

# Budget consultation

2024-2026



Making  
the most of  
your money



Tell us your views on how  
we fund local services



Hampshire  
County Council

# Translation

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# Budget Consultation Information Pack

In November 2023, Hampshire County Council will meet to agree a financial strategy for the next two years. To inform this decision, we are asking residents and stakeholders to share their views on a range of high-level options that could help us to balance our budget and to suggest alternative steps that we could consider.

**Consultation period: from 12 June to 11:59pm on 23 July 2023.**

## Introduction

Over many years, Hampshire County Council has built a strong reputation for robust financial planning while delivering a wide range of high-performing services to the people of Hampshire, on the second lowest Council Tax set by county councils in England.<sup>1</sup>

However, in response to over a decade of national austerity, prolonged underfunding from central Government, and growing demand for important local services such as social care for vulnerable children and adults, the County Council has been forced to reduce its spending by £640m since 2008.

Now, 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. The cost of delivering services is rising in the same way that everyone's cost of living has risen. We support the most vulnerable people in our communities, and as more local people struggle, demand for our services continues to grow.

Like our residents, we want to live within our means, but our budget is near breaking point.

By April 2025 our forecasts predict an annual budget shortfall of around £132 million – one of the highest gaps we have ever faced. As we seek to establish a long-term sustainable funding solution through ongoing lobbying and discussions with central Government, our options are limited. There are very few ways in which we can meet our legal duty to balance our budget without any impact on our residents.

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. Please help us to understand what these proposals may mean for you so that we can take residents' needs into account when considering the way forward.

<sup>1</sup> [hants.gov.uk/aboutthecouncil/budgetspendingandperformance/comparison](https://hants.gov.uk/aboutthecouncil/budgetspendingandperformance/comparison)

## How to have your say

This Information Pack gives an outline of the County Council's budget, how this is currently spent, and the range of options through which we could deliver a balanced budget whilst continuing to meet our statutory obligations. Please read this information carefully before sharing your views.

**The consultation is open from 12 June to 11:59pm on 23 July 2023.**

Please ensure that you respond within this period as responses received after the closing date will not be included in the consultation report.

You can provide your feedback using the consultation Response Form, available online via the consultation webpage at [hants.gov.uk/budgetconsultation](https://hants.gov.uk/budgetconsultation)

You can also email your response directly to Hampshire County Council using the email address: [insight@hants.gov.uk](mailto:insight@hants.gov.uk) or write to **Freepost HAMPSHIRE**.

(Please also write **P&O, I&EU, FM09** on the back of the envelope).

<sup>2</sup> *Easy Read is an accessible format that provides information using easy words in short sentences, with pictures to help explain the words.*

Copies of this Information Pack and the consultation Response Form, along with Easy Read<sup>2</sup> versions of both documents, are available to view, download and print on the consultation webpage [hants.gov.uk/budgetconsultation](https://hants.gov.uk/budgetconsultation)

If you require a paper copy of the Information Pack or the Response Form, a copy in another language or format (such as audio, large print, or Braille), or if you have any queries about the consultation, please contact: [insight@hants.gov.uk](mailto:insight@hants.gov.uk), or call: **0300 555 1375\***. Reference and paper copies are also available at Hampshire libraries.

You can view the Privacy Notice for this consultation, which explains how we will use your information, how this will be stored, and for how long we will keep it, within the Response Form or on the consultation web page.

\*0300 calls are usually included in most landline and mobile call packages and if not, are charged at no more than a local rate call.

## How your views will be used

The County Council is committed to five principles of consultation:

- to consult on key issues and proposals;
- to consult in good time;
- to be inclusive but with clear and appropriate limits;
- to consult using clear, simple information; and
- to ensure that responses are taken into account when decisions are made.

The views submitted through this consultation will be collated and used to understand the potential impact of these proposals on local residents, and how they could be adapted in light of these, and any alternative approaches suggested. Reports will then be presented for discussion at Executive Member, Select Committee, Cabinet and Council budget proposal meetings during 2023 to inform any decision by the County Council on the proposals set out in this document and planning for any specific service changes that are needed to work within our budget. The reports will also be made available via [hants.gov.uk/budgetconsultation](https://hants.gov.uk/budgetconsultation)

## About Hampshire County Council

Hampshire County Council is the third largest shire council in the country, delivering 83% of local government services in Hampshire (by expenditure) to almost 1.4 million residents on a budget of around £2.6 billion.

At the heart of our budget proposals is our Serving Hampshire Strategic Plan<sup>3</sup>. This outlines our priorities and ambitions and guides all our work to reshape public services and to build a more resilient county for the future, with a focus on four key outcomes:

- maintaining strong and resilient economic growth and prosperity;
- people in Hampshire living safe, healthy, and independent lives;
- enjoying a rich and diverse environment; and
- being part of strong, inclusive, resilient communities.

The County Council **does not provide**, and therefore cannot generate income or make savings from, council housing, local planning applications, bin collections, car parks, or fixed penalty notices for low-level environmental or public health crimes such as littering or dog fouling. These services are delivered by district/borough/city councils or town/parish councils.

Further information on the services delivered by Hampshire County Council can be found at [hants.gov.uk/budgetconsultation](https://hants.gov.uk/budgetconsultation)

An overview of how our budget is spent and the services we provide can be viewed on the following page.

<sup>3</sup> [hants.gov.uk/aboutthecouncil/strategiesplansandpolicies/corporatestrategy](https://hants.gov.uk/aboutthecouncil/strategiesplansandpolicies/corporatestrategy)

### Adults' Health and Care (£691.2m)

Encompassing social care for people aged over 18 years old such as residential and nursing care; day care and respite facilities; services for people with a learning disability, physical disability, mental health needs or autism; support for carers and for people to maintain their independence; and Public Health services.

### Children's Services (£335.1m)

Primarily services supporting children and young people, including early years education/childcare; child protection; children in care; fostering; adoption; support for children and families with learning difficulties and/or disabilities; schools' improvement, admissions, places planning and school meals; support for children and young people not in education, employment or training; libraries; and home-to-school transport.

### Capital Financing (£53.3m) and other Corporate Items (£99.9m)

Repayment of historic borrowing to finance capital projects such as building schools and maintaining roads, and funding for known service demand growth and inflationary price increases.

## How our budget is spent

### Universal Services (£235.3m)

Public facing services accessible to all, such as: outdoor centres, country parks and public Rights of Way; registration of citizenship, births, marriages and deaths; Trading Standards; building and maintenance of roads, footways and cycleways; street lighting; traffic management and road safety; household waste disposal and recycling centres; planning control; flood risk management; public community transport subsidies; and facilities management.

