

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date:	22 September 2023
Title:	Savings Programme to 2025 – Revenue Savings Proposals
Report From:	Director of Children's Services and Director of Corporate Operations

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Purpose of this Report

1. The purpose of this report is to outline the detailed savings proposals for the Children's Services Directorate (CSD) that have been developed as part of the Savings Programme to 2025 (SP2025).

Recommendation(s)

2. To approve the submission of the proposed savings options contained in this report and Appendix 1 to the Cabinet.

Executive Summary

3. This report outlines the detailed savings proposals for CSD that have been developed as part of Savings Programme to 2025 (SP2025). The report also provides details of the Equality Impact Assessments (EIAs) that have been produced in respect of these proposals and highlights where applicable, any key issues arising from the public consultation exercise that was carried out over the summer and how these have impacted on the final proposals presented in this report.
4. The Executive Member is requested to approve the detailed savings proposals for submission to Cabinet in October and then full County Council in November, recognising that there will be further public consultation for some proposals.

Contextual Information

5. In February 2023, Cabinet and Council were updated on the budget gap position and the early work undertaken by the Corporate Management Team to identify the available options to balance the budget to 2025/26. The Council expects to face a budget gap of at least £132m after taking account of annual Council tax increases at the maximum permitted level of 4.99% and additional grant funding expected to be provided by the government in 2024/25.
6. The early publication of a government policy paper on local authority funding for 2024/25 was welcomed. However, with 2024/25 representing the last year of the current parliament and spending review period, there remains considerable uncertainty as to the resources available to the Council from 2025/26 onwards. It is clear, however, that the landscape for the public finances remains challenging following the pandemic, considering current economic and geopolitical factors. Given the lack of any certainty from 2025/26, the County Council has had no choice but to assume that savings required to meet a gap of at least £132m will be required by April 2025, as we cannot take the risk of assuming further government financial support will be forthcoming. Furthermore, the financial constraints on the Council mean that there will be no funding available to cash flow a savings programme beyond April 2025.
7. In recognition of the size of the financial challenge, coming after a decade of savings totalling £640m, directorates were not issued with 'straight line' savings targets as per previous savings programmes but were instead instructed to review what savings might be achievable if we were to move towards a 'bare minimum' provision of services. This approach aimed to maximise the potential for savings across the organisation whilst ensuring that the Council can continue to target resources on the most vulnerable adults and children and deliver other vital core services.
8. The early work undertaken by directorates consisted of a detailed review of each budget line to understand where:
 - Further efficiencies could be achieved, for example due to changes to working practices following the pandemic or through changes to service management arrangements following the Fit for The Future organisational structure review.
 - Investment in new equipment or IT technology could enable us to deliver services differently.
 - Income generation could be increased through expanding the scope of existing sales, fees and charges or introducing new charges for some services.
 - Non-statutory or discretionary services could be scaled back or ceased.
9. Following the initial scoping exercise undertaken at directorate level, the savings options were subject to a detailed and robust scrutiny process, consisting of peer reviews within the Corporate Management Team and scrutiny by Executive Members, the Leader and Deputy Leader. The review process aimed to ensure that:

- The available savings opportunities for each key service line have been maximised and directorates have considered how the implementation of savings can be accelerated where possible to maximise early delivery.
 - There is a shared understanding across directorates of any risks or dependencies linked to savings in other areas to eliminate any unintended consequences of savings delivery, for example possible cost and/or demand increases for other services.
 - The cumulative impacts of savings across all directorates on specific service user groups have been assessed and minimised as far as possible.
10. This detailed work has identified a total of £90.4m savings across all directorates, of which £75m are expected to be delivered by 2025/26, leaving an unmet budget gap of £57.0m in 2025/26. It is not surprising that this position has been reached given the £640m savings already removed from the budget since 2010. In the absence of any further government funding to 2025/26, the Council will be reliant on reserves to temporarily bridge the budget gap pending fundamental reform to the funding system and legislative framework for local government. Additionally, a budget shortfall of £86m is currently expected for 2024/25 which will also need to be met from reserves.
11. A review of the Council's reserve balances was undertaken at the end of the 2022/23 financial year and the results were reported to Cabinet and Full Council in July. The review identified most of the additional funding required to bridge the gap for 2024/25, albeit a small deficit of £2.4m still remains in addition to the significant shortfall of £57.0m in 2025/26. It is therefore not possible to continue with the Council's usual financial approach of allowing directorates to retain any early achievement of savings for reinvestment in service delivery. All savings delivered in 2023/24 and 2024/25 will instead be transferred to the budget bridging reserve to help balance the budget in 2025/26.
12. As part of the Council's Fit for The Future Programme, a series of detailed reviews of key functions which are common across all directorates will be undertaken with the aim of maximising consistency, efficiency, and effectiveness in the following areas:
- how the Council engages with its customers when they contact the County Council directly
 - how transformation and business support activity is defined and delivered
 - how senior management structures, roles and responsibilities align between directorates.
 - how the Council provides core enabling services such as Finance, IT and HR; ensuring these are delivered from the centre of the organisation.
13. As well as delivering operational benefits for the Council, these reviews are expected to help reduce costs through removing duplication, enabling more effective prioritisation of resources, and improving retention of specialist

