

# 2023 Budget Consultation Members' Information Pack

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June 2023

# Consultation context

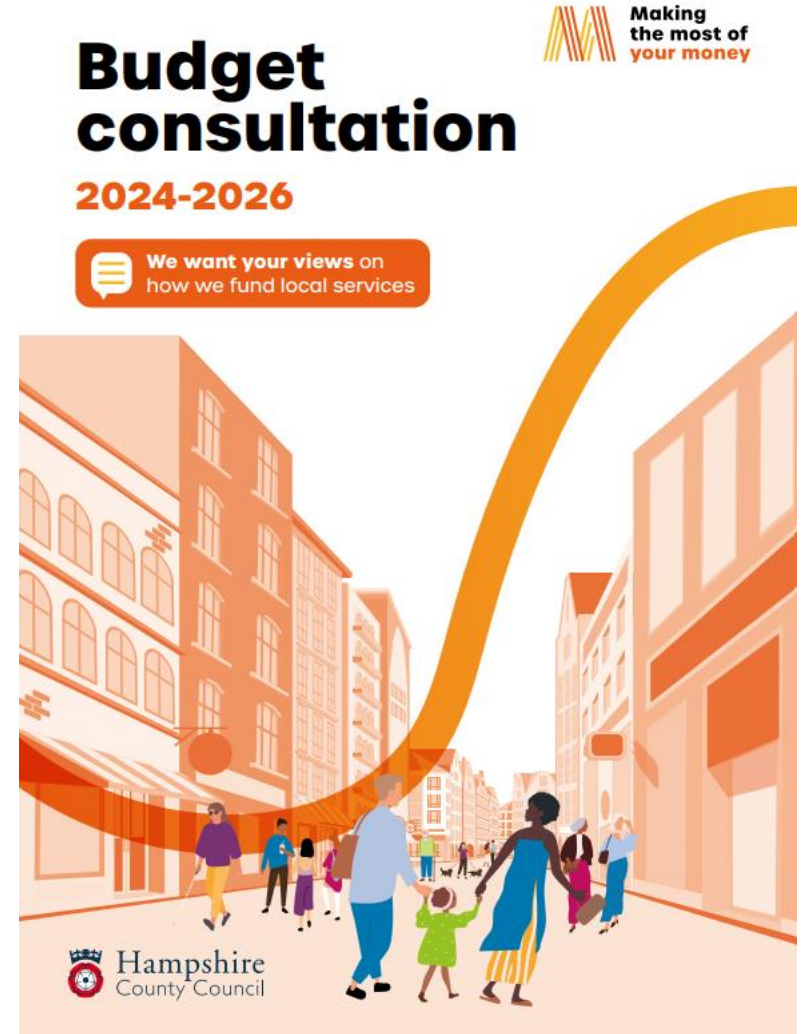
From **12 June – 23 July 2023** Hampshire County Council is consulting residents and stakeholders across Hampshire on options to help it deliver a balanced budget.

The County Council is **required by law to deliver a balanced budget** – it cannot plan to spend more money than is available.

However, it is facing an **anticipated budget 'gap' of £132 million** by April 2025, due to **growing demand for services, rising costs and inflation and insufficient Government funding**. This is in addition to the £640 million of annual savings delivered since 2008

Further decisions will have to be made about what the County Council can and cannot provide.

As Council Tax payers and service users, the views of local residents and stakeholders need to be taken into account when decisions about the budget are made.



