

HAMPSHIRE COUNTY COUNCIL**Decision report**

Decision Maker:	Executive Member for Policy and Resources
Date of Decision:	19 January 2012
Decision Title:	Revenue budget report for Policy and Resources for 2012/13
Decision Reference:	3540
Report From:	The County Treasurer and Chief Officers

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1. Executive Summary

- 1.1. The unprecedented reduction in Government funding to local government over the period of the current Comprehensive Spending Review (CSR) has prompted the County Council to take decisive action, by introducing a financial strategy that will deliver the bulk of the four years savings in two years.
- 1.2. This report proposes a budget for Policy and Resources for 2012/13 in accordance with the Council's Medium Term Financial Strategy reported to Cabinet in July and updated in October. The budget includes proposals for the second 8% reduction in spending consistent with the Corporate Efficiency Workstreams also reported to Cabinet in October and December.
- 1.3. The report also provides an update on the financial position for the current year. Overall for Policy and Resources, a small under spend is expected for 2011/12. Further detail is provided in section three of this report.
- 1.4. For 2011/12 a total of £9.6 million savings were approved. These exceeded the first 8% target and together with an additional full year impact contribute £3.25 million towards the second 8% target. The target for 2012/13 is £7.3 million and after adjusting for the additional full year savings and over achievement in 2011/12, this leaves a balance of £4.05 million which must be met by new proposals next year.
- 1.5. The savings proposals for 2012/13 are set out in section four of this report and are analysed by workstreams in Appendix 1. They exceed the 8% target by £2.1 million recognising the importance for corporate services to contribute more than front line services and this will facilitate the implementation of re-configured corporate services as part of the efficiency agenda and development of shared services. A summary is given in the table below :-

	£000
Corporate efficiency workstream savings	5,649
Departmental savings	500
Total	<u>6,149</u>

- 1.6. The detailed individual proposals that make up these savings together with the anticipated impact of making the savings are shown in Appendix 2. 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.
- 1.7. The report also reviews the level of charges for the provision of services in section five and provides a summary of charges in Appendix 3. The proposed budget for 2012/13 analysed by service is shown in Appendix 4 and the workforce implications of the budget proposals are set out in Appendix 5.
- 1.8. This report seeks approval for submission to the Leader and Cabinet the revised budget for 2011/12 and detailed proposals for the 2012/13 revenue budget for Policy and Resources. The 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 3 February 2012 to make final recommendations to County Council on 23 February 2011.

2. Context and Priorities

- 2.1. Following the CSR announcement last year local government was anticipating an average 28% reduction in Government funding across the Country. The impact of changes to the distribution methodology meant that the County Council's share of this reduction is relatively much greater, with a 25% reduction in the first two years alone. By the end of the CSR period it is anticipated that over 40% of formula grant will be lost.
- 2.2. The County Council had already been anticipating reductions of this magnitude and had put in place a strategy that sought to deliver the bulk of the four year savings over two years. The Medium Term Financial Strategy (MTFS) approved in July last year and updated in October, consolidated this position, re-iterating the need to meet the two lots of 8% reductions in Departmental spending followed by a return to an annual efficiency target of 2% per annum from 2013/14 onwards. Other assumptions included in the strategy that have been built into the 2012/13 budget proposals are:
- changes to Council Tax levels will be zero or low

- A pay freeze in 2012/13 followed by increases of 1% and 1.5% in 2013/14 and 2014/15 respectively (this will be amended in the next update of the MTFS following the Chancellor's announcement on a pay limit of 1% increase for these two years)
 - General inflationary increases of 2.5% per annum
 - 'Passporting' of any further losses of specific grant to the relevant services
- 2.3. Since July, the County Council has also been developing its Open for Business priorities, underlining the fact that despite the reductions in funding the County Council remains a large influential organisation committed to providing high quality services to the residents of Hampshire.
- 2.4. Departments within the Policy and Resources portfolio have been developing their service plans and budgets for 2012/13 and future years in keeping with the Open for Business Priorities and the key issues, challenges and priorities for the Departments are set out in below.

Culture, Community and Business Services Department

- 2.5. There are a number of challenges facing the department with the most significant relating to:
- maintaining and increasing income including that derived from visitors, partnerships and the schools sector
 - developing community engagement particularly as this forms a critical element of the savings plans in the Library and Museums services.
- 2.6. Income from visitor attractions, for example country parks and Milestones, is integral to the delivery of services contributing to the corporate priorities of enhancing our quality of place and maximising wellbeing. In the current economic climate, not surprisingly visitor numbers are declining; this is a national trend. Increasingly, a key focus for the department is the development of new and innovative plans to attract visitors together with the necessary marketing and promotion.
- 2.7. Income from partnership working and the provision of IT, catering, supplies and property services to other local authorities and the schools sector is another important element of the department's budget. The scale of services provides economies of scale and the retention of expertise, resulting in national acclaim for some services. Again, customer research and promotion is key to ensuring a good outcome for all stakeholders.
- 2.8. Community engagement particularly through volunteering is a strong element of the future strategy for the library and museum services. Empowering local communities to take on direct responsibility for service delivery through their use of volunteers provides an opportunity to reduce direct staff costs. However, establishing such arrangements will take time and ensuring the future sustainability of services will be challenging.