### Hampshire 2050 (£14.1m)

Delivering strategies and policies to support the Authority's priorities to safeguard the future of local services for residents and make Hampshire an even better place to live, play, work, visit and do business. Includes skills and economy; strategic transport; rural communities; nature recovery; partnerships; minerals and waste policy; climate change; broadband; Hampshire Cultural Trust; spatial planning; and land and asset management.

### Corporate Services (£87.6m)

Central support services such as Finance, IT, and HR; legal and democratic support; communicating to, and engaging with, residents; and planning for emergencies.

NB: Nearly half of the gross budget (£1.1268 billion) is spent on schools, which is protected for that purpose only and therefore not shown within this illustration.

# About the County Council's revenue budget

## How the County Council is funded

Local authorities have four main sources of revenue, namely:

- Council Tax;
- government grants;
- business rates; and
- service fees.

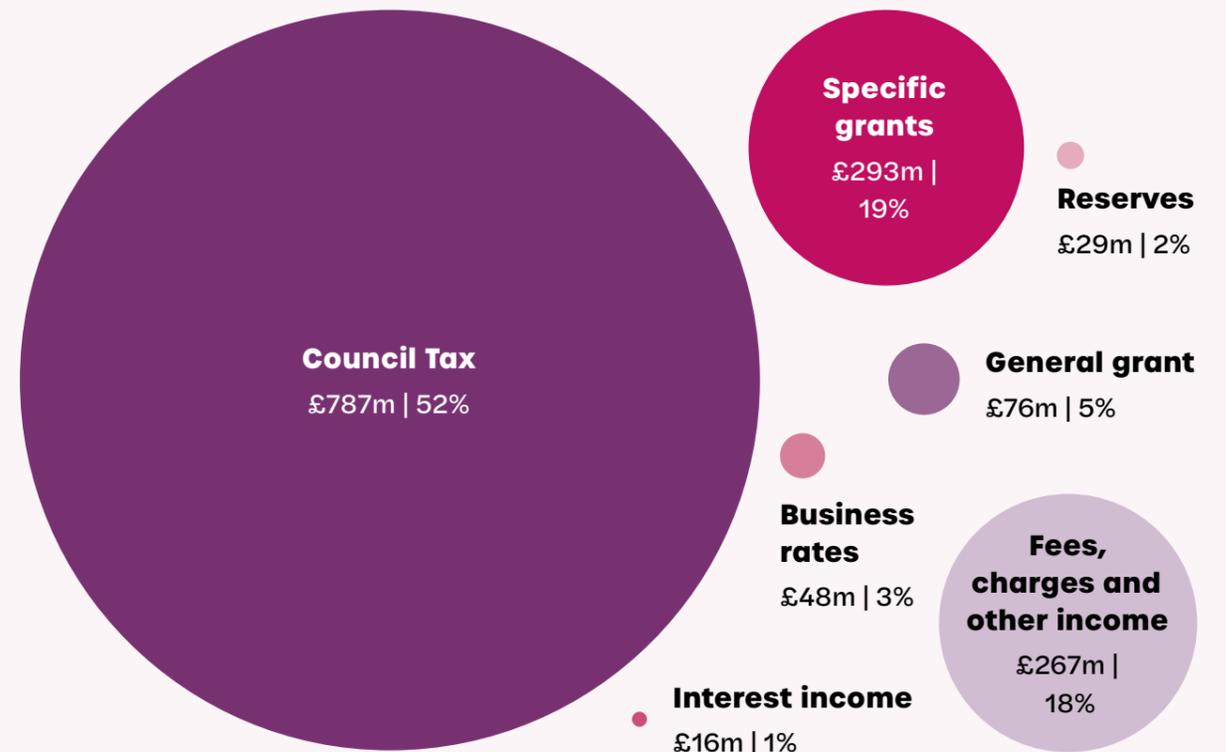
extremely limited and we cannot borrow money to finance day-to-day spending.

We use what we call our 'revenue budget' to meet the cost of day-to-day expenditure such as salaries, supplies and services.

Unlike central Government, our ability to raise any other forms of taxes or income is

### How the revenue budget is currently funded in 2023/24

Gross budget (excluding schools): £1.516 billion



Some of the funding that we receive is 'ringfenced' or given specifically to fund one-off 'capital' projects such as infrastructure work on roads or buildings. This means that when the money is given, there are conditions attached stating how it can be spent. We can only use it for that specific purpose, and we usually need to provide evidence that we have done so. It's for this reason that funding from these sources cannot be

reallocated to other service areas (e.g. from major road improvement schemes to bus services, or from building maintenance to running libraries).

The cost of schools is included within the County Council's revenue budget, but this funding is protected for that purpose only and therefore cannot directly be used towards savings.

## Our budget challenges

Local authorities are required by law to deliver a balanced budget and so cannot spend more than is available.

Since the period of national austerity began in 2008, funding from central Government has reduced significantly whilst demands on services and costs have continued to increase, and we have consequently been required to reduce spending by around £640m over the last 15 years.

Often in previous budget consultations we have mentioned growing demand for important local services such as social care for higher numbers of vulnerable children and adults, rising costs, and inflation as key budgetary pressures. Since the last budget consultation in 2021, each of these factors has increased exponentially, as illustrated by the examples opposite.

Hampshire County Council has a strong track record for managing its finances well and has an excellent reputation as a high-performing local authority.

To date, we have adopted a financial strategy with a focus on:

- planning ahead in order to secure savings early and limit the impact of service change or reduction;
- investing in new, more efficient ways of working;
- using reserves carefully to address funding gaps and manage demand pressures;
- generating additional income to help sustain services;
- targeting resources on those who need them most (i.e., vulnerable children and adults); and
- only reducing or changing services when necessary to reduce the budget gap.

## How our service costs have increased



The costs of providing respite care for children with disabilities are increasing by **8%** per year and the costs of recruiting independent foster carers are increasing by **10%**.



Costs under the Waste Disposal Service Contract for the storage, transport, processing and disposal of municipal waste increased by **14%** during the past year.



The number of children with Education, Health and Care Plans has increased by an average of **17%** per year since 2020/21.



Costs under the Hampshire Highways Service Contract for highway maintenance operations have risen by between **10%-28%** over the last year due to the impact of oil and gas prices on construction and highways materials.



The cost of providing Home to School Transport has increased by almost **50%** over the past two years due to increasing fuel prices, driver shortages and a rise in the number of eligible pupils and students.



The total costs of providing residential and nursing care for older adults (people aged 65+) increased by **35%** and **47%** respectively between April 2021 and December 2022, costing the Council an extra £42m.



The volume of high-cost care packages (those costing £3,000 per week) for Younger Adults (people aged over 18 and under 65), **almost doubled** between September 2021 and December 2022. Alongside increases in average rates paid for these same clients this has led to a £12m increase in annual spend.