skillsets. Whilst the financial benefits are expected to supplement the £90.4m savings identified by individual directorates, they will not be sufficient to meet the remaining budget gap to 2025/26.

14. As we seek to establish a long-term sustainable funding solution through on-going lobbying and discussions with central government, our options to meet the predicted annual budget shortfall (of at least £132m) by 2025 are limited. It is considered that there will be very few ways in which the County Council can continue to meet the legal duty to balance the budget without any impact on the residents of Hampshire. To help understand how people could be affected by the proposals being considered, the County Council undertook an open public consultation '*Making the most of your money*', which ran for six weeks between 12 June and 23 July. The consultation was widely promoted to residents and stakeholders, and asked for views on a range of high-level options that could help to address the shortfall, so that the County Council could take residents' needs in to account when considering the way forward.
15. The consultation provided an overview of the anticipated budget gap by 2025 and explained the range of options likely to be needed to enable the County Council to continue to deliver statutory service obligations.
16. The consultation feedback confirmed that a number of approaches are likely to still be needed to meet the scale of the financial challenge. Consequently, the County Council will seek to:
 - **continue with its financial strategy**, which includes:
 - **targeting resources** on the most vulnerable adults and children.
 - **using reserves carefully** to help meet one-off demand pressures.
 - **continue to lobby central government** for fundamental changes to the way local government is funded, as well as a number of other ways to help address the funding gap including increasing funding for growth in social care services and for highways maintenance and allowing new charges to be levied for some services.
 - **help to minimise reductions and changes to local services** by raising council tax by 4.99% in line with the maximum level permitted by government without a public referendum.
 - **generate additional income** to help sustain services.
 - introduce and increase charges for some services.
 - consider further the opportunities for **changing local government arrangements** in Hampshire.
17. Executive Lead Members and Chief Officers have been provided with the key findings from the consultation to help in their consideration of the final savings proposals for this report, and a summary of these is provided at appendix 3. Responses to the consultation will similarly help to inform the decision making by Cabinet and Full Council in October and November of 2023 on options for delivering a balanced budget up to 2025/26, which the Authority is required by law to do.

18. In addition, Equality Impact Assessments have also been produced for each savings proposal, and these together with the broad outcomes of the consultation and the development work on the overall SP2025 Programme have helped to inform and shape the final proposals presented for approval in this report.

Savings Programme to 2025 – Directorate Context & Approach

19. Children's Services delivered over £80m recurring cost reductions from June 2010 to 2017. For Tt19, the directorate secured a further £30.1m over an extended period and Tt21 is nearing completion, with £16.4m secured against a requirement of £17.2m. Progress against the SP23 requirement of £22m is on track, with £5m remaining to be secured.

20. As with previous programmes, the directorate has considered savings proposals against the same six key principles that it has assessed savings since 2010:

- Ensure a safe and effective social care system for children.
- Ensure sufficient capacity to lead, challenge and improve the education system to help ensure high quality educational outcomes for all, but particularly more vulnerable groups.
- Continue to recognise that our workforce is our strength and that we will further develop and maintain a strong, diverse workforce that is adaptable and flexible, and which has succession planning built in.
- Tightly target limited resources according to the needs of children and families.
- Secure and sustain targeted and co-ordinated early help provision.
- Maximise the opportunities to create efficiencies and maintain and enhance services through partnership and sold service arrangements.