- 2.9. What underpins much of the above and many other areas of work is the underlying weak economy. District partners who joint fund many facilities such as museums are themselves facing financial pressures and this will require the department to review both future support and the sustainability of some services. The need to exploit every possible alternative funding source has never been greater.

Chief Executive's Department

- 2.10. The implementation of Corporate Service Review (CSR) outcomes and achievement of the target savings will be the overriding priority for the department. This will affect all sections and it will be important that during this period of significant change service delivery is maintained and that quality standards do not fall.
- 2.11. In addition to the work being carried out for CSR, work is progressing with the shared services review with Hampshire Constabulary and Hampshire Fire and Rescue Authority. A business case is due to be presented to all three Authorities in April 2012 that will explore the benefits and investment requirements of a shared services arrangement. Future timescales for any potential implementation will be set to ensure there is no negative impact on front line services in any of the three organisations.

County Treasurer's Department

- 2.12. The County Treasurer's Department is a good way through its programme of reviewing staffing structures and its role in end to end business processes across the organisation in order to be more efficient and deliver effective financial support to the rest of the County Council not only during this period of significant change but also to ensure we are well placed to support the business going forward. Further review will be required as the implementation detail of the Corporate Service Review (CSR) is worked through, together with the development of the shared services agenda with Hampshire Constabulary, Hampshire Fire and Rescue Authority and other partners.
- 2.13. A key strand of the priorities going forward will be the work required to re-engineer transactional processes alongside changes and improvements to IT systems to introduce greater standardisation and consistency prior to entering into large scale shared service arrangements.

3. 2011/12 Budget

- 3.1. The cash limited budget for 2011/12 included savings of £9.6 million to be delivered during the year. All departments are monitoring achievement of savings as part of the normal budget monitoring process for the year. At the end of November £9.3 million of these savings had been delivered and £264,000 were still on target to be delivered.
- 3.2. The budget for the Portfolio has been updated throughout the year and the Revised budget is shown in Appendix 4. The expected outturn forecast against this revised budget for 2011/12 is an under spend of £148,000, principally arising from reduced spending on Member support costs.

- 3.3. Other budgets within the portfolio are expecting to remain within the cash limited budget for the year with any under spending used to meet costs of change and other budget pressures.

Budget 2012/13

4. Revenue Savings Proposals

- 4.1. Each Department is required to deliver a second year of 8% savings to contribute towards the overall target of £45m in 2012/13. The target for Policy and Resources is £7.3 million.
- 4.2. The savings for Policy and Resources that were approved for 2011/12 had an additional full year impact of £3.25 million and helps to meet the second 8% savings required for 2012/13. This leaves a balance of £4.05 million for which new savings proposals are required.
- 4.3. A confidential report on the initial Phase Four Workstream Proposals was presented to Cabinet on 24 October and was updated in December. This highlighted that around £24 million of savings had been identified and that there was a broad expectation that the cumulative value of the workstreams will contribute at least 50% of the overall £45m 2012/13 savings requirement.
- 4.4. Appendix 1 details the savings proposals for Policy and Resources between the Phase Four Workstreams. These are summarised in the table below.

	Culture, Community & Business Services	Chief Executive including HR	County Treasurer	Non- Chief Officer budgets	Total
	£000	£000	£000	£000	£000
Full year effect of 2011/12 savings	2,167	72	832	179	3,250
New proposals in 2012/13:					
Corporate efficiency workstream savings	2,227	1,302	46	2,074	5,649
Departmental savings	330	-	-	170	500
Total new savings	2,557	1,302	46	2,244	6,149
Total savings in 2012/13	4,724	1,374	878	2,423	9,399

- 4.5. Overall for Policy and Resources, 92% of savings are being delivered through the Phase Four work streams. These savings proposals mainly focus on achieving efficiencies without the need to impact on service delivery.
- 4.6. In IT, rationalisation of the service and renegotiation of contracts is expected to deliver £0.7 million in savings. In Libraries and Museums & Arts, continuation of restructures started in 2011/12 will achieve £0.5 million and £0.2 million savings respectively.
- 4.7. Whilst measures are being taken to generate additional income in Registration, Countryside and Property Services it is recognised that this will be challenging and may not deliver any significant increase in the short-term.
- 4.8. Overall, total savings exceed the target for Policy and Resources by £2.1 million. This recognises the importance for corporate services to contribute more than front line services and this will facilitate the implementation of re-configured corporate services as part of the efficiency agenda and development of shared services. The overachievement mainly results from the housekeeping saving on inflation which has been applied over a range of budgets including employee expenses, transport and other general supplies and services. These efficient housekeeping measures avoid the need to allocate funds to cover the cost of inflation on these budgets across all services of the County Council.
- 4.9. A more detailed summary of the savings proposals for 2012/13 is contained in Appendix 2 which shows the estimated impact on workforce levels and the forecast full year impact from 2013/14 onwards. The Appendix also provides information on the type of savings proposals categorised over Efficiencies, Income Generation or Service Reductions. The table below summarises the split of savings between these categories:

	Culture, Community & Business Services	Chief Executive including HR	County Treasurer	Non- Chief Officer budgets	Total
	£000	£000	£000	£000	£000
Efficiencies	2,117	1,292	44	2,144	5,597
Income generation	440	10	2	-	452
Service reductions	-	-	-	100	100
Total	2,557	1,302	46	2,244	6,149

- 4.10. These proposals will result in a further workforce reduction of 60.8 full-time equivalent (FTE) positions. Reductions are being made across the board with a further reduction in senior management posts. This will clearly impact on the overall management capacity in the departments and is certain to change further as proposals for the CSR develop during the early part of next year. It is anticipated that a significant proportion of this can be achieved through offering voluntary redundancy to the members of staff who will be impacted by these changes. The remaining post reductions will be achieved through staff turnover.