In previous years, each of the County Council's directorates have been required to reduce spending by the same proportion (i.e. find the same percentage of spending reduction). However, after 15 years of savings programmes, this approach is no longer viable for some of the statutory service areas. Instead, all services have been asked to consider all savings that could be made, to help us understand if some could save more than others.

The financial pressures now faced in Hampshire are common to county councils across the country, but we remain better equipped than many to deal with these challenging financial circumstances. Nonetheless, as we have been stressing to Government for many years, there is a vital need to make fundamental changes to the way upper tier (i.e. county) councils are funded in order to address the increasing costs of social care. Without such changes to the underlying funding model, upper tier local government is not financially

### Budget gap

#### Total additional costs – £318m



#### Total additional funding – £186m



sustainable in the future since it cannot indefinitely make savings in other services to fund the growth in social care.

As announced in the 2022 Autumn Statement, central Government has provided increased social care grants and allowed local authorities to raise additional Council Tax and increase business rates. The additional funding available to the Council to deliver services is expected to increase by £186m. However, we expect to face additional costs of £318m by 2025/26 to maintain services at current levels.

We therefore still need to find £132m of recurring savings to balance our budget by 2025/26<sup>4</sup> whilst continuing to provide services that we have to deliver by law. These include education services; children's safeguarding and social care; adult social care; disposal and recycling of household waste; home to school transport; road maintenance; and library services.

<sup>4</sup> This assumes that there are no further major financial shocks during the next 3 years, which is optimistic given the period we have faced over the last 12 months.

## Options for balancing the budget

Some of the potential options that could contribute towards balancing the budget are outlined below. Given the considerable size of the budget gap by 2025/26, it is likely that a combination of these would be needed.

These options have been proposed in previous Hampshire County Council budget consultations. We feel they continue to represent the best opportunity to achieve

a balanced budget, given the limited ways that we are legally able to generate income and the County Council's statutory service obligations. We welcome your views.

We would like to understand the potential impacts of these options so that these can be considered as part of the decision-making process. We would also welcome any alternatives that you may wish to propose.

## Lobbying central Government for legislative change

The County Council's ability to balance its budget is limited by central Government funding and legislation. In many cases, we have no autonomy to introduce initiatives that could help to support local services.

Lobbying can be used to help persuade central Government to alter the way in which local government is funded, the amount of money that is granted, and to allow councils to make local changes to services that would help to balance the books.

However, lobbying takes time, and there is no guarantee of success.

### Recent lobbying activities

The County Council believes that without fundamental change to the way that local government is funded, it is likely that many authorities will soon start to fail. In the lead up to Government's pivotal 2024 Spending Review, our lobbying activity has therefore amplified the urgent need for these vital changes.

Activity has included:

- key talks with Government ministers and senior officials on the financial challenges we face and changes we wish to see to allow us to achieve a sustainable financial position;
- regular continuing discussions with Hampshire's MPs to stress the County Council's requests for legislative change and to raise awareness of the potential impacts of further savings on local services which we will be able to provide in the future; and
- a letter, written jointly from the Leaders of Hampshire and Kent County Councils to the Prime Minister and Chancellor, calling for urgent changes to the way upper tier councils are funded in the future. This was to address the growing pressures from rising demand for adult and children's social care services to avoid widespread collapse across upper tier local government.

## Where lobbying could help

Presently, we feel that central Government could best support Hampshire by:

- **Changing the underlying funding model for county councils.**

Undertaking a Fair Funding Review to change how funding is allocated and redistributed between local authorities; and confirming a long-term funding deal for local government.

- **Increasing government funding to pay for growth in social care services.**

This includes: more annual funding to keep up with growing demand for adults and children's social care services or legislative changes to reduce the demands on these services; fully funding the social care funding reforms; and more money for growth in special educational needs. Given the size of these services and the increasing levels of demand, this is by far the most important way that central Government could help us to sustain our services.

- **Accelerating changes to children's social care and commissioning,** with options such as:

- **capping profit margins for providers of children's homes,** so public care of children is not for profit;
- **national consistency in the approach to placement fees,** with high-cost residential placements capped according to level of need;

- **introducing a set of national rules on the engagement of agency social work resource,** in order to provide more stable relationships for children and families and reduce costs, as outlined in central Government's 'Child and Family Social Worker Workforce consultation'<sup>5</sup>;
- **reviewing the range of statutory functions that must currently be carried out by qualified social workers.** This would allow us to use differently qualified staff to continue to run efficient services in the face of a (national) shortage of children's social workers. This approach has already been proposed by central Government as part of their Care review, however we need these changes to be delivered at a more urgent pace.

NB: As in many areas, some children who require social care in Hampshire are looked after by independent providers, on behalf of the local authority. The County Council pays the provider for this support. Currently, there is no pricing cap on the provider market, and costs can, and do, increase in line with demand, which always outstrips supply.

- **Moving to locally devised Home to School Transport policies and means testing for Home to School Transport,** so that local demography, such as Hampshire parents' and carers' ability to transport their child to school, and local definitions of safe distance for a child to walk, scoot or cycle can be considered.

<sup>5</sup> [consult.education.gov.uk/social-work-reform-unit/child-and-family-social-worker-workforce/supporting\\_documents/Child and Family Social Worker Workforce consultation document.pdf](https://consult.education.gov.uk/social-work-reform-unit/child-and-family-social-worker-workforce/supporting_documents/Child_and_Family_Social_Worker_Workforce_consultation_document.pdf)

- **Allowing the deferred payment option for adults' domiciliary care provision.**

Currently when people apply for permanent residential care, the value of their property can be considered when assessing how much they can afford to contribute. We would like the same consideration to apply to people who receive their care at home, with payment deferred until they no longer require their property.

- **Enabling local circumstances to be taken into account when determining adult social care provision.** We would prefer to have greater flexibility to assess whether someone needs the County Council to pay for their care, by taking into account their personal situation, including their access to alternative care

options, using a process such as the Care Act Easements<sup>6</sup>, rather than the rigid process set out in the Care Act<sup>7</sup>.

- **Allowing new charges to be levied for some services,** for example, applying a small charge for concessionary travel; a fee for issuing bus passes and charging a nominal fee for using household waste recycling centres.
- **Increasing funding for highways maintenance and major road and structural repairs.**
- **Permitting greater Council Tax setting freedoms,** particularly for those authorities, such as Hampshire, with lower Council Tax levels.

## Using the County Council's reserves

Over the years, the County Council has set aside funding in reserve (currently amounting to around £883 million), which is needed for service investment, to help meet funding shortfalls and address any unexpected financial risks (such as those presented by the cost-of-living crisis).

