<i>Corporate Workstream</i>	
Senior management	-2,915.9
Recruitment moratoria & support services restructuring	-425.4
Communications	-266.3
Democratic infrastructure	-897.0
Grants	-86.0
Inspection and regulation	-52.1
Income and charging	-224.0
Support and administration	-397.8
Business and shared services	-359.0
Learning, training and development	-48.0
IT cost reduction	-558.0
<i>Departmental savings</i>	-649.0
TOTAL	<u>-6,878.5</u>
Savings in advance	509.4
<i>Departmental pressures</i>	74.1
TOTAL	<u>-6,295.0</u>

6. Chief officer controlled budgets

Chief Executive's Department

- 6.1. The department has been working on its approach to efficiency and expenditure reductions for some time. Wherever possible, the phase 1 efficiency savings of £408,700 have been allocated where they should be achieved. However, in certain areas it will not be possible to make the reduction as the activity is no longer taking place and so the saving will be subsumed within the overall departmental reductions.
- 6.2. With regard to the 8% efficiency targets of £1.084 million for Chief Executive's department and £448,700 for Human Resources, the main focus has been to deliver as much of the savings as possible through the corporate workstreams. The table below identifies the main areas targeted for reduction:

	Chief Exec's 2011/12 £'000	HR 2011/12 £'000	Total 2011/12 £'000
<i>Corporate workstreams</i>			
Senior management	-586.9	-100.0	-686.9
Communications	-209.3	0.0	-209.3
Democratic infrastructure	-137.0	0.0	-137.0
Support & administration	-51.8	-180.0	-231.8
Inspection & regulation	-34.1	0.0	-34.1
Business Services – income generation	-131.0	0.0	-131.0
<i>Departmental savings</i>	0.0	-175.0	-175.0
TOTAL	-1,150.1	-455.0	-1,605.1
8% target	1,083.7	448.8	1,532.5
Savings in advance	-66.4	-6.2	-72.6

- 6.3. The impact on staffing of meeting the 8% savings target, as shown above, will be a reduction of approximately 17 posts, some of which are vacant, some filled on a temporary basis and some permanent staff.
- 6.4. In seeking reductions the approach has been taken to move as quickly as possible and release savings early when they can be achieved. Currently the department has identified reductions of approximately £73,000 in excess of the 8% target for 2011/12. This will help towards the achievement of the further expenditure reductions required in 2012/13.
- 6.5. Certain budgets, such as Local Involvement Network, may present opportunities to achieve savings on a temporary basis. However, the ongoing position with this budget will not be known until the requirements of Healthwatch are clear. The projected timeframe for Healthwatch is April 2012 and therefore new arrangements will need to be established some months in advance.
- 6.6. A critical concern for Human Resources (HR) over the next twelve months is to support the organisation with the efficiency programme whilst contributing towards that programme. Inevitably, the workload has increased significantly and this is likely to continue for the foreseeable future. It will be important to assess the impact of budget reductions across the organisation on central service delivery models. For example, Hampshire Learning Centre (HLC) receives internal income from other departments for commissions. These have understandably reduced, resulting in a need to seek alternative ways of funding the corporate learning and development resource. This matter, including the overall level of corporate funding, will be considered as part of the learning and development workstream.
- 6.7. Due to the scale of organisational change and uncertainty over future funding, the split of savings and reductions will need to remain flexible. The

likely establishment of a Corporate Services Department will result in a transfer of services and functions between departments.

- 6.8. As the rate of change increases across the organisation there is likely to be an increased demand for support at a time when there are fewer staff to deliver that support. It will be important to recognise that the capacity to respond will be affected and the pressure to prioritise the use of resources will increase and become more difficult.

Equal Pay

- 6.9. HR, in partnership with the authority's Employment Law Team, continues to manage the equal pay agenda and regular updates on this are provided to the Employment in Hampshire County Council (EHCC) Committee. Whilst there remains an element of uncertainty, it is anticipated that 2011/12 will be a critical year for the equal pay agenda.
- 6.10. The estimated cost of both the HR and legal staff required to complete this work is £225,000. It is proposed that the £40,000 returned to reserves during 2010/11 from the Equal Pay Team and a further £185,000 be released from the equal pay reserve in 2011/12 to fund the cost of these staff. In addition, it is proposed that the £150,000 returned to reserves during 2010/11 for the cost of external legal support be released from the equal pay reserve in 2011/12 to fund these costs now expected to fall in that year.

Economic Development

- 6.11. During 2011/12 the responsibility for Economic Development will be transferring to the Environment Department and the Assistant Director level post will be filled. The budget for Economic Development includes the remaining LABGI funding spread over three years, with £500,000 in 2011/12 and £490,000 in 2012/13. At this stage it is not known what the successor arrangements, the options for which have been identified in the Local Growth White Paper, will mean financially. Funding in the budget for recession measures, provided from previous LABGI funding, is fully committed. A number of external funding sources are reaching an end, including funding for Future Jobs Fund, market towns, staff supporting apprenticeships, external funding and broadband. The priorities proposed for the future are support for apprenticeships, business start-ups, and rural broadband. The use of one-off budget provision and under spends may be appropriate to fund these areas.

County Treasurer's Department

- 6.12. The pressures of achieving the 8% savings target and savings resulting from the corporate work streams have required a complete review of the department from 2011/12. A new senior management structure, including the removal of a complete tier, is being implemented by April 2011. In Internal Audit, a new shared service approach has been introduced with Southampton City Council and a new Internal Audit Strategy is being implemented. External advisors have been appointed to support the Treasury Management function. This will enable a more active but risk

aware approach to the Treasury Management and Investment Strategies to be adopted.

- 6.13. In addition, a review of transaction processing has been closely linked to the corporate efficiency workstream focussing on support and administrative costs. It is intended to bring together transaction processing from across the department in order to deliver streamlined processes. The following table identifies the main areas targeted for reductions and the departmental pressures which partly offset those savings:

	Saving £'000
<i>Corporate Workstreams</i>	
Senior management	-649.0
Recruitment moratoria & Non-front line restructuring	-100.4
Income and charging	-43.0
Business and shared services	-228.0
TOTAL	-1,020.4

- 6.14. The aim is for these areas to provide efficiency savings for 2011/12 and 2012/13, creating a sound base to move forward into future years.

Property, Business and Regulatory Services and IT

- 6.15. Savings from Phase 1 of the corporate efficiency programme totalling £2.8 million have been incorporated in the 2011/12 budget. A significant proportion of these savings are expected to be generated by the implementation of HPSN2, in addition to the other areas of review.
- 6.16. The department continues to deliver savings in the cost of rates to the Council including schools with forecast reductions of £900,000 in 2010/11. The Hampshire Workstyle project is also being led by the department. This is expected to deliver savings of over £2 million per year once fully implemented, by making more flexible use of a reduced number of office buildings.
- 6.17. Challenging plans have been developed to meet the further 8% savings target of £3.023 million for PBR and IT. The department is currently forecasting to exceed this target and achieve in the region of £3.377 million savings. Any excess in savings achieved will be used towards funding one off restructuring costs in 2011/12 and the achievement of the further expenditure reductions required in 2012/13.
- 6.18. Savings are expected to be achieved through a number of measures outlined in the following table and detailed more fully in appendix 1:

Saving
£'000

<i>Corporate Workstreams</i>	
Senior management	-1,580.0 ¹
Communications	-57.0
Income and charging	-181.0
Support and admin	-166.0
Learning, training and development	-48.0
IT cost reduction	-558.0
Non-front line restructuring	-325.0
<i>Departmental savings</i>	-462.0
TOTAL	<hr/> -3,377.0
8% Target	3,022.8
Savings in advance	<hr/> -354.2

¹ Senior management savings include the withdrawal of market supplements.