5. Review of charges

- 5.1. For Policy and Resources, the 2012/13 revenue budget includes income of £25.1 million from fees and charges. This is an increase of £1.2 million (5%) on the revised budget for 2011/12.
- 5.2. There are some mandatory and national charges which the County Council is not able to vary. The main examples relate to the statutory Registration fees, Trading Standards licenses and the recovery of legal costs which are determined by the Courts on a case to case basis.
- 5.3. 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 rental and letting agreements for County Farms and Office Accommodation which are instead reviewed on a rolling 3 year basis.
- 5.4. Details of fees and charges for 2012/13 are included in Appendix 3.

6. Other expenditure

- 6.1. The budget includes some items which are not counted against the cash limit. This includes business units whose costs are covered by customer income and also the Coroner's Service which 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. In 2011/12 there have been two one off major inquests resulting in additional expenditure on the Coroner's budget in the region of £210,000.
- 6.2. The overall budget includes other items which are not counted against the cash limit. This includes adjustments for pension and early retirement costs in accordance with International Accounting Standard 19 (IAS 19). Budgets to cover depreciation on the assets used to deliver Policy and Resources services and the recharge of central support services to direct services will be included for presentation of the budget to the County Council in February.

7. Budget summary 2012/13

- 7.1. The budget update report presented to Cabinet in December included provisional cash limit guidelines for each department. The cash limit for Policy and Resources in that report was £86.8 million which has now been adjusted to allow for :-

	£000
Re-phasing funding for the Internship Plus scheme from 2011/12 to 2012/13	+490
Transfer of Scrutiny Salary costs to P&R	+86
Changes to the distribution of procurement savings	+91
Changes to inflation allocations	+83
Changes to premia payments savings	+24
Other minor changes	+18
Total	+792

- 7.2. The amended cash limit position for Policy and Resources for 2012/13 is therefore just under £87.6 million. Appendix 4 sets out a summary of the proposed budgets for the service activities provided by Policy and Resources for 2012/13 and show that these are within the amended cash limit set out above.
- 7.3. In addition to these cash limited items there are further budgets which fall under the responsibility of Policy and Resources, which are shown in the table below :-

	2012/13
	£000
Cash limited expenditure	87,587
Coroners	1,242
Trading Unit Net Deficit	1,118
Government Grants:	
Inshore Fisheries and Conservation	-204
Total Net Expenditure	89,743

- 7.4. This net position excludes adjustments for central items such as repair and maintenance, support service recharges and capital charges which will be included as part of the overall budget reported to Cabinet and Council in February.
- 7.5. The net deficit on the trading units is primarily within IT, due to delays in the full realisation of planned HPSN2 savings and reduced departmental budgets for IT, following reductions in IT users and the number of IT

projects across the Council. These have had an adverse impact on the opening IT trading position for the year, but this will be addressed during the year through reducing costs and the generation of alternative income sources, building on external business growth in 2011/12. It should also be noted that IT has already made larger savings relative to other areas, in overheads, management, staff levels and cash limited budget, whilst supporting increased demands to support efficiency and shared service programmes elsewhere in the Council.

8. Workforce implications

- 8.1. The workforce implications of the proposed budget for 2012/13 are set out in Appendix 5. At the end of 2012/13 the planned workforce for Policy and Resources is 3,597.1 full time equivalent (FTE) staff. This compares with the estimate at the end of 2011/12 of 3,690.3 FTEs which is a reduction of 93.2 FTEs as summarised below:

	FTEs
FTE staff as at 31 March 2012	3,690.3
Transfers and other changes	(32.4)
Changes relating to savings targets	(60.8)
FTE staff as at 31 March 2013	3,597.1

9. Conclusion

- 9.1. The above proposals set out a revised budget for 2011/12 and the revenue budget for 2012/13.
- 9.2. The recommended budgets are in line with the budget guidelines set by Cabinet including the 8% savings target in each year.
- 9.3. The proposed budget incorporates several savings and income generation proposals. A significant part of the savings relate to further review of workforce levels. However, with the recruitment freeze still in place, and a number of voluntary redundancies already agreed, there is a low level of risk associated with the implementation of savings in this area. For most other savings, plans are already well advanced that should enable the planned savings to be achieved in 2012/13.

10. Recommendations

To approve for submission to the Leader and Cabinet:

- 10.1. The proposals for savings totalling £6.15 million, which together with the full year impact of 2011/12 savings of £3.25 million exceed the 8% target of £7.3 million set for Policy and Resources in 2012/13 (as set out in Appendices 1 and 2)

- 10.2. The annual review of income and charges (as set out in Appendix 3)
- 10.3. The revised budget for 2011/12 totalling £96.8 million (as set out in Appendix 4)
- 10.4. The summary budget for 2012/13 totalling £87.6 million (as set out in Appendix 4)
- 10.5. The workforce implications of the proposed budget for 2012/13 (as set out in Appendix 5).

