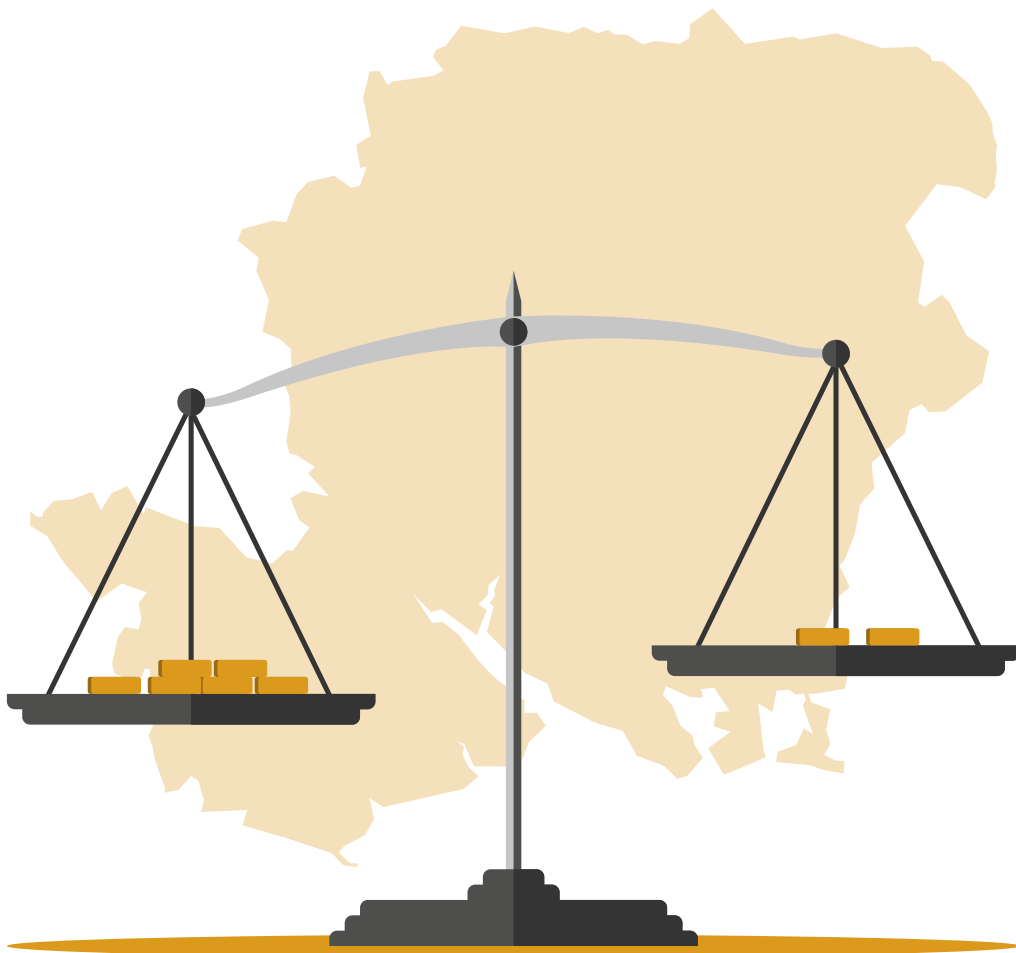


Serving Hampshire – **Balancing the Budget Consultation**

Consultation on Hampshire County Council's
financial options for 2018 – 2020

Response Form



This consultation is open from midday on 3 July – 11.59pm on 21 August 2017

Hampshire County Council is asking for residents' and stakeholders' views on ways it could balance its budget in response to continuing pressures on local government funding and still deliver core public services.

By April 2019, the County Council will be facing an anticipated budget shortfall of £140 million. This is due to national austerity measures, combined with demographic and inflationary pressures. With **less money** available and **growing demand** for council services, especially statutory services, **tough decisions** will need to be made about what the County Council can and cannot do in the future. The Authority is required by law to deliver a balanced budget and therefore, cannot plan to spend more than is available.