- 6.19. The Sir Harold Hillier Gardens and Arboretum is a Charitable Trust with Hampshire County Council as the sole Trustee. The Gardens funds its activities through income generation but continues to receive grant support from the County Council. As part of the expenditure reduction programme the Gardens have been targeted with achieving an 8% reduction (£40,000) in this grant support.
- 6.20. Further proposals for savings will be brought forward as a result of the recently agreed merger between the PBR and IT department and Culture, Communities and Rural Affairs (CCRA) department.
- 6.21. The department is significantly dependant upon external income from other public sector bodies to spread overhead costs across a wider base. Around 25% of costs of the department are covered in this way. External income, including the development of shared services, is expected to come under pressure in 2011/12 as spending reductions take effect across the public sector as a whole. While each service has developed business plans to generate new income streams it is possible that further savings may be required.

7. Review of charges

- 7.1. For Policy and Resources, the 2011/12 revenue budget includes income of £17.97 million from fees and charges. This is an increase of £3.1 million (20.8%) on the original budget for 2010/11. This increase is the net result of a number of factors, many related to the current economic circumstances. Some services are experiencing a reduction in demand, for example the employee support line has fewer external clients and hire of the weigh bridge has ceased. Other services are increasing sales to other authorities, for example the HR pay and contract support service and property services. For other sources of income, prices have increased in line with inflation as far as the market will allow.

- 7.2. There are some mandatory and national charges which the County Council is not able to vary. The main examples relate to the recovery of legal costs and the registration of births, deaths and marriages.
- 7.3. Discretionary charges are reviewed annually except when they are subject to agreements which cover longer periods when the review takes place at the end of the period of the agreement. Examples of charges not subject to annual review are most commercial lease rentals and agricultural lettings.

8. Other Expenditure

Within the Policy and Resources cash limit

- 8.1. Non-departmental budgets within the Policy and Resources cash limit include:
 - Members' devolved budgets
 - Hampshire Action Teams Community Chest
 - Members' support costs
 - Corporate expenses
 - Grants to voluntary organisations
 - Grants to Councils of Community Service
 - Contributions to other national and local organisations
 - Subscriptions to government bodies
 - External audit fee
 - Home to School Transport pilot
 - Funding for corporate costs of apprenticeships
- 8.2. Proposals to meet the savings target for Policy and Resources shown in Appendix 1 include a reduction of £700,000 proposed by the Leader in the Community Chest budget allocated to Hampshire Action Teams to support local community projects. The proposals also include a reduction in the annual grants paid to voluntary bodies of 8% in line with the overall reduction in service spending.
- 8.3. The budget for contributions to other national and local organisations has an additional pressure to meet an increase of £93,000 in the cost of the Southern Seas Fisheries levy. An objection was raised to the revised formula for local authority contributions on the basis of area rather than coastline, however this has not been successful. This pressure is partially offset by surplus capacity in budgets for subscriptions to other bodies, creating a net pressure of £74,100 to be covered by other efficiency savings.
- 8.4. The 8% savings target for other Policy and Resources budgets is £719,400. Measures to meet these savings can be analysed as follows:

	Saving £'000
<i>Corporate Workstream</i>	
Democratic infrastructure	-760.0
Grants	-86.0
Inspection and regulation	-18.0
<i>Departmental</i>	-12.0
TOTAL	<hr/> -876.0
Required to meet pressures	74.1
8% target	<hr/> 719.4
Savings in advance	-82.5

- 8.5. The Audit Commission's recent consultation on fees for 2011/12 proposes a 10% reduction in the scale fee for County Councils in 2011/12, but after allowing for the discontinuation of the one year rebate on IFRS extra costs in 2010/11, the estimated reduction from the 2010/11 fee is only around 3%. A bigger reduction had been anticipated following the abolition of the Comprehensive Area Assessment and a more focused approach to value for money being adopted. The County Council has made representations on this issue.
- 8.6. The Home to School Transport pilot has been re-profiled during 2010/11 and the project is now expected to continue until summer 2011, in order to extend until the end of the school year.
- 8.7. There is currently approximately £35,000 unspent in 2010/11 for corporate costs of running the apprenticeship scheme. It is anticipated that any under spend will be carried forward to 2011/12, during which the pilot scheme is due to end. Any balance remaining of this funding will be returned to reserves.
- 8.8. The budget has been prepared on the basis of the 2010/11 levels for area based grants, as adjusted for in year grant cuts. This includes the grants for Safer and Stronger Communities and Community Call for Action. The level of these grants for 2011/12 will not be known until later in the budget preparation cycle. It has been assumed that spending on these programmes will be reduced in accordance with whatever grant reductions are announced by the Home Office.

Outside Policy and Resources cash limit

- 8.9. The Coroner's Service is budgeted for outside the Policy and Resources cash limit, as the County Council has no direct control over service levels provided and costs incurred. There has been a strong upward trend in the cost of the service in recent years.
- 8.10. The budget includes other items which are not counted against the cash limit. This includes adjustments for pension and early retirement costs in accordance with Financial Reporting Standard 17 (FRS 17). Budgets to

cover depreciation on the assets used to deliver Policy and Resources services and the recharge of central support services will be included for presentation of the budget to Cabinet in February.

9. Business units

- 9.1. The trading accounts of the business units are included in Appendix 2.

Business Services Group

- 9.2. Business units have taken positive actions to ensure that they can respond to the changing context in which they are operating and maintain their competitive position into 2011/12. This approach includes a clear strategy to hold down prices to customers through passing on cost reductions achieved. This has resulted in a reduction in the overall surplus forecast for the group from £839,000 in 2010/11 to an anticipated £8,000 in 2011/12. The summary position is shown in the table below, followed by comments on the individual businesses.

Business unit	Forecast surplus/(deficit)	
	2010/11 revised £'000	2011/12 forward £'000
HC3S	523	(25)
CPCS	223	20
HTM	112	53
HPS	(23)	(40)
PBR CS	4	0
TOTAL	839	8

- 9.3. The trading account of HC3S has benefited in recent years from the School meals Grant which in 2010/11 amounted to £1.2 million. The 2011/12 forecast assumes that no further support will be directly available. A number of measures have been put in place to secure ongoing financial viability of the unit. These include targeting higher meal numbers, in line with the steady increases seen in recent years. All areas of the business have been reviewed to ensure an appropriate level of contribution is achieved. There has been tight control of direct costs and a restructuring of management and support arrangements through a challenging programme of voluntary redundancies. These actions have kept the forecast deficit to a very modest level whilst allowing the school meal price to be held at 2010/11 levels for a further year.
- 9.4. Corporate Procurement and County Supplies (CPCS) is leading the corporate procurement review for the Council. In order to deliver the programme, additional capacity within the unit has been created both through the transfer of procurement staff from other departments and external recruitment. It is expected that the element of the programme which is being conducted by CPCS will cost £282,000 in 2010/11 and £370,000 in

2011/12. Some of the programme costs will be met through trading, and £100,000 in 2010/11 and £320,000 in 2011/12 is expected to be met by the earmarked corporate procurement reserve. The programme is on track to deliver savings in line with agreed targets. Trading operations of the unit continue to forecast a surplus despite evidence in 2010/11 of reduced stores turnover.

- 9.5. Hampshire Transport Management has planned for reduced income in 2011/12 through a combination of measures to reduce costs. This includes a change from leasing to purchasing vehicles, following a review during 2009/10, and a reduction in prices charged to customers. Contract hire prices will be 1.5% lower in 2011/12 than in 2010/11, the third price reduction in five years, with a reduced forecast surplus of £53,000.
- 9.6. Hampshire Printing Services has experienced a significant fall in income levels during 2010/11 following reductions in spending by customers. This is reflected in the revised forecast outturn showing a deficit of £23,000. Traditional print income is expected to fall further in 2011/12. The unit expects an increase in digital income and has made reductions to staffing and other direct costs. However, despite these measures the unit is forecasting a £40,000 deficit for 2011/12 and options for restoring future viability are being reviewed.
- 9.7. The forward budget for the PBR Cleaning Service has been prepared on a like for like basis with 2010/11. However the service will be significantly affected by implementation of the Hampshire Workstyle programme and the centralisation of facilities management services. These changes will be factored into the forward budget once their impact on the trading unit is known.