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>
Medium Term Financial Strategy	3338	24 October 2011
Efficiency, Expenditure Reduction and Transformation: 2012/13 initial phase four workstream proposals	3368	24 October 2011
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

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.)

<u>Document</u>	<u>Location</u>
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:

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

Policy and Resources

Summary of Phase 4 Corporate Efficiency Workstreams

Corp. Workstream Ref.	Description	Culture, Communities & Business Services £000	Chief Executive including HR £000	County Treasurer £000	Non Chief Officer budgets £000	Total £000
C2.2	Further review of workforce levels	860	674			1,534
C3	Corporate Communications	18	253			271
C4	Democratic Infrastructure		200		70	270
C11	Customer Charging	110		2		112
C13	Support and Administration	20	175	31		226
C19	PBSIT/CCRA Merger	462				462
C23	IT Cost Reduction	757		12		769
C29	Housekeeping			1	2,004	2,005
	Total Phase 4 Workstreams	2,227	1,302	46	2,074	5,649
D	Departmental savings	330			170	500
	Total savings	2,557	1,302	46	2,244	6,149

EXPENDITURE REDUCTION OPTIONS - NEW SAVINGS PROPOSALS TO MEET 8% TARGET

Ref.	Savings Type	Corp. Prog. Ref	Service Activity	Description	Impact / Issues	2012/13		Full Year	
						£'000	FTE	£'000	FTE
<u>CCBS</u>									
CCBS 1	E	C2	Community and Culture & Heritage	Staff reductions, restructuring Museums, Arts and Libraries	Subject to development of a sustainable community role there will be limited impact on core service delivery.	(860)	(25.00)	(860)	(25.00)
				Further Review of Workforce Levels		(860)	(25.00)	(860)	(25.00)
CCBS2	E	C3	Culture & Heritage, Business Support, Community	Reduced non-staffing spend on marketing and communications (web based publicity and reduction in published materials)	These are efficiency savings and are not expected to impact on core service delivery.	(18)		(18)	
				Corporate Communications		(18)		(18)	
CCBS 2	I	C11	Culture & Heritage	Registration Service's new express retrieval of records service and site specific income increases within the Countryside Service	These will deliver increased income and are not expected to impact on core service delivery.	(110)	(1.00)	(110)	(1.00)
				Customer Charging		(110)	(1.00)	(110)	(1.00)
CCBS 4	E	C13	Business Support	Business Support Administration Savings	These are efficiency savings and are not expected to impact on core service delivery.	(20)	(1.00)	(20)	(1.00)
				Support and Administration		(20)	(1.0)	(20)	(1.0)

EXPENDITURE REDUCTION OPTIONS - NEW SAVINGS PROPOSALS TO MEET 8% TARGET

Ref.	Savings Type	Corp. Prog. Ref	Service Activity	Description	Impact / Issues	2012/13		Full Year	
						£'000	FTE	£'000	FTE
CCBS 5	E	C19	Culture & Heritage, Business Support, Community	Following the merger there will be a revised structure in place for Museums and a review of Marketing and the capital projects team leading to reduced spend. PBRISIT/CCRA Merger	These are efficiency savings and are not expected to impact on core service delivery.	(462)	(5.00)	(462)	(5.00)
						(462)	(5.00)	(462)	(5.00)
CCBS 6	E	C23	IT	IT Cost Reduction Phase 4. Reduction of IT contract costs, reduced spend and consolidation of IT projects. IT Cost Reduction	These are efficiency savings and are not expected to impact on core service delivery.	(757)	(3.00)	(757)	(3.00)
						(757)	(3.00)	(757)	(3.00)
CCBS total of Phase 4 Workstreams						(2,227)	(35)	(2,227)	(35)
	I	D	Property	Combination of increased external fee income, revised risk based approach to R&M (non-schools) budget and increasing income/reducing costs across other budgets. Departmental Savings		(330)		(330)	
						(330)		(330)	
CCBS Grand total						(2,557)	(35.00)	(2,557)	(35.00)

EXPENDITURE REDUCTION OPTIONS - NEW SAVINGS PROPOSALS TO MEET 8% TARGET

Ref.	Savings Type	Corp. Prog. Ref	Service Activity	Description	Impact / Issues	2012/13		Full Year	
						£'000	FTE	£'000	FTE
County Treasurer									
CT5	I	C11	Payroll	Increased income from supplying payroll services to other local authorities	No impact on service	(2)		(2)	
				Customer Charging		(2)		(2)	
CT2	E	C13	Hampshire Systems Training Team	Support and Administration - Efficiencies in Hampshire Systems Training Team admin support	No impact on service	(13)	(0.60)	(13)	(0.60)
CT3	E	C13	Income and banking	Increased use of direct debits	No impact on service	(10)	(0.50)	(10)	(0.50)
CT4	E	C13	Travel claims	increased use of on-line travel claims instead of paper forms	No impact on service	(8)	(0.40)	(10)	(0.40)
				Support and Administration		(31)	(1.50)	(33)	(1.50)
CT6	E	C23	Whole department	Following a reduction in staff, there will be a reduction in the cost of desk top software and IT access. Greater use of Word templates will reduce the need for pre-printed specialised stationery with a consequent saving in storage costs.	These are efficiency savings and will not have an impact on service provision.	(12)		(12)	
				IT Cost Reduction		(12)		(12)	

