

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	21 September 2015
<b>Title:</b>	Transformation to 2017: Consultation Outcomes
<b>Reference:</b>	6942
<b>Report From:</b>	Chief Executive

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#### 1. Executive Summary

- 1.1. The purpose of this paper is to provide a summary of the headline findings from the *Shaping Hampshire - Spending Review Consultation* that was carried out by Ipsos MORI on behalf of the County Council, between 26 May and 6 July 2015.
- 1.2. The Consultation was undertaken in order to inform the County Council's on-going transformation and efficiencies programme, and in accordance with legal best-practice.
- 1.3. The Spending Review Consultation aimed to seek residents' and stakeholders' views on options for managing the shortfall in funding, and achieving anticipated savings of £98 million by April 2017.
- 1.4. The Spending Review Consultation also included questions on which services respondents considered to be 'most important' for the County Council to continue to deliver; usage of a range of services; and an opportunity to add views or further options.
- 1.5. A total of 2,774 responses were received using two methods of consultation: an open consultation; and a sample telephone survey.
- 1.6. Overall, there was clear support for the County Council's current financial strategy. Respondents also favoured savings being found through a combination of the three key options – namely increasing Council Tax, using more of the County Council's reserves and reducing spending on some services. There was less support for using more of the County Council's reserves (in combination with service spending reductions), and very limited support for finding the anticipated savings through reductions in funding for services alone.

- 1.7. Most residents and stakeholders were opposed to reducing spending on services for children, older people and vulnerable people - ranking these as the 'most important' services for the County Council to continue to support and deliver. However, services were not prioritised based on respondents' use of the service. Household waste recycling, roads maintenance and libraries were also ranked as important services.
- 1.8. The findings from this Consultation will be used to inform the departmental Executive Lead Member budget reports in September, in order for recommendations to be made to Cabinet and the full County Council in October on the Medium Term Financial Strategy 2016/17.
- 1.9. The findings will also be taken into consideration in the future planning of the *Transformation to 2017* programme, as reported elsewhere on this agenda.

## **2. Background**

- 2.1. The *Shaping Hampshire - Spending Review Consultation* was undertaken against the background of the next stage of the County Council's transformation and efficiencies programme, *Transformation to 2017*. The *Information Pack*, accompanying the Consultation (developed to support residents and stakeholders in responding), outlined the on-going financial pressures for local government and set out the County Council's journey since 2008, which has delivered over £240 million of savings, to-date.
- 2.2. These savings have been delivered through a combination of a robust transformation and efficiencies programme, driven by the County Council's financial strategy to deliver its ambition of becoming a *modern business delivering public services*. This strategy has been to:
  - Reduce the cost of back office functions
  - Use savings to protect front-line services, and
  - Prudently use some reserves to manage the cost of change – while maintaining Council Tax at the same level for six years.
- 2.3. Residents and stakeholders were presented with a range of options for the County Council to achieve the anticipated savings of £98 million by April 2017 – an approach which reflected legal best-practice. Recent case law relating to the London Borough of Haringey's consultation on Council Tax (the 'Moseley case'), established the principle that it is unfair and unlawful not to outline alternative options as part of the consultation process, and emphasised criteria for fairness around the timing of consultation and its impact on decision-making.

## **3. Shaping Hampshire**

- 3.1. The *Shaping Hampshire - Spending Review Consultation* took place between 26 May and 6 July 2015 and was conducted using two methods:
  - an open consultation - available online and via a paper copy (available to any stakeholder or member of the public); and

- a telephone survey - targeted at a representative sample of 1,500 residents.
- 3.2. To ensure independence and objectivity during the consultation process, the national market research company Ipsos MORI was commissioned, through a national framework agreement, to undertake the consultation and analysis on behalf of the County Council.
- 3.3. The Consultation was promoted to internal and external audiences using the County Council's various communications channels. Methods included publicity to the Hampshire media (i.e. newspapers, TV and radio), social media channels; promotion on the County Council's webpages; hard copies in every Hampshire library and other outlets, and some district councils. County Council departments also undertook their own stakeholder engagement.
- 3.4. The Spending Review Consultation aimed to seek residents' and stakeholders' views on three main options for managing the shortfall in funding, and achieving anticipated savings of £98 million by April 2017, namely by:
- raising the rate of Council Tax
  - using the County Council's reserves differently
  - reducing spending on specific services.
- 3.5. The Spending Review Consultation also included questions on which services respondents considered to be 'most important' for the County Council to continue to deliver; usage of a range of services; and an opportunity to add views or suggestions on further options.
- 3.6. A copy of the full report by Ipsos MORI will be published on the County Council's webpages.

