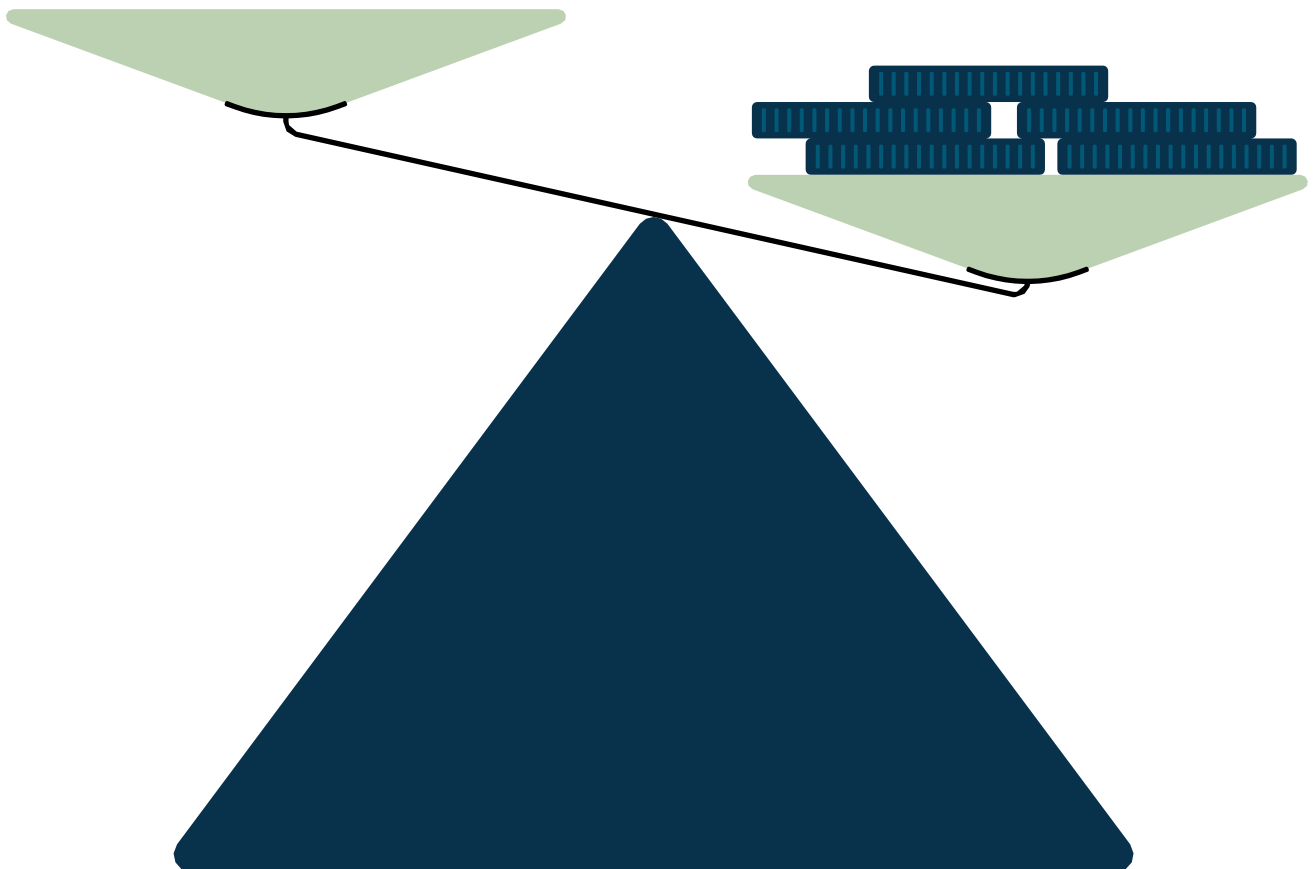


Serving Hampshire

Information
Pack

Balancing the Budget Consultation

Hampshire County Council's
options for balancing its budget,
from 2022-2024



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Balancing the Budget

Consultation Information Pack

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 increasing demand for core public services.

Consultation period: from midday on 7 June to 11:59pm on 18 July 2021.

Introduction

Throughout the COVID-19 pandemic, the County Council has continued to provide a wide range of services to the people of Hampshire.

However, these unprecedented times have also placed an additional burden on the financial resilience and stability of the County Council, which was already under huge pressure from over a decade of national funding reductions. Although a strong track record of careful financial planning, and a prudent level of reserves has placed the County Council in a better position than some, the absence of a multi-year funding settlement from the Government means that we continue to face a budget shortfall of at least £80million over the next two years (2022/23 and 2023/24).

Local authorities are required by law to deliver a balanced budget and therefore, cannot spend more than is available. So, once again, further decisions need to be made about what the County Council can and cannot provide.

It is recognised that each time these decisions become harder. Many opportunities to do the same things for less money and to work differently have already been realised, making it tougher to maintain the full range of services that residents rely on. Yet, despite its many challenges, the COVID-19 pandemic has also demonstrated that some services can be delivered in other ways, without compromising quality of service provision. Things that were not thought possible a year ago are now becoming the 'new normal', leading to further opportunities for transformative change.

This consultation outlines a range of options that could contribute to achieving a balanced budget. These could have a direct personal impact on your day-to-day life – affecting how much Council Tax you pay, which council services you may receive, and how services are provided. You may need to travel further, pay more or access less.

For this reason, once again, we urge you to have your say.

Consultation scope

The County Council would like to hear your views on several high-level options that could contribute towards balancing its revenue budget¹, comprising:

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

If you have taken part in a previous budget consultation, these options may appear familiar. They have been presented before and are proposed again because we believe they continue to represent the best opportunity to achieve a balanced budget – given the County Council's statutory service obligations and the level of savings required.

However, the County Council remains open to other suggestions that could help meet the budget shortfall and would welcome any alternatives that you may wish to propose as part of this consultation.

It would also like to understand the potential impacts of these options to help inform its final approach.

Hampshire County Council's consultation policy

The County Council is committed to five principles of consultation:

- to consult on key issues and proposals;
- to consult in good time;
- to be inclusive but with clear and appropriate limits;
- to consult using clear, simple information;
- to ensure responses are taken into account when decisions are made.

¹ This consultation is about the County Council's revenue budget. This means the ongoing expenditure for running the County Council and delivering its services. As such, the consultation does not cover capital expenditure which relates to any spending on buildings or new assets (e.g. schools, offices, roads, equipment, plant, vehicles) or extending or making improvements to existing assets (e.g. country parks, recycling centres). More information can be found in Section Two.

How to have your say

This Information Pack gives an outline of the County Council's budget and how this is currently spent. It also outlines a range of options through which the organisation could continue to live within its means whilst meeting its statutory obligations and protecting vulnerable residents.

Please read this information carefully before sharing your views.

This consultation is open from midday on 7 June to 11:59pm on 18 July 2021. Please ensure that you respond within this period as responses received after the closing date will not be included in the consultation report.

You can provide your feedback using the consultation Response Form, available:

- online at www.hants.gov.uk/balancingthebudget;
- via the County Council's consultation webpage at www.hants.gov.uk/consultations;
- via post – by requesting a paper copy from insight@hants.gov.uk or by calling **0300 555 1375***;
- at local Hampshire libraries.

You can also email your response directly to insight@hants.gov.uk.

If you have a paper Response Form, please return this in the Business Reply envelope provided. If you do not have a Business Reply envelope, or wish to submit a written response, please post your response to: **Freepost HAMPSHIRE** and write '*IEU FM09*' on the back of the envelope.

The Information Pack and Response Form are also available in Easy Read and can be requested in other languages and formats, including Braille, audio or large print.

If you require a different format or have any other queries about this consultation, please contact the County Council by emailing insight@hants.gov.uk or by calling **0300 555 1375²**.

The views submitted through this consultation will be collated and used to inform discussions at Executive Member, Select Committee, Cabinet and Council budget proposal meetings during 2021. A consultation report will be produced and published on the www.hants.gov.uk/balancingthebudget webpage.

² *0300 calls are usually included in most landline and mobile call packages and if not, are charged at no more than a local rate call.

Section One: About Hampshire County Council

The County Council's core role is to deliver public services to the 1.4 million residents of Hampshire (excluding Southampton and Portsmouth).

Responsibilities for local government services in Hampshire are divided between the County Council and the 11 district councils.

The County Council is responsible for 82% of local government spending in Hampshire, which contributes to the delivery of a wide range of public services including roads, waste disposal, libraries, countryside services, Public Health (including school nurses and health visitors) and social care for vulnerable adults and children.

Other public services, such as housing, local planning, and bin collection, are carried out by district councils and therefore, fall **outside the scope** of this activity. There are also parish, town, and neighbourhood councils with local responsibilities, but not in all areas of the county. Police and Fire services are provided separately by Hampshire Constabulary and Hampshire and Isle of Wight Fire and Rescue Service.

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

A more detailed summary of some of the key services currently delivered through various departments in the County Council are set out below.

- **Adults' Health and Care**

Social care (for people aged over 18 years old) including: residential and nursing care; day care and respite facilities for older people (aged 65 or over); services for people with a learning disability, mental health needs, autism or with a physical disability; support for carers and for people to maintain their independence; and Public Health services.

- **Children's Services**

Early years education and childcare; child protection; services for children in care; fostering and adoption services; support for children and young people with learning difficulties and/or disabilities, and their families; school admissions (applying for a school place); school places planning; support to pupils not in education, employment or training; school improvement; support for pupils with special educational needs; and home-to-school transport.

- **Corporate Services**

Central support services such as Finance, IT and HR; legal and democratic support; and communicating to, and engaging with, residents.

- **Culture, Communities and Business Services**

Archives; outdoor centres, country parks and public Rights of Way; libraries and Discovery Centres; property services; County Supplies; school meals; registration of citizenship, births, marriages and deaths; Trading Standards; and planning for emergencies.

- **Economy, Transport and Environment**

Economic development (supporting the local economy); transport and strategic infrastructure planning, new roads, footways and cycleways; highway repair and maintenance; street lighting; traffic management and road safety; household waste disposal and waste recycling centres ('tips'); minerals and waste planning; flood risk management, protecting the environment; and public community transport subsidies.