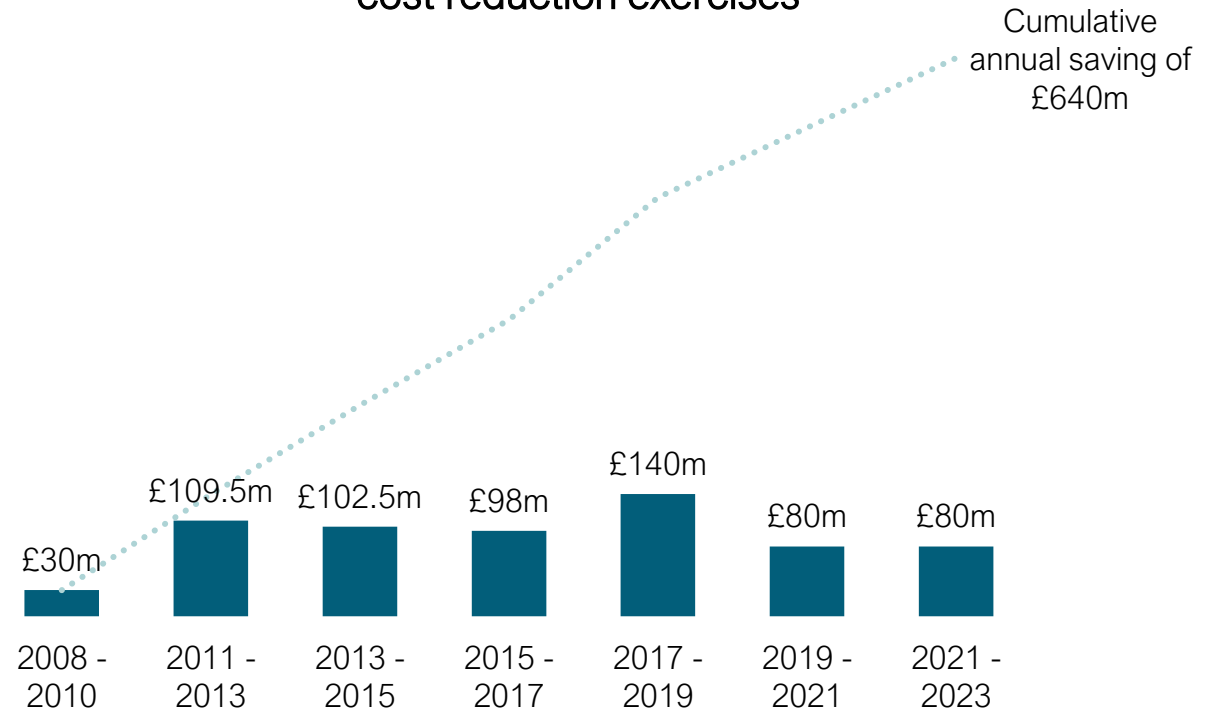
# How savings have been managed *to date*

£640 million has been removed from the County Council's annual budget in the last 15 years.

The financial strategy has been to:

- target resources on those who need them most;
- plan ahead and securing savings early;
- make careful use of reserves to address gaps and manage pressures;
- challenge each directorate to reduce spending by the same proportion;
- generate additional income to help sustain services and reduce the deficit.

## Per annum savings delivered via cost reduction exercises



# Consultation content

The Budget Consultation aims to gather views on the County Council's **financial strategy** and **high-level approaches** to making savings, including:

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

It also invites feedback about the **potential impacts** of these options, and **alternative proposals** for how the required savings can be made.

The aim is to establish an 'in principle' approach to balancing the budget.

The options outlined in the consultation will be familiar to anyone who has taken part in a previous budget consultation as they represent the only options available to achieve a balanced budget, given the way local government is funded, the County Council's statutory service obligations, and the level of savings required.

**Hampshire County Council Budget Consultation 2023 Response Form**

**About your response (continued)**

If you are providing the official response of an organisation, group or business, please answer

**Hampshire County Council Budget Consultation 2023 Response Form**

**Your data**

**Budget Consultation Response Form**

**Hampshire County Council**

**Consultation on Hampshire County Council's Budget for 2024-2026**

**Introduction**

In November 2023, Hampshire County Council will meet to agree a financial strategy for the next two years. Like households across the county, we face financial challenges of a scale that we have never seen before, caused by factors outside of our control. By 2025/26 our forecasts predict an annual budget shortfall of around £132 million – but we are legally required to balance our books.

Everyone in Hampshire uses council services and everyone in Hampshire has a right to have their say on how those services are funded and delivered. You may be affected by what we are proposing or have ideas on alternative approaches we could take. Please help us to understand what our choices may mean for you so that we can take residents' needs into account when considering the way forward.

If you have any queries about this consultation, or need this Response Form in another language or format, please contact the County Council by emailing [insight@hants.gov.uk](mailto:insight@hants.gov.uk), or calling 0300 555 1375.

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

**Completing the Response Form**

Before completing the Response Form, it is strongly advised that you read the Information Pack at [www.hants.gov.uk/budgetconsultation](http://www.hants.gov.uk/budgetconsultation), which explains the options available.

This consultation is open from 12 June until 11.59pm on 23 July 2023.

This Response Form should take about 10-15 minutes to complete. You will be asked to provide your views on each of the potential options proposed, and also be given the opportunity to write about the impacts that these may have, and any alternatives that the County Council could consider.

Please use a black or blue pen and mark your responses by putting a cross within the appropriate box. If you make a mistake, please fill in the entire box and put a cross in the correct box.

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# High-level savings options: Lobbying for changes and using financial reserves

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## Lobbying for legislative change

We could lobby central government to change statute to allow us to charge towards certain services, for example:

- adult domiciliary care via deferred payments;
- issuing 'Older Persons Bus Passes';
- concessionary travel;
- Household waste recycling centres; and
- Means-tested school transport.