IT Services

- 9.8. IT Services was consolidated into a single business unit within PBR department at the beginning of 2010/11. The unit maintains a 5 year financial forecast in order to predict and control expenditure and thereby provide stable IT costs for departments. The revised forecast for trading activities 2010/11 is a deficit of £93,000. In addition the service plans to fund £690,000 of capital expenditure for HPSN2 from its reserves during 2010/11. This will result in an overall contribution from the trading unit reserves of £783,000. This takes into consideration both known and anticipated developments as well as expected efficiency savings.
- 9.9. The service continues to invest in several large projects to deliver the necessary tools and infrastructure which underpin corporate change programmes. This includes the Hampshire Workstyle programme, service personalisation, Hantsdirect, web self service and a range of shared services with other organisations. A significant investment has been required for the implementation of HPSN2 which has been funded by IT Services reserves and borrowing in accordance with the prudential borrowing framework. The prudential borrowing will be repaid through the trading unit's activities and recovered through service charges in future years.

9.10. The initial forecast for 2011/12 shows a balanced trading account. This forecast takes into account expected reductions in income from other departments and the 8% reduction to the cash limit. A challenging programme of efficiency measures has been adopted which, together with the development of shared service arrangements, will meet the expected reduction in funding.

10. Workforce implications

10.1. The workforce implications of the proposed budget for 2011/12 are set out in Appendix 3. The 2011/12 budget supports a planned workforce of 2,982 full time equivalent (FTE) staff including 1,136 working in business units. This compares with the original estimate for 2010/11 of 3,073 FTEs which is a reduction of 91 FTEs. This change can be analysed as follows:

	2011/12 FTEs	Cumulative full year effect FTEs
2010/11 original FTEs	1,883.3	1,883.3
Adjustments to original for transfers between departments and revised counting methodology	49.9	49.9
Adjusted original FTEs	1,933.2	1,933.2
Further transfers between departments	59.7	59.7
Changes during 2010/11 not reflected in the original budget	-53.2	-53.2
8% budget savings for 2011/12	-94.0	-136.4
FTE posts available	1,845.3	1,803.3
Business unit FTEs	1,136.3	1,136.3
2011/12	2,982.0	2,939.6

10.2. Many of these changes have already occurred during 2010/11 as set out in Appendix 3. The remaining changes will take place during 2011/12, as part of the corporate efficiency workstreams which generate a total reduction of 94 FTEs as shown in Appendix 1.

11. Risks and Conclusions

11.1. The above proposals set out a revised budget for 2010/11 and the revenue budget for 2011/12.

11.2. The recommended budgets are in line with the budget guidelines set by Cabinet including the 8% savings target.

11.3. The proposed budget incorporates several savings and income generation proposals. A significant part of the savings relate to senior management

savings where decisions have already been taken. There is a low level of risk associated with the implementation of savings in this area which have already been largely identified. Other restructurings associated with delivering the savings are progressing to timescales that should enable the planned savings to be achieved in 2011/12.

12. Recommendations

To approve for submission to the Leader and Cabinet:

- (i) The revised budget for 2010/11 totalling £82.7 million (as set out in appendix 4)
- (ii) The proposals for redeployment of resources totalling £185,000 in 2011/12 (as set out in Appendix 1)
- (iii) The savings proposals totalling £6.8 million (9.5% of the proposed budget) in 2011/12 (as set out in Appendix 1)
- (iv) The annual review of income and charges (as set out in section 7)
- (v) The detailed budget for 2011/12 (as set out in Appendix 2)
- (vi) The workforce implications of the proposed budget for 2011/12 (as set out in Appendix 3).

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Business plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Policy and Resources revenue budget 2010/11, 2011/12 and 2012/13 – Executive Member for Policy and Resources	1111	21 January 2010
Efficiencies and Expenditure Reductions: Transforming the County Council – Cabinet	1926	26 July 2010
Provisional grant settlement 2011/12 and 2012/13 and budget guidelines – Cabinet	2474	22 December 2010

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. A high level equalities impact assessment has been carried out of the main savings included in the budget proposals in this report. Fuller assessments will be made prior to the implementation of the measures to deliver these savings.

2. Impact on Crime and Disorder:

- 2.1. As this is a general report covering the whole of the budget for Policy and Resources it cannot set out detailed crime and disorder implications. However, crime and disorder implications of specific issues raised in the budget would be reflected in individual service plans and project reports where appropriate.

3. Climate Change:

- How does what is being proposed impact on our carbon footprint / energy consumption?

- How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

As this is a general report covering the whole of the budget for Policy and Resources it cannot set out detailed climate change implications. However, climate change implications of specific issues raised in the budget would be reflected in individual service plans and project reports where appropriate.

Appendices

Appendix		Colour
1	Proposals for savings and redeployment 2011/12	Yellow
2	Revenue Budget 2011/12 – budget book detail	Green
3	Workforce levels and costs 2010/11 revised and 2011/12 original	Blue
Technical appendices		
4	Revised budget 2010/11 – calculation of cash limit	yellow
5	Proposed budget 2011/12 – changes from provisional budget 2011/12.	pink

Policy and Resources

Proposals for savings and redeployment 2011/12

Proposals are shown at outturn prices.

Redeployment proposals

To manage claims for equal pay:

Chief Executive's department

HR department

Total redeployment proposals

Funded from the equal pay reserve

	2011/12	Full year effect	2011/12	Full year effect
	£'000	£'000	FTEs	FTEs
Chief Executive's department	100	100	-	-
HR department	85	85	-	-
Total redeployment proposals	185	185	-	-
Funded from the equal pay reserve	185	185		

		2011/12	Full year effect	2011/12	Full year effect
		£'000	£'000	FTEs	FTEs
Savings proposals					
Chief Executive's department					
<i>Corporate workstreams</i>					
C1	Senior management	-586.9	-586.9	-7.0	-7.0
C3	Communications	-209.3	-209.3	-2.0	-2.0
C4	Democratic infrastructure	-137.0	-137.0	-3.0	-3.0
C7	Inspection and regulation	-34.1	-34.1	-1.0	-1.0
C13	Support and administration	-51.8	-51.8	-2.5	-2.5
C15	Business services	-131.0	-131.0	-	-
TOTAL		-1,150.1	-1,150.1	-15.5	-15.5
Amount required to offset implementation costs or carry forward to 2012/13		66.4			
		-1,083.7			
8% savings target		-1,083.7			

		2011/12	Full year effect	2011/12	Full year effect
		£'000	£'000	FTEs	FTEs
	HR department				
	<i>Corporate workstreams</i>				
C1	Senior management	-100.0	-100.0	-1.0	-1.0
C13	Support and administration	-180.0	-180.0	-0.6	-0.6
	<i>Departmental</i>				
	Recruitment advertising	-175.0	-175.0	-	-
	TOTAL	-455.0	-455.0	-1.6	-1.6
	Amount required to offset implementation costs or carry forward to 2012/13	6.3			
		-448.7			
	8% savings target	-448.7			

		2011/12	Full year effect	2011/12	Full year effect
		£'000	£'000	FTEs	FTEs
County Treasurer's department					
<i>Corporate workstreams</i>					
C1	Senior management	-649.0	-690.0	-9.2	-9.6
C11	Income and charging	-43.0	-43.0	-	-
C15	Business services	-228.0	-228.0	-7.4	-7.4
C2/C25	Recruitment moratoria and non-front line restructuring	-100.4	-911.4	-11.3	-41.0
TOTAL		-1020.4	-1,872.4	-27.9	-58.0
8% savings target		-1020.4			

	2011/12	Full year effect	2011/12	Full year effect	
	£'000	£'000	FTEs	FTEs	
Property, Business and Regulatory & IT Services					
<i>Corporate workstreams</i>					
C1	Senior management ¹	-1,580.0	-2,638.0	-25.9	-38.2
C3	Communications	-57.0	-57.0	-1.0	-1.0
C11	Income and charging	-181.0	-181.0	-	-
C13	Support and administration	-166.0	-166.0	-6.0	-6.0
C22	Learning and development	-48.0	-48.0	-	-
C23	IT cost reduction	-558.0	-558.0	-	-
C25	Non-front line restructuring	-325.0	-325.0	-5.6	-5.6
<i>Departmental</i>					
	Departmental efficiencies	-462.0	-462.0	-10.5	-10.5
TOTAL		-3,377.0	-4,435.0	-49.0	-61.3
Amount required to offset implementation costs or carry forward to 2012/13		354.2			
		-3,022.8			
8% savings target		-3,022.8			

	2011/12	Full year effect	2011/12	Full year effect
	£'000	£'000	FTEs	FTEs
Other Policy and Resources savings:				
<i>Corporate workstreams</i>				
C4	Democratic infrastructure	-760.0	-760.0	-
C5	Grants	-86.0	-108.0	-
C7	Inspection and regulation	-18.0	-18.0	-
<i>Departmental</i>				
	HMS Minerva	-12.0	-12.0	-
	Southern Seas Fisheries increased levy	74.1	74.1	
TOTAL		-801.9	-823.9	-
Amount required to offset implementation costs or carry forward to 2012/13		82.5		
		-719.4		
8% savings target		-719.4		
Total savings proposals		6,804.4	8,736.4	94.0
				136.4

¹ includes market supplements

Policy and Resources**Revenue Budget 2011/12**

Reconciliation of the original 2010/11 budget on the following pages with the 2010/11 budget in the published budget book.

