

**REPORT OF THE  
CABINET / LEADER**

**PART II**

**EFFICIENCIES AND EXPENDITURE REDUCTIONS: TRANSFORMING THE COUNTY COUNCIL**

The Cabinet at its meeting on 26 July considered a range of efficiency measures and expenditure reductions following the Government's spending cuts to help reduce the national deficit. Cabinet acknowledged that potential reductions in Government funding of 25% over the next four years could mean a loss of £35-£40 million for the County Council. It would therefore be important to take forward the efficiency programme to reduce expenditure and begin the process of transforming County Council services to meet the expected Government funding reductions.

The Cabinet was supportive of the proposals which were necessary to meet the unprecedented challenges the County Council and other local authorities faced. In approving the report, the Cabinet agreed the following reviews and workstreams:

- Reducing senior management costs
- Recruitment moratoria with effect from 1 September 2010
- Review of communications, marketing and publication expenditure
- Streamlining of the democratic infrastructure
- Reducing expenditure on and by Members
- Grant expenditure
- Impact of potential area based and specific grant reductions
- Reduce costs associated with inspection and regulation
- Impact of capital expenditure reductions
- Reduce departmental expenditure limits
- Contract negotiations and supply chain management cost reductions
- Review of new expenditure commitments
- Income and charging policies
- Asset rationalisation
- Support and administrative costs
- Integration of professional functions
- Staff related expenditure
- Review of business services

It is clear that difficult choices will need to be made whilst mitigating the impact on frontline services and ensuring statutory duties continue to be met. However, past prudent management of the County Council puts the organisation in a good position to meet the challenges that lay ahead, and provides a unique opportunity to reposition the organisation in a way that best protects and develops public services for the people of Hampshire. The Cabinet emphasised that in the current climate it would be important to plan for the future and use resources, people and time effectively as well as continuing to foster good partnership arrangements with the voluntary sector and other partners. No option could be left unexplored and a considered approach will be taken to resolve difficulties in a fair, equitable and sensitive manner.

In approving the report, the Cabinet requested that the Chief Executive bring forward to Cabinet the relevant financial and progress reports on each of the workstreams (including further enhancements to the programme), and that a recruitment moratorium be implemented with effect from 1 September 2010. Chief Officers and Executive Members were requested to consider the impact of the programme and report back to Executive Members and corporately to Cabinet the issues, implications and impacts of these (and other local measures) as part of the budget preparation and planning for 2011/12. The Chief Executive also undertook to report to the Cabinet meeting in October 2010 on proposed organisational changes.

This report arises from consideration of a report by the Cabinet on 26 July 2010, which is on Hantsweb at:

[http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item\\_ID=1926&tab=2](http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item_ID=1926&tab=2)

## **ECONOMIC ASSESSMENT**

At a meeting on 26 July, the Cabinet approved the Hampshire Local Economic Assessment (LEA) for consultation.

The statutory duty for upper-tier authorities to produce an LEA came into force in April 2010. The purpose of the assessment is to be a common evidence base for local authorities and their partners, enabling robust and consistent local responses to economic development challenges. It is intended that the assessment should be used in the development of strategic plans of partners, including the Sustainable Community Strategy and when deciding upon Local Area Agreement targets.

The Hampshire LEA addresses the following themes:

- Overall competitiveness
- Economic geography
- Business and enterprise
- People and communities
- Sustainable economic growth.

Within these themes a series of topics have been investigated through available data, in order to explore a set of propositions for each theme.

A period of consultation is now underway. All Hampshire authorities, adjoining upper-tier councils, statutory economic agencies, business organisations, chambers of commerce and other interested parties have been invited to comment by mid October 2010. All comments received will then be studied by the Project Team and will help to shape a revised document which will be presented for consideration in January 2011 alongside the draft Strategy and Action Plan for 2011/12.

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[http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item\\_ID=1845&tab=2](http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item_ID=1845&tab=2)

## **CARBON STRATEGY**

At a meeting on 26 July, the Cabinet approved the Carbon Strategy for the County Council and other climate change matters. Reducing the environmental consequences of carbon levels is a key tool in the on-going fight against Climate Change. The Climate Change Act 2008 included within it legally binding carbon reductions of 80% by 2050. Given the rising price of energy, concerns about energy security and the recent introduction of a Carbon Reduction Commitment trading scheme, it is imperative that the County Council takes action on reducing its carbon footprint. As well as reducing their own carbon impacts, Local Authorities have a key community leadership role in working with public sector partners, industry and local residents to effect real change, which aggregated together, will allow the United Kingdom to make a major and telling contribution to the Climate Change mitigation agenda.

The Cabinet welcomed a first stage 20% carbon reduction plan to be implemented over the period from 2010-2015 as part of the overall Carbon Strategy. This includes programmed work linked to key corporate change projects, new energy savings initiatives and behaviour change projects. This is an ambitious but realistic target that has been carefully considered and supported by feasibility studies and information from recognised experts. In agreeing the 20% reduction target for the first five years, Cabinet also agreed a 35-40% reduction by 2025 and carbon neutrality by 2050. The Cabinet was supportive of the overall strategy and agreed that an Energy Strategy be developed to help inform a second stage carbon reduction plan, to take affect from 2015.

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[http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item\\_ID=1152&tab=2](http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item_ID=1152&tab=2)

## **COUNTY COUNCIL SERVICES IN SUPPORT OF THE ARMED FORCES IN HAMPSHIRE**

At a meeting on 26 July, the Cabinet approved the proposals for new partnership working with the Armed Forces, Health and other partners to enhance the strategic planning and delivery of services in support of the Armed Forces in Hampshire. The Armed Forces community is under particular pressure due to the nature and frequency of deployments to Afghanistan and from previous conflicts and it is important for the County Council to provide strong support. The actions agreed are intended to improve the strategic planning between the County Council and the Armed Forces; enhance the effectiveness of support for serving personnel, their families and veterans through the Welfare Pathway Project; deliver short-term projects and secure the construction of facilities for the benefit of the Armed Forces and civilian communities in Hampshire. This will enable local needs to be identified and addressed as well as those issues which are common to service personnel across the County.

The Cabinet recognised the importance of the contributions made by the Armed Forces to life in Hampshire, and highlighted the work that had been done with 145 Brigade in Aldershot initially under the leadership of Brigadier Miles Wade and which was continuing with Brigadier Nigel Baverstock. The importance of the

County Council having good working relationships with organisations such as the Soldiers, Sailors, Airmen and Families Association (SSAFA) and the Royal British Legion was recognised together with sharing relevant information with District Councils, particularly in regard to housing issues.

Close ties have existed between the County Council, the Armed Forces and their support services and charities for many years and this partnership will build on these relationships, provide more efficient planning and delivery of support services and extend this support by jointly developing projects with the Armed Forces and their partner organisations. The Cabinet therefore agreed that the County Council should participate in the formation of a new civilian/military partnership.

This report arises from consideration of a report by the Cabinet on 26 July 2010, which is on Hantsweb at:

[http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item\\_ID=1807&tab=2](http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item_ID=1807&tab=2)

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