#### 4. Main findings

- 4.1. A total of 2,774 responses were received from the *Shaping Hampshire* - Spending Review Consultation. The responses were collated using two methods:
- an open consultation (1,274 responses, of which 1,229 were from individuals, and 45 were from stakeholders); and
  - a sample telephone survey (1,500 responses).
- 4.2. The main findings are outlined below:

<b>a) Overall summary of key findings*</b>
<ul style="list-style-type: none"> <li>• 79% of respondents supported the current financial strategy</li> <li>• 32% of respondents would be willing to see a Council Tax increase of 1.99%</li> <li>• 55% of respondents agreed with the current approach to the use of reserves</li> </ul>
<b>b) Support / opposition for reduced spending on services (<i>phone survey only</i>)</b>
<ul style="list-style-type: none"> <li>• Respondents <u>most</u> supported reduced spending on:             <ul style="list-style-type: none"> <li>– <i>Hampshire Now</i> magazine (79%)</li> <li>– Street lighting (48%)</li> <li>– Home-to-school transport (39%)</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>– Local traffic management schemes (36%)</li> <li>• Respondents <u>least</u> supported reduced spending on:             <ul style="list-style-type: none"> <li>– Services for children with disabilities (81%)</li> <li>– Residential care services for older people (80%)</li> <li>– Care services for children (80%)</li> </ul> </li> </ul>
<b>c) Top three ‘most used’ services in the last 12 months</b>
<ul style="list-style-type: none"> <li>• Household waste recycling (86%)</li> <li>• Country parks and rights of way (68%)</li> <li>• Libraries (56%)</li> </ul>
<b>d) Top five services considered ‘most important’ by respondents for the County Council to continue to support / deliver</b>
<ul style="list-style-type: none"> <li>• Services to protect vulnerable children (50%)</li> <li>• Day centres and other services to support older, disabled or vulnerable people to stay in their homes (47%)</li> <li>• Road maintenance and management (40%)</li> <li>• Working with schools to improve local education (37%)</li> <li>• Residential care services for older people (36%)</li> </ul> <p>It is important to note that services were not prioritised based on respondents’ use of the service.</p>
<b>e) Preferred approach for delivering savings</b>
<ul style="list-style-type: none"> <li>• Respondents were asked to consider a combination of some, or all of the following:             <ul style="list-style-type: none"> <li>– Raising Council Tax</li> <li>– Using more of the County Council’s reserves</li> <li>– Reducing spending on some services.</li> </ul> </li> <li>• 42% preferred a combination of a Council Tax increase, reduced spending on some services and using more of the County Council’s reserves.</li> <li>• 34% preferred a combination of a Council Tax increase and reduced spending on some services.</li> <li>• 11% preferred a combination of using more of the County Council’s reserves and reduced spending on some services.</li> <li>• 8% preferred for savings to be found only through reduced spending on some services</li> <li>• 5% none of these options / don’t know</li> </ul>
<b>f) Willingness to see a Council Tax increase</b>
<ul style="list-style-type: none"> <li>• 24% would be willing to see a Council Tax increase of 1%</li> <li>• 32% would be willing to see an increase of 1.99%</li> <li>• 21% would not be willing to see any increase in Council Tax</li> </ul>
<b>g) Level of agreement with the County Council’s current approach to the use of reserves</b>
<ul style="list-style-type: none"> <li>• 55% agreed with the current approach i.e. that no more should be spent from reserve funds to help find some of the savings needed</li> <li>• 39% disagreed with the current approach i.e. that more should be spent from reserves</li> </ul>
<b>h) Preferred options for how savings could be made across service specific areas within departments (<i>open consultation only</i>)</b>
<p>Respondents were asked to place in order of preference, options for how savings could be made across each of the service specific areas within departments. The options with the highest</p>

<p>percentages are those which respondents would most like the County Council to consider further for making savings. Therefore, the options with the <u>lowest percentages</u> are the areas that respondents would <u>most like</u> the County Council <u>to protect</u>.</p> <p><i>NB Please note; that some overall figures do not total 100% due to the fact that some participants selected more than one option in joint place.</i></p>	
<b>i) Adult Services (8 options)</b>	<b>Overall</b>
Review of staff working practices and travel costs to improve efficiency	21%
Invest in alternatives to traditional residential care, for example Extra-Care assisted living	17%
Align spend with the NHS to buy services for people with disabilities	17%
Review the way care and the support provided on a day-to-day basis is delivered	17%
Reshape the care market in Hampshire	12%
Review charges for adult social care services	7%
Review the way the County Council operates its nursing and residential homes	6%
Review the way day care services are delivered for older people and people with learning disabilities	3%
<b>j) Children's Services (6 options)</b>	<b>Overall</b>
Seek to increase the number of foster carers to care for children who are currently looked after by the County Council	36%
Review the process and placement costs of children's social care, without putting children at risk	23%
Review school improvement services and support	14%
Review the operation of children's centres	14%
Review services for Special Educational Needs (SEN) transport	11%
Review the criteria applicable and the services available for children with disabilities	4%
<b>k) ETE (6 options)</b>	<b>Overall</b>
Dim streetlights	32%
Review the amount of waste produced by households and increase the proportion that can be recycled	26%
Review local traffic management schemes which are not led by safety concerns or legal requirements (e.g. changes to speed limits)	18%
Review entitlement to home-to-school transport	15%
Review the quality and frequency of some road maintenance tasks (where safe to do so)	12%
Review the way the Household Waste Recycling Centres (HWRCs) are operated	5%
<b>l) Corporate Services (one option)</b>	<b>Overall</b>
Cease production of the <i>Hampshire Now</i> magazine	87%
Continue production of the <i>Hampshire Now</i> magazine	9%
Don't know	4%
<b>m) CCBS (2 options)</b>	<b>Overall</b>
Review grant funding to voluntary and community organisations	27%
Generate additional revenue at Sir Harold Hillier Gardens by increasing visitor numbers and potential charges	73%