The County Council would like to hear your views on the following options for balancing its budget:

- reducing and changing services;
- introducing and increasing charges for some services;
- lobbying central Government for legislative change;
- generating additional income;
- using the County Council's reserves;
- increasing Council Tax; and
- changing local government arrangements in Hampshire.

Feedback will help to inform the approach the County Council takes to balance its budget up to 2019/20. These decisions could affect you – for example, in terms of how much Council Tax you pay, which council services you may receive in the future, and how services are delivered.

Thank you for taking the time to participate in this survey.

How to provide your comments

Before completing this survey, the County Council strongly advises that you read the accompanying Information Pack.

Please return paper Response Forms in the Freepost envelope provided. If you do not have a Freepost envelope, please post your response to: **Freepost HAMPSHIRE**

Alternatively, you can complete an online Response Form which can be found on the County Council's online consultation page www.hants.gov.uk/consultations. You can also email your response directly to the County Council at insight@hants.gov.uk.

Please only complete and submit **one** Response Form, either in hard copy, online, or by email. Please note that any queries or complaints submitted via this consultation process cannot be counted as part of the consultation.

Privacy Notice

If you provide personal information, this will be treated in accordance with the Data Protection Act 1998. Personal information will be used for analytical purposes only. Hampshire County Council will not share the information collected as part of this consultation with third parties. All individuals' responses will be kept confidential and will not be shared. Responses from groups or organisations may be published in full. Hampshire County Council will securely retain and store copies of the responses for one year after the end of the consultation process, and then delete the data.

More details on how the County Council holds personal information can be found at: www.hants.gov.uk/privacy. Should you require any further information about how your details will be used or stored, please contact the Data Protection Team at data.protection@hants.gov.uk.

Managing the budget

The County Council's core role is to deliver public services to the 1.3 million residents of Hampshire (excluding Southampton and Portsmouth).

The County Council is responsible for 81% of local government spending in Hampshire, which contributes to the delivery of a wide range of public services, including: education, roads, waste disposal, libraries, countryside services, Public Health (including school nurses and health visitors) and social care for vulnerable adults and children.

This consultation is about the services provided by the **County Council only**, and the budget that is used to run and deliver these **services**.

The County Council has an overall gross budget of £1.9 billion for the financial year of 1 April 2017 - 31 March 2018. Nearly half of the gross budget is spent on schools, which is protected for that purpose only.

Since 2008, the County Council has been changing the way it works in order to respond to continuing pressures on local government funding and has made savings of over £340 million in the last nine years.

The financial strategy to-date has involved targeting resources on those who need them most, i.e. vulnerable children and adults, planning ahead and securing savings early, which has helped the County Council to invest in new, more efficient ways of working.

Each of the County Council's departments has been required to reduce spending by the same proportion. This means that all departments have to find the same percentage spending reduction.

In addition, the careful use of reserves has helped to address gaps in funding and enabled the County Council to meet the cost of additional pressures in demand for some services, such as social care.

Q.I To what extent do you agree with the County Council continuing its financial strategy, described above? (Any further comments can be provided at Q.II)

Please ✓ one box only

Strongly agree	Tend to agree	No view either way	Tend to disagree	Strongly disagree	Don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Options for balancing the budget

Reducing and changing services

The County Council anticipates that it will have to **reduce** its **spending** by at least an extra **£140 million** by April 2019 to deliver a balanced budget. This is almost the amount that the County Council currently spends on all of its services for children and young people (excluding schools).

The £140 million is based on what the County Council expects future funding cuts to be **and** assumes Council Tax will be increased in line with current Government policy.

Combined with the £340 million savings the County Council has already had to find since 2008, this will bring total **reductions** to nearly **half a billion** pounds. This represents the hardest financial challenge yet for the County Council, as each round of savings is becoming more and more difficult to achieve.

As a result, the County Council is having to consider more radical ways of making ends meet.