Most of the money (£760 million) is committed to specific purposes, for example to cover costs of insurance, making services more modern and efficient, and building new schools or roads<sup>8</sup>.

Of the remaining £123 million, £99 million has already been set aside to temporarily bridge the budget gap for 2023/24 and 2024/25, in line with the approach recommended by central Government.

This leaves us with just £24 million of currently uncommitted reserves by 2025/26 which would not be enough to meet the expected funding shortfall. We could use other committed reserves at this point but planned service improvements would need to be re-prioritised or cancelled.

<sup>6</sup> [gov.uk/government/publications/coronavirus-covid-19-changes-to-the-care-act-2014/care-act-easements-guidance-for-local-authorities](https://gov.uk/government/publications/coronavirus-covid-19-changes-to-the-care-act-2014/care-act-easements-guidance-for-local-authorities)

<sup>7</sup> [gov.uk/government/publications/care-act-2014-part-1-factsheets/care-act-factsheets](https://gov.uk/government/publications/care-act-2014-part-1-factsheets/care-act-factsheets)

<sup>8</sup> For further information, the County Council's Reserves Strategy can be read at [democracy.hants.gov.uk/documents/s104960/Revenue%20Budget%20Appendix%205%20-%20Reserves%20Strategy.pdf](https://democracy.hants.gov.uk/documents/s104960/Revenue%20Budget%20Appendix%205%20-%20Reserves%20Strategy.pdf)

Although viable, this is not advisable because:

- it would not help us in the longer-term, as use of one-off reserve funding does not provide a sustainable solution to address ongoing financial pressure. If reserves are used to meet ongoing service delivery costs, then they will be used up very quickly and so will only temporarily delay the point at which other savings need to

be found, and further difficult decisions need to be made; and

- using up reserves would also leave the County Council vulnerable to unexpected financial pressures. Our current financial strategy already requires the use of significant levels of reserves just to enable us to survive until the 2025/26 financial year.

## Generating additional income

The County Council is allowed to generate some commercial income to fund services and help offset overall service costs, for example by offering support to schools and renting surplus property.

Given recent changes in working practices, we are considering a reduction in the amount of office space that we use as an organisation. However, legally, income generated through the sale of the land or building assets we own can only be used for one-off capital projects and cannot be used to fund day-to-day services.

In recent years, we have also expanded the range of professional, specialist, and

technical traded services that we offer to other public sector and charitable organisations<sup>9</sup>.

We expect to receive around £55m from traded services in 2023/24.

However, there are a range of limitations on this approach. We need to retain the skills and capacity for good quality traded service delivery, and to ensure that the services cover their own costs so as not to place an extra burden on our core budget. The County Council is also not generally allowed to make a profit.

<sup>9</sup> [hants.gov.uk/hampshire-services](https://hants.gov.uk/hampshire-services)

## Our traded services



### County Supplies

Supplying commonly used items for schools, colleges, libraries, and other public sector and non-profit groups to help reduce their purchasing costs.



### Hampshire Pensions Service

Managing and administering pension schemes for local government, and other public sector organisations.



### Hampshire Printing Service

Delivering design, print and signage for Hampshire County Council, schools, and other public sector organisations.



### Hampshire Legal Services

Providing specialist legal support and advice for those involved with the delivery of public services.



### Property Services

Designing, delivering, maintaining and running buildings and sites for local authorities and public bodies across the south east that provide key public services and places for local communities.



### Occupational Health and Wellbeing

Providing expert advice across Hampshire County Council, schools and other public sector organisations about the safety, health and welfare of people at work.



### Services for schools

Offering services that support the running and operating of schools, such as delivering an engaging curriculum and pupil support, to school improvement and business support.



### Scientific Services

Delivering the forensic science and analysis behind Trading Standards and Environmental Health services to ensure communities stay safe, healthy and protected.



### Catering Services

Providing school meal and catering services for schools, colleges, workplaces and visitor attractions.



### Hampshire Transport Management

Supplying vehicles, such as minibuses, cars, vans and trucks across Hampshire County Council services, schools, colleges, voluntary organisations and charities.



### Southern Internal Audit Partnership

Delivering a professional, independent and objective internal audit service to public sector organisations.

## Introducing and increasing charges for some services

The County Council could seek to cover the costs of some services by asking the people who use them to pay a contribution. This is a targeted approach to income generation, which would only impact residents who are directly benefitting from the services (excluding those eligible for free support).

We already charge for some local services. For example, introducing charges at our country parks has generated an additional £1.6m per year which has allowed us to keep these facilities open despite the challenges of COVID-19 impacting visitor numbers.

We could consider increasing service charges or introducing new charges for services that are currently free. Some examples of where we could do this are outlined below.

- Reviewing our fees for brokering care and administering payments for individuals who pay for their care.

- Introducing a charge for maintaining private and partner archive collections.
- Increasing prices and introducing new membership options at Country Parks.
- Increasing parking charges at Countryside sites.
- Introducing new on-street parking charges in new locations and reviewing charges at existing locations.
- Introducing new charges for parking at off-street and countryside locations.
- Increasing Ceremony fees (e.g. wedding, civil partnership, welcoming).
- Increasing income generated via Hampshire Outdoor Centres.
- Expansion of moving traffic enforcement sites.

## Reducing and changing services

This year, we have introduced a new organisational structure, which aims to ensure we are aligned in the best possible way to our strategic priorities, our future vision for the county and to delivering our core public-facing services in the most coordinated and consistent way possible to maximise value for our residents. The restructure has already delivered management efficiencies and

seeks to further reduce any duplication in service delivery.

Going forwards, we will continue to review how we work, seeking to remove unnecessary bureaucracy, further modernise our business approach and practices, and improve efficiency of **service support functions**.

This could include:

- reducing business support and administrative resources to reflect broader changes in ways of working, and where these are retained, ensuring they are cost effective and add value to our service delivery;
- looking at how we manage and support Customer Contact into the County Council, removing unnecessary duplication from our processes and improving the efficiency of these important functions to the front-line services they support;
- looking at how we organise and deliver professional enabling functions to services across the County Council (for example, Finance, HR, IT, Communications), to ensure that we maximise economies of scale by grouping relevant specialist skills and expertise together, removing duplication, and creating greater flexibility to respond to future organisation-wide priorities; or
- reviewing the skills and capacity we require as an organisation to support further transformation of our services.

However, making changes to our support functions alone will not address the funding shortfall. So, in recent months, we have also started to consider where **public-facing services** could be adapted, in order to determine whether or not we could balance our budget through our own actions (i.e. without relying on a central Government bailout or funding change).

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.

Inevitably, after almost 15 years of changes to how we deliver these services, the easier changes and efficiencies have already been made, and we have needed to think about areas that have previously been protected from reductions in spending, together with new opportunities arising from advances in technology and ways of working.