For more information on the key services please see the summary factsheets at www.hants.gov.uk/balancingthebudget

The County Council's strategic aims

The Serving Hampshire Strategic Plan for 2017-2021 sets out four strategic aims which guide the County Council's work. Each aim is supported by several priorities – actions being taken to deliver better outcomes for the people of Hampshire. The four aims are set out below.

- **Hampshire maintains strong and sustainable economic growth and prosperity** – supporting people into work, attracting inward investment, promoting Hampshire's competitiveness, and providing the necessary infrastructure for growth.
- **People in Hampshire live safe, healthy, and independent lives** – giving people the best start in life; enabling residents to live fulfilling lives by focusing resources where need is greatest, and where it can make the biggest difference.
- **Hampshire enjoys a rich and diverse environment** – ensuring that Hampshire's economic success goes hand in hand with protecting the county's environment and heritage.
- **Hampshire enjoys strong, inclusive communities** – recognising the resources, skills and strengths that exist in local communities which, when utilised, can help reduce demand and dependency on County Council services.

The Strategic Plan for 2021-25 will be updated in line with the organisation's evolving financial strategy.

Some examples of how the County Council has delivered on its four strategic aims can be found here: www.hants.gov.uk/aboutthecouncil/budgetspendingandperformance/performance

Section Two: About the County Council's revenue budget

How the County Council is funded

The County Council has an overall gross budget of almost £2.3 billion for the financial year of 1 April 2021 – 31 March 2022.

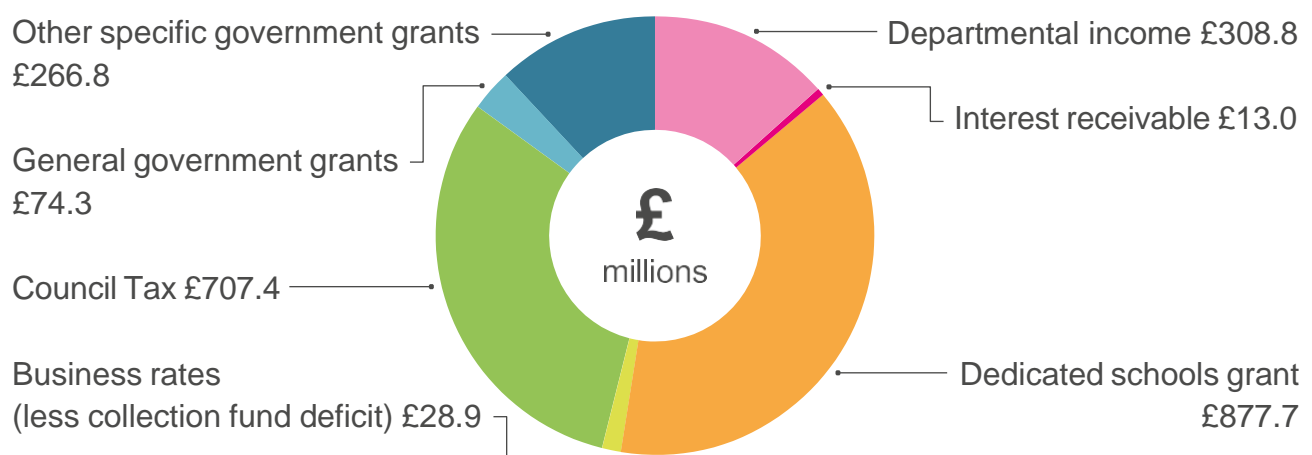
The majority of funding for services in Hampshire (excluding schools) comes from Council Tax (56%). The remaining amount is made up of income from a range of sources, including fees paid by service users (22%), and central Government funding (22%).

The amount the County Council receives from central Government has fallen significantly since funding reductions began in 2010. For example, the main general central Government grant (Revenue Support Grant) has reduced from £216 million (2010) to zero.

The County Council holds reserves, and the majority of these funds are already committed to existing revenue or capital programmes or are being invested in services to generate future savings. See [page 14](#) for further details on reserves.

The cost of schools is included within the County Council's budget, but this funding is protected for that purpose only and therefore, cannot be used towards savings.

How the budget is currently funded (2021/22 data)³



³ The collection fund deficit is largely Business Rate income from the year before which was lower than the original estimate that was built into the budget, mainly due to business rate reliefs given in response to the COVID-19 pandemic. The deficit needs to be made up in the following year as part of the funding for the budget. NB: income can also be more than estimated, resulting in a surplus.

How the budget is spent

A breakdown of how the revenue budget of almost £2.3 billion is spent is shown below.

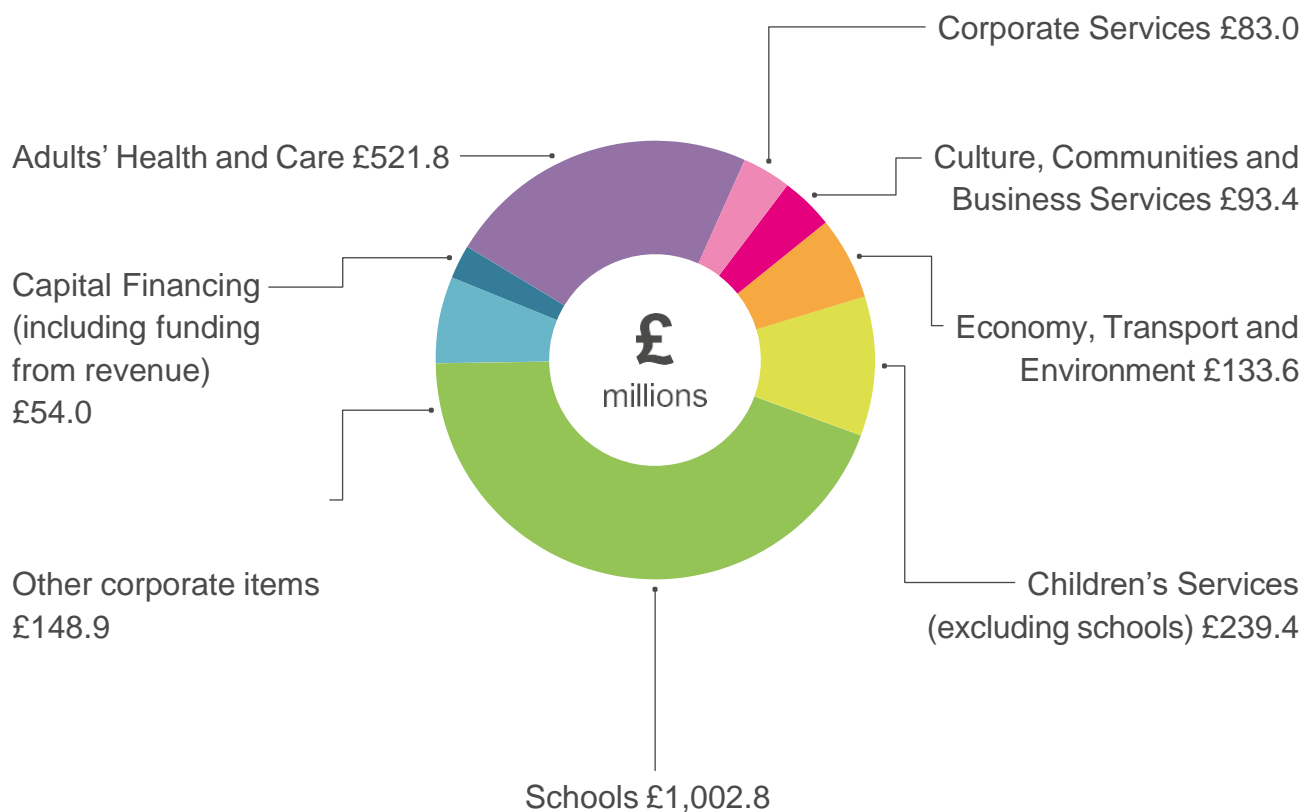
Nearly half of the gross budget is spent on schools, which is protected for that purpose only. Net revenue spending by the County Council's departments totals around £823 million.

The County Council's focus continues to be on protecting statutory services and meeting the needs of Hampshire's most vulnerable residents. Demand grows every year for social care services due to factors such as an ageing population, with a large amount of our budget used to provide social care to vulnerable adults and children. The COVID-19 pandemic has also placed additional strain on residents' mental and economic wellbeing, the full extent of which is yet to be understood but likely to increase demand on local services in the coming years.

The County Council will continue to plan to meet these demand pressures, whilst providing a wide range of other services available to all.

More information about the County Council's Budget 2021/22 can be found in the Budget Book at <https://www.hants.gov.uk/aboutthecouncil/budgetspendingandperformance/accounts>

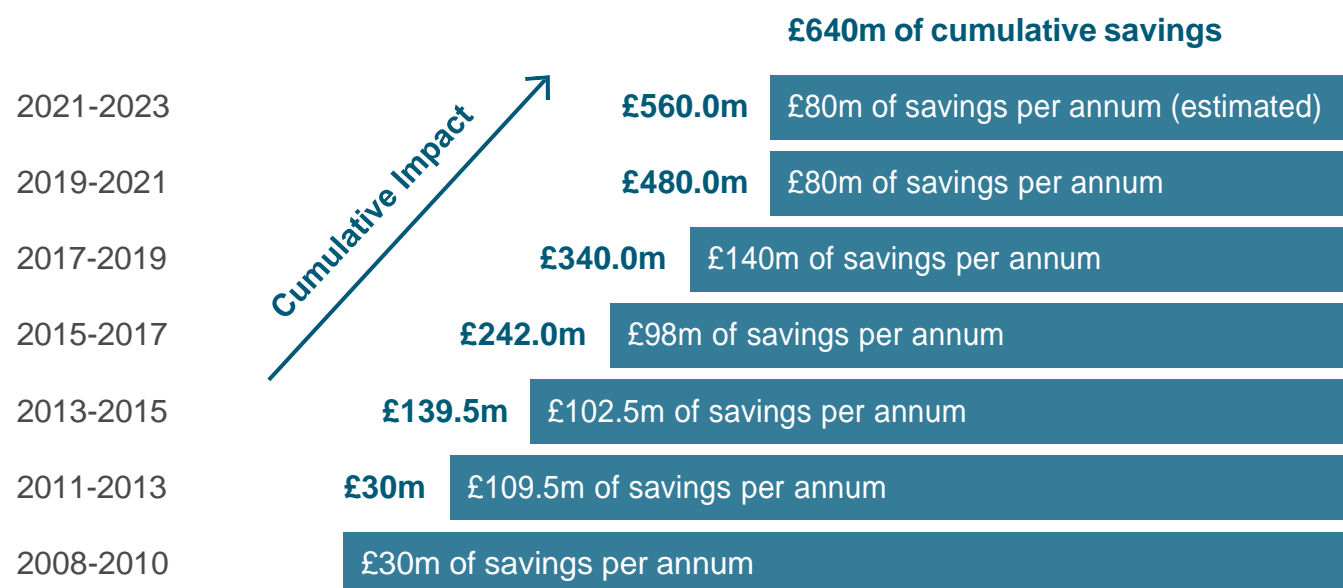
How the budget is currently spent (2021/22 data)



How savings have been managed to-date

Since 2008, the County Council has been changing the way it works to respond to continuing pressures on local government funding. In total, this has resulted in savings of over £560 million being removed from the budget in the last 13 years. The County Council predicts it will need to find a further £80 million in the next two years, bringing the cumulative recurring amount to £640 million.