21. The approach to identification of savings opportunities has been thorough and involved detailed review of each budget line. This has included staff pay budgets to separate that which is addressable from that which is funded through Dedicated Schools Grant (DSG), other grants and income etc. The proposals that have been submitted are those that the directorate can deliver sustainably and ensure the services continue to perform at an acceptable level.

22. As with previous programmes, the savings proposals should be looked at in the context of six key themes:

- i. Funding and expenditure for Children's Services in Hampshire continues to be considerably below national, regional and comparator local authorities. Despite this, Hampshire is still the joint highest performing authority under Ofsted's ILACS inspection regime.
- ii. The large majority of spend is external, primarily the costs of Children Looked After (CLA) and School Transport. To realise cashable savings on external spend, it is not rational to cut staffing spend beyond a certain point, as this reduces our ability to realise the savings on external spend

or, worse, potentially opens the door to more significant additional spend.

- iii. Some areas of saving would have a profound impact on our statutory duties including, most significantly, our statutory duty to safeguard children and will take the local authority right up to the line where it can deliver safe and effective services in this regard.
- iv. Following the logic of (iii) above, Hampshire may no longer be able to sustain performance at the current level and would most likely be rated as 'inadequate' (not least because caseloads will be taken as an objective measure of a safe and effective service by Ofsted). This would lead to reputational damage, and also, equally significantly in this context, the loss of significant external income and open the door for additional spend as we have seen with many other authorities.
- v. Escalating significant funding pressures have also emerged in relation to the demand for and costs associated with providing school transport for children with SEND. Our analysis shows that the number of SEN children eligible for transport are expected to rise by 62% from 2012/13 to 2025/26 but unit costs are expected to increase by nearly three and a half times over the period. Most of the increase is due to the higher numbers and cost of transporting SEN children which is a direct result of the Government's change in policy (the SEND reforms) in 2014, for which no additional new burdens funding has been received.
- vi. Significant corporate support for service improvement through transformation has been made available based on robust evidence.

23. The approach to the SP2025 savings programme is a careful balance of savings that stem from medium to long-term strategic transformation and savings that can be made from tactical changes in the short-term. The former ensures a significant and sustainable quantum of savings. The latter can be secured without comprising the former, which would otherwise be a false economy. This tried and tested approach places a premium on upfront thinking during the programme design phase.

24. An outline of the proposals in each workstream is given in the following paragraphs, with savings proposals summarised in Appendix 1. These proposals are subject to further consultation where appropriate.

Proposal 1 Services for Young Children Budget: £0.214m

25. In accordance with DfE guidance, ensuring that resources, including posts, are funded appropriately and across the Early Years Block of the Dedicated School Grant and Council revenue budgets.

Proposal 2 Services for Young Children Aviary Nursery: £0.038m

26. Seeking an external service provider to operate the Aviary Nursery, rather than it being run by the County Council.

**Proposal 3 Services for Young Children Workforce Development Post
Funding: £0.030m**

27. Following on from Proposal 1, funding a childcare workforce development post from the Early Years Block of the Dedicated Schools Grant, rather than the Council's revenue budget.

Proposal 4 Family Help: £1.500m

28. Strengthening early help services through a new Family Help Service based around neighbourhood teams, reducing demand for the more expensive children's social care services. Family Help will bring together services which deliver support and interventions to families across both targeted early help and children in need.

- Initially, to achieve this the Family Support Service (FSS) and Childrens Assessment and Safeguarding Teams (CAST) will be combined, creating 34 new Family Help teams.
- These new teams will be based in and deliver services and interventions from within communities, operating from local community spaces and places.
- Localising these services will enable families to easily access services, at the earliest point of need, thereby reducing the requirement for additional statutory services.

Proposal 5 Transforming Social Care (TSC): £8.500m

29. Further development and strengthening of social work interventions to enable more children to remain safely at home with support (where it is appropriate to do so), slowing the growth of children coming into care. The next phase of transformation will deliver innovative system wide changes that support the vision: that children are safe and achieving their best outcomes. The projects will be resourced with both dedicated Transformation Practice resource along with subject matter expertise from within the service. Current projects identified include Specialist and Intensive Worker Hubs, Special Guardianship Orders /Kinship/Family Connections, Children with Disabilities, Volunteers and Reunification.