## Using financial reserves

The County Council has around £883 million in reserves

We could use more reserves to plug the budget gap;

However:

- 86% are already committed to other purposes;
- reserves can only be spent once; and
- there are only enough uncommitted reserves to run services for 30 days.

# High-level savings options: Exploring opportunities for income and charging

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## Generating additional income

Ways that we could generate income to help offset service costs include;

- selling services to schools and other organisations;
- selling County Council owned land and assets following post-COVID changes in working styles.

However:

- services would need to ensure that they maintain sufficient capacity to deliver for Hampshire residents;
- we are not legally allowed to make a profit;
- assets can only be sold once and cannot be used to fund day-to-day services.

## Introducing and increasing service charges

We could aim to recover the costs of running some services by:

- increasing some existing charges;
- introducing new charges in services currently provided free of charge.

Charges would not be designed to make a profit.

# High-level savings options: Reducing and changing services

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We could review the way in which services are provided – as long as we continue to meet our legal requirements.

Previously, all directorates have been asked to reduce spending by the same proportion – this approach is no longer viable for some statutory service areas. Instead, all services have been asked to consider all savings that could be made.

Hampshire County Council has recently introduced a new organisational structure which ensures continued alignment of services with strategic priorities, has delivered management efficiencies, and will help the Council to remain focused on preventing duplication in services. We will continue to review how we work, to further modernise our business approach and improve the efficiency of service support functions.

Despite these organisational efficiencies, **without additional funding from central Government, making changes to support functions is not enough to address the funding shortfall – we will also need to consider where public-facing services could be adapted to determine if we can balance the budget through our own actions.**

Not everything that we currently do is required of us by law, and there is some discretion as to how we deliver mandatory services. This means that we could seek to reduce the budget gap by providing some services differently, or at a more basic level.

The Information Pack contains illustrative examples of services that could be changed, and the potential impacts of doing so.

**Any changes to specific services may be subject to further, more detailed consultation.**



# High-level savings options: Increasing Council Tax

We could choose to increase Council Tax to help plug the anticipated budget gap.

- Hampshire currently has the second lowest Council Tax of any County Council in England.
- Each 1% rise in Council Tax generates £7.8 million to support services.

However:

- central Government defines how much Council Tax we can charge;
- from 2023/24, this has been around 5%, which is not enough to cover the budget gap;
- any increase beyond this would require a referendum at a cost of around £2.3 million;

## Savings required after illustrative Council Tax rises

Percentage increase in Council Tax for 2024/25	Impact on Band D Council Tax annual bill	Level of expected savings still needed by 2025/26
0%	No change	£171m
2.5%	+£36.51	£151.5m
4.99% (assumed in budget forecasts)	+£72.87	£132m
10.0%	+£146.03	£92.8m
21.9%	+£319.79	£0m



# High-level savings options: Changing local government arrangements

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We could consider changing the structure of local government in Hampshire to generate savings by:

- removing duplication;
- reducing back office functions and senior managers;
- disposing of surplus buildings and equipment;
- identifying economies of scale.

However:

- the County Council remains committed to a two-tier system;
- savings would take several years to be fully realised.

# Who are we trying to reach?

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1,931 people responded to the last budget consultation in 2021.

We need to ensure that as many people as possible are given the opportunity to share their views.