Per annum savings achieved via cost reduction exercises



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. 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.

Each of the County Council's departments have been required to reduce spending by the same proportion (i.e. find the same percentage spending reduction).

In addition, departments have generated additional income to help sustain services and reduce the budget deficit.

Specific areas of focus have included:

Reducing costs and earning income by:

- sharing services with, and selling to, other public sector organisations;
- charging people to use some services;
- securing better value for money from contracts and when purchasing goods and services.

Case Study: Earning income

The need to find budget savings has sharpened the County Council's commercial focus and led to an expansion of traded services in recent years. These services use the specialist expertise and hands-on experience of Hampshire County Council officers to provide professional services to public and charitable organisations across a wide range of areas, including:

- Services for schools
- Purchasing and supplies
- Catering Services
- Property and Infrastructure
- Transport Management
- Internal Audit
- Legal Services
- Pensions Services
- Printing Services
- Occupational Health and Wellbeing
- Shared Service back-office processing
- Scientific Services

Together, these traded services help to protect frontline services by maintaining capacity and skills within the County Council, whilst also making a net contribution to overheads of around £14 million each year.

Changing behaviours by:

- adopting new and digital ways of working to improve productivity;
- moving services online to make them more efficient;
- encouraging people to seek other forms of help and support to reduce the demand for some services.

Case Study: Social workforce investment and transformation

A strengths-based approach to improving practice, and enabling, empowering and encouraging the workforce has seen Hampshire Children's Services recognised by Ofsted, as 'outstanding' in all areas.

As part of its transformation, the Department invested in recruiting additional social workers and new time-saving technology, established personal assistants for social work teams – to free the social workers from many of the administrative tasks in their role and allow them more time to spend working with children and families – and introduced a new model of social work practice.

As a result, children's needs are better understood, intervention is purposeful and consistent, and children, families and staff groups have become more resilient. There has been a 30% reduction in social work caseloads, a 23% reduction in Child Protection Plans and the number of children being able to stay safely in their family home has risen.

Investing resources and assets wisely by:

- developing joint ventures that yield additional income or generate a return;
- using assets creatively to maximise return on investment;
- investing in the short-term, in order to achieve greater savings in the longer-term.

Case Study: Electric vehicles

As part of its bid to be carbon neutral by 2050, the County Council is working with Nissan to replace every passenger vehicle in its fleet with zero-emission cars. Electric vehicles reduce per-mile fuelling costs by 84% – potentially saving over £200,000 per year, as well as an estimated 400 tonnes of carbon emissions.

In addition, the County Council has partnered with Joju Charging on the Central Southern Regional Framework for Electric Vehicle Charging Infrastructure. This program secures third-party financing to reduce the upfront costs of charger purchases and offers an income share of a 10% rebate on the energy cost per kWh. The County Council will use the framework to add 1,000 public chargers by the end of 2021 and the Framework will ensure that electric vehicle drivers will be accessing a standard National charging system, with the same RFID access across the region. When other authorities use the framework, 1% of installation capital costs are reclaimed by the County Council to cover framework management costs.

Overall financial position

Despite the COVID-19 pandemic, the County Council remains in a relatively strong position, having decided very early on that any financial response to the pandemic could not be at the expense of the existing medium-term financial strategy and the need to provide resources for the challenges that existed prior to COVID-19.

However, it is fair to say that the underlying financial strength of the County Council is weaker because of the pandemic, and under current funding arrangements, it cannot maintain financial sustainability in the longer-term. Opportunities for reducing costs are getting harder to find, whilst inflation and demand for services continue to rise. That is why the County Council is seeking your views on potential ways to balance its budget.

Section Three: Options for balancing the budget

The County Council anticipates that it will have to reduce its spending by at least an extra £80 million by April 2023 to deliver a balanced budget. These savings are driven by increases in demand for some services, rising costs and inflationary pressures that are expected over a two-year period.

Combined with the £560 million savings the County Council has already had to find since 2008, this will bring total reductions to **£640 million pounds**. Therefore, securing a further £80 million of savings to meet the remaining funding gap will be extremely challenging.

Some of the potential options that could contribute towards balancing the budget are outlined below.

Introducing and increasing charges for some services

Fees and charges offer a targeted way of generating income, affecting service users, rather than the population as a whole. In previous *Balancing the Budget* consultations, many residents agreed that the County Council should raise existing charges or introduce new charges to help cover the costs of running local services⁴. This approach was implemented for some services – for example, introducing parking charges at countryside sites, and room hire fees at local libraries. The County Council could consider further increases to existing charges or introducing new charges where services are currently still provided free of charge.

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

Lobbying central Government for legislative change

In some cases, the options for change are restricted by central Government legislation. Although the County Council would like to introduce changes to sustain services or establish a different way of working, it is currently prohibited from doing so.

Lobbying requires constructive conversation over a sustained period to deliver positive outcomes. In the 2019 Balancing the Budget consultation, residents were asked whether the County Council should lobby central Government to change current statute and allow for charges to be introduced in the following areas, which are again under consideration:

⁴ <http://documents.hants.gov.uk/BalancingtheBudget-October2019-finalreport.pdf>

- for use of local Household Waste and Recycling Centres (£1 per visit);
- for issuing an Older Person's Bus Pass (which lasts for five years) (£10);
- to recover 25% of the per journey fare for concessionary travel. (The County Council would continue to pay 75% of the fare and would place a cap on the daily charge per person);
- for Home to School Transport (means-testing could apply).

In addition, the County Council would like to lobby for the following additional changes to help maintain current services:

- additional funding to deliver social care services for adults and children;
- increase central government grant funding for libraries;
- changes to the charging approach for non-residential social services;
- an update to the 1964 Public Libraries and Museums Act, to enable service modernisation.

Generating additional income

The County Council generates other income to help offset overall service costs. For example, applying fees and charges for specific services and providing professional, specialist and technical services to other organisations.

Some functions are entirely funded through this type of income. The County Council could look to generate additional income but is not generally allowed to make a profit. As a result, there are limitations as to how much income it can generate over and above how much it costs to provide the services.

In addition, the County Council invests indirectly 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 opposed to speculating in individual properties or specific stocks and shares.

Funds are also generated through the sale of County Council owned land and assets. However, this cash is one-off and cannot legally be used to fund day-to-day services.

Using the County Council's reserves

The County Council holds reserves to support its Medium-Term Financial Strategy and provide funding to mitigate risks that the County Council faces. On 31 March 2020, the reserves held by the County Council were £643.1 million.

Almost 83% of these reserves are already committed to purposes such as:

- the building of new schools, roads, and other facilities;
- the redesign of services to make them more cost effective, sustainable and to deliver future savings;

- new technology, to deliver more modern and efficient services;
- self-insurance and covering investment risks; or
- are held on behalf of other organisations (such as schools and the Local Enterprise Partnership).

Of the remaining 17%, the majority is used to plug gaps in the budget that arise from the two-year cycle of savings programmes, or to help fund the delayed delivery of savings in some departments.

The need to hold reserves to mitigate risk was very clearly demonstrated during the COVID-19 pandemic. This period showed that the level of reserves held by the County Council provides options and flexibility in addressing financial challenges and helping the County Council to meet any potentially unfunded costs in the absence of definite commitments from the Government.

The County Council could use more reserves to plug the budget gap – however, as reserves can only be spent once, this would only provide a temporary fix. In the context of the scale and scope of the County Council’s operation, remaining uncommitted reserves **only leave enough money to run services for around 14 days**. This does not offer a realistic long-term solution to the financial challenges faced.

More information about the County Council’s reserves can be found in Appendix Seven of the Budget Report 2021/22. <https://democracy.hants.gov.uk/documents/s66485/2021-22%20Budget%20ANNEX%20A%20Appendix%207%208.pdf>

Reducing and changing services

The County Council is legally required to provide many services, such as education, social services and roads, and will continue to do so. However, the level at which these services are provided is discretionary. In the past, the County Council has spent additional money to enhance services and enable more people to access them, but, with increasing demand and a reducing budget, this may not be possible in the future.

Other services are not required by law but are still provided by the County Council. Reviewing these types of service may identify ways that money could be saved by providing them differently, or at a more basic level.

The COVID-19 pandemic has created significant challenges, but also a once in a generation opportunity for transformative change. The need for social distancing has put an entirely different context on work and social interaction. Many services are now being delivered and accessed remotely, providing the potential for a review of the County Council’s estate and overall running costs.

People are also discovering the benefits of volunteering, caregiving and the value of local community. The ‘new normal’ is uncertain, but the pandemic has demonstrated that things can be done differently without compromising quality of service provision.

In the consultation Response Form, you will be asked to what extent you agree or disagree with the principle of reducing or changing the way services are delivered to save money. Examples of possible ways that the County Council could reduce or change the level of service currently provided, to sustain future services, are set out below.

