

# HAMPSHIRE COUNTY COUNCIL REPORT

## County Councillor Rhydian Vaughan

I would like to share with you the highlights of our 'half-term' financial strategy. Hampshire is facing similar problems to most other upper-tier authorities—although we are probably better placed than many, largely because of good forward planning. For instance, Northamptonshire is contemplating a negative budget, only achieving a balance over a number of years. Somehow, I doubt they will get permission to do that, and are likely to get a negative auditor's report. The last time Hampshire got a negative auditors report was back in 1997, in the days of the Lib-Lab pact, when the auditors said that the reserves were too low.

In essence, as a result of reductions in Government grant, coupled with inflationary pressures, such as salaries and the living wage (costing an extra £50 million) and also the demographic pressures of more elderly people and more children, we have to take £140 million out of our budget by 2019-2020. That £140 million figure was reported to us in February last year.

This further reduction comes on top of the £340 million that we have already taken out of expenditure. This is why it is so hard now to find the savings required through back office re-organisation.

By law, we have to set a balanced budget. This is non-negotiable. People tell us they are prepared to pay a bit more, so we will work on the assumption of the maximum permissible council tax increase next year, without a referendum, i.e. 1.99% plus 3% allowed for social care increases.

As an example, Children's Services increases are related to demand pressures, social work recruitment and retention, home to school transport, and special guardianship orders. We do not get many petitions or deputations concerning 'looked-after children,' but they are our statutory responsibility. Therefore, we are planning to give Children's Services an extra £20 million to cover these eventualities.

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Commercial activity helps, and is now extensive and wide-ranging. It contributes some £130 million to help us maintain services.

We are also asking our officers to continue their exploration of all viable options to revise or refine proposals with regard to service continuity in the following areas:

- Community transport
- School crossing patrols
- Waste & recycling centres

If we can find solutions, we will implement them, but we have to find the money from somewhere.

We continue our contact with Government ministers by correspondence and face-to-face meetings, and through bodies such as the Local Government Association and the County Council Network. We are regularly stressing the difficult position our county councils are in, and that sometimes a small, even nominal payment, for a service can produce a significant income to avoid losing the provision. For example, a £1 charge per HWRC visit would produce close to £4 million, and if there was a £10 annual charge for bus passes, then over £400,000 could be raised to fund community transport schemes. If there was a 50p charge per journey, then that would produce £4 million, enough to keep contributions to commercial bus services that are uneconomic. The Minister of Transport has reacted well to these ideas. Prompted by his support, at the recent Full Council meeting on 2<sup>nd</sup> November we agreed the following additional amendment:

“Hampshire calls on the Government to permit councils responsible for administering the National Concessionary Travel Scheme, to levy modest charges on older person’s passes e.g. 50p for each use and £10 for issuing and renewing permits, with the balance of revenue raised after costs, to be used to support un-commercial, public or community transport services serving vulnerable or disadvantaged residents or areas. “

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We are also recommending the allocation of £500,000 to town and parish councils to provide pump-priming for targeted, joint initiatives aimed at improving local services. For example, where the parish or town council may want to retain Verge Cutting, we want to be able to help by the possible purchase of equipment.

Finally, please take any scare-mongering news reports of definitive council 'efficiency savings' to services with a grain of salt; decisions on the proposals will be made next year prior to the Annual Budget so NOTHING has been set in stone. We are keeping an open mind and looking at every option to minimise the impact on all Hampshire residents.

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County Councillor Rhydian Vaughan

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