One option is for the County Council to reduce and change the way services are delivered in order to save money.

Please see the **Information Pack** (pages 10-16) to find out more about possible ways that the County Council could reduce or change the level of service currently provided in order to support future savings. These are **illustrative only** - any changes to specific services will be subject to further, more detailed consultation.

Q.2 To what extent do you agree or disagree that the County Council should seek to reduce and change services in order to contribute to anticipated savings?

Please ✓ one box only

Strongly agree	Tend to agree	No view either way	Tend to disagree	Strongly disagree	Don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Introducing and increasing charges for some services

The County Council already charges for some local services, such as entry to local attractions and contributions towards care and support needs. The County Council could:

- **choose to increase some of these existing charges - for example**, requiring those who can afford to pay to make a greater contribution towards the costs of meeting their care and support needs; and/or
- **introduce new charges** in other services currently provided free of charge – **for example**, access to digital archives and records; activity sessions in libraries; and contributions to trips made with older persons' concessionary fare passes (subject to change in legislation).

Any fees and charges would be aimed at recovering the costs of running the services only and not designed to make a profit.

Q.3 To what extent do you agree or disagree with the proposal to raise existing charges or introduce new charges to help to cover the costs of running some local services?

Please ✓ one box only

Strongly agree	Tend to agree	No view either way	Tend to disagree	Strongly disagree	Don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Lobbying central Government for legislative change

In some cases, central Government would need to amend legislation in order for local authorities to change the way some services are provided, and enable charging in certain circumstances in order for services to be sustained.

The County Council could choose to lobby central Government for these changes. Here are a few examples of where legislative change could help:

- allowing councils to charge, or apply a sliding scale on costs, for **home to school transport** for children who live more than three miles from their school could raise a potential £20 million per year;
- freeing up councils to charge residents to use local **Household Waste and Recycling Centres** could raise a potential of £2 million per year; and
- enabling councils to charge for **concessionary fares**, e.g. bus fares, could raise a potential £2.5 million to £5 million per year.

Q.4 To what extent do you think that the County Council should lobby the Government for legislative change in order to vary the way some services are provided, and enable charging in certain circumstances?

Please ✓ one box only

Strongly agree	Tend to agree	No view either way	Tend to disagree	Strongly disagree	Don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Generating additional income

The County Council also generates other income to help offset overall service costs. For example, **selling** support to schools and specialist property and consultancy services to other organisations.

Some functions within the County Council are entirely funded through this type of income. However, there are limitations to how much income a local authority can generate.

In addition, the County Council invests in a wide range of **properties** across the country, through pooled funds. This approach poses less risk and supports a more stable financial return on **investment**, as oppose to speculating in individual properties or stocks and shares.

Funds are also generated through the **sale** of County Council owned **land and assets**. However, this cash return is one-off and therefore, does not offer a long-term solution to closing budget gaps.

Q.5 Do you have any further ideas on how the County Council could generate additional income? Please do not provide any personal details in your response.

Options for balancing the budget

Using the County Council's reserves

Within the County Council's budget are sums called 'reserves'. On 31 March 2016, the reserves held by the County Council were £497.3 million. The County Council uses its available reserves to help manage shortfalls in funding - approximately £70 million is being used for this purpose.

Reserves are also committed to other purposes such as:

- the building of new schools, roads and other facilities;
- the redesign of services to make them more cost effective and sustainable;
- new technology to deliver more modern and efficient services; and
- contingencies and unforeseen financial events.

The County Council could use more reserves to plug the budget gap but as reserves can only be spent once, they would merely provide a temporary fix. This would do nothing more than delay and possibly worsen, inevitable decisions needed to solve the County Council's longer-term financial challenges.

It would also mean that funding would not be available for the areas listed above.

Q.6 When considering how the County Council should balance its budget, which ONE of the following two statements is closest to your view about how reserves should be used?