These examples are illustrative – any changes to specific services may also be subject to further, more detailed consultation.

Countryside Service	
Current service budget: £2.53 million	Estimated savings target: £130k
About this service	
<p>The County Council’s Countryside Service owns and manages land and access routes across Hampshire, providing safe, high-quality opportunities for people to experience and explore the countryside.</p> <p>The Service manages five country parks, two farm attractions and a significant number of local countryside sites. It has statutory responsibilities relating to visitor safety, the protection and management of landscape, ecology and heritage features within its sites, and the management of Rights of Way across the county.</p> <p>Alongside these areas, several additional services are provided to enhance visitor enjoyment, such as events and activities.</p> <p>More information can be found at: www.hants.gov.uk/thingstodo/countryside</p>	
Potential service changes	
<p>Potential changes that could help to sustain existing countryside services include:</p> <ul style="list-style-type: none"> • increasing the range of income generating services available to customers across all country parks to increase visitors and income opportunities; • growing earned income through promoting off-peak usage, developing new commercial activity and making our provision of catering more cost effective; • creating a financially sustainable model for Titchfield Haven Nature Reserve; • exploring options for a different operating model for the Countryside Service including greater integrated working with other services and partners. 	
Potential impacts	
<p>The potential service changes could have the following impacts:</p> <ul style="list-style-type: none"> • financial sustainability of non-statutory services or stopping/reducing these where they are not financially sustainable; • increased reliance on support from the voluntary sector; • improved range of services for customers; 	

Countryside Service (table contd.)

Current service budget: £2.53 million

Estimated savings target: £130k

Potential impacts

- some customers may need to pay more to access some services;
- sharing skills and capacity across the business area in order to achieve more effective service delivery;
- change of staff roles to ensure flexibility within the service.

Hampshire Outdoor Centres

Current service budget: £474k

Estimated savings target: £385k

About this service

Hampshire Outdoor Centres (HOC) is a non-statutory service comprising four residential outdoor education centres; three in Hampshire and one in South Wales. The service mission is to improve the lives of customers and deliver a safe, highly valued, cost effective and quality focused service through the provision of accessible outdoor education and recreational facilities. The centres provide opportunities for all customers to connect with the natural environment, create memorable experiences, learn new skills, and grow through personal development.

Each Centre offers unique opportunities for customers:

- Tile Barn Outdoor Centre specialises in cost-effective camping and activity visits to the New Forest, for schools, youth groups and the public.
- Runway's End Outdoor Centre is in the North East of Hampshire and specialises in residential environmental and outdoor adventure programmes to primary aged children but also has a popular public campsite with glamping Pods.
- Calshot Activities Centre can accommodate up to 200 children for full activity and residential programmes. Calshot also offers a diverse range of publicly accessible facilities and delivers skills-based training courses.
- The Argoed Lwyd Outdoor Education Centre is in the Brecon Beacons National Park in South Wales. It provides residential personal development programmes in which children participate in adventurous mountain-based activities and experience a strong contrast to their home environment.

More information can be found at:

<https://www.hants.gov.uk/thingstodo/outdoorcentres>

Hampshire Outdoor Centres (table contd.)

Current service budget: £474k

Estimated savings target: £385k

Potential service changes

Potential changes that could help to sustain existing outdoor services include:

- implementing a new and comprehensive business plan to enhance provision of high quality outdoor learning for schools and residential groups;
- introducing a new range of products at different price points to encourage use of facilities across the whole year;
- positioning Calshot Activity Centre as a core destination for visitors to the South Coast;
- exploring opportunities offered by new digital marketing platforms to reach out to new customers;
- working to modernise the residential facilities in all centres and increase capacity for school visits.

Potential impacts

The potential service changes could have the following impacts:

- secure the future financial sustainability of HOC;
- increased commercialisation of the service;
- improved end-to-end customer-friendly journeys through digital platforms;
- customers would have access to a wider range of services to choose from;
- with new and improved products and services on offer, HOC could create a more balanced and sustainable customer base, putting less reliance on the income from schools;
- improved visitor retention and increased visit frequency;
- a pricing structure that continues to provide value for money and is competitive.

Home to School Transport

Current service budget: £33 million

Estimated savings target: £2.5 million

About this service

The County Council provides transport assistance for some children to attend school. This statutory service is largely provided to children attending their catchment school but live over two or three miles (depending on age) away from the school, as well as specialist Home to School Transport for Hampshire pupils with Special Educational Needs and/or disabilities. In both circumstances, transport assistance is provided where children meet national eligibility criteria.

Home to School Transport (table contd.)

Current service budget: £33 million

Estimated savings target: £2.5 million

About this service

£30 million is currently spent per financial year on providing Home to School Transport assistance to around 12,000 students. Of these, 9,000 attend mainstream schools (at a cost of c£12 million) and 3,000 attend schools and colleges that provide for their Special Educational Needs and/or disabilities (at a cost of c£18 million).

More information about the Home to School Transport service can be found at:
www.hants.gov.uk/educationandlearning/schooltransport

Potential service changes

An investigation into efficiencies in Home to School Transport for children achieved by Essex County Council and other low-cost councils would be undertaken to inform the potential ways in which cost reductions could be delivered whilst also improving services.

Reductions to the cost of providing the Home to School Transport service may be possible through:

- an extensive review of the current service and the approach to dedicated, contracted transport provision. The review would consider opportunities to make efficiencies in contract management and for optimising use of travel escorts provided directly by operators;
- contracting one or multiple schools to a single operator;
- encouraging the transport operator market to better develop supply chains and become more proficient in organising transport routes. This could enable operators designing transport, working directly with children, families, and schools to make more efficient transport arrangements;
- a redesign of the Home to School Transport service. Changes as outlined could achieve back-office efficiencies, such as reduction in the number of invoices being processed each month.

Potential impacts

The potential service changes could have the following impacts:

- service users could see a change in their key contacts for transport arrangements. Users may also benefit from shorter journey times;
- schools would work directly with one transport operator and that transport operator may work across a number of schools in a similar location seeking to make more efficient transport arrangements;
- children from different schools may be transported, when it is safe and efficient to do so, in the same vehicle;
- operators working with the County Council to deliver this service could take on additional or changed responsibilities, either through their role in the supply chain and/or direct employment of travel escorts;

Home to School Transport (table contd.)

Current service budget: £33 million

Estimated savings target: £2.5 million

Potential impacts

- currently travel escorts are almost all employed directly by the County Council and assigned to a route. The escort workforce could see;
 - the proportion of escorts in the service, employed directly by the County Council, reduce;
 - more employment opportunity with operators.

Please note: The County Council would continue to meet its statutory requirements.

Modernising Placements Programme

Current service budget: £103 million

Estimated savings target: £2.7 million

About this service

The County Council is required by law to deliver statutory services to support children and families in need and safeguard children who are at risk of significant harm which includes looking after those children through fostering, residential children's homes and supported accommodation where their families are unable to. The way in which these services are delivered is being reviewed so that those directly caring for children have more support, and children receive care that is more flexible to their needs in order that children receive the right care at the right time and for the right duration.

More information about Children's Social Care can be found at:

www.hants.gov.uk/socialcareandhealth/childrenandfamilies

Potential service changes

Providing more flexible care and more support to those caring for children could reduce the costs to Children's Social Care by:

- reducing the number of children living with higher cost independent and private fostering agencies by increasing the number of Hampshire County Council foster carers;
- ensuring children can stay with their carers without disruption, by supporting foster carers and staff with enhanced services from a range of organisations, as well as learning and development opportunities to provide the skills and knowledge they need;
- supporting children with the highest vulnerabilities through developing a new service that includes professionals from the NHS, Police and education who can make sure that children have the specialist help they need quickly without needing to wait to refer for these services;

Modernising Placements Programme (table contd.)

Current service budget: £103 million

Estimated savings target: £2.7 million

Potential service changes

- ensuring children's previous experiences are understood and they are helped to recover from the trauma that they have experienced before coming into care. Children would be helped to achieve their aspirations and full potential through staff and carers understanding how to support them better through the development of an approach that all Children's Service's staff and carers are trained in, called *trauma-informed practice*.

Potential impacts

The potential service changes could have the following impacts:

- Hampshire County Council foster carers may experience higher levels of satisfaction with the support they receive to meet the needs of Hampshire's children, supporting the recruitment and retention of foster carers;
- keeping children closer to home through more local Hampshire provision may help children to remain at their current school and in contact with family and friends, retaining and improving relationships;
- staff may be positively impacted as their skills develop through learning and increased engagement with staff from other services and agencies leading to higher job satisfaction and increased recruitment and retention of staff;
- more children may be able to stay in their care settings for longer and not experience placement moves as staff and foster carers have more confidence in understanding how to respond to their needs;
- children may feel they have more control and choice through more fostering families being available;
- potential reduction in demand for private care service providers as more children are supported in Hampshire County Council provision;
- working more closely with professionals from Police and the NHS would enable children to receive support earlier, increasing the likelihood of them having better outcomes;
- more children may be able to return home using trauma-informed practice and more support during the time they are in care;
- the cost of care to the County Council may reduce by safely supporting children to return to their families.

Please note: The County Council would continue to meet its statutory requirements.

Breaks for carers of disabled children

Current service budget: £16.8 million

Estimated savings target: £600k

About this service

Children with disabilities and complex needs may need specialist services from Children's Services, including overnight short breaks (respite), holiday activities and playschemes, care support, technology enabled care, buddies and in some cases, residential placements.

The County Council delivers some services directly using its own employed staff, buildings and resources and others are delivered by external service providers on the County Council's behalf.

External services are commissioned, purchased and paid for in a variety of different ways including through contractual arrangements between the County Council and service providers, and through direct payments and personal budgets to families.

More information can be found here:

www.hants.gov.uk/socialcareandhealth/childrenandfamilies/specialneeds

Potential service changes

There may be changes in the way that services are commissioned and delivered, including an evaluation of where the County Council's own resources are used and where services are commissioned from external providers. There may be opportunities for delivery methods to be modernised, making better use of innovative and technological approaches, and to become more outcomes focused.