EXPENDITURE REDUCTION OPTIONS - NEW SAVINGS PROPOSALS TO MEET 8% TARGET

Ref.	Savings Type	Corp. Prog. Ref	Service Activity	Description	Impact / Issues	2012/13		Full Year	
						£'000	FTE	£'000	FTE
CT1	E	C29	Whole department	Housekeeping - various departmental efficiencies	No impact on service	(1)		(1)	
				Housekeeping		(1)		(1)	
County Treasurer's total of Phase 4 Workstreams						(46)	(1.50)	(48)	(1.50)
<u>Chief Executive</u>									
CE 1	E	C2.2	Chief Exec.	Senior management	Reduction in capacity at senior management level	(374)	(5.40)	(374)	(5.40)
				Further review of workforce levels		(374)	(5.40)	(374)	(5.40)
CE 2	E	C3	Chief Exec.	Reductions in posts arising from centralisation and rationalisation of the communications function	The centralisation of the communications function will increase efficiency and is not expected to have a direct impact on service delivery	(165)	(4.60)	(165)	(4.60)
CE 4	I	C3	Chief Exec.	External income generated from advertising on Hantsweb	No anticipated impact	(10)		(10)	
CE 5	E	C3	Chief Exec.	Savings in printing costs following the production of an on-line Hog magazine and reduction in number of issues of Hampshire Now.	No anticipated impact	(78)		(78)	
				Corporate communications		(253)	(4.60)	(253)	(4.60)

EXPENDITURE REDUCTION OPTIONS - NEW SAVINGS PROPOSALS TO MEET 8% TARGET

Ref.	Savings Type	Corp. Prog. Ref	Service Activity	Description	Impact / Issues	2012/13		Full Year	
						£'000	FTE	£'000	FTE
CE 6	E	C4	Chief Exec.	Reduction in posts and expenditure following the decision to stop Hampshire Action Teams	Although the specific HAT initiative has stopped, the County Council continues to be actively involved in all areas of community engagement and is reviewing these arrangements to ensure they are fit for purpose in the future.	(200)	(3.60)	(200)	(3.60)
				Democratic infrastructure		(200)	(3.60)	(200)	(3.60)
CE 7	E	C13	Chief Exec.	Reduction in support and administration staff and the deletion of an internal librarian post	May have some impact on the administrative operations of the Department while new ways of working are adopted.	(100)	(4.00)	(100)	(4.00)
				Support and administration		(100)	(4.00)	(100)	(4.00)
Chief Executive's total of Phase 4 Workstreams						(927)	(17.60)	(927)	(17.60)
<u>Human Resources</u>									
HR 1	E	C2.2	Senior management	Corporate Senior Management Reduction Programme.	Business Partners will now be shared across several departments	(247)	(3.86)	(247)	(3.86)

EXPENDITURE REDUCTION OPTIONS - NEW SAVINGS PROPOSALS TO MEET 8% TARGET

Ref.	Savings Type	Corp. Prog. Ref	Service Activity	Description	Impact / Issues	2012/13		Full Year	
						£'000	FTE	£'000	FTE
HR 2	E	C2.2	Hampshire Learning Centre	Restructuring of CCBS enabled a change in service delivery model for HLC.	Change in service delivery model enabled the reduction of one OD Consultant post and greater consistency and flexibility in L&D provision to the CCBS department.	(53)	(1.00)	(53)	(1.00)
				Further review of workforce levels		(300)	(4.86)	(300)	(4.86)
HR 3	E	C13	Resourcing Centre & Pay and Contract Support Services	Increased automation of recruitment and payroll process within PCSS and Resourcing Centre.	Increased use of technology to automate tasks currently delivered manually results in an increased self service model for managers, with tasks completed in the business rather than centrally in HR.	(17)	(0.80)	(17)	(0.80)
HR 4	E	C13	Occupational Health Unit and Employee Support Line	Change in service delivery model as a result of providing the service via an outsourced provider.	Anticipated that an improved service will be provided at a reduced cost	(25)		(25)	
HR 5	E	C13	Employment Practice Centre	Reduction in Senior HR Advisor resource in the EPC.	May have some impact on delivery times in the short term whilst new ways of working are developed	(33)	(1.00)	(33)	(1.00)
				Support and administration		(75)	(1.80)	(75)	(1.80)
HR total of Phase 4 Workstreams						(375)	(6.66)	(375)	(6.66)