		£'000
Net expenditure on page B85 of the published budget book		29,381
Adjustments for items not included in the budget book:		
Support Service recharges	37,853	
Charges to Corporate and Democratic Core	-844	
PSA 2 Reward Grant	1,487	
		38,496
Adjustments made to the original budget figures for transfers between services		12,148
Total net expenditure for 2010/11 original budget shown overleaf on page B85		80,025

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Policy and Resources principally covers the service areas managed by the Chief Executive, County Treasurer, Director of Property, Business and Regulatory Services and the Director of Human Resources. These include centrally managed support services - legal and secretarial, financial and computing, architectural, estates, valuation and central purchasing and human resources - together with office accommodation throughout the County and the maintenance of all County Council buildings and corporately held land. It also includes a range of direct and corporate services.

The budget is divided into the following categories :

- * Property, Business and Regulatory Direct Services..... page B84 - B91
- * Other Direct Services..... page B90 - B95
- * Centrally Retained Expenses..... page B95
- * Centrally Managed Support Services..... page B96 - B111

The 2011/12 budget for cash limited expenditure amounts to £71.4 million at outturn prices. This is a reduction of £9.7 million on the 2010/11 adjusted original budget. The budget includes an allocation for inflation of £1.7 million and redeployment proposals of £185,000. These are offset by efficiency savings of £6.8 million and the exclusion of items by one-off use of reserves or balances and other adjustments between departments totalling £2.9 million.

Property, Business and Regulatory - Direct Services

County Farms

Rent income from the County Council's statutory smallholdings and other holdings exceed the management costs, excluding capital charges. Part of this excess is used to promote the recreational use of land between the Meon and Hamble rivers.

59	Number of tenants - statutory lettings	60	60	60
22	- non-statutory lettings	23	23	23
1,679	Total hectares - statutory lettings	1,672	1,672	1,672
266	- non-statutory lettings	266	266	266

Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
59,209	Total Expenditure	101,675	109,002	100,552
20,460	Total Income other than Government Grants	21,650	22,008	24,023
2,310	Government Grants	-	-	-
36,439	Total Net Expenditure	80,025	86,994	76,529
Analysis of Total Net Expenditure				
71,690	Cash Limited Expenditure	81,049	82,731	71,361
-2,931	Adjustment for Pension Costs	-3,332	938	1,569
-52,763	Support Services, Repair and Maintenance of Buildings	-	-	-
836	Charges to Corporate and Democratic Core	-	-	-
22,647	Capital Charges	1,086	2,107	2,107
-1,949	Trading Units - transfers (to) / from reserves	-35	-39	235
1,272	Coroners	1,257	1,257	1,257
-53	VAT refund	-	-	-
	Less Government Grants :			
796	Local Authority Business Growth Incentives Scheme			
1,454	PSA 2 Reward Grant			
60	PSA Pump Priming Grant			
-	Student finance			
-	Antisocial Behaviour			
36,439	Total Net Expenditure	80,025	86,994	76,529

Property, Business and Regulatory - Direct Services

County Farms

183	Premises	174	176	172
8	Supplies and services	5	40	5
22	Contribution to recreational uses	21	22	22
213		200	238	199
588	Less : income (rents)	547	583	555
-375	Net Current Expenditure	-347	-345	-356
424	Capital charges	54	56	56
	Policy and Resources recharges :			
32	Repair and maintenance of buildings	-	-	-
505	Central support services	-	-	-
586	Net Expenditure	-293	-289	-300

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Property, Business and Regulatory - Direct Services (continued)

Corporately Held Land

This budget covers the running costs of property and land held for general purposes, possible use for other County Council services or eventual disposal, offset by rent income from lettings (including industrial and commercial sites).

0	Number of staff - Great Hall	0	0	0
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Sir Harold Hillier Gardens

The County Council has been the sole trustee of the Sir Harold Hillier Gardens & Arboretum since 1977. The gardens, comprising 180 acres, contain a unique collection of over 42,000 plants and receive over 100,000 visitors each year. The County Council's financial support is detailed opposite.

32	Number of staff	32	33	33
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The number of visitors in 2009/10 was 147,170.

Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Property, Business and Regulatory - Direct Services (continued)				
Corporately Held Land				
165	Employees	112	99	113
746	Premises	622	624	593
191	Supplies and services	84	100	97
-	Central support services	-	-	-
<u>1,102</u>		<u>818</u>	<u>823</u>	<u>803</u>
1,245	Less : income (rents)	1,261	1,266	1,335
<u>-143</u>	Net Current Expenditure	<u>-443</u>	<u>-443</u>	<u>-532</u>
3,523	Capital charges	73	160	160
	Policy and Resources recharges :			
232	Repair and maintenance of buildings	-	-	-
984	Central support services	-	-	-
-2	Adjustment for pension costs	-1	-1	-2
<u>4,594</u>	Net Expenditure	<u>-371</u>	<u>-284</u>	<u>-374</u>
Sir Harold Hillier Gardens				
<u>517</u>	County Council cash limited subsidy	<u>516</u>	<u>515</u>	<u>488</u>
200	Capital charges	-	-	-
	Policy and Resources recharges :			
52	Repair and maintenance of buildings	-	-	-
-	Central support services	-	-	-
-24	Adjustment for pension costs	-37	16	22
<u>745</u>	Net Expenditure	<u>479</u>	<u>531</u>	<u>510</u>

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Property, Business and Regulatory - Direct Services (continued)

Sites for Gypsies and Travellers

Policy and Resources provides permanent sites and facilities in Hampshire for gypsy and travelling families.

4	Number of sites	4	4	4
78	Number of caravan pitches	78	78	78
6	Number of staff	6	6	6

Regulatory Services

Advice and protection of the people and businesses of Hampshire in the areas of Food Safety, Product Safety, Fair Trading, Metrology, and Animal Health and Welfare. Accredited laboratories provide calibration, analytical, scientific and environmental consultancy services to the County Council and to a number of other local authorities. Accredited Community Safety Officers costs have been included in Regulatory Services from 2004/05.

28,357	Trading premises liable for inspection	27,800	28,728	28,500
170	Number of Staff	179	179	170

Policy and Resources

Revenue Budget

Actual 2008/09 £'000		Original 2009/10 £'000	Revised 2009/10 £'000	Budget 2010/11 £'000
Property, Business and Regulatory - Direct Services (continued)				
Sites for Gypsies and Travellers				
158	Employees	144	144	143
210	Premises	167	171	172
16	Transport	13	10	10
28	Supplies and services	28	29	23
412		352	354	348
248	Less : income (rents)	260	265	260
164	Net Current Expenditure	92	89	88
13	Capital charges	8	19	19
	Policy and Resources recharges :			
29	Repair and maintenance of buildings	-	-	-
19	Central support services	-	-	-
-19	Adjustment for pension costs	-11	4	6
206	Net Expenditure	89	112	113
Regulatory Services				
6,228	Employees	6,710	6,697	6,248
103	Premises	71	80	71
350	Transport	365	337	333
1,521	Supplies and services	1,389	1,192	1,226
191	Central support services	34	34	34
8,393		8,569	8,340	7,912
2,792	Less : income (fees and charges for services)	3,076	3,032	3,029
5,601	Net Current Expenditure	5,493	5,308	4,883
83	Capital charges	46	46	46
	Policy and Resources recharges :			
20	Repair and maintenance of buildings	-	-	-
777	Central support services	-	-	-
	Less : recharge to corporate and democratic core	-	-	-
-228	Adjustment for pension costs	-315	116	169
6,253	Net Expenditure	5,224	5,470	5,098

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Property, Business and Regulatory - Direct Services (continued)

Registration

The main functions of the service are the registration of births, deaths and marriages, issues of certificates and the conducting of civil marriage ceremonies.

