

# Environment & Transportation Select Committee

Budget Presentation  
26 January 2011

## Agenda

- County Council budget
  - Finance settlement
  - Budget guidelines
  - Service guidelines
- Service budget proposals

## Hampshire – adjustments to 2010/11

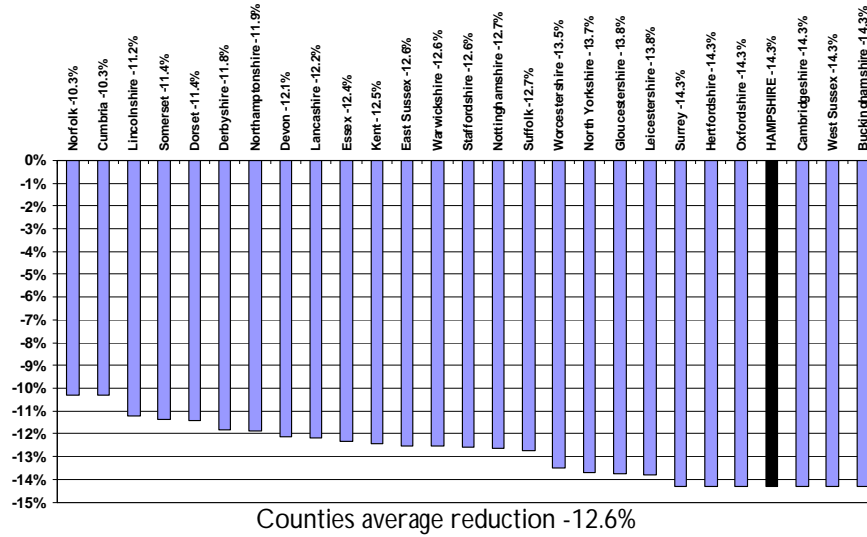
	£m	£m
Formula grant 2010/11		146.8
Transferred grants	+59.2	
Concessionary fares	+13.5	
Academies	-3.2 #	
South Downs National Park	<u>-0.2</u>	
		<u>69.3</u>
Adjusted formula grant 2010/11		<u>216.1</u>

# a further reduction of £2.5m in 2012/13

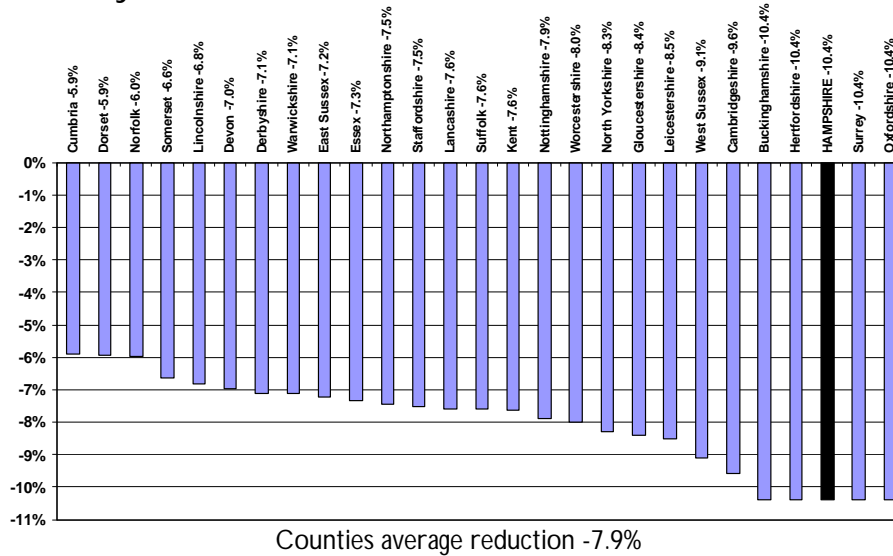
## Hampshire County Council 2011/12

	2010/11 adjusted	2011/12	Change	Change
	£m	£m	£m	%
Revenue support grant	87.9	43.7	-44.2	-50.3%
Business rates	128.2	141.5	+13.3	+10.4%
Total - formula grant	216.1	185.2	-30.9	-14.3%