Some examples of how we could adapt public-facing services are outlined on the following pages, to help you consider whether, in principle, service changes and/or reductions should form part of our approach. These examples are illustrative and further proposals may come forward that are not currently set out here. They reflect our current financial situation – i.e. they are written on the basis that, if there were to be no significant change to the financial pressures we expect to face (see section two), we will have no choice but to reduce our service provision to bare minimum levels – i.e. what we are legally required to provide. However, a number of these examples may also provide opportunities to modernise and improve the way in which we support the most vulnerable residents in Hampshire. Before responding to this consultation, we ask you to read all of the examples to help you understand the potential wider impact these changes could have on the services we deliver.

Any changes to specific services would require more detailed scoping work and may be subject to further public and staff consultation.

Please note: The County Council would continue to meet its statutory requirements.

# Hampshire Children's Social Care

**Current service budget:**  
£241.9 million

**Estimated savings target:**  
£1.5 million

## About this service

Social care services for children and young people in Hampshire are delivered through:

- the Family Support Service (FSS), which brings together local organisations to offer extra support to families who need it. This 'early help' is provided at a point when a family needs support and advice rather than a statutory involvement through 'child in need', safeguarding or a child becoming looked after by the Local Authority; and
- Children's Assessment and Safeguarding Teams (CAST), who become involved when children and families are assessed as meeting the threshold for statutory services as either a child in need or a child at risk of significant harm.

Currently, to achieve the best outcomes for children, both FSS and CAST work through a Family Plan developed with the family and any other professionals the family may work with or need support from. The Plan identifies goals, interventions required and specific outcomes to be achieved.

## Proposed service changes

Driven by the publication of the Independent Review of Children's Social Care and the associated government response, Hampshire Social Care is undertaking a significant transformation project to create a new Family Help service which combines targeted early help and children in need.

Given the scale of the project a phased approach is being adopted:

- **Phase 1.1** – The creation and recruitment to a new differently qualified role, that of a Family Practitioner, who can bring a wider range of skills and experience to work across both 'early help' and 'in need', thereby giving children and families greater consistency of support. The role would also have case holding responsibility for children in need in specific circumstances.
- **Phase 1.2** – Bringing together the staff and functions of the FSS and CAST to create new Family Help Teams which would operate within local communities.

The detail as to how this will be done is still being worked through and this scoping would involve engagement with staff and families as and when appropriate.

## What these changes could mean

The implementation of a new Family Help model could mean:

- early intervention, due to professionals working more closely within one team, would reduce the escalation of need and risk within a family, leading to a reduction in the demand for statutory child protection and child looked after services;
- families would be able to access services more easily within their local communities, as Family Help could be delivered in places that they would typically attend such as libraries, GP surgeries, community centres or schools, rather than always at a district council office;

- more children would remain safely at home/within family networks;
- families would experience fewer changes of keyworker as staff could work across 'early help' and 'children in need' and there would be no change of keyworker should their case progress;
- increased consistency of support as increased role variety and the opportunity to be involved in a new and transformational service should lead to increased recruitment and retention of County Council staff.

NB: Established and well-developed relationships with professionals would be maintained where appropriate.

# Library Service

**Current service budget:**  
£9.9 million

**Estimated savings target:**  
£0.5 million

## About this service

As a Library Authority, Hampshire County Council is required by law to provide a 'comprehensive and efficient Library Service for all those who live, work or study' in Hampshire. There is no specific definition of what this constitutes – it is for each local authority to judge based on local needs and available resources, but councils must, amongst other things:

'encourage both adults and children to make full use of the library service' and 'lend books and other printed material free of charge'.

The County Council's Library Service is currently one of the largest in the country with over 3 million visits to library locations, 3.9 million physical book issues, and more than 1.8 million digital issues (eBooks, eAudiobooks, ePress) a year. It provides a range of services including books and learning resources, digital resources and computers, events, and activities. School, Home, and Learning in Library services are all delivered in addition to the Public Library Service, which encompasses a network of 40 static libraries.

More information about the library service can be found at: [hants.gov.uk/librariesandarchives/library](https://hants.gov.uk/librariesandarchives/library)

### Potential service changes

Changes to library services may be possible through:

- considering how space in libraries may be used differently to provide more opportunities for co-located services and partnerships which could offset overall premises costs;
- reviewing and optimising expenditure on physical stock held by the Library Service to maximise efficiency and use of physical space;
- review digital membership offer to include exploration of new membership/

charging models;

- reviewing and reducing expenditure on management and back-office functions.

### What these changes could mean

The potential service changes could mean:

- people may be able to access more services and organisations in library buildings, potentially enabling more joined up support and strengthening connections and networks in local communities;
- reduced access to some library resources or activities;
- library members may have to wait longer to access some of the most popular items they wish to use.

## Younger Adults

**Current service budget:**  
£209.8 million

**Estimated savings target:**  
£28.7 million

### About this service

The County Council's vision is to support younger adults (people aged over 18 and under 65 years old) in Hampshire to stay healthy and live independently for longer.

To achieve this, social care practitioners use strengths-based practice: supporting individuals to support themselves by identifying and drawing on their own skills, resources, and social connections.

When someone living with a learning disability, a physical disability, a mental health problem, autism, or a substance misuse issue needs care and support, the County Council works with that person and their carer to support them to live with as much independence and choice as possible.

Some of the services provided to younger adults with eligible needs under The Care Act include:

- fulfilling Safeguarding, Mental Health Act and Social Work responsibilities, as well as preventing terrorism and radicalisation within our communities;
- providing support to promote independence and wellbeing;
- support to carers;
- residential care;
- care to support people living in their own homes and living with families such as day opportunities and respite care;
- support for people living in Extra Care and supported accommodation;
- services to support younger people to transition to adulthood – helping to increase independence and plan for the future;
- substance misuse support;
- alternative options that support people's independence, such as supported employment, and innovative care technology solutions;
- social care in prisons.

More information can be found at: [hants.gov.uk/socialcareandhealth/adultsocialcare](https://hants.gov.uk/socialcareandhealth/adultsocialcare)

### Potential service changes

Changes to the provision of services for Younger Adults could be sought through:

- increasing the use of informal support for young adults using strengths-based practice, maximising the use of technology and informal community support to increase the independence of individuals. By doing this we will be reducing the amount of care and support that is paid for by the County Council through directly commissioned social care and Direct Payments;
- continuing to work with social care providers to apply approaches that reduce challenging behaviour of some people with learning disabilities including people in transition, thereby reducing costly and restrictive interventions;
- increasing support for people with learning disabilities and physical disabilities to move to Extra Care and supported living schemes as an alternative to residential care settings;
- using technology to support people living in residential care and supported living accommodation, with a particular focus on night support;
- greater use of County Council-run HCC Care services to provide more long-term support for young adults who are currently living in independent sector care;
- increasing the use of volunteers to provide some elements of support plans for young adults;

- considering more efficient and sustainable alternatives to transport provision;
- exploring alternative employment support options for people with learning disabilities;
- exploring integration opportunities for Mental Health services with the NHS;
- reviewing the contract arrangements for mental health wellbeing centres;
- seeking further workforce efficiencies.