Proposal 6 Joint Commissioning & Brokerage: £0.025m

30. Exploring the opportunity to establish a joint Commissioning & Brokerage Service between Children's Services and the Integrated Care Board for those children who require packages of support commissioned by both health and social care.

Proposal 7 Sold Services to Schools: £0.100m

31. Generating additional income and contributions from the school's market served by business areas within the directorate's traded services, including the Music Service, School Improvement (HIAS), Governor Services, Careers,

and County Supplies. Additionally, removing the £0.021m contribution from the Council for the Swanwick's Secure Unit education budget, which can be achieved through changes in curriculum delivery and will not reduce overall education provision.

Proposal 8 Regionalised Unaccompanied Asylum-Seeking Children (UASC) Brokerage: £0.188m

32. Exploring the opportunity to deliver a brokerage service for all Unaccompanied Asylum-Seeking Children (UASC) in the South-East region. This would create a central point of contact for providers and one referral system for all UASCs (specifically those allocated via National Transfer Scheme). Income would be generated by providing this service to other local authorities.

Proposal 9 Library Service Asset and Stock Review: £0.350m

33. Seeking to optimise and potentially rationalising assets to ensure libraries are located in suitable buildings with cost effective lease arrangements. Reviewing stock levels, with a view to potentially reducing physical stock held in libraries.

Proposal 10 Library Service Staff Savings: £0.150m

34. Review of management and back office staffing structures, removing vacant posts, and making small reductions in headcount.

Key challenges, risks, issues, and interdependencies or impacts on services provided by other departments.

35. There are common themes and key risks involved with the directorate's SP2025 savings approach:
- **Complexity of change.** Together Family Help and transforming social care account for £10m of the forecast savings and involve further transformation of the Children & Families operating model with an increasing focus on early intervention and prevention of demand and associated cost. If the changes are not effective in de-escalating need in families, then demand for safeguarding services will increase along with the consequential cost of provision.
 - **Interdependency.** Further complexity arises due to changes with libraries, where alongside savings, a number of libraries are expected to become Community Hubs, which is a key enabler of early intervention/help and multi-agency co-location and working. If interdependencies between programmes, partners and stakeholders is not effectively managed, then a more effective early help system will not be achieved, and demand will not be prevented.
 - **Dysfunctional provider market.** Alongside the risks of changing the operating model, if we are unable to provide the right type of placements for children in care at the right time because of insufficient or

inappropriate placements, then the unit and overall cost of placements is likely to increase.

- **Competitive staffing market.** Pressures in recruiting and retaining staff. If the challenges in recruiting social workers and other specialist roles persist, then it will challenge the operating model changes and effectiveness of the services.
- **Capacity to change.** If there is insufficient capacity to deliver the transformation programmes, then the effectiveness of the changes will be compromised, savings are unlikely to be achieved and service quality will suffer.
- **Insurmountable challenges.** If challenges to any of the proposals cannot be overcome, then savings opportunities would have to be found from other areas within the directorate. This is likely to be extremely challenging as the directorate has included all realistic proposals that align to the principles set out in paragraph 20 in this report.

37. Principal enablers of transformation and SP2025 savings:

- **Social Care IT Case Management System (Mosaic).** The replacement social care system will go-live in the Autumn 2023. The system is expected to increase the amount of productive time available for social workers and other specialist practitioners to spend with families. The system is also expected to enable a 'digital by default' approach to working practices.
- **Community Hubs.** A new transformation programme is being mobilised that focuses on creating a more effective early help system at levels 1 and 2. The vision and ambition is to reduce demand for statutory services (Family Help, Safeguarding etc) and our on-going programme to keep more children safely at home where it is appropriate.
- **Graduate Entry Training Scheme (GETS),** there will be a continued flow of appropriately qualified social work staff, with the long-term plan of reducing reliance on agency social workers. The recruitment of 350 fte Graduate Trainees to date is proving GETS to be a well evidenced strategy. Additionally, where we do employ agency social workers, these are sourced through Connect2Hampshire.

Summary Financial Implications

38. The total value of the savings opportunities identified for the directorate is **£11.095m**. The expected cashflow profile for implementation of the savings is set out in the table below.