EXPENDITURE REDUCTION OPTIONS - NEW SAVINGS PROPOSALS TO MEET 8% TARGET

Ref.	Savings Type	Corp. Prog. Ref	Service Activity	Description	Impact / Issues	2012/13		Full Year	
						£'000	FTE	£'000	FTE
<u>P&R Other</u>									
PR3	E	C29	Housekeeping workstream	Savings arising from not allocating inflation to general budgets for employees, transport and supplies and services	These are general budgets supporting services across the Council and not allocating inflation will not directly impact on service delivery	(2,004)		(2,004)	
			Housekeeping			(2,004)		(2,004)	
PR4	E	C4	Democratic Infrastructure	Saving related to one less Cabinet Member, with the associated saving in special responsibility allowances	No direct impact	(18)		(18)	
PR5	E	C4	Democratic Infrastructure	Saving relating to internal service efficiencies	No direct impact	(22)		(22)	
PR6	E	C4	Democratic Infrastructure	Efficiency savings gained from the continued reduction in the cost of Members Expenses	Primarily these savings come from the Member's IT and training budgets that are historically underspent, therefore these efficiencies will not impact on service delivery	(30)		(30)	
			Democratic infrastructure			(70)		(70)	
P&R Other total of Phase 4 Workstreams						(2,074)		(2,074)	

EXPENDITURE REDUCTION OPTIONS - NEW SAVINGS PROPOSALS TO MEET 8% TARGET

Ref.	Savings Type	Corp. Prog. Ref	Service Activity	Description	Impact / Issues	2012/13		Full Year	
						£'000	FTE	£'000	FTE
PR1	E	D	Grants to Councils of community service	A proposed 8% reduction in core grant for 2011/12 and 2012/13 was announced on 9th March 2011 in line with the County Council's savings targets	The organisations affected are being encouraged to develop their own efficiency programmes to reduce the impact on the organisations they support. However a full impact assessment will need to be carried out for this proposal before any final decisions are made	(70)		(70)	
PR2	R	D	Grants to Voluntary Organisation (Leader's Budget)	A 25% reduction of the grant budget is proposed for 2012/13	This grant budget is allocated on an application basis throughout the year and therefore the reduction should not have a direct impact other than to limit the number of grants that can be approved compared to other years	(100)		(100)	
Departmental savings						(170)		(170)	
P&R Other Grand total						(2,244)		(2,244)	
Grand total of Savings Proposals						(6,149)	(60.76)	(6,151)	(60.76)

E = efficiency
I = income generation
R = service reduction

Policy and Resources**Review of income 2012/13**

	Current charge	Total income	Date of last review	Planned date for next review	Proposed increase (if proposed now)	Is charge set to recover full cost Yes/No	Is charge subject to an assessment scale determined locally? Yes/No	Variation from previous year
	£	£						£
Mandatory/National charges:								
Chief Executive's Department (including Human Resources)								
Recovery of legal costs	Determined by the courts	283,000	n/a	n/a	n/a	n/a	no	n/a
Culture, Communities & Business Department								
Statutory Registration Fees	various	693,100	Statutory fee set centrally	Statutory fee set centrally	n/a	n/a	no	n/a
Trading Standards Licenses	various	59,300	Statutory fee set centrally	Statutory fee set centrally	n/a	n/a	no	n/a

	Current charge	Total income	Date of last review	Planned date for next review	Proposed increase (if proposed now)	Is charge set to recover full cost Yes/No	Is charge subject to an assessment scale determined locally? Yes/No	Variation from previous year £
	£	£						£
Discretionary charges:								
Chief Executive's Department (including Human Resources)								
Legal fees for Hampshire Fire & Rescue Service (HFRS)	n/a	35,000	November 2011	November 2012	none	yes	n/a	0
Legal fees for other bodies	Charges agreed individually with customer	153,500	November 2011	November 2012	none	yes	n/a	-10,000
Employee Support Line – external bodies	Charges agreed individually with customer	34,600	December 2011	February 2012	none	yes	no	-400

	Current charge	Total income	Date of last review	Planned date for next review	Proposed increase (if proposed now)	Is charge set to recover full cost Yes/No	Is charge subject to an assessment scale determined locally? Yes/No	Variation from previous year
	£	£						£
Occupational Health – Academy Schools	£1.29 per pupil	10,000	n/a	February 2012	n/a	yes	no	10,000
Pay & Contract Support Service - external bodies	Charges agreed individually with customer	79,000	February 2011	February 2012	n/a	yes	no	51,000
Pay & Contract Support Service - HFRS	23,000	23,500	November 2011	November 2012	none	no	no	-500
HR Resourcing Centre	22,000	23,000	April 2011	April 2012	4.5%	yes	no	1,000
County Treasurer's Department								
Contractual income	Various	4,272,000	Annual	2012	various	yes	no	17,400

	Current charge	Total income	Date of last review	Planned date for next review	Proposed increase (if proposed now)	Is charge set to recover full cost Yes/No	Is charge subject to an assessment scale determined locally? Yes/No	Variation from previous year £
	£	£						£
Culture, Communities & Business Department								
Business Services								
Print Sign Workshop	various	23,000	April 2011	April 2012	Linked to inflation	yes	yes	0
Asbestos Team	various	110,000	April 2011	April 2012	Linked to inflation	yes	yes	0
Scientific Services	various	1,030,000	April 2011	April 2012	Linked to inflation	yes	yes	330,000
Business Support								
Great Hall	various	160,000	Annual	2012	various	yes	no	9,600
Office Accommodation	various rents and service charges	365,700	Annual	2012	various	yes	no	0