### What these changes could mean

The potential service changes could mean:

- individuals would benefit from an increasingly modern and efficient social care service increasing the focus on outcomes and developing the skills of individuals to increase their independence;
- more young people would experience personalised support, increased independence and improved tenancy rights through Extra Care and supported living accommodation;
- young adults could have their support needs met with greater use of technology as an alternative to traditional care and support;

- young adults could have their non-personal care needs (for example social support) met through greater use of trained volunteers;
- people with learning disabilities and behaviours that challenge would receive specialist support to reduce behaviours in order to receive less-restrictive forms of care and be enabled to lead more independent lives;
- the way that transport is provided for people with learning disabilities and their carers could change;
- young people with learning disabilities may need to consider new or different support and employment options;
- changes and improvements in service provision for some young adults through developing new HCC Care services to provide long-term support;
- more joined up services and pathways for individuals with mental health problems through a joint venture with NHS Mental Health services;
- individuals may experience changes in the service provided at wellbeing centres;
- staff, service users, and carers would be involved in consultation on how to deliver services more efficiently in the future.

## Older Adults

**Current service budget:**  
£227.5 million

**Estimated savings target:**  
£14.1 million

### About this service

The County Council's vision is to support older people in Hampshire to stay healthy and live independently for longer. To achieve this, social care and Reablement practitioners use strengths-based practices and services that return people to independence as much as possible. This focuses on supporting individuals to support themselves by identifying and drawing on their own skills, resources, and social connections.

Some of the ways that older people aged 65 and above with eligible needs are supported include:

- helping people to remain in and return to their own homes for as long as is possible, with the aid of services such as assistive care technology, domiciliary care and Direct Payments;
- supporting the health, recovery, and wellbeing of individuals through the work of our teams based in the community and hospitals, and through our Reablement and equipment services, working closely with the NHS;
- providing day care, short-stays, long-term placements and specialist dementia

care in County Council-run residential and nursing homes;

- commissioning residential and nursing placements within the private care market;
- investing in alternative accommodation options that help older people to remain independent while meeting the need for 24-hour care in the most cost-effective way, such as Extra Care Accommodation and Shared Lives stays.

More information can be found at:  
[hants.gov.uk/socialcareandhealth/adultsocialcare](https://hants.gov.uk/socialcareandhealth/adultsocialcare)

### Potential service changes

Changes to the provision of services for Older Adults could be sought through:

- making sure people receive early and proactive support before their needs escalate;
- applying approaches that enable alternatives to paid-for care to be more accessible;
- considering where family and friends, local community and voluntary sector organisations, and increased use of assistive care technology, can form part of a support package to enable people to continue to live at home;
- improving the use of capacity within the entire market for care packages, including County Council-run HCC Care services and Extra Care accommodation;

- increased use of short-term residential care settings (including County Council-run care homes) to be able to assess people's longer-term care needs, including following a stay in hospital – sometimes known as 'Discharge to Assess';
- increasing the number of people that are enabled to return to their own home with flexible care arrangements after a hospital stay or visit, through a 'Home First' approach;
- ensuring the right support is in place for individuals in high-cost care packages;
- seeking efficiencies through a review of day and short-term respite services;
- reviewing core staffing levels within the Older Adults workforce.
- more older people would have their support needs met through alternatives to traditional forms of social care, such as through family and friends, community and voluntary sector organisations and increased use of technology;
- there would be more appropriate placements of people into the right care settings owing to reduced pressure to supply and source long-term services while people are still in hospital;
- unnecessary hospital admissions could be prevented, which could help reduce the pressure on hospitals with more flexibility to manage peaks in demand;
- some individuals may need to move between settings if they require longer-term care and support;

### What these changes could mean

The potential service changes could mean:

- everyone who needs and is eligible for longer-term support could receive this in a more personalised setting that maximises their independence, be that their own home, supported accommodation, or a care home;
- we will have a better understanding of people's needs when they are assessed in the right environment, ensuring they receive the care they need at the right time, in the right way;
- social workers would have greater opportunity to work with individuals in a strengths-based way with increased options to offer alternatives to residential care, where appropriate;
- reduced capacity within day and short-term respite services would reduce the support available for carers;
- practical limits would be placed on the capacity of the service to support residents through a reduction in the workforce headcount.

## Adult Social Care Headquarters Functions

**Current service budget:**  
£22.0 million

**Estimated savings target:**  
£5.0 million

### About this service

The County Council's vision for Adult Social Care is to encourage and enable the residents and communities of Hampshire to stay well and live independently. Every member of staff, whether in a frontline or support role, is personally and professionally accountable for delivering this vision.

Some of the ways in which Headquarters functions support the delivery of Adult Social Care services include:

- ensuring that the right services are in place to meet residents' needs including care at home, residential and nursing care, and technology enabled care, and that suitable providers are contracted to deliver outsourced services;
- providing information and advice to people and communities, working with them and voluntary sector organisations to prevent and reduce demand for social care services, including through grant funding;
- arranging necessary packages of care with residents and providers, and processing payments;
- supporting the recruitment and retention

of staff who embody our values through innovative, proactive, and efficient resourcing strategies;

- training our staff so that they have the skills and knowledge to do their work well;
- transforming our services and monitoring and analysing performance to ensure the most efficient use of our resources and ongoing quality of care.

More information can be found at: [hants.gov.uk/socialcareandhealth/adultsocialcare](https://hants.gov.uk/socialcareandhealth/adultsocialcare)

### Potential service changes

Changes to Headquarters functions within the Directorate could be possible through:

- developing more digital automation across the Directorate's services;
- considering 100% (rather than 95%) of an individual's available income when assessing their care charges, within the Care Act 2014 charging regulations;
- ensuring that support provided to the NHS for the procurement and ongoing management of services is appropriately recompensed;
- creating a more streamlined information, advice and guidance service for the public by reviewing resources and aligning prevention activities and digital tools across Adult Social Care, Children's Services, Public Health and the NHS;

- reviewing contracts and grants directly funded by Adult Social Care;
- the County Council helping Lower Tier Councils to get the most effective use of their Disabled Facilities Grant allocations, through centralising and recycling existing equipment (e.g., stairlifts) that are key to supporting people's care needs.