2024/25 £'000	2025/26 £'000	Full Year Impact £'000
2,390	11,095	11,095

39. Of the £11.095m total savings, £0.267m will be achieved through additional income generation by expanding the scope of existing fees and charges or introducing new fees and charges, and £10.828m will be achieved through reductions to expenditure budgets as a result of service efficiencies and

reductions.

40. The detailed savings proposals that are being put forward by the directorate are contained in Appendix 1.

Workforce Implications

41. Appendix 1 also provides information on the estimated number of reductions in staffing as a result of implementing the proposals.
42. Of the three Full Time Equivalent (FTE) posts that may be affected, it is anticipated that savings of at least £0.100m will be achieved through the deletion of currently vacant posts. There is a further one FTE that will need to be managed down between now and the implementation date but may well be achieved through natural turnover.
43. The Council's approach to managing down staff levels in a planned and sensitive way through the use of managed recruitment, redeployment of staff where possible and voluntary redundancy where appropriate will be continued.
44. Proposal 2: Services for Young Children Aviary Nurse, proposes that the Aviary Nursery is tendered to the market to enable it to be run by an independent provider. If this proceeds and a tender process is successful, it is anticipated all staff will TUPE to a new independent provider.

Climate Implications

45. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
46. Given that this report deals with savings proposals it is difficult to assess any specific climate change impacts at this stage, but assessments will be undertaken for individual proposals, if appropriate as part of the implementation process.

Consultation, Decision Making and Equality Impact Assessments

47. As part of its prudent financial strategy, the Council has been planning since March 2022 how it might tackle the anticipated deficit in its budget by 2025/26. As part of the MTFs, which was last approved by the Council in September 2022 and updated as part of the budget setting process for 2023/24, initial assumptions have been made about inflation, pressures, council tax levels and the use of reserves. Total anticipated savings of

£132m are required and directorates were tasked with reviewing all possible opportunities to contribute to bridging this gap.

48. The County Council undertook an open public consultation '*Making the most of your money*' which ran for six weeks from 12 June to 23 July 2023. The consultation was promoted to residents and stakeholders, and asked for views on a range of high-level options that could help to address the shortfall, so that the County Council could take residents' needs into account when considering the way forward.
49. The consultation explained that given the considerable size of the budget gap by 2025, it was likely a combination of the potential options being considered would be needed, given the limited ability the County Council has to generate income and the need to continue to deliver statutory service obligations. For example, the supporting Information Pack explained that the £132m budget forecast considered an assumed increase in council tax of 4.99% (of which 2% must be spent on Adult social care services) and illustrated the amount of savings that would still be required even if council tax was increased by up to 10%. The Pack also explained that if central government were to support a change to the structure of local government in Hampshire, it would still take several years to fully realise any savings. Residents were similarly made aware that the use of the County Council's reserves (which are retained for service investment and to help manage financial risk) would not provide a sustainable solution to address ongoing financial pressures. The Pack further explained that if these were used to meet service delivery these would be used up very quickly, and so only temporarily delaying the point at which other savings would need to be found.
50. Executive Lead Members and Chief Officers have been provided with the key findings from the consultation to help in their consideration of the final savings proposals. As the consultation feedback confirms, a number of different approaches are likely to be needed to meet the scale of the financial challenge. Consequently, the County Council will seek to:
 - **continue with its financial strategy**, which includes:
 - **targeting resources** on the most vulnerable adults and children
 - **using reserves carefully** to help meet one-off demand pressures.
 - **continue to lobby central government** for fundamental changes to the way local government is funded, as well as a number of other ways to help address the funding gap including increasing funding for growth in social care services and for highways maintenance and allowing new charges to be levied for some services.
 - **help to minimise reductions and changes to local services** by raising council tax by 4.99% in line with the maximum level permitted by government without a public referendum.
 - **generate additional income** to help sustain services.
 - **introduce and increase charges** for some services.