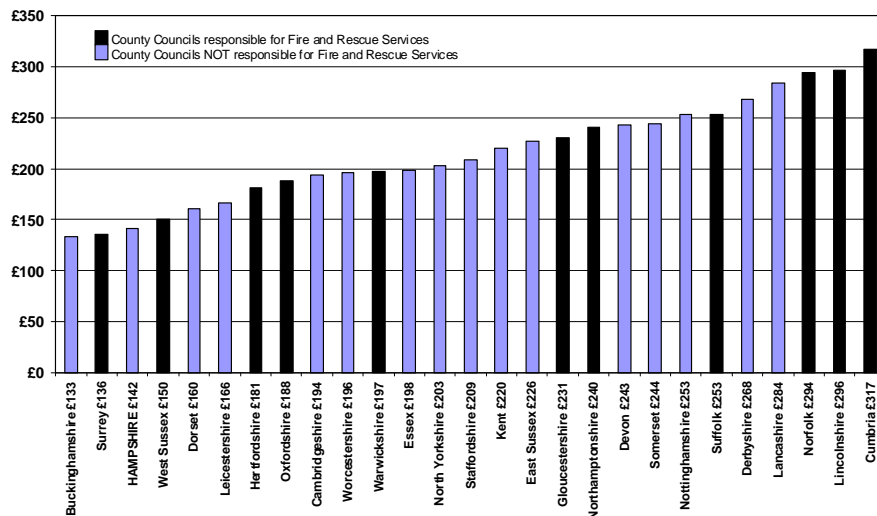
## County Councils Formula Grant reductions 2011/12



## County Councils Formula Grant reductions 2012/13



## County Councils Formula Grant per head 2011/12



Averages per head: counties with fire services £218; without fire services £211; all counties £214

## Council tax freeze grant

- Grant equivalent to 2.5% of the net taxbase for 2011/12, subject to the Band D council tax for 2011/12 not being higher than 2010/11
- Estimated grant £13.2m in 2011/12, £3m above the income from originally planned council tax increase of 1.9%
- Grant payable for four years, so no compensating increase in council tax until 2015/16

## “Revenue spending power”

Hampshire County Council	2011/12		2012/13	
	£m	%	£m	%
Revenue spending power 2011/12	-7.8	-0.9%	-16.1	-2.0%
Includes:				
Formula grant 2011/12	-30.9		-19.0	
Other grant losses / gains	-2.7		+3.3	
Council tax freeze grant	+13.2		-	
NHS funding for social care & health	+12.6		-0.4	
Revenue spending power	-7.8		-16.1	

## Specific grants changes

Most existing grants have been either:	£m
• assimilated into formula grant	-59.1
• discontinued	-5.5
• amalgamated with Sure Start grants in the new Early Intervention grant	41.7
• new Learning Disability grant in place of previous NHS funding	41.0
• council tax freeze grant	13.2
• new grant towards Flood Management duties	0.2

## Concessionary fares

Included in formula grant 2011/12	£m
- but not separately identifiable	
Adjustment to formula grant 2010/11	13.5
Formula grant reduced by 14.3% in 2011/12	-1.9
Assumed funding in 2011/12	11.6
Cost of minimum statutory scheme	12.5
(excluding discretions of £0.8m for disabilities legislation)	

Changes to funding 2011/12	Loss/gain £m
Formula Grant	-30.9
Area Based/specific grants :including funding top sliced for academies and National Parks	-14.8
Additional pressures (social care needs, inflation etc)	-25.2
New funding: Council tax freeze grant, NHS grant and funding for flood management	+26.1
Council tax income	-10.2
<b>Total</b>	<b>-55</b>