I agree with the County Council's current position – to **not** use reserves to plug the budget gap, as this only provides a temporary fix

I disagree with the County Council's current position and think that more reserves should be used to plug the budget gap, but recognise this is only a short-term solution

Don't know

Options for balancing the budget

Increasing Council Tax

The County Council could choose to increase Council Tax to help plug the anticipated financial gap. The County Council's financial plans assume that Council Tax will rise by 4.99% in 2018/19 and 1.99% for 2019/20, in line with current Government policy. However, the County Council could decide to increase Council Tax by more or less than these levels. To raise Council Tax by more than 4.99% would require a public referendum.

The **table** below is for **illustration only**. It demonstrates the amount of money that would still need to be saved after each level of Council Tax increase, showing that current assumed increases would not be sufficient for the County Council to balance its budget.

Percentage increase in Council Tax for 2018/19	Additional Council Tax income generated in 2018/19	Level of expected savings still needed by 2019/20	Impact on Band D Council Tax annual bill
0%	£0	£168.3 million	No change
1%	£5.67 million	£162.7 million	+£11.34
1.99%	£11.3 million	£157.0 million	+£22.50
3.99%	£22.6 million	£145.7 million	+£45.18
4.99% (assumed in budget forecasts)	£28.3 million	£140 million	+£56.52
10% (a referendum would be required)*	£56.7 million	£111.6 million	+£113.31
29.7% (a referendum would be required)**	£168.3 million	None	+£336.51

* If the County Council increased Council Tax by 10%, a resident of a Band D property would pay £1,246 per year. This would be lower than the average Band D rate across all other county authorities, assuming they only increased Council Tax by 4.99%.

** As shown, in order to fully cover the £140 million financial gap through Council Tax, an increase of 29.7% would be required. As such, the County Council is not minded to put this to a public referendum.

Increasing Council Tax

Q.7 Please indicate which of the following three options is your first, second, and third preference by ticking one box for each option:

	First preference	Second preference	Third preference
To raise Council Tax, in line with current Government policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To raise Council Tax by more than current Government policy (which would require a referendum)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To raise Council Tax by less than current Government policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Changing local government arrangements in Hampshire

Following an independent review of local government arrangements in Hampshire, the County Council consulted the public last year on different ways that councils in Hampshire could change, or be reorganised, to help sustain the delivery of core public services in the future. Please see www.hants.gov.uk/servinghampshire for more information about the consultation and independent review.

Different options for changing local government arrangements in Hampshire outlined in the independent review identified ways for how a minimum of £40 million savings per year could be achieved by, for example: removing duplication across the 12 existing councils; having fewer councillors and senior managers; reducing back office functions; disposing of surplus buildings and equipment; and finding opportunities for economies of scale in purchasing goods and services.

Changes to the structure of local government in Hampshire would require a decision by central Government and a period for implementation. As a result, savings would not be realised until after April 2020.

The County Council's current policy position is clear. The Full Council agreed in November 2016 that it remains committed to try to make the two tier system of local government in Hampshire work and to avoid re-organisation, if possible. The County Council would prefer to hold this position, but acknowledges that it may be subject to external factors, including central Government decisions and financial circumstances.

Q.8 To what extent do you agree that the County Council should explore further the possibility of changing local government structures in Hampshire?

Strongly agree	Tend to agree	No view either way	Tend to disagree	Strongly disagree	Don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reviewing the main options

You have now read through the various options available to the County Council for balancing its budget.

Q.9 Please rank the following options for balancing the County Council's budget by order of preference, by ticking one box for each option:

	First preference	Second preference	Third preference	Fourth preference	Fifth preference	Sixth preference	Seventh preference
Reducing and changing services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Introducing and increasing charges for some services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lobbying central Government for legislative change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Generating additional income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Using the County Council's reserves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increasing Council Tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Changing local government arrangements in Hampshire	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Any further comments?

Q.10 Please describe what, if any, impact the County Council's options for balancing its budget could have on you (or your organisation or group). Please summarise your comments in the box below. Please do not provide any personal details in your response.