### What these changes could mean

The potential service changes could mean:

- limited resources could be better targeted to help deliver more efficient services and better outcomes for the growing number of people who need direct support;
- residents that fully fund their own care would see an increase in the cost of having the County Council administer their care services for them, including arranging and paying for care;

- residents that do not fully fund their own care would see a change to the way their care charges are considered. They would retain the minimum level of their income plus 25%, as determined by the national legislation, and would no longer retain the further 5% discretionary amount that Hampshire currently apply;
- partner organisations may need to reshape their services or seek alternative sources of funding;
- people may need to seek assistance from other providers or via alternative services commissioned by Adults' Health and Care;
- improved customer service, as people would have more digital options when interacting with the Directorate;
- closer working with the NHS and other County Council services to remove duplication in information, advice and guidance, with a continued focus on early intervention and managing demand across health and social care services.

## Centrally administered grant funding

**Current budget:**  
£3.9 million

**Estimated savings target:**  
£1.9 million

### About this service

The County Council provides a range of centrally administered one-off and recurring grant funding to a range of voluntary and not-for-profit organisations, enabling a range of outcomes to residents and communities across Hampshire.

### Potential service changes

We could consolidate the range of grants we currently offer into single funding pots, to reduce the annual revenue cost of providing grants.

We could also reconsider the overall level of funding available to organisations who do not support the core statutory responsibilities of the County Council.

### What these changes could mean

Consolidation of grant funding could mean that some community organisations receive less funds from the County Council and would need to develop their business models to access alternative forms of funding and investment from other sources. This may include greater reliance on funding from national bodies, increasing the generation of income locally through voluntary donations/charging for a service contribution, or reducing the scale or scope of their activities.

## Highways Service – Planned, Routine, and Reactive Maintenance

**Current service budget:** £27.1 million revenue budget, plus £10 million transferred to capital works annually for Operation Resilience

**Estimated savings target:**  
£7.5 million

These are:

- routine/reactive maintenance: This involves day-to-day repairs, e.g. dealing with potholes, replacing road markings, repairs to signs, drainage cleansing, and also emergency response, e.g. emergency road repairs;
- planned maintenance: This involves larger-scale structural repairs, surface treatments on roads, and drainage improvements (as opposed to repairs), the majority of which is undertaken through our annual Operation Resilience programme<sup>10</sup>;
- environmental maintenance such as grass cutting, weed control and arboriculture.

### About this service

The Highways Service delivers the County Council's statutory functions as the Highway Authority for Hampshire. The Council has a defined duty under the Highways Act 1980 to take reasonable steps to maintain its 5,500-mile network of roads, footways and cycleways.

Maintenance activity across our road, footway, and cycleway network is currently spread across three main activity areas.

<sup>10</sup> [hants.gov.uk/transport/roadmaintenance/plannedmaintenance](https://hants.gov.uk/transport/roadmaintenance/plannedmaintenance)

## Potential service changes

Potential changes could include pausing our Operation Resilience planned maintenance programme until government funding allows it to be reinstated and instead focusing our frontline resources on providing a stronger reactive service for our highway network.

As the budget for our Operation Resilience programme is greater than the planned saving, the change would release an increase in funds for our reactive service to help tackle some of the immediate repair requirements across our highway network.

Shifting focus and resource to a more reactive service would mean that activities such as larger-scale structural repairs, road surface treatment programmes, and drainage improvements would only be undertaken on safety grounds, or when major or widespread defects are identified, and a more comprehensive solution is justified.

Wherever possible, revised operational working practices and the use of smart, innovative technology will be explored to minimise the impact of budget reductions.

## Potential impacts

The potential service changes could have the following impacts:

- an increase in the number of potholes and other defects that can be repaired each year due to increased resource availability and a financial re-focus on reactive highway maintenance;
- unless future government funding for highway maintenance on local roads is increased, which would allow the possible re-introduction of our Operation Resilience programme, our highway network will become less resilient to the impacts of winter weather and traffic. Over time this would lead to an accelerated deterioration in the overall health of all of our highway network assets (i.e. surfaces, structures, lighting and signage).

## Highways – Winter service provision

**Current service budget:**  
£6.5 million

**Estimated savings target:**  
£1 million

### About this service

The County Council works closely with its highway service provider to look after

Hampshire's 5,500 miles of roads and associated assets during the winter period (1 October – 30 April). The County Council, as the Highway Authority, is required to take all reasonable and practical steps to keep the highway network clear of snow and ice. To discharge this duty our winter service includes salting and snow clearance during the winter season on prioritised routes which are largely based on road category, usage and strategic importance.

## Potential service changes

Changes to the provision of highway winter services could be sought by a review of the winter service provision against statutory requirements, which may include:

- reviewing and updating the network of roads currently treated with precautionary salting on a routine basis in advance of forecast freezing conditions;
- reviewing and updating the network of roads currently treated during prolonged freezing periods;
- reviewing and updating other treatment routes, e.g. community routes (routes to schools and community facilities outside of the prioritised network) to ensure they continue to meet the defined criteria for treatment;

## Street Lighting

**Current service budget:**  
£10.55 million

**Estimated savings target:**  
up to £1 million

### About this service

The County Council provides and maintains over 157,000 street lights and illuminated signs and bollards.

The main street lighting cost that the County Council can control is energy consumption, which accounts for approximately £4.2 million per year.

- working with our service provider to identify further business efficiencies, e.g. removing unused roadside grit bins and seeking new innovations that can result in reduced costs i.e. potentially introducing individual 'route-based forecasting' to reduce overall salt usage and fuel costs.

### What these changes could mean

The potential service changes could lead to:

- an updated network of priority routes based on assessed need against the County Council's statutory responsibilities;
- some routes currently prioritised for treatment no longer qualifying following an up-to-date assessment.

Since 2010, street lighting energy consumption has significantly reduced in Hampshire through the use of more efficient bulbs, and by dimming street lights and switching some lights off for part of the night. However, this should be understood in the context of energy cost increases that have occurred in subsequent years.

Further efficiencies in the design of LED bulbs means that additional savings in this area may now be possible.

More information about street lighting can be found at:

[hants.gov.uk/transport/roadmaintenance/streetlighting](https://hants.gov.uk/transport/roadmaintenance/streetlighting)

## Potential service changes

Changes to the energy cost of managing Hampshire's street light network could be sought by:

- the use of additional energy efficient LED bulbs, noting that the introduction of LED bulbs would not affect light levels;
- delaying switching on some street lights at night, and switching them off earlier in the morning;
- keeping street lights switched off during the night on some non-residential roads;
- additional dimming of street lights to lower levels during the night.