60	Number of Registrars and Deputies	60	60	59
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The actual number of registrations in 2009/10 were :

Births	6,821
Deaths	7,679
Marriages	3,662

Other Direct Services

Coroners

3	Number of Coroners	3	3	3
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Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Property, Business and Regulatory - Direct Services (continued)				
Registration				
2,005	Employees	1,943	2,017	1,818
18	Premises	10	18	10
56	Transport	54	52	50
246	Supplies and services	194	251	206
-17	Central support services	-	-	-
<u>2,308</u>		<u>2,201</u>	<u>2,338</u>	<u>2,084</u>
<u>2,167</u>	Less : income (fees and charges for services)	<u>2,046</u>	<u>2,173</u>	<u>2,069</u>
141	Net Current Expenditure	155	165	15
Policy and Resources recharges :				
914	Central support services	-	-	-
<u>-62</u>	Adjustment for pension costs	<u>-78</u>	<u>41</u>	<u>57</u>
993	Net Expenditure	77	206	72
Other Direct Services				
Coroners				
550	Employees	494	494	494
66	Premises	75	75	75
2	Transport	2	2	2
1,693	Supplies and services	1,707	1,707	1,707
-	Central support services	-	-	-
<u>2,311</u>		<u>2,278</u>	<u>2,278</u>	<u>2,278</u>
<u>1,039</u>	Less : income (contributions from Cities)	<u>1,021</u>	<u>1,021</u>	<u>1,021</u>
1,272	Net Current Expenditure	1,257	1,257	1,257
Policy and Resources recharges :				
18	Central support services	-	-	-
<u>-14</u>	Adjustment for pension costs	<u>-19</u>	<u>9</u>	<u>13</u>
1,276	Net Expenditure	1,238	1,266	1,270

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Other Direct Services (continued)

Economic Development

This budget supports investment and jobs in Hampshire. Programmes such as eHampshire and Conference Hampshire promote business growth. The Economic Development Office also has lead responsibility for developing economic policies which assist the corporate aim of "maximising wellbeing".

Links with Europe

The budget supports the maintenance of links with Europe including the Accord with Basse-Normandie and the County Council's membership of the Assembly of European Regions and Atlantic Arc. The County Council is the lead for Southern England Local Partners (SELP), a partnership of local authorities, universities and other public and private stakeholders across the South East represented in Brussels. This provides a base to create regular contacts with the European Commission and to contribute to raising the profile of the County Council, the partnership and the South East, and maximising financial benefits to the County Council from the EU.

Corporate and Democratic Core

The Corporate and Democratic Core comprises two divisions of service : Democratic Representation and Management (DRM) and Corporate Management (CM). DRM concerns corporate policy making and all other Member based activities. CM concerns those activities and costs which relate to the general running of the County Council.

Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Other Direct Services (continued)				
Economic Development				
<u>433</u>	Supplies and services	<u>1,049</u>	<u>1,055</u>	<u>749</u>
<u>433</u>	Net Current Expenditure	<u>1,049</u>	<u>1,055</u>	<u>749</u>
22	Capital charges	-	-	-
798	Policy and Resources recharges : Central support services	-	-	-
<u>-</u>	Less : recharge to corporate and democratic core	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,253</u>	Net Expenditure	<u>1,049</u>	<u>1,055</u>	<u>749</u>
Links with Europe				
<u>113</u>	Supplies and services	<u>114</u>	<u>113</u>	<u>112</u>
<u>113</u>	Net Current Expenditure	<u>114</u>	<u>113</u>	<u>112</u>
50	Policy and Resources recharges : Central support services	-	-	-
<u>163</u>	Net Expenditure	<u>114</u>	<u>113</u>	<u>112</u>
Corporate and Democratic Core				
167	Democratic representation and management	171	171	171
<u>140</u>	Corporate management	<u>145</u>	<u>145</u>	<u>139</u>
<u>307</u>	Net Current Expenditure	<u>316</u>	<u>316</u>	<u>310</u>
6,993	Policy and Resources recharges : Democratic representation and management	-	-	-
9,941	Corporate management	-	-	-
<u>836</u>	Charges from other services	<u>-</u>	<u>-</u>	<u>-</u>
<u>18,077</u>	Net Expenditure	<u>316</u>	<u>316</u>	<u>310</u>

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Other Direct Services (continued)

Other Direct and Corporate Services

These budgets contain provision for direct and corporate services not shown under individual service headings. They include provision for grants to voluntary organisations and other organisations, contributions to national and local organisations and emergency planning and oil pollution.

13	Emergency planning staff	13	13	12
3	Future Jobs Fund	25	25	-

Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Other Direct Services (continued)				
Other Direct and Corporate Services				
473	Grants to voluntary organisations and other bodies	398	1,445	424
1,123	Grants to councils of community service	938	938	877
358	Contributions to other national and local organisations	357	357	460
880	County Council elections	76	76	78
72	Corporate expenses	87	87	89
21	Defence heritage projects	28	28	16
666	Emergency Planning and Oil Pollution	640	648	644
480	"Hampshire Now" and "The Hog"	425	575	355
189	Community planning	123	123	123
-	HATs community chest	700	700	-
514	Members' devolved budgets	780	1,047	780
306	Scrutiny	363	360	285
983	Safe and Strong communities	1,169	848	986
1	Apprenticeships corporate costs	-	39	-
88	Future Jobs Fund	998	998	26
17	Other miscellaneous	-1	-1	95
6,171		7,081	8,268	5,238
515	Less : income	1,280	1,291	281
5,656	Net Current Expenditure	5,801	6,977	4,957
287	Capital charges	-268	9	9
4	Repair and maintenance of buildings	-	-	-
627	Central support services	-	-	-
-	Less : recharge to corporate and democratic core	-	-	-
-53	VAT refund	-	-	-
-29	Adjustment for pension costs	-9	-9	-9
6,492	Net Expenditure	5,524	6,977	4,957
Centrally Retained Expenses				
11	Hampshire County Training - pension and residual costs	8	8	8
113	Former DSO pension costs	119	119	119
4	Residual fire pension costs	5	5	5
128	Net Current Expenditure	132	132	132
-128	Adjustment for pension costs	-132	-132	-132
-	Net Expenditure	-	-	-

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Centrally Managed Support Services

County Treasurer's Department

The department provides accountancy and budgeting services, audit, payroll technical support, pension administration and advisory services, administration of student support, payments and income services, consultancy and training support as well as financial advice to the Council.

474	Number of staff	478	480	454
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Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Centrally Managed Support Services				
County Treasurer's Department				
15,642	Employees	17,024	16,605	15,758
30	Premises	25	31	27
153	Transport	163	162	164
1,243	Supplies and services	1,021	1,285	1,165
<u>17,068</u>		<u>18,233</u>	<u>18,083</u>	<u>17,114</u>
3,575	Less : external income	3,727	3,766	3,773
<u>9,328</u>	Less : costs to be met from other services' cash limits	<u>1,480</u>	<u>1,768</u>	<u>1,750</u>
<u>4,165</u>	Net Current Expenditure	<u>13,026</u>	<u>12,549</u>	<u>11,591</u>
Policy and Resources recharges :				
4,234	Central support services	-	-	-
-668	Adjustment for pension costs	-786	247	394
<u>7,731</u>	Costs Allocated to Services	<u>12,240</u>	<u>12,796</u>	<u>11,985</u>
Less :				
985	Charges to democratic representation and management	-	-	-
2,655	Charges to corporate management	-	-	-
294	Costs to be met by other central departments	-	-	-
<u>3,797</u>	Costs of service provided allocated to other services	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,731</u>		<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	Net Expenditure	<u>12,240</u>	<u>12,796</u>	<u>11,985</u>

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Centrally Managed Support Services (continued)

Chief Executive's Department

The Chief Executive's Department is currently responsible for the provision of a wide range of services and functions. Included in the budget is provision for:

- * Corporate and Legal Services
- * HR services providing corporate policy advice and operational support to departments and schools
- * Corporate Communication
- * Economic Development
- * Corporate Risk, Health and Safety and Emergency Planning
- * Corporate Complaints and Information Compliance.