This could result in changes to:

- where and how services for children with disabilities are delivered, and the balance of services delivered by the County Council's resources, volunteers and external providers;
- services delivered into families' homes such as specialist respite foster care and technology enabled care;
- the funding sources and financial contributions sought to support the costs of service delivery;
- commissioning arrangements – so that these more closely align to the outcomes being sought for children and their families/carers;
- the number of personal budgets provided to families.

Potential impacts

The potential service changes could have the following impacts:

- children and their families may benefit from increasingly modern and efficient services, enabled through further use of technology and, where appropriate, delivered within their own homes;
- children and their families may have greater flexibility and choice in terms of the services available to support them;

Breaks for carers of disabled children (table contd.)

Current service budget: £16.8 million

Estimated savings target: £600k

Potential impacts

- children and their families may find that the services they need are delivered in different locations, by different organisations and in different ways;
- external service providers would share greater accountability for supporting children and their families, with commissioning increasingly focused on achieving outcomes and supporting the development of independence skills;
- the way in which services are paid for may change if voluntary and community organisations are commissioned directly by families because of an increase in personal budgets;
- a review of available funding sources may identify alternative funding options for external providers that helps to reduce their reliance on the County Council. This could be, for example, new grants (such as the Holiday Activities and Food scheme) or contributions from families (such as Disability Living Allowance/Personal Independence Payment or parental contributions).

Please note: The County Council would continue to meet its statutory requirements.

These are examples of potential impacts; specific impacts would depend upon the options considered and agreed.

Younger adults

Current service budget: £170.6 million

Estimated savings target: £8.7 million

About this service

The County Council's vision is to support younger adults (people aged over 18 and under 65 years old) in Hampshire to stay healthy and live independently for longer. To achieve this, social care practitioners use strengths-based practice. This focuses on supporting individuals to support themselves by identifying and drawing on their own skills, resources, and social connections.

When someone living with a learning disability, a physical disability, a mental health problem, autism or a substance misuse issue needs care and support, the County Council works with that person and their carer to support them to live with as much independence and choice as possible.

Some of the services provided to younger adults with eligible needs under The Care Act include:

- fulfilling Prevent, Safeguarding, Mental Health Act and Social Work responsibilities;
- providing support to promote independence and wellbeing;

Younger adults (table contd.)

Current service budget: £170.6 million

Estimated savings target: £8.7 million

About this service

- support to carers;
- residential care;
- care to support people living in their own homes and living with families such as day opportunities and respite care;
- support for people living in Extra Care and supported accommodation;
- services to support younger people to transition to adulthood – helping to increase independence and plan for the future;
- substance misuse support;
- alternative options that support people's independence, such as supported employment, and innovative care technology solutions;
- social care in prisons.

More information can be found at:

<https://www.hants.gov.uk/socialcareandhealth/adultsocialcare>

Potential service changes

Reductions to the cost of providing services for younger adults would be sought by:

- reducing the amount of care and support that is paid for by the County Council for people receiving social care services by increasing the use of informal support using strengths-based practice and making better use of technology and informal community support;
- supporting people with learning disabilities and physical disabilities to move to Extra Care and supported living schemes as an alternative to residential care settings;
- reducing costly and restrictive interventions by continuing to work with social care providers to apply approaches that reduce challenging behaviour of some people with learning disabilities;
- using technology to reduce the need for support from two or more carers at one time for people with physical disabilities;
- increasing the use of volunteers to provide some elements of personal support plans for people with learning and physical disabilities in some situations;
- supporting some older adults with learning disabilities to move to more appropriate care settings which can support their needs that are caused by ageing as well as their needs resulting from their learning disability.

Potential impacts

People with lifelong disabilities and chronic health conditions are living longer. Whilst there are constant developments meaning people are able to live more independently, many do

Younger adults (table contd.)

Current service budget: £170.6 million

Estimated savings target: £8.7 million

Potential impacts

require some level of support for periods of their lives, and in some cases for the whole of their lives. This means that any savings made to the Younger Adults budget are likely to impact on largely the same individuals that have been impacted by previous years' reductions in the budget.

The potential service changes are likely to have the following impacts:

- reduced funding for services where there may be an increased need due to COVID-19. For example, pressure on carers may have increased alongside the mental and physical health of younger adults receiving support. COVID-19 is also likely to cause more new people to require support from Adults' Health and Care. Whilst we would continue to meet our Care Act responsibilities, pressures related to COVID-19 as well as a reduction in funding would change the way that services are provided and is likely to lead to less preventative services;
- increased supply of Extra Care and supported accommodation would mean more people experience personalised support and increased independence. They would also benefit from tenancy rights in Extra Care and supported living schemes;
- younger adults could have their support needs met with greater use of technology and alternatives to traditional care and support. Services that could be impacted include day opportunities, support to live at home, support to access the community and carers support;
- younger adults may have their non-personal care needs (e.g. cooking assistance) met through volunteers. However, personal care needs (e.g. assistance with dressing) would continue to be met by a regular support provider;
- younger adults with physical disabilities, learning difficulties and mental health needs may be able to access more paid employment opportunities rather than paid-for support;
- people with learning disabilities and behaviours that may challenge could receive less-restrictive forms of care and be enabled to lead more independent lives;
- some people with a learning disability who are approaching older age could receive more age-appropriate services;
- service users would benefit from an increasingly modern and efficient social care service, enabled through further use of technology.

Please note: The County Council would continue to meet its statutory requirements.

Headquarters functions

Current service budget: £14.9 million

Estimated savings target: £1.1 million

About this service

The County Council's vision for Adult Social Care is to encourage and enable the residents and communities of Hampshire to stay well and live independently. Every member of staff, whether in a frontline or support role, is personally and professionally accountable for delivering this vision.

Some of the ways in which Headquarters functions support the delivery of Adult Social Care services include:

- ensuring that the right services are in place to meet residents' needs including care at home, residential and nursing care, and technology enabled care, and that suitable providers are contracted to deliver outsourced services including homelessness support;
- providing information and advice to people and communities, working with them and voluntary sector organisations to prevent and reduce demand for social care services, including through grant funding;
- arranging necessary packages of care with residents and providers, and processing payments;
- training our staff so that they have the skills and knowledge to do their work well;
- transforming our services and monitoring performance to ensure the most efficient use of our resources and ongoing quality of care.

More information can be found at:

www.hants.gov.uk/socialcareandhealth/adultsocialcare

Potential service changes

Reductions to the cost of Headquarters functions within the Department would be possible through:

- stopping all local and county-wide grants directly funded by Adult Social Care to voluntary, community and partner organisations. NB. The County Council would continue to provide insight and support to organisations to identify and target services that would be most effective in reducing demand for social care and that meet local needs, as well as help to access external grants and seek opportunities for alternative funding, but would no longer offer its own grant funding opportunities;
- reducing some elements of funding for non-statutory services that support people who are homeless or at risk of homelessness. The statutory responsibility to prevent and relieve homelessness sits with district and borough councils. However, Adults' Health and Care currently commissions a range of accommodation-based and community support services for people who are homeless;
- reducing the amount spent on technology-enabled care contracts through improved joint working with the NHS and maximising joint funding opportunities;

Headquarters functions (table contd.)

Current service budget: £14.9 million

Estimated savings target: £1.1 million

Potential service changes

- generating income through selling aspects of our training services to external care providers;
- spending less on venue hire for training sessions.

Potential impacts

The potential service changes would have the following impacts:

- voluntary and community partner organisations may need to reshape their services or seek alternative sources of funding; current data shows that approximately 67% of people supported in County Council funded hostels have a mental health need. Reduced funding for homelessness support services would result in fewer people being able to access Adults' Health and Care funded services through this route and instead require them to seek assistance either from district and borough councils, or via Mental Health or other Adults' Health and Care commissioned services. Extensive engagement with district and borough councils and Health partners would be undertaken to review the future provision of these services and explore opportunities for pooled funding arrangements in recognition that these services cut across housing, social care, and health needs;
- limited resource could be better targeted to help deliver services for the growing number of people who need direct support.

Please note: The County Council would continue to meet its statutory requirements.

HCC Care (In-house services)

Current service budget: £44.1 million

Estimated savings target: £2.3 million

About this service

The County Council's in-house service, HCC Care, provides care and support for people with eligible needs in Hampshire. It is the largest care provider in the county with over 1,095 beds across 25 residential and nursing homes, and assures safe, good quality care and support.

As well as community-based, residential, nursing and specialist dementia care, HCC Care also offers day and respite care.

More information about HCC Care can be found here:

www.hants.gov.uk/socialcareandhealth/adultsocialcare/care-services

HCC Care (In-house services) (table contd.)

Current service budget: £44.1 million

Estimated savings target: £2.3 million

Potential service changes

Reductions to the cost of providing HCC Care services would be sought through:

- generating income through charging the NHS to use beds for short-term/temporary care for people discharged from hospital, or from community settings before they go to hospital, while their needs are assessed;
- dedicated competent staff and space being provided to make a timely assessment of people's care needs within an environment focused on reablement.

Potential impacts

The potential service changes are likely to have the following impacts:

- more effective assessment and understanding of people's needs when judgement by all parties is made in the more appropriate environment, ensuring intensity of care need is understood and the person can then access the right care at the right time, in the right way;
- reduced pressure to supply and source long-term services while people are still in hospital, meaning more appropriate placements into the right settings;
- avoiding unnecessary hospital admission where care needs can instead be safely managed in the community, helping to reduce pressure on hospitals;
- those assessed as eligible for longer-term support could receive this in a more personalised setting that maximises their independence, be that their own home, supported accommodation, or a care home;
- some individuals may need to move between settings if they require longer-term care and support;
- some members of staff may need to work differently or move to different work locations.

Please note: The County Council would continue to meet its statutory requirements.

Older adults

Current service budget: £134.6 million

Estimated savings target: £6.9 million

About this service

The County Council's vision is to support older people in Hampshire to stay healthy and live independently for longer. To achieve this, social care practitioners use strengths-based practice. This focuses on supporting individuals to support themselves by identifying and drawing on their own skills, resources, and social connections.

Older adults (table contd.)