Q.11 If you have any further comments on how the County Council could balance its budget, please summarise these in the box below. Please do not provide any personal details in your response.

More about you

Balancing the Budget

Hampshire County Council is committed to improving its services, eliminating unlawful discrimination and promoting equality of opportunity for all people.

We would be grateful if you could answer the following questions so we can analyse the results overall and by these different groups of people.

If this response is on behalf of an organisation or group, please tell us a bit about yourself and your organisation or group.

The name of your organisation or group:

The address of your organisation or group:

Your name

Your position within the organisation

If this is your own response, please answer the questions below.

Please tell us the first part of your postcode. This will help us to understand views in different areas.

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What was your age on your last birthday? Please one box only

- | | | | |
|-----------------------------------|-----------------------------------|-------------------------------------|--|
| <input type="checkbox"/> Under 16 | <input type="checkbox"/> 35 to 44 | <input type="checkbox"/> 65 to 74 | <input type="checkbox"/> Prefer not to say |
| <input type="checkbox"/> 16 to 24 | <input type="checkbox"/> 45 to 54 | <input type="checkbox"/> 75 to 84 | |
| <input type="checkbox"/> 25 to 34 | <input type="checkbox"/> 55 to 64 | <input type="checkbox"/> 85 or over | |

Are you? Please one box only

- | | | | |
|---------------------------------|-------------------------------|--------------------------------|--|
| <input type="checkbox"/> Female | <input type="checkbox"/> Male | <input type="checkbox"/> Other | <input type="checkbox"/> Prefer not to say |
|---------------------------------|-------------------------------|--------------------------------|--|

What is your ethnic group? Please ✓ one box only

White

- English, Welsh, Scottish, Northern Irish, British
- Irish
- Gypsy or Irish Traveller
- Any other White background

Black, African, Caribbean or Black British

- British
- African
- Caribbean
- Any other Black background

Other ethnic group

- Arab
- Any other ethnic group

Asian or Asian British

- Indian
- Pakistani
- Bangladeshi
- Nepalese
- Chinese
- Any other Asian background

Mixed or multiple ethnic groups

- White and Black Caribbean
- White and Black African
- White and Asian
- Any other mixed background
- Prefer not to say

Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months? Please ✓ one box only

- Yes, a lot
- Yes, a little
- No
- Prefer not to say

Do you look after, or give any help or support to family members, friends, neighbours or others because of long-term physical or mental ill-health/disability or problems relating to old age? Please ✓ one box only

- Yes
- No
- Prefer not to say

Are there any children under the age of 16 living in the household? Please ✓ all that apply

- Yes – aged 0-4
- Yes – aged 5-8
- Yes – aged 9-11
- Yes – aged 12-15
- No – none under 16
- Prefer not to say

What is the current total annual household income from all sources, before tax and other deductions? Please ✓ one box only

- Under £2,500
- £2,500 – £4,499
- £4,500 – £6,499
- £6,500 – £7,499
- £7,500 – £9,499
- £9,500 – £11,499
- £11,500 – £13,499
- £13,500 – £15,499
- £15,500 – £17,999
- £18,000 – £24,999
- £25,000 – £29,999
- £30,000 – £34,999
- £35,000 – £39,999
- £40,000 – £44,999
- £45,000 – £49,999
- £50,000 – £74,999
- £75,000 – £99,999
- £100,000 or over
- Prefer not to say
- Don't know

Thank you

Thank you for taking part in this consultation. Feedback will help to inform the decisions to be made by Hampshire County Council in the autumn 2017 on the approach to balance its budget up to 2019/20.

Please return paper Response Forms in the Freepost envelope provided. If you do not have a Freepost envelope, please post your response to: **Freepost HAMPSHIRE**

If you have any queries about this consultation or the information provided, please email insight@hants.gov.uk or call **0300 555 1375***

**Calls from a landline will be charged at the local rate, although mobile phone charges may vary*
