

**SUMMARY OF CORPORATE CHALLENGE SAVINGS OPTIONS**

Service / Ref		Service	Function	Savings Option Proposed	2020/21 £	2021/22 £	2022/23 £
<b><i>Efficiency Savings:</i></b>							
IT01	IT		Supplies and Services	Various operational efficiencies re. Vodafone PSN, Network Switch Support and SafeNet.	20,000	20,000	20,000
PPE01	Planning Policy & Economic Development		Supplies and Services	Fund CIL work funded from reserves	13,000	13,000	13,000
REV01	Revenues		Employee costs	Salary savings linked to the implementation of a new service structure.	33,800	33,800	33,800
LD01	Legal and Democratic		Supplies and Services	Reduce subscriptions budget	6,000	6,000	6,000
					<b>72,800</b>	<b>72,800</b>	<b>72,800</b>
<b><i>Budget Realignment Savings:</i></b>							
FIN01	Finance		Transfer Payments	Reduce Added Year Pension Budget to align with actual costs	20,000	20,000	20,000
PB01	Planning and Building		Employee costs	Realign mileage budgets to actuals	3,500	3,500	3,500
					<b>23,500</b>	<b>23,500</b>	<b>23,500</b>
<b><i>Other Non-Corporate Challenge Savings:</i></b>							
FIN02a	Finance		Transfer Payments	Reduced Employers' pension contributions following triennial Pension Fund Revaluation in 2019.	744,600	744,600	744,600
					<b>744,600</b>	<b>744,600</b>	<b>744,600</b>
<b>Total Saving Options in November Budget Strategy</b>					<b>840,900</b>	<b>840,900</b>	<b>840,900</b>
<b><i>Transfers to Reserves:</i></b>							
FIN02b	Reserves		Appropriations	Transfers to Reserves	(744,600)	(744,600)	(744,600)
					<b>(744,600)</b>	<b>(744,600)</b>	<b>(744,600)</b>

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<b>Saving Options in this Update:</b>						
CORP01	ALL	Supplies and Services	Savings in photocopier costs following award of new contract	16,800	16,800	16,800
ENV06	Environmental Services	Glass collection costs	Net savings resulting from bringing glass collection in-house	37,000	37,000	37,000
LD01a	Legal and Democratic	Supplies and Services	Reverse reduction in subscriptions budget	(6,000)	(6,000)	(6,000)
REV01a	Revenues	Employee costs	Further salary savings linked to the implementation of a new service structure.	19,700	19,700	19,700
P&B01	Planning & Building	Supplies and Services	Savings in project consultancy to part fund new Ecologist post	27,900	27,900	27,900
CORP02	ALL	Inflation	Saving on unallocated inflation assumption	39,100	39,100	39,100
<b>Total of New Savings Options identified in this Update</b>				<b>134,500</b>	<b>134,500</b>	<b>134,500</b>
<b>Total Saving Options in this Update</b>				<b>975,400</b>	<b>975,400</b>	<b>975,400</b>
<b>Total Saving Options Net of Transfers to Reserves in this Update</b>				<b>230,800</b>	<b>230,800</b>	<b>230,800</b>

**SUMMARY OF CORPORATE CHALLENGE INCOME GENERATION PROPOSALS**

Service / Ref	Service	Function	Savings Option Proposed	2020/21 £	2021/22 £	2022/23 £
PAM01	Property & Asset Management	Estates	Corporate Properties additional income from rent reviews etc.	146,000	146,000	146,000
PAM02	Property & Asset Management	Project Enterprise	Additional income from new investments	100,000	100,000	100,000
REV02	Revenues	Specific Grants	Reflect likely additional income to be received from Central Government based on previous years	75,000	75,000	75,000
ENV01	Environmental Services	Abandoned Trolleys	Income to be re-aligned with expectation	10,000	10,000	10,000
ENV02	Environmental Services	Private MOT testing	Income to be re-aligned with expectation	5,000	5,000	5,000
ENV03	Environmental Services	Garden Waste Collections	Income to be re-profiled based on expectation	35,000	35,000	35,000
ENV04	Environmental Services	Recycling Income	Income to be aligned based on expectation	15,000	15,000	15,000
LD02	Legal and Democratic	Licensing	Realign Liquor licensing income to budget	8,000	8,000	8,000
<b>Total Income Generation Proposals in November Budget Strategy</b>				<b>394,000</b>	<b>394,000</b>	<b>394,000</b>