*\*The figures in this extract are from the 'Shaping Hampshire – Spending Review Consultation', and only show headline findings. Not all respondents answered all of the questions. Unless otherwise indicated, the findings reflect the total outcomes from both*

*methods of consultation. The full report prepared by Ipsos MORI will be published on the County Council's website.*

4.3. Respondents were also given the opportunity to provide any further views or suggestions on other options for delivering savings. A summary of these comments are shown below:

- |                            |  |
|----------------------------|--|
| <b>Reduce spending on:</b> | <ul style="list-style-type: none"><li>- staffing costs and numbers</li><li>- non-essential services and/or upgrades</li><li>- non-essential road projects</li></ul>  |
| <b>Improvements:</b>       | <ul style="list-style-type: none"><li>- increased efficiency</li><li>- reduced bureaucracy</li><li>- increased planning around spend</li></ul>   |
| <b>Suggestions:</b>        | <ul style="list-style-type: none"><li>- operate more like a business</li><li>- maximise income from owned assets</li><li>- generate new revenue streams</li></ul>  |
| <b>Impacts/concerns:</b>   | <ul style="list-style-type: none"><li>- vulnerable adults and children</li><li>- residents on low incomes</li><li>- employment security of staff</li><li>- ability to maintain standards in service delivery</li></ul> |

## **5. Use of findings**

- 5.1. The findings from this Consultation will be used to inform the departmental Executive Lead Member budget reports in September, in order for recommendations to be made to Cabinet and the full County Council in October on the Medium Term Financial Strategy 2016/17.
- 5.2. The findings will also be taken into consideration in the future planning of the *Transformation to 2017* programme.

## **6. Further consultations**

- 6.1. Subject to the decisions made by Cabinet and the full County Council in October, a series of further, more detailed consultations - relating to the service specific options in the Spending Review Consultation, will be carried out. It is anticipated that these would take place between the autumn of this year, and spring of 2016. This would allow for any further decisions regarding service changes to be made and implemented, with sufficient time to deliver the anticipated savings by April 2017.

## **7. Conclusions**

- 7.1. The Spending Review Consultation gave residents and stakeholders an opportunity to provide the County Council with views on how to manage the shortfall in funding, and achieve the anticipated savings of £98 million, by April 2017.
- 7.2. The feedback demonstrates clear support for the County Council's current financial strategy (as outlined in paragraph 2.2. above), and gives a helpful

view on the options that respondents feel the County Council should consider further in order to manage the anticipated shortfall in funding, including those around the setting of Council Tax.

- 7.3. Respondents were equally clear that priority should be given to protecting services for vulnerable adults and children, even though these were not necessarily the services that were most used.
- 7.4. Engaging residents and stakeholders in the consideration of the options available to the County Council, in continuing to manage the difficult financial context, has been a valuable exercise.
- 7.5. The responses, as outlined in this report, will act as a useful basis for future decision-making around the County Council's budget and medium term financial strategy, and further development and delivery of the *Transformation to 2017* programme - and beyond.

## **8. Recommendations**

To note the headline findings from the *Shaping Hampshire – Spending Review Consultation*.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	Yes
<b>Maximising well-being:</b>	Yes
<b>Enhancing our quality of place:</b>	Yes

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Transformation to 2017 – Report no. 3	6722	22 June 2015
Transformation to 2017 – Report no. 2	6591	30 March 2015

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2. Equalities Impact Assessment:**

See guidance at <http://intranet.hants.gov.uk/equality/equality-assessments.htm>

- (a) In undertaking the open consultation, every effort will be made to ensure that all residents and stakeholders have the ability to participate if they so choose. The document will be available on the County Council's web pages and will be able to be completed on line. Paper, hard copies will be available on demand from the County Council or from Hampshire Libraries, other County Council premises and some District Council offices. Version of the document and response forms will be available in alternative formats (Braille or audio tape) and other languages, on demand from the County Council. Hantsdirect, the County Council's contact centre, is also available to support those who need more information or assistance to complete the response form.

### **2. Impact on Crime and Disorder:**

2.1. None

### **3. Climate Change:**

a) None