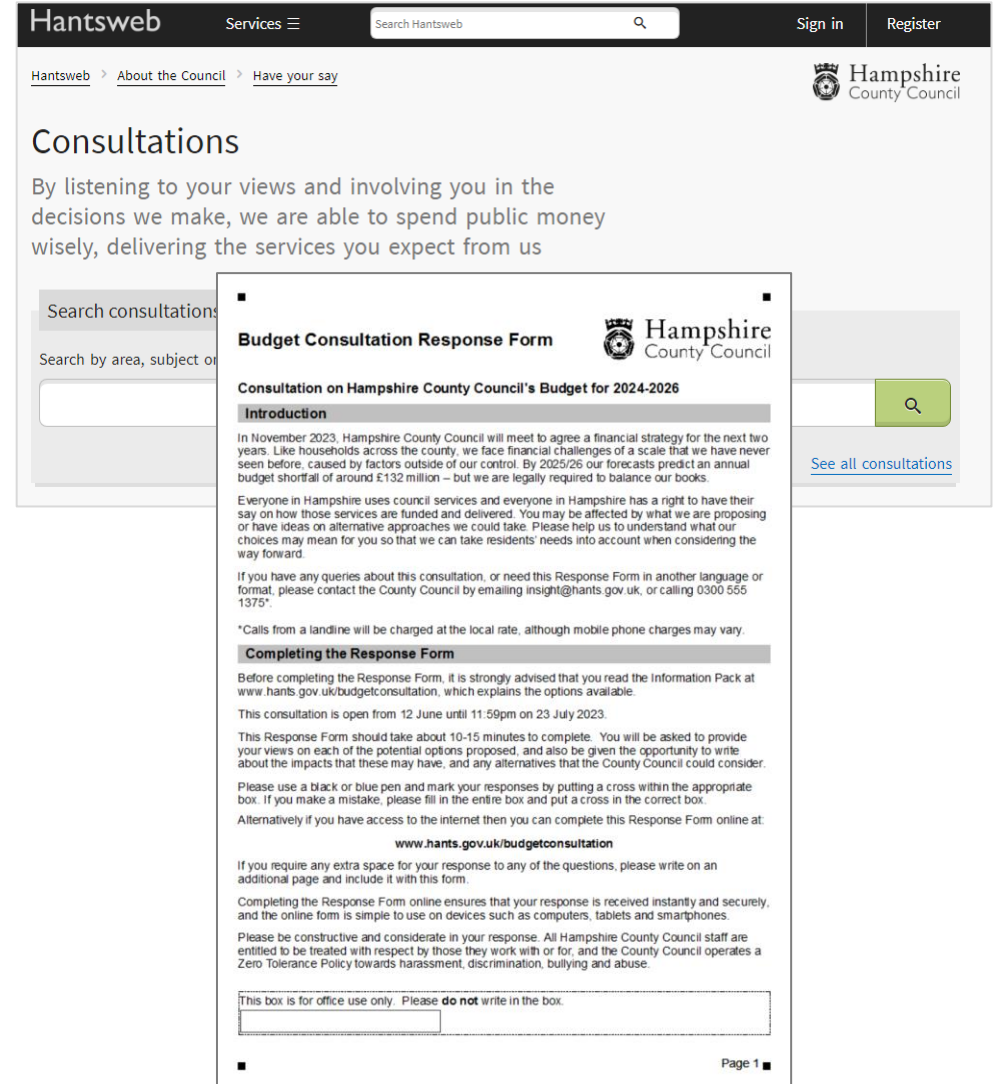
We'll do this by:

- using all channels available to the County Council (*e.g. social media, in libraries, messaging on bus stops and in council buildings*);
- engaging with others who can spread the word (*e.g. local media, district and parish councils*);
- targeting communities of people who are underrepresented in the consultation responses as we move through the consultation period.



# How can they respond?

- Via the webpage: [www.hants.gov.uk/balancingthebudget](http://www.hants.gov.uk/balancingthebudget)
- By printing a PDF of the Response Form and Information Pack from the webpage and returning it via 'Freepost HAMPSHIRE'.
- By requesting a copy from [insight@hants.gov.uk](mailto:insight@hants.gov.uk) or tel: 0300 5551375 or collecting one from a local library.
- Residents who need the information in other formats such as Braille, audio or large print, can request these by emailing [insight@hants.gov.uk](mailto:insight@hants.gov.uk).
- Easy Read copies of the Information Pack and Response form will be made available on the webpage.



The screenshot shows the Hampshire County Council website's 'Consultations' page. The page title is 'Budget Consultation Response Form' and the subtitle is 'Consultation on Hampshire County Council's Budget for 2024-2026'. The page includes an 'Introduction' section, a 'Completing the Response Form' section, and a search bar. The 'Introduction' section states that in November 2023, Hampshire County Council will meet to agree a financial strategy for the next two years. The 'Completing the Response Form' section provides instructions on how to complete the form, including a deadline of 11:59pm on 23 July 2023. The page also includes a search bar and a 'See all consultations' link.

Hantsweb Services Search Hantsweb Sign in Register

Hantsweb > About the Council > Have your say Hampshire County Council

## Consultations

By listening to your views and involving you in the decisions we make, we are able to spend public money wisely, delivering the services you expect from us

Search consultations

Search by area, subject or

### Budget Consultation Response Form

Hampshire County Council

#### Consultation on Hampshire County Council's Budget for 2024-2026

##### Introduction

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# How you can help

Please help to spread the message about this important consultation.

You will be sent the consultation documents and promotional materials which you may find useful on 12 June, at 9am to allow you to digest in advance of the 12 noon launch to the public.

Hearing from as many people as possible will help us to understand and consider the potential impact of any changes proposed.

It is important residents and stakeholders are clear that no prior decisions have been made regarding the proposals, and that the process is an open, transparent one.

All responses should be submitted by 11:59pm on 23 July 2023.



**Share** on social media



**Email** your contacts – and ask them to spread the message too



**Display** posters on your community noticeboards



**Help** your constituents to understand the importance of sharing their views