**Income Generation Proposals in this Update:**

ENV03a	Environmental Services	Garden Waste Collections	Further income to be re-aligned with expectation	18,500	18,500	18,500
PAM01a	Property & Asset Management	Estates	Further Corporate Properties additional income from rent reviews etc.	99,200	99,200	99,200
PAM03	Property & Asset Management	Estates	Net additional income from the Chantry Centre	111,100	0	0
P&B01a	Planning & Building	Admin income	New Forest Mitigation income to part fund new Ecologist post	18,300	18,300	18,300

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Service / Ref	Service	Function	Savings Option Proposed	2020/21 £	2021/22 £	2022/23 £
PAM01	Property & Asset Management	Estates	Corporate Properties additional income from rent reviews etc.	146,000	146,000	146,000
<b>Total of New Income Generation Proposals identified in this Update</b>				<b>247,100</b>	<b>136,000</b>	<b>136,000</b>
<b><i>Transfers to Reserves:</i></b>						
PAM03*	Reserves	Appropriations	Transfers to Reserves	(111,100)	0	0
				<b>(111,100)</b>	<b>0</b>	<b>0</b>
<b>Total Income Generation Proposals in this Update</b>				<b>641,100</b>	<b>530,000</b>	<b>530,000</b>
<b>Total Income Generation Proposals Net of Transfers to Reserves in this Update</b>				<b>530,000</b>	<b>530,000</b>	<b>530,000</b>

**SUMMARY OF REVENUE PRESSURES**

Service / Ref	Service	Item	2020/21 £	2021/22 £	2022/23 £
<b><i>Pressures previously identified in February 19 Budget Strategy:</i></b>					
ENV05	Environmental	Incremental cost of additional waste collection coverage re. new properties	20,000	40,000	60,000
			<b>20,000</b>	<b>40,000</b>	<b>60,000</b>

**N.B. The above cost has already been included in the budget forecasts as the budget was approved in February 2019**

***Pressures identified in Budget Strategy:***

ALL01	Asset Management Plan	Additional costs in relation to premises, vehicles, plant and IT maintenance and replacement schedules for 2020/21	1,000,000	0	0
ENV05	Environmental Services	Expected reduction in recycling related income as a result of Hampshire County Council's T21 savings options	0	539,000	539,000
			<b>1,000,000</b>	<b>539,000</b>	<b>539,000</b>
<b>Total of New Pressures identified in November Budget Strategy</b>			<b>1,000,000</b>	<b>539,000</b>	<b>539,000</b>

**Pressures identified in this Update:**

CORP03	ALL	Salary regrades and increments net of vacancy management target adjustment	26,600	26,600	26,600
CEX01	Chief Executives	2/3 of new Communications Officer post financed from the New Homes Bonus	26,700	26,700	26,700

**SUMMARY OF REVENUE PRESSURES**

Service / Ref	Service	Item	2020/21 £	2021/22 £	2022/23 £
CEX02	Chief Executives	Project Manager post financed from the New Homes Bonus	59,900	59,900	59,900
PPE02	Planning Policy & Economic Development	Project Consultancy costs financed from the Local Development Framework Reserve	40,300	0	0
PAM04	Property & Asset Management	Reduction in car parking income following tariff review	129,000	129,000	129,000
ENV07	Environmental Services	Anticipated reduction in income from dry mixed recycling	113,000	113,000	113,000
P&B01b	Planning & Building	New Ecologist financed from savings in project consultancy and New Forest Mitigation income	46,200	46,200	46,200
HEH01	Housing & Environmental Health	Eight new posts financed from the Homelessness Reserve as approved by Cabinet 13/3/19 and 17/4/19	208,000	0	0
HEH02	Housing & Environmental Health	Homelessness grants & contributions financed from the Homelessness Reserve	100,500	0	0
<b>Total of New Pressures identified in this Update</b>			<b>750,200</b>	<b>401,400</b>	<b>401,400</b>
<b>Draw from reserves to offset pressures:</b>					
CEX01/02*	Chief Executives	Draw from New Homes Bonus re two posts	(86,600)	(86,600)	(86,600)
PPE02*	Planning Policy & Economic Development	Draw from LDF reserve to finance consultancy costs	(40,300)	0	0
HEH01*	Housing & Environmental Health	Draw from Homelessness reserve to finance eight new posts and grants & contributions	(308,500)	0	0
			<b>(435,400)</b>	<b>(86,600)</b>	<b>(86,600)</b>
<b>Total of New Pressures in this Update</b>			<b>1,750,200</b>	<b>940,400</b>	<b>940,400</b>
<b>Total of New Pressures Net of Transfers from Reserves in this Update</b>			<b>1,314,800</b>	<b>853,800</b>	<b>853,800</b>