- consider further the opportunities for **changing local government arrangements** in Hampshire.
51. Individual Executive Members cannot make decisions on strategic issues such as council tax levels and use of reserves and therefore, these proposals, together with the outcomes of the *Making the most of your money* consultation exercise outlined in appendix 3, will go forward to Cabinet and County Council and will be considered in light of all the options that are available to balance the budget by 2025/26.
52. The proposals set out in Appendix 1 represent suggested ways in which directorate savings could be generated to maximise the contribution to the SP2025 Programme and have, wherever possible, been developed in line with the principles set out above. Examples include:
- Family Help (proposal 4) and Transforming Social Care (proposal 5) – Effective targeting of resources and early help/social care interventions at children experiencing vulnerability to de-escalate needs and prevent demand.
 - Income from Sold Services (proposal 7) and Regionalised UASC brokerage (proposal 8) generating income from sold service to schools and from other local authorities.
53. Following the Executive Member Decision Days, all final savings proposals will go on to be considered by the Cabinet and Full Council in October and November – providing further opportunity for the overall options for balancing the budget to be considered as a whole and in view of the consultation findings. Further to ratification by Cabinet and Full Council, some proposals may be subject to further, more detailed consultation.
54. In addition to the consultation exercise, Equality Impact Assessments (EIAs) have been produced for each of the savings' proposals outlined in Appendix 1, and these have been provided for information in Appendix 2. These will be considered further and alongside a cumulative EIA by Cabinet and Full Council. The cumulative assessment provides an opportunity to consider the multiple impacts across proposals as a whole and, therefore, identify any potential areas of multiple disadvantages where mitigating action(s) may be needed.
55. Together, the *Making the most of your money* consultation and Equality Impact Assessments have helped to shape the final proposals presented for approval in this report.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy, and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Developing a Medium-Term Financial Strategy Template County Council Part I report (hants.gov.uk)	Cabinet - 19 July 2022 County Council – 29 September 2022
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
N/A	-

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	

EQUALITIES IMPACT ASSESSMENT:

Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

Equalities Impact Assessment:

A full Equalities Impact Assessment has been undertaken for each of the savings options and these are included as a separate appendix to this report (Appendix 2).

Children's Services – Proposed Savings Options (Subject to consultation where appropriate)

Ref.	Service Area and Description of Proposal	Impact of Proposal	2024/25	2025/26	Full Year Impact	Estimated Staffing Impact
			£'000	£'000	£'000	FTE
CS01	Services for Young Children. In accordance with DfE guidance, ensuring that relevant posts are funded from the Early Years Block of the Dedicated School Grant rather than Council revenue budgets.	No impact as this proposal requires movement of funding between budgets. There are no staffing or external impacts	214	214	214	0
CS02	Services for Young Children. Seeking an external service provider to operate the Aviary Nursery, rather than it being run by the County Council	No impact, as staff would be TUPE transferred, and service would continue for families	0	38	38	0
CS03	Services for Young Children. Funding a childcare workforce development post from the Early Years Block of the Dedicated Schools Grant, rather than the Council's revenue budget	No impact as this proposal requires movement of funding between budgets. There are no staffing or external impacts	30	30	30	0
CS04	Children & Families Family Help. Strengthening early help services through a new Family Help Service based around neighbourhood teams, reducing demand for the more expensive children's social care services.	Positive impact on children and families/carers who receive an earlier intervention that stop their needs from escalating	300	1,500	1,500	0
CS05	Children & Families Transforming Social Care. Further development and strengthening of social work interventions to enable more children to remain safely at home with support	Positive impact for children who are able to safely at home and avoid being taken into care	1,700	8,500	8,500	0

Ref.	Service Area and Description of Proposal	Impact of Proposal	2024/25 £'000	2025/26 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
	(where it is appropriate to do so), slowing the growth of children coming into care					
CS06	Joint Commissioning & Brokerage. Exploring the opportunity to establish a shared Commissioning & Brokerage Service between Children's Services and the Integrated Care Board for those children who require packages of support commissioned by both health and social care	Positive impact on service users who benefit from streamlined decision making, improving the timeliness and quality of services. Potential impact on staff as a result of changes to structures and responsibilities. Dependent on the ICB and HCC agreeing an integrated approach.	25	25	25	0
CS07	Sold Services to Schools. Additional income and contribution from the school's market served by business areas within the branch including the Music Service, School Improvement (HIAS), Governor Services, Careers, and County Supplies. Additionally, remove the £21k contribution from the Council for Swanwick's education budget.	No impact as this proposal uses additional contribution and curriculum realignment, rather than a reduction in education provision.	21	100	100	0
CS08	Regionalised UASC (children seeking asylum) Brokerage. Exploring the opportunity to deliver a brokerage service for all Unaccompanied Asylum-Seeking Children (UASC) in the South-East region. This would create a central point of contact for providers and one referral system for all UASCs (specifically those allocated via National	Positive impact on children seeking asylum as it will streamline the identification of placements for them	0	188	188	0