The Department also incorporates Hampshire Learning Centre which is responsible for managing corporate training and delivering a wide range of development courses and manages the former Social Services Learning and Development teams, the latter on a recharged basis.

The budget provision and staffing numbers for the Council's Corporate Contact Centre 'Hantsdirect' is also contained within the budget for Chief Executive's Department.

Certain services are also provided to Hampshire Police Authority, Hampshire Fire and Rescue Service and Probation, which are recharged on a full cost basis.

572	Number of staff	595	599	568
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*Funded by PSA Pump Priming specific Grant

Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Centrally Managed Support Services (continued)				
Chief Executive's Department				
21,839	Employees	21,775	21,822	20,532
172	Premises	166	159	160
183	Transport	188	156	162
3,432	Supplies and services	3,710	4,107	3,011
241	Central support services	102	102	82
<u>25,867</u>		<u>25,941</u>	<u>26,346</u>	<u>23,947</u>
3,270	Less : external income	2,278	2,373	2,607
<u>6,501</u>	Less : costs to be met from other services' cash limits	<u>5,872</u>	<u>6,292</u>	<u>6,103</u>
16,096	Net Current Expenditure	17,791	17,681	15,237
-	Capital charges	-	-	
-	Policy and Resources recharges :			
-	Repair and maintenance of buildings	-	-	-
3,453	Central support services	-	-	-
<u>-827</u>	Adjustment for pension costs	<u>-930</u>	<u>349</u>	<u>528</u>
18,722	Costs Allocated to Services	16,861	18,030	15,765
	Less :			
1,234	Charges to democratic representation and management	-	-	-
4,029	Charges to corporate management	-	-	-
1,503	Costs to be met by other central departments	-	-	-
<u>11,896</u>	Costs of service provided allocated to other services	<u>-</u>	<u>-</u>	<u>-</u>
<u>18,662</u>		<u>-</u>	<u>-</u>	<u>-</u>
60 *	Net Expenditure	16,861	18,030	15,765

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Centrally Managed Support Services (continued)

Property, Business and Regulatory Services

- Property Services

This budget covers the cost of Architecture and the Estates Practice. Services provided include the design, repair and maintenance of building and grounds, along with asset valuations and the acquisition, management and disposal of property in accordance with County Council policies.

391	Number of staff	391	412	389
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- Office Accommodation

This service is responsible for the provision of the central offices in Winchester and of area and divisional offices throughout the County. Recharges are made to users on the basis of the floor area occupied. The increase in floor area in the revised 2009/10 budget reflects the transfer of operational Children's Services properties to the service, whilst the reduction in floor area in the 2010/11 budget reflects properties vacated in Winchester. The increase in staffing numbers reflects the staff transferred from other departments following the centralisation of the Winchester facilities management function.

51	Number of staff	60	70	82
57,481	Floor area allocated (square metres)	61,180	75,447	73,549

Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Centrally Managed Support Services (continued)				
Property, Business and Regulatory Services				
- Property Services				
18,429	Employees	18,648	18,648	17,815
52	Premises	19	19	1
654	Transport	465	465	345
3,160	Supplies and services	3,299	2,996	2,210
234	Central support services	188	188	160
<u>22,529</u>		<u>22,619</u>	<u>22,316</u>	<u>20,531</u>
4,515	Less : external income	5,909	5,909	8,758
982	Less : costs to be met from other services' cash limits	1,279	1,279	1,409
<u>8,853</u>	Less : charges to the capital programme	<u>9,641</u>	<u>9,641</u>	<u>6,512</u>
<u>8,179</u>	Net Current Expenditure	<u>5,790</u>	<u>5,487</u>	<u>3,852</u>
145	Capital charges	145	145	145
Policy and Resources recharges :				
-4	Repair and maintenance of buildings	-	-	-
5,914	Central support services	-	-	-
<u>-832</u>	Adjustment for pension costs	<u>-910</u>	<u>258</u>	<u>460</u>
<u>13,402</u>	Costs Allocated to Services	<u>5,025</u>	<u>5,890</u>	<u>4,457</u>
Less :				
1,961	Charges to democratic representation and management	-	-	-
851	Charges to corporate management	-	-	-
500	Costs to be met by other central departments	-	-	-
<u>10,090</u>	Costs of service provided allocated to other services	<u>-</u>	<u>-</u>	<u>-</u>
<u>13,402</u>		<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	Net Expenditure	<u>5,025</u>	<u>5,890</u>	<u>4,457</u>
- Office Accommodation				
1,255	Employees	1,915	2,119	2,364
7,274	Premises	7,327	6,839	7,078
12	Transport	36	34	32
567	Supplies and services	563	1,360	1,145
53	Central support services	-	193	-
<u>9,161</u>		<u>9,841</u>	<u>10,545</u>	<u>10,619</u>
272	Less : external income	245	329	335
<u>1,251</u>	Less : costs to be met from other services' cash limits	<u>1,248</u>	<u>1,289</u>	<u>1,360</u>
<u>7,638</u>	Net Current Expenditure	<u>8,348</u>	<u>8,927</u>	<u>8,924</u>
17,941	Capital charges	1,028	1,654	1,654
Policy and Resources recharges :				
922	Repair and maintenance of buildings	-	-	-
431	Central support services	-	-	-
<u>-58</u>	Adjustment for pension costs	<u>-62</u>	<u>20</u>	<u>35</u>
<u>26,874</u>	Costs Allocated to Services	<u>9,314</u>	<u>10,601</u>	<u>10,613</u>
Less :				
905	Charges to corporate management	-	-	-
7,762	Costs to be met from other central departments	-	-	-
<u>18,207</u>	Costs of service provided allocated to other services	<u>-</u>	<u>-</u>	<u>-</u>
<u>26,874</u>		<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	Net Expenditure	<u>9,314</u>	<u>10,601</u>	<u>10,613</u>

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Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Centrally Managed Support Services (continued)

- Repair and Maintenance of all Services' Buildings

Policy and Resources is responsible for the repair and maintenance of all the County Council's buildings.

- Hampshire Printing Services

Hampshire Printing Services provides printing and reprographic services to other departments of the County Council. Costs are recovered through charges to users.

27	Number of staff	27	27	23
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- County Supplies

County Supplies arranges corporate contracts for 'common use' goods and services, including fuels, and advises the Council on purchasing matters. It also operates the central purchasing warehouse in Winchester. The running costs of the warehouse are recovered as part of the price charged for their requirements.

75	Number of staff	82	83	85
£8.6m	Warehousing - turnover	£8.6m	£8.4m	£8.4m

Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Centrally Managed Support Services (continued)				
- Repair and Maintenance of all Services' Buildings				
16,141	Repair and maintenance	16,398	16,777	16,300
	Less allocated to other services :			
-	- within other Policy and Resources cash limits	7	7	7
11,617	- delegated to schools	11,745	11,745	11,745
1,287	- within Policy and Resources	-	-	-
3,237	- within other services	-	-	-
-	Net Expenditure	4,646	5,025	4,548
- Hampshire Printing Services				
799	Employees	802	793	676
101	Premises	102	102	92
45	Transport	45	45	43
1,639	Supplies and services	1,777	1,323	1,130
68	Central support services	79	57	57
62	Capital charges	64	64	64
2,714		2,869	2,384	2,062
-	Less external income	-	-	-
2,714		2,869	2,384	2,062
2,804	Charges to users	2,906	2,361	2,022
-90	(Surplus) / deficit	-37	23	40
90	Contribution to / (from) Hampshire Printing Services reserve	37	-23	-40
-	Net Expenditure	-	-	-
- County Supplies				
2,532	Employees	2,795	2,845	3,014
341	Premises	361	354	357
284	Transport	243	259	253
7,141	Supplies and services	7,399	7,339	7,471
317	Central support services	310	380	300
28	Capital charges	21	21	22
10,643		11,129	11,198	11,417
11,395	Less external income	10,998	11,321	11,117
-752	(Surplus) / deficit	131	-123	300
500	Transfer to Corporate Procurement earmarked reserve	-282	-100	-320
-	Contribution from Corporate Procurement earmarked reserve	-	-	-
-252	(Surplus) / deficit	-151	-223	-20
252	Contribution to / (from) County Supplies reserve	151	223	20
-	Net Expenditure	-	-	-

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Policy and Resources**Commentary and Statistics**

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Centrally Managed Support Services (continued)**- Segensworth Unit Factories**

Contributions by occupiers of factory units towards maintenance of the estate.