Current service budget: £134.6 million

Estimated savings target: £6.9 million

About this service

Some of the ways that older people aged 65 and above with eligible needs are supported include:

- helping people to remain in their own homes for as long as possible, with the aid of services such as assistive care technology, domiciliary care and Direct Payments;
- supporting the health, recovery, and wellbeing of individuals through the work of our teams based in the community and hospitals, and through our Reablement and equipment services, working closely with the NHS;
- providing day care, short-stays, long-term placements and specialist dementia care in County Council-run residential and nursing homes;
- commissioning residential and nursing placements within the private care market;
- investing in alternative accommodation options that help older people to remain independent while meeting the need for 24-hour care in the most cost-effective way, such as Extra Care Accommodation and Shared Lives stays.

More information can be found at:

www.hants.gov.uk/socialcareandhealth/adultsocialcare

Potential service changes

Reductions to the cost of providing Older Adults services would be sought through:

- increasing the vigilance of our support and careful timing of our interventions for the most frail individuals to keep them well and stable in their own home – most especially, those over 85 years old;
- increasing the number of people that are enabled to return to their own home with flexible care arrangements after a hospital stay or visit, through a 'Home First' approach;
- using short-term residential care settings (including County Council-run care homes) to be able to assess people's longer-term care needs, including following a stay in hospital – sometimes known as 'Discharge to Assess';
- reducing the number of direct placements into long-term residential settings by increasing the availability and range of alternative options for ongoing care needs, such as through commissioning more placements in Extra Care accommodation, Shared Lives short stays and day breaks, and working with the private care market as part of a refreshed Residential and Nursing Strategy;
- a modernised day service offering, as an alternative to more traditional building-based care, that provides carer respite, sign-posting and direct links to classes and voluntary organisations, thereby improving carer resilience and reducing the need for paid for care;
- delaying the need for people to access more costly, statutory services by making sure they receive early and proactive support before their needs escalate;

Older adults (table contd.)

Current service budget: £134.6 million

Estimated savings target: £6.9 million

Potential service changes

- reducing the levels of support paid for by the County Council to help people live at home by ensuring their needs are met by other means where appropriate, including through family and friends, local community and voluntary sector organisations, and increased use of assistive care technology;
- driving performance excellence throughout the service supported by improved analytics, including the introduction of a tool to assess an individual's level of clinical frailty;
- delivering efficiencies and reducing duplication by expanding the use of virtual technology and working closely with NHS and GP networks to join up our virtual care and virtual visit arrangements for users at home.

Potential impacts

The potential service changes are likely to have the following impacts:

- more older people would have their support needs met through alternatives to traditional forms of social care, such as through family and friends, community and voluntary sector organisations and increased use of technology;
- everyone who needs and is eligible for longer-term support could receive this in a more personalised setting that maximises their independence, be that their own home, supported accommodation, or a care home;
- a better understanding of people's needs when they are assessed in the right environment, ensuring they receive the care they need at the right time, in the right way;
- reduced pressure to supply and source long-term services while people are still in hospital, meaning more appropriate placements into the right settings;
- unnecessary hospital admissions could be prevented, which could help reduce the pressure on hospitals with more flexibility to manage peaks in demand;
- some individuals may need to move between settings if they require longer-term care and support;
- social workers would have greater opportunity to work with individuals in a strengths-based way with increased options to offer alternatives to residential care, where appropriate;
- full use of day care services and establishing links to health and wellbeing through these services would provide opportunities to increase individuals' community networks and maintain their independence, in addition to providing support for their carers;
- improved analytics could facilitate more targeted and tailored interventions to maintain independence at home for longer;
- some individuals whose needs are assessed as not eligible for funding may receive less care and support funded by the County Council;

Older adults (table contd.)

Current service budget: £134.6 million

Estimated savings target: £6.9 million

Potential impacts

- funds could be more efficiently used to support people's care needs.

Please note: The County Council would continue to meet its statutory requirements.

Public Health

Current service budget: £52.3 million

Estimated savings target: £4.4 million

About this service

The County Council's Public Health Team works with a range of partners to improve the health and wellbeing of everyone in Hampshire. This includes commissioning services that support residents from birth to adulthood. These services support residents to live safer, longer, and healthier lives, thus reducing costs to other areas of the County Council or other partners.

All services are driven by population need and understanding what works, and include the following services: weight management, NHS Health Checks, substance misuse, stop smoking and tobacco control, sexual health, school nursing (including the National Child Measurement Programme), domestic abuse and health visiting. The team also provides public health leadership to NHS commissioners and works to protect residents from infections, outbreaks, and other hazards such as chemicals.

More information can be found at: www.hants.gov.uk/socialcareandhealth/publichealth

Potential service changes

Reductions to the cost of providing Public Health services could be possible through:

- focusing on activities and methods that have the highest proven impact;
- ceasing or reducing the number, type or location of service activities relating to substance misuse, sexual health, and the healthy child programme;
- reducing the Public Health contribution to the Family Support Service, activity coordinators in County Council care homes, and active travel planning;
- making services increasingly more targeted (focusing on people at higher risk of poor health outcomes).

Potential impacts

The potential service changes would have the following impacts:

- fewer people overall would be able to access Public Health services and interventions;

Public Health (table contd.)

Current service budget: £52.3 million

Estimated savings target: £4.4 million

Potential impacts

- services may be delivered in a different way – for example online, by volunteers, or by helping people to self-manage their conditions;
- people would be required to travel further to access services including sexual health and substance misuse; which could particularly impact those less able to travel, or who are supported by Mental Health and homelessness services;
- families would receive less support because of potential changes to services including health visiting and school nursing;
- people living in County Council care homes could receive a smaller range of activities (e.g. games and entertainment) if activity co-ordinator services are delivered differently;
- stopping or reducing preventative services could lead to poorer health and wellbeing outcomes. This could increase demand for health, social care, mental health and other public services (e.g. police, fire and rescue);
- whilst the aim would be to focus on people at higher risk of poor health outcomes, changes could have a greater impact on vulnerable groups and therefore worsen health inequalities.

School Crossing Patrols

Current service budget: £1.1 million

Estimated savings target: £1.1 million

About this service

The School Crossing Patrols (SCPs) service is a discretionary activity, for which the County Council chooses to target resources at sites that meet agreed criteria.

SCPs help children cross certain roads on their way to or from school in the morning and afternoon as schools open and close (regular school hours). The County Council currently assesses whether to provide and fund an SCP based on the number of children crossing at a location and the volume of traffic. More than one SCP may serve a school where children cross at different locations, and a single SCP may serve children attending different schools where they cross at the same location. Where the threshold for County Council funding is not met, schools or other groups may currently obtain a SCP through a service level agreement with the County Council by paying the full cost of providing the SCP.

The County Council funds 177 SCPs in Hampshire. A further three are funded through service level agreement with schools.

School Crossing Patrols (table contd.)

Current service budget: £1.1 million

Estimated savings target: £1.1 million

Potential service changes

Potential changes could include:

- ending all County Council funding for the discretionary SCP service, meaning the service would cease. Should there be enough demand, the County Council may continue to offer a managed SCP service on a full cost-recovery basis at existing locations where schools or other groups enter into a service level agreement with the County Council and pay the full cost of providing the SCP in question;
- providing new SCPs where schools or other groups enter into a service level agreement with the County Council and pay the full cost of providing the SCPs, provided that a school crossing patrol would operate safely.

Potential impacts

The potential service changes could have the following impact:

- SCPs would no longer be provided at locations where schools or other groups decline to enter into a service level agreement with the County Council and pay the full cost of providing the SCPs. Where schools or other groups subsequently do not wish to continue funding the SCPs the County Council would end the SCPs at these locations at that time;
- while there would be no change to the statutory responsibility of parents and guardians to get children safely to school, some parents and pupils may be required to make more judgements as to where and when to cross the road;
- withdrawal of School Crossing Patrols could have a disproportionate impact on younger people (i.e. school children), especially those with a disability, e.g. visual or mobility impairment. The proposal could also have a disproportionate impact on less affluent areas, where there may not be the means to secure alternative funding under a full cost recovery agreement;
- in some cases, there may be opportunity and justification for making pedestrian crossing improvements to mitigate the impact of removing school crossing patrols.

Waste services – Household Waste Recycling Centres

Current service budget: c. £10 million

Estimated savings target: £1.7 million

About this service

The County Council has the largest network of Household Waste Recycling Centres (HWRCs) in England, operating 24 HWRCs in the Hampshire area where residents can reuse, recycle and dispose of waste. It has a statutory responsibility to provide places

Waste services – Household Waste Recycling Centres (table contd.)

Current service budget: c. £10 million

Estimated savings target: £1.7 million

About this service

where residents can deposit household waste (e.g. household contents arising from the day-to-day running of a household) at no charge but is not required to accept non-household waste (e.g. construction and demolition waste or items from the repair or improvement of private properties). Residents are able to reuse, recycle and dispose of a wide variety of material streams including mixed residual waste in bagged form.

There is no legal definition of how many facilities need to be provided.

The HWRC service cost is split into two parts, those that cover the cost of managing the sites (20%) and the cost of disposing of the material that is deposited (80%).

There is currently a booking system in place to manage the number of visitors at sites and minimise traffic congestion where demand exceeds supply of slots whilst COVID-19 related social distancing measures are in place.

More information about waste services can be found at:

www.hants.gov.uk/wasteandrecycling/recyclingcentres

Potential service changes

Potential changes could include:

- reducing HWRC service provision in Hampshire through a combination of site closures and/or introducing part time hours at some sites, including being closed some days of the week;
- introducing a requirement for residents to split any bagged waste on arrival at HWRCs, to ensure that reuse and recycling is maximised, reducing the cost of managing waste and increasing performance.

Potential impacts

The potential service changes could have the following impact:

- residents may have to travel further to their nearest HWRC. Currently the majority of the population are within 10 miles of a site, this could increase to between 15-20 miles for some residents;
- residents may find that their nearest site is not available to them on certain days or at certain times if part-time hours are introduced;
- possible retention of the current Booking System after the COVID-19 related social distancing measures are eased to help manage increased demand and avoid traffic congestion arising from queuing should the number of sites reduce. Residents would no longer be able to visit the site without a booked appointment;
- residents would be required to split up their bagged waste to sort any reusable or recyclable material to ensure that waste went to the most appropriate container.