	Current charge	Total income	Date of last review	Planned date for next review	Proposed increase (if proposed now)	Is charge set to recover full cost Yes/No	Is charge subject to an assessment scale determined locally? Yes/No	Variation from previous year
	£	£						£
Community								
Training courses	various	2,500	2011	2012	none	yes	no	0
Rent	various	35,000	2011	Rolling 5 year programme	none	yes	yes	0
Trading Standards								
Buy with confidence	various	60,000	Annual	2012	none	yes	no	0
Registration Service								
Fees for marriage or civil partnership in approved premises	various	1,304,100	Annual	2012	none	yes	no	24,400
Approved premises license fees	1,910	93,800	September 2011	September 2012	3.1%, linked to CPI	yes	no	0

	Current charge	Total income	Date of last review	Planned date for next review	Proposed increase (if proposed now)	Is charge set to recover full cost Yes/No	Is charge subject to an assessment scale determined locally? Yes/No	Variation from previous year
	£	£						£
Citizenship fees	130	130,400	September 2011	September 2012	3.1% , linked to CPI	yes	no	0
Alternative ceremonies	various	10,300	September 2011	September 2012	3.1%, linked to CPI	yes	no	0
Nationality Checking Service	60 Adult, 30 Children	65,300	September 2011	September 2012	3.1%, linked to CPI	yes	no	0
Express retrieval of records service	New service	30,000	n/a	2012	n/a	yes	no	30,000
Library Service								
Fines	various	217,500	September 2011	September 2012	1.2%	n/a	no	2,500
Other income (rental, sales, room hire, etc)	various	1,037,300	September 2011	September 2012	various	yes	no	3,900

	Current charge	Total income	Date of last review	Planned date for next review	Proposed increase (if proposed now)	Is charge set to recover full cost Yes/No	Is charge subject to an assessment scale determined locally? Yes/No	Variation from previous year
	£	£						£
Culture & Heritage								
Countryside Service								
Admission	various	271,900	2011/12	2012/13	Dependant on site	yes	no	1,200
Car parking	various	411,900	2011/12	2012/13	Dependant on site	yes	no	30,300
Other income (rent, catering, activities)	various	493,500	2011/12	2012/13	Dependant on site	yes	no	-3,600
Outdoor Centres	various	96,375	2011	2012	none	yes	no	1,500
Arts								
Admissions	various	198,500	Annual	2012/13	none	yes	no	0
Other income (retail, catering, lettings, etc)	various	364,200	Annual	2012/13	none	yes	no	0

	Current charge	Total income	Date of last review	Planned date for next review	Proposed increase (if proposed now)	Is charge set to recover full cost Yes/No	Is charge subject to an assessment scale determined locally? Yes/No	Variation from previous year
	£	£						£
Museums								
Admissions	various	46,900	2011/12	2012/13	none	yes	no	0
Other income (retail, lettings, etc)	various	203,000	2011/12	2012/13	none	yes	no	0
Activity Centres								
Calshot Activities Centre	various	1,622,600	2011	2012	none	yes	no	-53,800
Archives								
Sales, Services & Events	various	40,500	April 2011	April 2012	none	yes	no	0
Milestones								
Admissions	various	400,885	2011/12	2012/13	none	yes	no	0
Other income (retail, lettings, etc)	various	349,000	2011/12	2012/13	none	yes	no	0

	Current charge	Total income	Date of last review	Planned date for next review	Proposed increase (if proposed now)	Is charge set to recover full cost Yes/No	Is charge subject to an assessment scale determined locally? Yes/No	Variation from previous year £
	£	£						£
IT Services								
External customers	various	2,700,000	Oct / Nov 2011	Oct / Nov 2012	various	yes	no	-642,000
Property Services								
County Farms								
agricultural lettings	various	557,000	Rolling 3 year review	Rolling 3 year review	various	yes	no	63,500
other income	various	34,700	various	various	various	yes	no	-5,200
Sites for Gypsies & Travellers								
Rents	various	212,000	Annual	2012	Linked to RPI	yes	no	12,000
Utilities	various	82,000	Annual-linked to utility costs	2012	Linked to utility costs	yes	no	2,000

	Current charge	Total income	Date of last review	Planned date for next review	Proposed increase (if proposed now)	Is charge set to recover full cost Yes/No	Is charge subject to an assessment scale determined locally? Yes/No	Variation from previous year £
	£	£						£
Development account								
Rent	various	864,100	Rolling 3 year review	Rolling 3 year review	various	yes	yes	43,200
Corporate Estate								
Rent	various	257,000	Rolling 3 year review	Rolling 3 year review	various	yes	no	10,000
Other rents & incomes	various	33,300	2011	2012	various	yes	yes	0
Property Services	various	5,521,000	Annual	2012	various	yes	no	1,246,000