- Caretaking and Cleaning Support Service

The Caretaking and Cleaning Support Service provides advice and support to a wide range of customers within the County Council on all aspects of caretaking and cleaning operations. The Unit is resourced through income from Service Level Agreements and occasional project work, which cover all running costs.

10	Staff Numbers	10	9	9
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- HC3S

Following the cross-cutting Best Value Review of Catering, Hampshire County Council Catering Services or HC3S has been established to bring together Hampshire Caterers, the Catering Support Team and Social Services domestic and cleaning services. In addition to the provision of school meals and other catering aspects the service offers training, support and advice on all catering matters.

668	Number of staff	662	618	612
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Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Centrally Managed Support Services (continued)				
- Segensworth Unit Factories				
3	Service charges	-23	-25	-25
-3	Contribution to / (from) reserve	23	25	25
-	Net Expenditure	-	-	-
- Caretaking and Cleaning Support Service				
346	Employees	351	339	339
2	Premises	3	3	3
24	Transport	24	23	23
38	Supplies and services	42	47	47
22	Central support	15	16	16
432		435	428	428
452	Less : recharge to schools etc	337	386	380
-20		98	42	48
25	Less : income (reimbursements, fees and charges, sales, etc)	98	100	100
-45	(Surplus) / deficit	-	-58	-52
45	Contribution to reserve	-	58	52
-	Net Expenditure	-	-	-
- HC3S				
18,306	Income	18,420	18,829	19,351
10,288	Employees	10,767	10,376	10,543
5,961	Provisions	6,073	6,292	6,443
1,092	Cleaning materials, etc	725	1,010	815
7	Care homes	-	-	-
1,752	Overheads	1,742	1,902	1,605
19,100		19,307	19,580	19,406
794	Operating surplus	887	751	55
-49	Interest payable (net)	-30	-30	-30
-1,262	Government Grant	-1,304	-1,244	-
745	Net (surplus) / deficit	857	721	25
517	Contribution to / (from) Former DSO reserve	447	523	-25
-	Net Expenditure	-	-	-

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Centrally Managed Support Services (continued)

- PBR Cleaning Service

Formerly Hampshire Cleaning Services, PBR Cleaning Service now concentrates its activities on providing a cleaning service to County Council buildings in the Winchester HQ complex.

31	Number of Staff	31	32	32
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- Hampshire Transport Management (HTM)

Hampshire Transport Management supplies and operates the County Council's vehicle fleet, provides vehicle maintenance facilities, runs the county-wide Courier Services and supplies fuel to County Council and other customers.

55	Number of Staff	55	52	53
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Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Centrally Managed Support Services (continued)				
- PBR Cleaning Service				
630	Income	602	637	633
429	Employees	425	453	453
36	Supplies and services	16	17	17
160	Overheads	165	163	163
625		606	633	633
-5	Operating (surplus) / deficit	4	-4	-
-	Interest payable	-	-	-
-5	Net operating (surplus) / deficit	4	-4	-
5	Contribution to / (from) former DSO reserve	-	4	-
-	Net Expenditure	4	-	-
- Hampshire Transport Management (HTM)				
7,170	Income	7,188	7,142	6,830
6,086	Direct expenses	6,010	5,994	5,803
1,194	Overheads	1,117	1,036	974
7,280		7,127	7,030	6,777
110	Operating (surplus)	-61	-112	-53
-	Capital financing charges	-	-	-
110	Net operating (surplus) / deficit	-61	-112	-53
-110	Contribution to / (from) former DSO reserve	61	112	53
-	Net Expenditure	-	-	-

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Centrally Managed Support Services (continued)

Information Technology Services

The County Council's information technology costs are met by departments by charges based on the services supplied and by a charge for corporate systems. There is also some external income from Government grants and partner organisations which purchase services.

IT Services is responsible for the delivery of the Corporate Strategy 'Transforming through Technology' which includes delivery of e-Government aims and the associated technology infrastructure. The departmental focus is on realising the benefits from IT investments made in SAP, HPSN, the Hantsnet technologies and other core systems. This includes extension of services to partner organisations in the region - supporting e-Government and Corporate aims.

305	Number of staff	323	323	322
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Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Centrally Managed Support Services (continued)				
Information Technology Services				
Business Unit				
15,246	Employees	19,250	19,187	17,873
1,219	Premises	1,060	1,046	1,100
78	Transport	200	232	220
17,642	Supplies and services including computer rental	18,650	18,527	15,599
272	Central support services	211	301	320
2,523	Capital charges	2,559	2,574	3,710
-	Charges from Corporate Client	-	-	-
<u>36,980</u>		<u>41,930</u>	<u>41,867</u>	<u>38,822</u>
	Less : income from schools	5,250	5,533	5,600
<u>2,109</u>	Less : external income	<u>2,400</u>	<u>2,650</u>	<u>2,720</u>
<u>34,871</u>		<u>34,280</u>	<u>33,684</u>	<u>30,502</u>
	Less allocated to other services :			
21,665	Charges to users to be met from their cash limits	19,254	18,618	18,014
242	Charges to the corporate and democratic core	242	242	246
219	Client costs	219	224	230
<u>458</u>	Charges to IT corporate development	<u>469</u>	<u>449</u>	<u>460</u>
22,584		20,184	19,533	18,950
<u>12,940</u>	Less charge for Corporate Systems	<u>13,694</u>	<u>14,058</u>	<u>11,552</u>
<u>35,524</u>		<u>33,878</u>	<u>33,591</u>	<u>30,502</u>
-653	Net (surplus) / deficit of the Business Unit	402	93	-
-	Contribution to fund capital expenditure	-	690	-
<u>653</u>	Contribution to / (from) information technology reserve	<u>-402</u>	<u>-783</u>	<u>-</u>
<u>-</u>	Net Expenditure	<u>-</u>	<u>-</u>	<u>-</u>

Policy and Resources

Commentary and Statistics

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Centrally Managed Support Services (continued)

Other Central Services

The external audit fee is charged by the Audit Commission for the external audit of the County Council's accounts. Provision is also made for the employment of consultants. Other services include the countywide trade union officials, insurances and the County Council's contribution to the central South East Employers organisation. The castle restaurant expenses include charges for vending machine facilities for members and staff at The Castle, Winchester.