Transport Service reductions

Current service budget: £4.6 million
(local bus subsidies and Community Transport)

Estimated savings target: £1.5 million

About this service

The County Council currently spends £4.6m per annum supporting local bus and Community Transport services.

- Approximately £700k of this is for Community Transport services like Dial-a-Ride and Call and Go;
- A further £500k is contributed to Community Transport services by district councils;
- The remaining £3.9m pays for bus services that would not be viable without County Council funding. The majority of these services operate in rural and semi-rural locations where it is not currently possible to run commercially-viable services. Of this £3.9 million, £1.4m is funded by the County Council and the rest is either specific grant funding from Government or external contributions.

The County Council also spend around £13 million on administering the Concessionary Fares Scheme. This enables over 250,000 eligible residents of Hampshire to travel on local bus services for free.

Potential service changes

Savings could be realised by reducing subsidy payments to bus operators and community transport operators, as well as through a range of increases to fees and charges for such services that would see a greater share of costs being incurred by service users.

Changes to the service levels, fees and charges could include:

- removing use of older person's and disabled person's bus passes on taxi-shares and all Community Transport services – i.e. the user pays;
- reducing the Hampshire Concessionary Fares Scheme to the minimum national requirement;
- restructuring all Community Transport fares with the user paying a higher proportion of costs;
- offering a chargeable premium application service for blue badge and older person's and disabled person's bus pass applications.

Potential impacts

The proposals would reduce the size of the local bus network and community transport services. The affected services would either cease to operate, operate less frequently, only operate on certain days of the week, or be replaced by a less frequent demand responsive taxi-share service or Community Transport service that would need to be booked in advance. The proposal would particularly affect groups of people who are dependent on public or community transport.

Transport Service reductions (table contd.)

Current service budget: £4.6 million
(local bus subsidies and Community Transport)

Estimated savings target: £1.5 million

Potential impacts

Specific potential impacts include:

- rural areas and market towns are likely to see a marked decline in bus and community transport services;
- large rural and semi-rural areas with the lowest density populations may be left unserved, leaving some vulnerable people with difficulty in independently accessing employment, education, and training, food shopping, leisure and healthcare opportunities;
- car dependency could increase;
- if bus journeys are replaced by more private petrol and diesel cars, carbon from transport would increase;
- the proposals would impact disproportionately on women, older people, and children and young adults, all of whom have a higher reliance on these services. They would also have a disproportionate impact on people in lower income brackets who use bus services more than people on higher incomes.

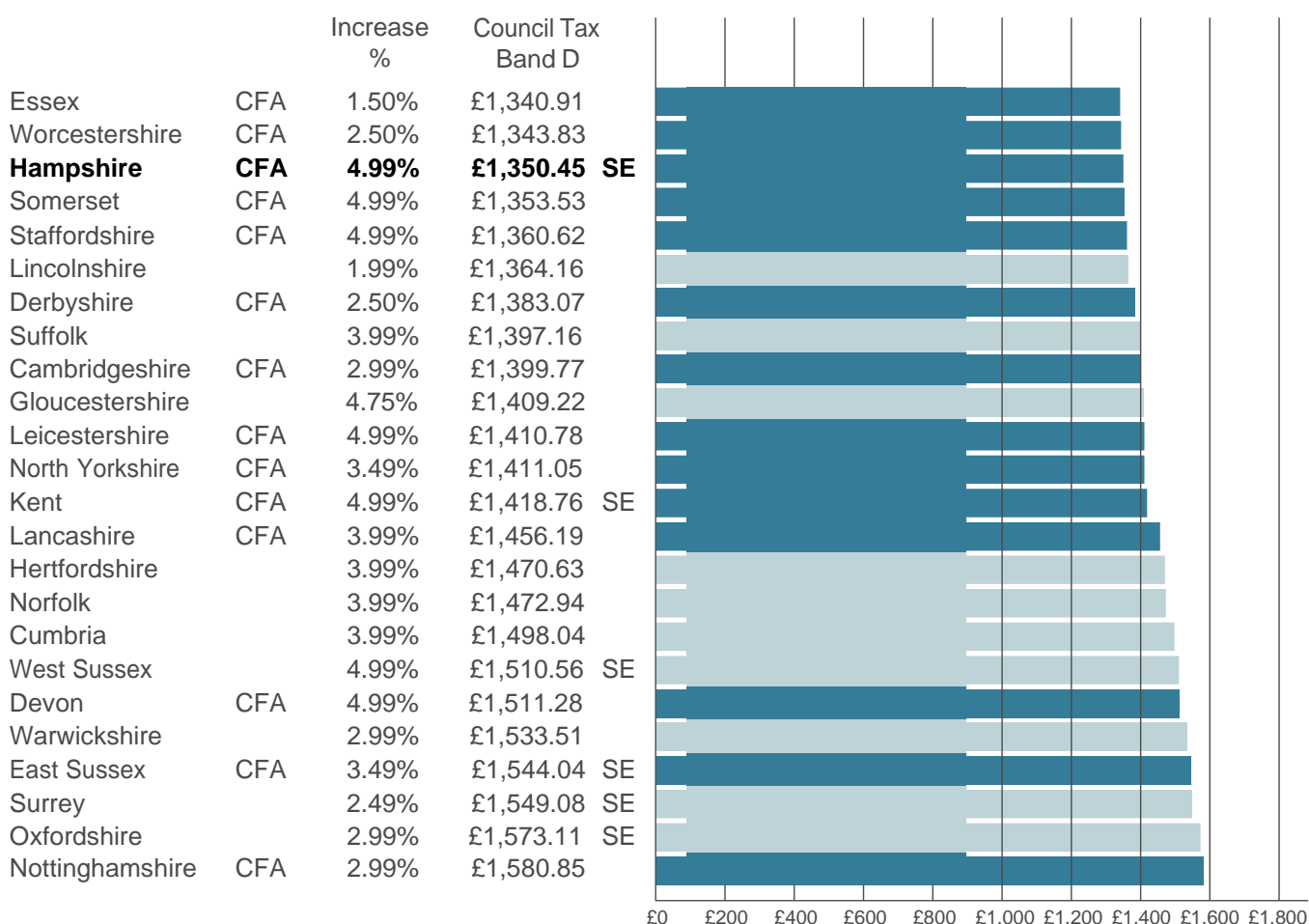
Increasing Council Tax

The County Council could plug the anticipated budget gap and sustain services that residents value by increasing Council Tax, but the level of increase is limited by the Government who set a 'referendum limit' each year. If councils wish to raise Council Tax beyond the referendum limit, they would have to ask all council tax-payers in their area if they agree with the increase. Carrying out a referendum in Hampshire could cost up to £2 million.

About Council Tax in Hampshire

The County Council has one of the lowest levels of Council Tax of any County Council in England, with Hampshire residents in Band D paying at least £230 less per year than residents of county councils with the highest levels of Council Tax.

Comparative County Councils Council Taxes 2020/21



Averages

All counties	3.73%	£1,443.48
■ Counties with CFAs	3.81%	£1,418.94
■ Counties without CFAs	3.62%	£1,477.84

SE indicates counties in the South East

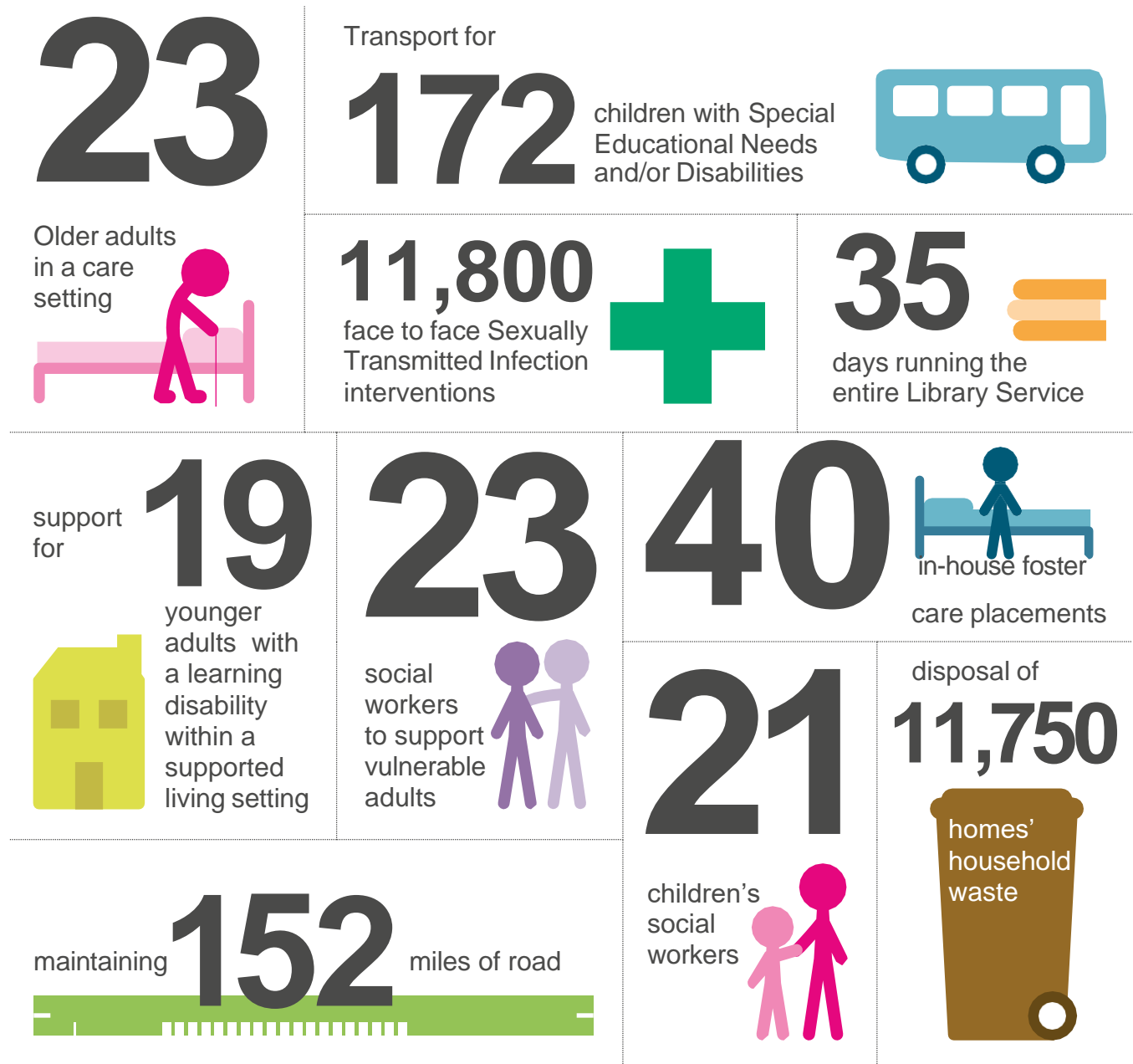
Council tax payers in Hampshire and other English counties with Combined Fire Authorities (CFA) are charged for fire services by the CFA. As a result, the council tax figures for counties with CFAs are not directly comparable with those for counties without CFAs. Northamptonshire has converted to a unitary council, so is no longer included in this chart.