## Capital – 2011/12 onwards

Government allocations now 100% grant  
No supported borrowing allocations

	2010/11	2011/12	Change
	£m	£m	%
Total	92.4	74.3	-19.5

## Capital

	2010/11	2011/12	Change
	£m	£m	%
Adult services	3.5	2.4	-31.4
Children's services			
Devolved capital	12.3	4.1	-67.0
Other	42.4	37.0	-12.5
Children's - total	54.7	41.1	-24.8
Environment	34.2	30.8	-9.9
Total	92.4	74.3	-19.5

## The journey so far

- Phase 1 and 2 Efficiency targets of £30m largely achieved
- July 2010 - Cabinet Report
  - 8% cash limit reductions
  - expenditure and efficiency workstreams
- December Cabinet agreed
  - 2011/12 budget guidelines continuing 8% reductions in cash limited budget and
  - a continued passporting approach to grant reductions and increases
  - Cash flow support where necessary
- January/February 2011 – budget process

## Environment budget – 2011/12

- £111.1m cash limit
- £13.3m for concessionary travel (shortfall met)
- £5.3m savings target (8%)
- £1.4m resources to help meet transitional costs
- £6.7m total savings proposals
- £0.9m loss of direct Government grants

## 8% cash limit reductions

	2011/12 £m
Senior management reductions (incl. comms)	1.489
Recruitment moratoria	0.453
Contract negotiations	1.000
Grants (PUSH, TfSH, SRP)	0.823
Communications (excl. senior managers)	0.283
Other corporate work streams	0.387
<b>Total corporate efficiencies</b>	<b>4.435</b>
Operational support staff reduction	0.932
Public transport bus subsidies	1.138
Strategic transport studies / capital	0.200
<b>Total</b>	<b>6.705</b>

## LTP Settlement

- Not as bad as our worst case planning projections
- Department for Transport protected – but mostly on national schemes away from the South East
- Switch from supported borrowing to Grant
- Govt Funding for Integrated Transport down 40% compared to start of LTP2 period
- Indicative allocations only for 2013/14 – 2014/15
- Capital Programme levels dependent on big increase in use of developer funding

## Capital programme summary

	2011/12 £m
Highways maintenance (Incl. Resilience)	37.992
Integrated transport	15.730
<b>Total</b>	<b>53.722</b>
 <b>Funded by:</b>	
Local resources	5.012
Efficiency funded	10.000
Local Transport Plan (LTP) grant	30.134
External funding (incl. developers funding)	8.576
<b>Total</b>	<b>53.722</b>

## Integrated transport programme

	2011/12 £m
Safety schemes	2.556
Minor improvements (Under £50k)	1.950
Major highway improvements (£1m - £5m)	2.000
Town access / Town centres	1.920
Sustainable and healthy access routes	2.077
Accessibility (incl. pedestrian crossings)	1.430
Public transport & junction improvements	1.047
Winter infrastructure	1.200
Quality enhancements	1.000
Other LTP	0.550
<b>Total</b>	<b>15.730</b>

## Service approach to budget

### Corporate efficiency work streams

- Senior manager savings
- Recruitment moratorium
- Contract renegotiation (Amey)
- Grants (PUSH, TfSH and Safer Roads Partnership)
- Admin review
- Savings on Communications, IT, back office, inspection & regulation

## Service approach to budget

### Departmental savings

- Bus subsidies
- Traffic management
- Transport studies

### Service restructuring – core priorities

- Highways, traffic & transport
- Waste, energy, climate change, minerals, environment
- New corporate roles – research & place shaping
- Reduced capital recharges – streamlined delivery

## Service approach to capital

- Protect highways maintenance
- More investment in structural maintenance
- Operation Resilience – efficiency funded
- Increased use of developer contributions
- Local improvements
- Additional winter infrastructure fund
- Opportunity for environmental enhancements
- Maintain delivery capacity in 2011/12