## MEDIUM TERM FINANCIAL PLAN

	Original Estimate 2020/21 £'000	Base Changes £'000	Budget Forecast 2021/22 £'000	Base Changes £'000	Budget Forecast 2022/23 £'000
<b><u>Service Requirements</u></b>					
Chief Executive's Office	(23.9)		(23.9)		(23.9)
Community & Leisure	1,871.3	379.8	2,251.1	(371.3)	1,879.8
Environmental Service	5,112.3	20.0	5,132.3	20.0	5,152.3
Finance	13.1		13.1		13.1
Housing & Environmental Health	3,393.9		3,393.9		3,393.9
I.T.	13.4		13.4		13.4
Legal & Democratic	(165.7)		(165.7)		(165.7)
Planning & Building	1,691.8	(5.0)	1,686.8		1,686.8
Planning Policy & Economic Development	845.0		845.0		845.0
Property & Asset Management	(5,510.3)	(64.7)	(5,575.0)		(5,575.0)
Revenues	2,406.9		2,406.9		2,406.9
Inflation	370.9	600.0	970.9	600.0	1,570.9
	<b>10,018.7</b>	<b>930.1</b>	<b>10,948.8</b>	<b>248.7</b>	<b>11,197.5</b>
<b><u>Other Requirements</u></b>					
Net Cost of Benefit Payments	(200.0)		(200.0)		(200.0)
Corporate & Democratic Core	2,770.7		2,770.7		2,770.7
<b>Net Cost of Services</b>	<b>12,589.4</b>	<b>930.1</b>	<b>13,519.5</b>	<b>248.7</b>	<b>13,768.2</b>
<b><u>Corporate Requirements</u></b>					
Contingency Provision	440.7		440.7		440.7
Depreciation Reversal & Capital Charges	(4,659.8)		(4,659.8)		(4,659.8)
Investment Income	(568.1)		(568.1)		(568.1)
Borrowing Costs	161.7	(5.2)	156.5	(5.2)	151.3
Minimum Revenue Provision	191.2	4.3	195.5	4.4	199.9
Small Business Rate Relief	(1,201.8)		(1,201.8)		(1,201.8)
Other Government Grants	(1,076.5)	819.0	(257.5)		(257.5)
New Homes' Bonus	(3,560.8)	1,985.8	(1,575.0)	774.4	(800.6)
Provision for NDR Levy	2,139.0	(2,139.0)	0.0		0.0
100% retention of NDR from Renewable Energy	(443.0)	(8.0)	(451.0)	(9.0)	(460.0)
<b>Net General Fund Expenditure</b>	<b>4,012.0</b>	<b>1,587.0</b>	<b>5,599.0</b>	<b>1,013.3</b>	<b>6,612.3</b>
Transfer to Earmarked Reserves	3,689.0	(1,513.0)	2,176.0	(774.4)	1,401.6
Transfer to Asset Management Reserves	1,217.1		1,217.1		1,217.1
Transfer to Capital Reserves	2,507.7		2,507.7		2,507.7
<b>Total General Fund Expenditure</b>	<b>11,425.8</b>	<b>74.0</b>	<b>11,499.8</b>	<b>238.9</b>	<b>11,738.7</b>
Revenue Pressures	1,750.2	(809.8)	940.4	0.0	940.4
Savings Options	(936.3)	0.0	(936.3)	0.0	(936.3)
Income Generation Proposals	(641.1)	111.1	(530.0)	0.0	(530.0)
<b>Revised Net Budget</b>	<b>11,598.6</b>	<b>(624.7)</b>	<b>10,973.9</b>	<b>238.9</b>	<b>11,212.8</b>
Draw from NHB to offset cuts in Government Grant	0.0	0.0	0.0	0.0	0.0
<b>FURTHER SAVINGS TO BE IDENTIFIED</b>	<b>(57.6)</b>	<b>(450.7)</b>	<b>(508.3)</b>	<b>204.1</b>	<b>(304.2)</b>
<b>General Fund Requirements</b>	<b>11,541.0</b>	<b>(1,075.4)</b>	<b>10,465.6</b>	<b>443.0</b>	<b>10,908.6</b>