Although this may appear to be good news for individual households, the cumulative effect is that the County Council has around £36 million less per year to spend on public services (based on the average council tax of £1,418.94 shown above) – many of which are universally used by Hampshire residents but becoming less sustainable under current funding arrangements.

Each 1% rise in Council Tax generates in the region of £7 million to support services. This amount is equivalent to the cost of providing over 150 social workers to support vulnerable adults or maintaining over 1,000 miles of road each year.

For an average (Band D) property, a 1% rise equates to an increase of just over £1 a month (£13.51 per year).

Did you know that, each year, £1 million could pay for either:

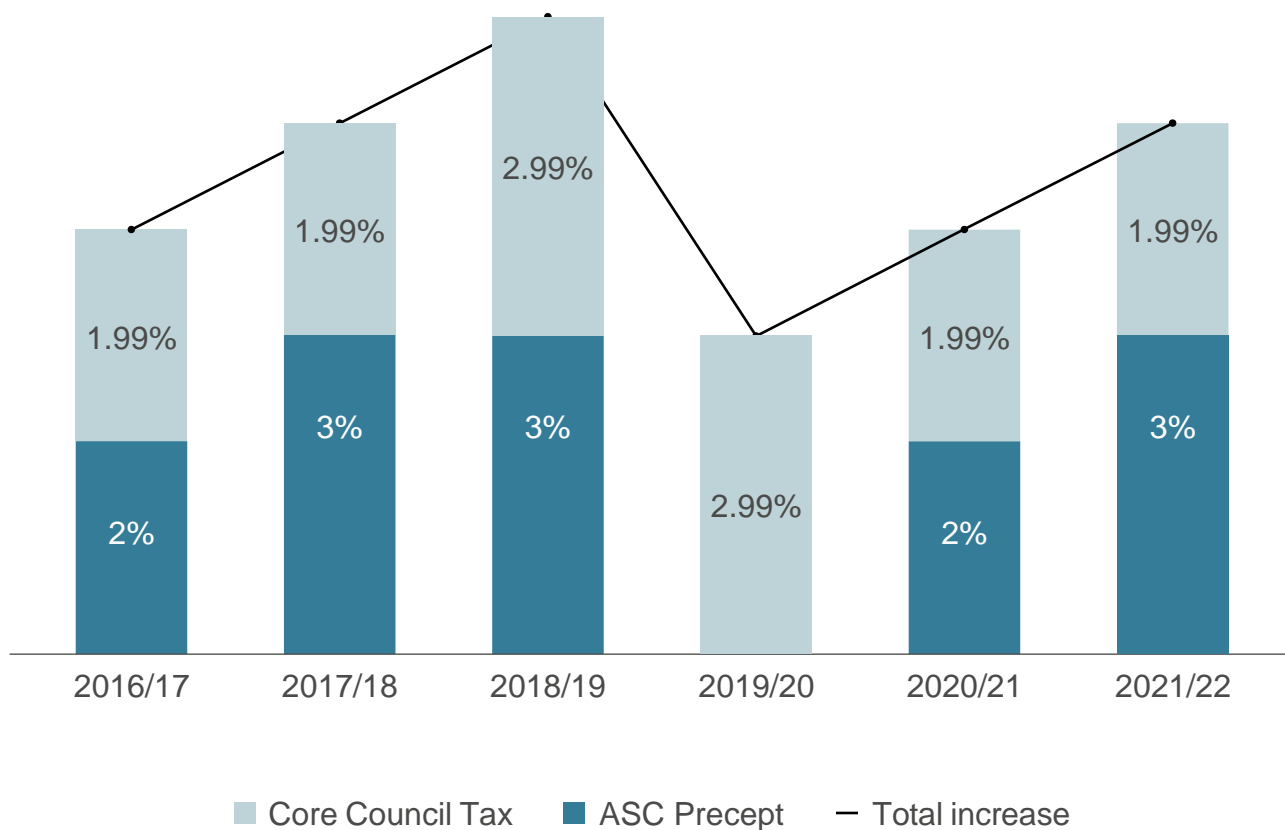


The national context

In recent years, the Government has allowed councils to raise further funding through Council Tax increases of up to 2%. It has also introduced an 'Adult Social Care Precept' to allow councils with social care responsibilities to increase their share of Council Tax by a further 2% in any given year – this has now been increased to 3% in 2021/22.

Following feedback received from residents in the 2017 and 2019 Balancing the Budget Consultations⁵, the County Council has increased Council Tax in line with Government policy in each of the last six years.

Council Tax increases in Hampshire 2016-2022



Central Government has yet to confirm plans for Council Tax, including the Adult Social Care precept, beyond 2021/22. For the purposes of financial planning, the County Council has assumed it will be able to increase 'core' Council Tax by up to 2% plus a further 2% for the Adult Social Care precept – a total assumed increase of 3.99% in both 2022/23 and 2023/24.

These planned increases have already been taken into account when calculating the estimated £80 million budget shortfall over the two years.

⁵ <https://documents.hants.gov.uk/BalancingtheBudget-October2019-finalreport.pdf>

Potential options for balancing the budget through Council Tax

The County Council could:

- increase Council Tax by less than 3.99% – but this would lead to a significant increase in savings required on top of the £80 million gap already forecast;
- increase Council Tax by 3.99% (the assumed maximum allowed by Government legislation) in order to maintain the budget gap at £80 million;
- increase Council Tax by more than 3.99% in future years in order to address the funding gap. This would require a public referendum at an estimated one-off cost which could be up to £2 million.

Any of the above options could still require the County Council to identify savings through other means – such as those outlined elsewhere in this Information Pack.

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 rise, and the impact the increase would have on the Council Tax for a Band D property⁶.

Percentage increase in Council Tax for 2022/23	Additional Council Tax income generated in 2022/23	Impact on Band D Council Tax annual bill	Level of expected savings still needed by 2023/24
0%	£0	No change	£108.2m
1.99%	£14.1m	+ £26.87	£94.1m
2.99%	£21.2m	+ £40.38	£87.0m
3.99% (assumed in budget forecasts)	£28.2m	+ £53.91	£80.0m
10%*	£70.7m	+ £135.05	£37.5m
15.30%*	£108.2m	+ £206.59	£0.0m

*For these options a referendum would be required with a one-off cost which could be up to £2 million

More information about Council Tax can be found in the 2020/21 Budget Book here

<https://www.hants.gov.uk/aboutthecouncil/budgetspendingandperformance/accounts>

More information about how Council Tax is calculated can be found here:

www.hants.gov.uk/aboutthecouncil/budgetspendingandperformance/council-tax-calculations

More information about the Adult Social Care Precept can be found here:

www.hants.gov.uk/aboutthecouncil/budgetspendingandperformance/adultsocialcareprecept

6 Impacts on other Council Tax bands can be viewed in the consultation Response Form.

Changing local government arrangements in Hampshire

Following an independent review of local government arrangements in Hampshire, the County Council consulted the public in 2016 on different ways that councils in Hampshire could change, or be reorganised, to help sustain the delivery of core public services in the future.

Different options for changing local government arrangements in Hampshire, outlined in the independent review, identified ways for how 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. The review calculated savings of £40 million as a prudent minimum – with the potential for figures to be considerably higher. More information about the independent review can be found here:

<https://documents.hants.gov.uk/communications/HampshireCountyCouncilExecutiveSummaryReport.pdf>

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 take several years to be fully realised.

The County Council's policy position on reorganisation remains that agreed by the Full Council in November 2016. The Council is committed to the two-tier system of local government in Hampshire and to avoiding re-organisation, if possible. This position was always contingent on external factors, in particular: the decisions or actions of other parts of central and local Government; and the financial pressures facing the Council, noting the proven significant dividend to be achieved through a unitary county. It is anticipated that a forthcoming Government White Paper may further clarify this position nationally.

Conclusion

Thank you for reading through this Information Pack.

You are invited to give your views on the various options available to the County Council for balancing its budget.

You can provide your feedback using the consultation Response Form, available:

- online at www.hants.gov.uk/balancingthebudget;
- via the consultation webpage at www.hants.gov.uk/consultations;
- via post – by requesting a paper copy from insight@hants.gov.uk or by calling **0300 555 1375***;
- at local Hampshire libraries.

You can also email your response directly to insight@hants.gov.uk.

If you have a paper Response Form, please return this in the Business Reply envelope provided. If you do not have a Business Reply envelope, or wish to submit a written response, please post your response to: **Freepost HAMPSHIRE** and write '*IEU FM09*' on the back of the envelope.

The Information Pack and Response Form are also available in Easy Read and can be requested in other languages and formats, including Braille, audio or large print.

If you require a different format or have any other queries about this consultation, please contact the County Council by emailing insight@hants.gov.uk or by calling **0300 555 13759⁷**.

Your feedback will help to inform the approach the County Council takes to balance its budget, up to 2023/24.

⁷ 0300 calls are usually included in most landline and mobile call packages, and if not, are charged at no more than a local rate call.

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

When you have finished with this pack, please share it with someone else so they too can have their say.

* 0300 calls are usually included in most landline and mobile call packages, and if not, are charged at no more than a local rate call.