

Consultation

The County Council has been planning for the next round of budget savings for some time and during 2019 developed a range of savings options that were designed to balance the estimated £80m deficit in the 2021/22 budget. These proposals were consulted on during the summer of 2019.

The Medium Term Financial Strategy (MTFS) report was presented to Cabinet on 15 October 2019 and contained a summary of the headline findings from the '*Serving Hampshire – Balancing the Budget*' Consultation which ran for six weeks from 5 June to the 17 July 2019.

The Consultation was undertaken against the background of the next stage of the County Council's transformation and efficiencies programme, Transformation to 2021 (Tt2021) in order to inform the overall approach to balancing the budget by 2021/22 and making the anticipated £80m additional savings required by April 2021.

The public consultation sought residents' and stakeholders' views on options for managing the anticipated budget shortfall. The options necessarily extended beyond cost reduction and income raising possibilities to areas such as council tax increases, possible legislative changes and the organisation (structure) of local government in Hampshire.

These additional options could help to inform the approach the County Council takes to delivering savings beyond 2021/22. With the squeeze on public finances anticipated to extend further into this decade following the impact of Covid-19 and the general uncertainties that surround Brexit, the County Council has already started work on the Savings Programme for 2023 to address the anticipated shortfall in the budget..

The consultation sought residents' and stakeholders' views on several options that could contribute towards balancing the revenue budget, and any alternatives not yet considered – as well as the potential impact of these approaches. The consultation was clear that a range of options would be needed to meet the required £80m savings by 2021. 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%.

The options were:

- Reducing and changing services.
- Introducing and increasing charges for some services.
- Lobbying central government for legislative change.
- Generating additional income.
- Using the County Council's reserves.
- Increasing council tax.
- Changing local government arrangements in Hampshire.

Information on each of the above approaches was provided in an Information Pack. This set out the limitations of each option, if taken in isolation, to achieving required savings. For

example, supporting information explained that the £80m estimated budget shortfall took into account an assumed increase in 'core' council tax of 4.99% at that time in both 2020/21 and 2021/22. 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 reserves would only provide a temporary fix, providing enough money to run services for around 27 days at that time.

Therefore, whilst each option offers a valid way of contributing in-part to balancing the budget, plugging the estimated £80m gap in full would inevitably require a combination of approaches.

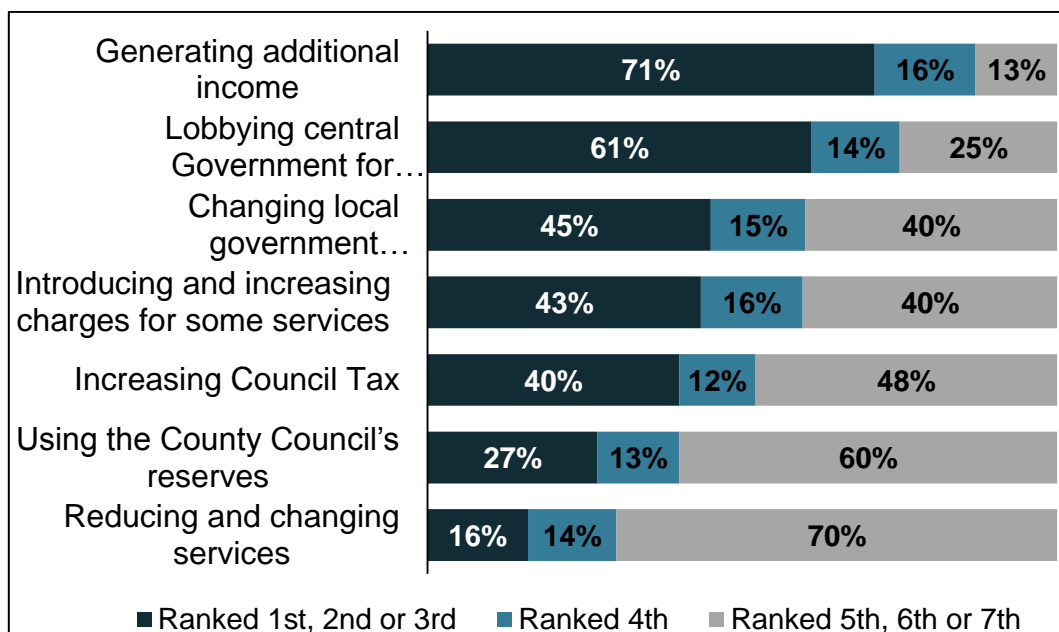
A total of 5,432 responses were received to the consultation – 4,501 via the Response Forms and 931 as unstructured responses through email, letter and social media.