Ref.	Service Area and Description of Proposal	Impact of Proposal	2024/25 £'000	2025/26 £'000	Full Year Impact £'000	Estimated Staffing Impact FTE
	Transfer Scheme). Income would be generated by providing this service to other local authorities.					
CS09	Libraries Service Asset Stock Review. Seeking to optimise and potentially rationalising assets to ensure libraries are located in suitable buildings with cost effective lease arrangements. Reviewing stock levels, with a view to potentially reducing physical stock held in libraries.	Positive impact for customers; co-locating with other services, improved locations, better suited to the needs of the community. Potential that locations of libraries could change. Potential impact in respect of availability and range of library stock.	0	350	350	0
CS10	Libraries Service Staff Savings. Review of management and back office staffing structures, removing vacant posts, and making small reductions in headcount	Neutral impact on staffing as reductions will be achieved through natural turnover as far as possible. No public impact anticipated.	100	150	150	3
Total			2,390	11,095	11,095	3

All EIAs are provided in a separate document.

***'Making the most of your money'* public consultation feedback.**

1. The County Council undertook an open public consultation *'Making the most of your money'* which ran for six weeks from 12 June to the 23 July 2023. The consultation was promoted to residents and stakeholders through a range of online and offline channels including, but not limited to: the County Council's website, social media channels, Hampshire Perspectives residents' forum and Your Hampshire e-newsletter; in County Council libraries and buildings, at bus stops, and on electronic noticeboards, in countryside parks and Hampshire County Council care settings; via media releases to the local TV, radio and written press; via targeted social media advertising; via direct email contact, and the Leader's Stakeholder (email) newsletter – between which cover a wide range of individuals, groups and organisations across Hampshire (such as Hampshire MPs, district and parish councils, businesses and the education sector, voluntary and community sector groups and organisations, and service providers), which promoted onward dissemination, as well as response. Information Packs and Response Forms were available on-line and in hard copy as standard and Easy Read, with other formats available on request, and a short animation was produced to help people understand the financial context. Comments could also be submitted via email or, by letter. Comments on County Council corporate social media posts were also considered.
2. The consultation sought residents' and stakeholders' views on a range of proposals that could contribute towards meeting the expected revenue budget shortfall by 2025, as well as the potential impact on residents of the proposals being considered, and any suggestions not yet considered by the County Council. The consultation explained that due to the considerable size of the estimated budget gap by 2025 of £132m, it was likely that a combination of the potential options being considered would be needed, given the limited ability the County Council has to generate income and the need to continue to deliver statutory service obligations. For example, the Information Pack illustrated the amount of savings that would still be required even if council tax was increased by up to 10%.
3. The options were:
 - Lobbying central government for legislative change;
 - Using the County Council's reserves;
 - Generating additional income;
 - Introducing and increasing charges for some services;
 - Reducing and changing services;
 - Increasing council tax; and
 - Changing local government arrangements in Hampshire.