**Policy and Resources
Budget summary 2012/13**

	Original Budget 2011/12	Revised Budget 2011/12	Proposed Budget 2012/13
Service Activity	£000	£000	£000
Direct Services:			
Scientific Services	14.8	10.4	10.1
Asbestos	(11.1)	(18.4)	(19.7)
Print Sign Workshop	282.5	239.5	259.7
Sir Harold Hillier Gardens	487.8	485.0	444.2
Great Hall	23.9	23.5	21.6
Trading Standards	3,013.5	2,954.5	2,716.7
Accredited Community Support Officers	1,572.8	1,511.4	1,486.2
Corporate Community Safety	59.0	77.0	59.0
Registration Service	(88.7)	(150.1)	(207.0)
School Library Service	0.0	0.0	0.0
Sport & Community	967.4	937.3	850.9
Library Service	14,867.8	14,380.9	13,274.6
Countryside	3,649.2	3,592.1	3,218.5
Outdoor Centres	732.6	720.4	655.1
Arts	1,840.7	1,817.0	1,666.9
Museums	1,741.6	1,160.4	1,454.4
Calshot Activities Centre	164.6	138.8	118.3
Archive	1,062.6	1,021.5	961.2
Milestones	308.5	304.5	279.5
County Farms	(355.7)	(355.7)	(355.7)
Maintenance of Grounds - Chilcomb	17.0	17.0	15.7
Sites for Gypsies & Travellers	67.2	66.6	61.2
Development Account	(413.4)	(413.4)	(413.4)
Adult Education Properties	0.6	0.6	0.6
Corporate Estate	(146.2)	(146.2)	(146.2)
Other Direct and Corporate Services:			
Grants to Voluntary Organisations	397.0	581.4	314.5
Grants to Councils of Community Service	876.8	876.8	823.5
Members' Devolved Budgets	624.0	624.0	624.0
Emergency Planning & Oil Pollution	380.4	380.4	346.4
Other Direct and Corporate Services	3,338.1	2,511.2	2,019.8

	Original Budget 2011/12	Revised Budget 2011/12	Proposed Budget 2012/13
Service Activity	£000	£000	£000
Centrally Managed Support Services:			
County Treasurer's Department	10,894.7	10,560.9	9,872.1
Chief Executive's Department	15,184.5	15,000.2	13,783.4
Members Support Costs	1,946.4	1,942.0	1,882.7
CCBS Department	32,195.9	33,604.4	29,653.1
Other Central Support Services	2,103.1	2,328.1	1,854.6
Total P&R Cash Limited Services	97,800.0	96,784.0	87,586.5
Coroners	1,257.3	1,452.3	1,242.3
Transfers to / from reserves:			
Hampshire Printing Services	(40.0)	(50.0)	47.0
County Supplies	20.0	99.0	29.0
Segensworth Unit Factories	25.0	25.0	25.0
Caretaking and Cleaning Support Service	52.0	9.0	9.0
HC3S	(25.0)	121.0	122.0
Hampshire Transport Management (HTM)	53.0	85.0	68.0
Information Technology Services	0.0	263.0	792.9
Hampshire Wardrobe	(1.0)	(1.0)	(1.0)
River Hamble	26.0	26.0	26.0
Government Grants:			
Inshore Fisheries and Conservation	(204.0)	(204.0)	(204.0)
Total net expenditure	98,963.3	98,609.3	89,742.7

**Policy and Resources
Workforce implications**

Service Activity	Estimated Staff Numbers 31.3.2012	Transfers & Other Changes	Impact of Savings Proposals	Estimated Staff Numbers 31.3.2013
	FTE	FTE	FTE	FTE
Departmental staff				
Scientific Services	20.0	-	-	20.0
Asbestos	19.0	-	-	19.0
Print Sign Workshop	6.0	-	-	6.0
Trading Standards	67.0	-	-	67.0
Accredited Community Safety Officers	36.0	-	-	36.0
Corporate Community Safety	3.0	-	-	3.0
Registration Service	59.0	-	-	59.0
School Library Service	20.8	-	-	20.8
Sport & Community	26.8	-	(2)	24.8
Library Service	411.5	(2.5)	(16.0)	393.0
Countryside	103.0	-	(4.0)	99.0
Outdoor Centres	18.8	-	-	18.8
Arts	25.0	-	-	25.0
Museums	98.2	-	(5.0)	93.2
Calshot Activities Centre	65.7	-	-	65.7
Archive	30.0	-	-	30.0
Milestones	19.8	-	-	19.8
Sites for Gypsies & Travellers	5.2	-	-	5.2
Emergency Planning	11.7	-	(0.6)	11.1
County Treasurer's Department	440.0	(1.3)	(1.5)	437.2
Chief Executive's Department (Including HR)	571.1	(10.6)	(23.7)	536.8
CCBS Department	418.0	(10.0)	(5.0)	403.0

Service Activity	Estimated Staff Numbers 31.3.2012	Transfers & Other Changes	Impact of Savings Proposals	Estimated Staff Numbers 31.3.2013
	FTE	FTE	FTE	FTE
Total Departmental staff	2475.6	(24.4)	(57.8)	2393.4
Business Units staff				
Hampshire Printing Services	12.0	-	-	12.0
County Supplies	78.0	-	-	78.0
Caretaking and Cleaning Support Service	10.0	-	-	10.0
HC3S	629.0	-	-	629.0
Hampshire Transport Management	56.0	-	-	56.0
Information Technology Services	379.3	(8.0)	(3.0)	368.3
Hampshire Wardrobe	1.8	-	-	1.8
Total Business Unit staff	1166.1	(8.0)	(3.0)	1155.1
Other				
Sir Harold Hillier Gardens	32.4	-	-	32.4
Trade Union Secondments	3.7	-	-	3.7
Coroners	2.5	-	-	2.5
River Hamble	10.0	-	-	10.0
Total Other staff	48.6	-	-	48.6
Overall Total	3690.3	(32.4)	(60.8)	3597.1