Headline findings from the consultation are set out below and the full findings [report](#) is also available:

- The majority of respondents (52%) agreed that the County Council should continue with its current **financial strategy**. 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 help address funding gaps and plug additional demand pressures e.g. for social care.
- Achieving the required savings is likely to require a multi-faceted approach. However, respondents would prefer that the County Council seeks to explore all other options before pursuing proposals to reduce and change services – in particular, opportunities to **generate additional income** and **lobby central government for legislative change**.
- Just over one in three respondents (37%) agreed with the principle of **reducing or changing services** - but the proportion who disagreed was slightly higher (45%) - Of all the options, this was respondents' **least preferred**.
- Around half of respondents (**52%**) agreed with the principle of **introducing and increasing charges** to help cover the costs of running some local services, but over one-third (39%) felt that additional charges should not be applied.
- Respondents were in favour of **lobbying central government** to allow charging in some areas:
 - 66% agreed with charging for issuing Older Person's Bus Passes.
 - 64% agreed with charging for Home to School Transport (HtST).
 - 56% agreed with diverting income from speeding fines or driver awareness courses.
- However, in other areas, opinions were more mixed:
 - 42% agreed and 43% disagreed with recouping 25% of concessionary fares.
 - Most did not feel that it would be appropriate to lobby for charges relating to library membership (60% disagreement) or Household Waste Recycling Centres (HWRCs) (56% disagreement).

- Overall, lobbying for legislative change to enable charging was respondents' **second preferred option**.
- Of all the options presented, generating additional income was the **most preferred option**. Suggestions included:
 - Improving the efficiency of council processes.
 - Increasing fees or charges for services.
 - Using council assets in different ways.
 - Implementing new, or increasing existing, taxes.
 - Lobbying central Government for more funding.
- Six out of ten respondents (61%) agreed with the position that **reserves should not be used** to plug the budget gap.
- Most respondents (55%) preferred the County Council to raise **council tax** by less than 4.99%. This compared to 34% of respondents whose first choice was to raise council tax by 4.99%. There was limited support for a rise in council tax above this level (14%).
- More than half of those who responded (**61%**) **agreed** that consideration should be given to **changing local government arrangements in Hampshire**.
- One in three (36%) respondents noted **potential impacts** on poverty (financial impacts), age (mainly older adults and children), disability and rurality.
- Staffing efficiencies were the most common focus of **additional suggestions** (31%).
- The 931 unstructured **other responses** to the consultation primarily focused on ways to reduce workforce costs (26% of comments), the impact of national politics on local government (8%), the need to reduce inefficiency (6%) and both support and opposition to council tax increases (7%).

An important element of the consultation was seeking residents and stakeholders' views on the strategy for closing the County Council's budget deficit to 2021/22. The consultation outlined seven options for making anticipated savings and asked respondents to rank these in order of preference. The options were ranked as follows:



The findings from the Consultation were provided to Executive Members and Directors during September 2019, to inform departmental savings proposals, in order for recommendations to be made to Cabinet and the full County Council in October and November 2019 on the [MTFS and Transformation to 2021 \(Tt2021\) Savings Proposals](#).

In some cases, further Stage 2 consultations were required, and this was reflected in the Equality Impact Assessments that were published at the time.

Business Consultation

Feedback has been sought from the business community in relation to the County Council's budget proposals for 2021/22, with a focus on issues of significance to the business community.

The consultation acknowledges the status of the 2021/22 budget in that key decisions in respect of savings proposals had already been taken and were agreed by Cabinet and Full Council during November 2019, in order to provide the time and capacity for the savings to be implemented as part of the Tt2021 Programme.

An update on any feedback / responses received will be provided at the meeting.