4	Number of staff - County wide trade union officials	4	4	4
-	Corporate IT staff	87	88	66

Policy and Resources

Revenue Budget

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
Centrally Managed Support Services (continued)				
Other Central Services				
7	Consultants fees	-	-	-
119	Trade unions	124	124	124
25	South East employers	27	26	27
1,932	Members support costs	2,043	2,038	1,992
61	Long service awards	71	71	73
85	Castle restaurant	72	72	74
288	Audit fee	314	314	304
219	Client cost charges	224	224	230
13,398	Corporate IT developments	14,163	14,507	12,012
96	Corporate contribution to Trading Units	307	382	455
33	Environment Department recharge	33	33	34
205	Subscriptions to LGA and other Government bodies	221	221	216
118	Childcare admin recharge	-	67	-
1,141	Hantsdirect - roll-out	-	71	-
338	Home to School pilot	110	354	104
207	Well Being services	-	-	-
44	The Hampshire Senate	-	-	-
379	Local Involvement Network	388	388	388
88	Corporate Services efficiency reviews	465	279	320
7	Libel and slander insurance	18	19	19
18,790		18,580	19,190	16,372
234	Less : external income	-	-	-
10	Less : cost to be met from other services' cash limits	10	10	10
18,546	Net Current Expenditure	18,570	19,180	16,363
9	Capital charges	-	18	18
-	Policy and Resources recharges :			
-	Repair and maintenance of buildings	-	-	-
1,143	Central support services	-	-	-
-40	Adjustment for pension costs	-42	20	28
19,658	Costs allocated to services	18,528	19,218	16,409
Less :				
2,813	Charges to democratic representation and management	-	-	-
1,545	Charges to corporate management	-	-	-
3,583	Costs to be met by other central departments	-	-	-
11,717	Costs of service provided allocated to other services	-	-	-
19,658		-	-	-
-	Net Expenditure	18,528	19,218	16,409

Policy and Resources

Workforce levels and costs

Part A

	FTEs	Full year effect
2010/11 original estimate of average staff numbers in the year	3,072.9	3,072.9
Changes to original budget:		
Staff transfers for restructures	+102.3	+102.3
Changes to methodology of FTE calculations	-52.4	-52.4
2010/11 adjusted original	3,122.8	3,122.8
Changes occurring during 2010/11:		
Transfers between departments	+46.1	+46.1
Chief Executive's – funded by carry forwards	+2.3	+2.3
Economic Development – funded by income	+2.1	+2.1
New marketing posts IESE/NIEP – funded by income	+2.0	+2.0
Hilliers – casuals converted to annualised hours	+1.0	+1.0
Business Services Group – reduced business	-46.0	-46.0
Treasurer's vacancy freeze	-14.0	-14.0
2010/11 revised estimate	3,116.3	3,116.3
Changes planned for 2011/12:		

	FTEs	Full year effect
Chief Executive's department	-15.9	-15.9
Student Support nationalisation	-6.0	-6.0
Pensions Services funded by the Pension Fund	+3.0	+3.0
Treasurer's staff transferred from other departments	+5.0	+5.0
PBRIT Review of support to businesses	-2.5	-2.5
Centralisation of FM Staff	+8.6	+8.6
Business Services Group	-7.3	-7.3
End of Future Jobs Fund programme	-25.2	-25.2
8% Efficiency Savings:		
Chief Executive's Department	-15.5	-15.5
HR Department	-1.6	-1.6
County Treasurer's Department	-27.9	-58.0
PBRIT	-49.0	-61.3
2011/12 estimate of average staff numbers in the year	2,982.0	2,939.6

Workforce levels and costs

Part B

	2010/11	2011/12	
	Revised	Original	
	£'000	£'000	
Analysis of workforce costs in base budget:			
Salaries of permanent staff (including employer's national insurance and pension contributions)	69,931	69,910	
Temporary/fixed term/casual staff	1,222	166	
Agency staff	691	192	
Additional hours	155	145	
Total workforce costs	<u>71,999</u>	<u>70,413</u>	<i>In base budget</i>
Average FTE staff actually in post	1,972.7	1,939.7	

Staffing changes in growth, savings and redeployment proposals:

Variation in staff (FTEs)	-	-94.0	<i>From Appendix 1</i>
Variation in budget (£'000)	-	-5,002	<i>From Appendix 1</i>
Workforce implications of budget proposals:			
FTE posts available	1,972.7	1,845.7	<i>In proposed budget</i>
Workforce budget available (£'000)	71,999	65,411	<i>In proposed budget</i>
Business Unit FTE's	1,143.6	1,136.3	
Total FTE's	3,116.3	2,982.0	

Policy and Resources**Revised budget 2010/11****Calculation of the cash limit for the revised budget 2010/11**

The following table shows the progression from the original budget for 2010/11 to the cash limit for the revised budget 2010/11. Both are at estimated outturn prices 2010/11.

	£'000	£'000
Original budget 2010/11 at outturn prices		69,859
Transfers to/from other services and contingency allocations:		
from service departments to IT for centralisation of IT staff		2,838
from Chief Executive's to Adult Services for Older Persons Wellbeing		-108
from Environment to PBRs for Havant PSV		27
from service departments to County Treasurer's for DFU's budgets		7,882
from service departments to PBRs for Facilities Management		551
= Adjusted original budget		81,049
Other variations:		
2009/10 under spend required in 2010/11:		
Winter maintenance contingency	340	
County Treasurer's	41	
Member's Devolved Budgets	267	
Home to School Transport pilot	33	
Safe & Strong Communities	46	
Chief Executive's department	65	
HR	12	
PBRs	70	
Grants to voluntary organisations	9	
Apprentices funding	127	1,010
Carry forward to 2011/12:		
Apprenticeships – corporate funding	-7	-7
2010/11 funding to/from specific reserves:		

Hants Direct roll out costs	71	
Home to School Transport pilot	211	
Apprentices Corporate Costs	38	
Hampshire Now	153	
Corporate Policy Reserve – Step by Step grant	250	
Corporate Community Safety funding	59	
Corporate Policy Reserve – Holy Trinity One Stop Shop	50	
Winchester Cathedral Trust	220	
Corporate Review funding from Invest to save reserve	29	
IT Services restructure costs from efficiency reserve	420	
Rephasing of corporate procurement review cost	-365	
Contribution returned to Equal Pay Reserve	-190	946
Transfer between services:		
CORVU from all departments	8	
Talented Athletes from Children's and CCRA	19	
Area Based Grant transfers	-427	
Procurement staff from Environment	77	
Apprentices funding to CCRA	-50	
From County Treasurer's to service departments – one off transfer of DFU savings	-475	
Salary Sacrifice childcare scheme all departments	45	
Property to Environment for deeds recovery	-22	
Facilities Management staff budgets	203	-622
Efficiency Savings:		
Mileage	-221	
Corporate procurement savings for 2010/11	-311	-532
Grant Funding:		
ABG for Safe & Strong Communities reduction	-83	
Tackling antisocial behaviour grant	44	
ABG Community Call for Action reduction	-2	
ABG for petitions	40	-1
Contingency allocations:		
Mary Rose	500	
Village Shops Event	10	

Income Generation Project	150	
County Farm toilets for the disabled	1	
Adjustment for business rates	-179	482
Transferred to/from capital:		
ABG – Safe & Strong Communities	179	
Hampshire Workstyle	500	
Smart Meters for engineering site attendance	40	
Carbon Reductions	-16	
Refurbishment of Scientific Services	<u>-297</u>	406
= Cash limit for the revised budget 2010/11		<u>82,731</u>

Policy and Resources**Proposed budget 2011/12**

The following table shows the progression from the 2011/12 provisional budget prepared last year to the 2011/12 proposed budget at outturn prices.

	£'000
Provisional budget 2011/12 at outturn prices	67,841
Base budget adjustments:	
Facilities Management transfers	551
Centralisation of IT staff	2,838
Wellbeing Team transfer to Adult Services	-108
Centralisation of devolved finance unit budgets	7,882
Transfer from Environment for workstyle	27
Adjusted base budget	79,031
Budget adjustments for re-phasing of projects:	
Corporate Procurement Review funding	-113
Home to school transport pilot	105
Deeds Recovery project	11
Equal Pay funding	190
Transfers between services:	
Procurement staff budgets from Environment	154
Facilities Management staff budgets	405
Efficiency savings:	
Corporate procurement review savings from 2010/11	-311
Phase 1 savings:	
Mileage reductions	-240
Pay freeze reductions	-770
Corporate procurement review	-864
Income generation review	
Facilities efficiencies	-84

	-164
Other budget adjustments:	
Loss of mapping service	-60
Area Based Grant reductions	-85
Carbon reductions savings	-33
Corporate Community Safety funding	59
Grant allocated to Trading Standards for Animal Health	38
Funding for concessionary fares finance support	14
Redeployment proposals:	
Contribution from Equal Pay Reserve	185
8% savings targets:	
Property, Business & Regulatory services	-1,996
IT Services	-1,027
Chief Executive's	-1,084
Human Resources	-449
County Treasurer's	-1,020
Other budgets	-719
Adjusted allocation for future inflation	188
Proposed budget 2011/12 at outturn prices	71,361