4. Information on each of the above approaches was provided in an Information Pack. This set out the limitations for the County Council of each option, if taken in isolation, to achieving required savings. For example, supporting information explained that the £132m estimated budget shortfall took into account an assumed increase council tax of 4.99%, of which 2% must be spent on adult social care services. The Pack also explained that if central government were to support changing local government arrangements in Hampshire, savings would still take several years to be realised. Residents were similarly made aware that the use of the County Council's reserves (which are retained for service investment and to help manage financial risk) would not provide a sustainable solution to address ongoing financial pressures. The Pack further explained that if these were used to meet service delivery these would be used up very quickly, and so only temporarily delaying the point at which other savings would need to be found.
5. Therefore, whilst each option offers a valid way of contributing in-part to meeting the budget shortfall, addressing the estimated £132m gap would inevitably require a combination of approaches.
6. A total of 2,935 responses were received to the consultation – 2,806 via the provided Response Forms and 129 as unstructured responses through email, letter, and social media.
7. The key findings from consultation feedback are as follows:
 - Agreement that the County Council should carry on with its **financial strategy** now stands at 60%, compared with 45% in 2021, 52% in 2019, and 65% in 2017. This involves targeting resources on the most vulnerable people; planning ahead to secure savings early and enable investment in more efficient ways of working; and the careful use of reserves to temporarily help address funding gaps and plug additional demand pressures (e.g. for social care).
 - The data suggests that respondents are concerned about the implications of further service changes and charges and increasingly feel that the solution lies with central government.
 - Both data and verbatim comments indicate the respondents want the County Council to continue to lobby central government for a longer-term funding solution for local government, and to allow additional charging in a number of areas:
 - 90% agreed with lobbying for additional funding to deliver social care services for adults and children.
 - 83% agreed profit margins for providers of children's homes should be capped.
 - 81% agreed the underlying funding model for county councils should change.
 - 81% agreed there should be national consistency in the approach to residential placement fees for children's social care.

- 79% agreed that there should be an increase in central government funding for highway maintenance and major road and structural repairs.
- 78% agreed that there should national rules on engagement of agency resource to support children’s social work.
- 75% agreed to enable local circumstances to be taken in to account when determining adult social care provision.
- 68% agreed to allow a move to locally devised policies and means testing for Home to School Transport
- 66% agreed that a review should be undertaken of the range of statutory functions that must be carried by qualified social workers.
- 59% agreed to allow for a deferred payment option for adults’ domiciliary (home) care provision.
- 55% agreed that a small charge should be applied to concessionary travel.
- 52% agreed that a fee should be charged for issuing an Older Person’s Bus Pass.
- 48% agreed that there should be greater council tax setting freedoms (29% disagreed, with the remainder neither agreeing nor disagreeing).
- However, there were exceptions, namely that:
 - Most respondents (68%) did not agree that a nominal fee should be charged for using household waste recycling centres.
- The majority of respondents agreed that the County Council should explore:
 - Changing services to support achievement of savings (69% of respondents).
 - The possibility of changing local government arrangements for Hampshire (62% of respondents).
 - Increasing existing charges for services (54% of respondents).
- The majority of respondents disagreed with the proposal to reduce services (63% disagreed vs 23% who agreed).
- Opinion was divided on the use of reserves and the introduction of new service charges:
 - 45% agreed that reserves should not be used, vs 42% who disagreed.
 - 47% agreed that new service charges for currently free services should be introduced, vs 42% who disagreed.
- 46% of respondents first preference was for the County Council to raise **Council Tax** by less than 4.99%. This compared to 38% of respondents whose first choice was to raise council tax by 4.99% and 18% who would choose an increase of more than 4.99%.
- Suggestions were made by respondents for generating additional income, including making money from unused buildings and land, introduction of charges to service users, selling services to other organisations, and parking

charges. Other suggested for alternatives to the budget options presented included improving council efficiency, reducing expenditure, and prioritising spending where it was most needed.

- Just under half of respondents (48%) specified impacts that they felt would arise should the County Council continue with its financial strategy and approve the proposed options. Almost half of these related to financial impacts on household budgets, both due to potential increases in Council Tax (25%) and rising service charges (11%), alongside the broader financial impacts or rises in the cost of living (12%) and other ongoing day-to-day costs (2%).
- More generally, 36% of respondents considered that the proposals would impact on the level of service provided, with particular mention made to service reduction, worsening road conditions, and rising service demand. Social impacts, including poorer mental wellbeing and physical health, as well as a reduced quality of life were also referenced by 19% of respondents.
- Just under half of respondents felt that impacts could arise for the protected equalities characteristic of age (49%), with further impacts on poverty (35%), disability (34%), and rurality (25%) also commonly mentioned. The potential environmental impacts were also noted in around a third of the comments submitted (31%).
- The 129 unstructured responses to the consultation, submitted via letter / email or on social media, primarily focussed on the perceived impacts of the proposals, stating concern about reductions to services and potential impacts on vulnerable groups, and the financial impact on other organisations, but recognising the budgetary pressures and the need to reduce some services. A smaller number of respondents noted that services were underfunded, and the need to lobby central government for additional funding.