### What these changes could mean

The potential service changes could mean:

- a reduction in the amount of energy used by street lights;

- carbon-saving benefits from the reduction in street lighting hours, dimming of lights, and the use of LED bulbs;
- reductions in light pollution;
- if street lights were switched off for extended periods, affected residential streets would be dark for longer overnight;
- if street lights were switched off in some non-residential roads, these would be darker for road users such as pedestrians and cyclists, noting that road signs and markings would continue to be visible to traffic as they are reflective and appear bright in vehicle lights;
- we would continue to work with Hampshire Constabulary to ensure suitable lighting levels based on local evidence.

## School Crossing Patrols

**Current service budget: £1.1 million**

**Estimated savings target: £1.1 million**

### About this service

Hampshire County Council currently provides a School Crossing Patrol (SCP) service close to various schools across Hampshire. Where provided, these can be

used by children on their journeys to and from school. Hampshire County Council does not have a statutory duty to provide this service, but if another provider chooses to do so, we do have duties to ensure the provision is appropriate.

Currently we use defined criteria to assess whether to provide and fund an SCP based on the number of children crossing at a location and the volume of traffic. More than one SCP may serve a school where children cross at different locations, and

a single SCP may serve children attending different schools where they cross at the same location.

Where the threshold for County Council funding is not met, schools or other groups may currently obtain an SCP through a service level agreement with us by paying the full cost of providing the SCP. Where this is the case, we ensure the provision is appropriate by requiring the provider to purchase equipment and training at cost from us.

The County Council currently funds 190 SCPs in Hampshire. A further three are funded through service level agreements directly with schools.

### Potential service changes

A full review of current defined criteria for SCPs coupled with a full review of safer routes to school to determine future need for pedestrian crossing improvements and/or SCPs.

Potential changes could include:

- local highway measures to improve facilities for pedestrians to safely cross roads could be made to mitigate the impact of removing SCPs;
- new safer routes to school could be determined which no longer require SCPs;

- the County Council no longer funding SCPs;
- the opportunity for more schools or other groups to obtain a SCP through a service level agreement with us, with them paying the full cost of providing the SCP which might mean utilising their existing staff including the provision of equipment and training from us;
- the use of volunteers, with appropriate training, to undertake the role.

### What these changes could mean

The potential service changes could mean:

- SCPs are no longer required as children would be able to use improved measures for pedestrians to cross and alternative safer routes to school;
- schools, parents and other groups may fund the provision of a SCP;
- where a school or other group wishes to provide a SCP, the County Council would ensure the provision is suitable;
- there could be locations where the SCP service ceases where the school or other group decides not to provide the service themselves.

## Transport Services

**Current service budget:**  
£2.7 million (local bus subsidies and Community Transport)

**Estimated savings target:**  
£1.7 million

### About this service

The County Council currently spends £2.7m per year directly supporting non-statutory local bus and Community Transport services.

- Approximately £800k of this is for Community Transport services like Dial-a-Ride and Call and Go;
- £1.9m pays for bus services that would not be viable without County Council funding. The majority of these services operate in rural and semi-rural locations where it is not currently possible to run commercially viable services:
  - of this £1.9m, £1.0m is funded by specific grant funding from Government.

### Potential service changes

Potential changes could include the withdrawal of all non-statutory public transport (commissioning and operations) provision, including funds the County Council spends on subsidising non-commercially viable local bus routes and in providing community transport services such as Dial-a-Ride and Call and Go.

### What these changes could mean

The proposals could reduce the size of the local bus network and community transport services, ending non-commercial bus services and community transport provision. This could particularly affect groups of people who are dependent on public or community transport.

The potential service changes could mean:

- rural areas and market towns may see a marked decline in bus and community transport services, it may be more difficult for some vulnerable residents to access employment, education, and training, food shopping, leisure and healthcare opportunities;
- car dependency could increase;
- if bus journeys are replaced by more private petrol and diesel cars, carbon from transport would increase;
- the proposals could impact disproportionately on women, older people, children and young adults, all of whom have a higher reliance on these services. They could also have a disproportionate impact on people in lower income brackets who use bus services more than people on higher incomes.

## Waste services – Household Waste Recycling Centres

**Current service budget:** £2.2 million (excludes disposal costs)

**Estimated savings target:**  
£1.2 million

### About this service

The County Council has the largest network of Household Waste Recycling Centres (HWRCs) in England, operating 24 HWRCs in the Hampshire area where residents can reuse, recycle and dispose of waste. Residents are able to reuse, recycle and dispose of a wide variety of material streams including mixed residual waste in bagged form.

We have a statutory responsibility to provide places where residents can deposit household waste (e.g. household contents arising from the day-to-day running of a household) at no charge, but we are not required to accept non-household waste (e.g. construction and demolition waste or items from the repair or improvement of private properties).

There is no legal definition of how many facilities need to be provided.

The HWRC service cost is split into two parts, those that cover the cost of managing the sites (20%) and the cost of disposing of the material that is deposited (80%).

The booking system, introduced during the COVID-19 pandemic, has been retained following public support for the benefits that it provides in terms of site operations and reduced congestion. A requirement for residents to split any bags of waste on arrival at HWRCs, to ensure that reuse and recycling is maximised, reducing the cost of managing waste and increasing performance, will be introduced later in 2023.

More information about waste services can be found at: [hants.gov.uk/wasteandrecycling/recyclingcentres](https://hants.gov.uk/wasteandrecycling/recyclingcentres)

### Potential service changes

We could undertake a full review of the existing HWRC service to inform a revised strategy for service delivery, taking account of best practice across the country. This would likely lead to a change in how the service operates, which could mean:

- varying the opening hours of HWRCs;
- reducing the number of HWRCs;
- introducing new charges for discretionary services at the HWRC.

## What these changes could mean

The potential service changes could mean that residents may:

- have to travel further to their nearest HWRC;
- find that their nearest site is not available to them on certain days or at certain times if part-time hours are introduced;
- be required to pay for HWRC discretionary services.

## Increasing Council Tax

Council Tax helps to fund local services, with around 83% of the County Council's net budget coming from this source.

Each year, central Government decides whether Council Tax can be increased, and by how much. If we want to increase Council Tax by more than this amount, we would have to ask residents in a local referendum vote.

In 2022, the Government decided that Council Tax could be increased by up to 4.99% in 2023/24 and 2024/25<sup>11</sup>. When considering other funding, it has presumed that all local authorities will put up their Council Tax by this amount.

Whilst the increase permitted in 2025/26 is not yet known, given the long-term financial outlook, our budget forecast is based on a Council Tax rise in Hampshire of 4.99% (of which 2% must be spent on adult social care services, as prescribed by Government).

Alternatively, we could:

- **increase Council Tax by less than 4.99%:** We are very aware that a lower Council Tax may reduce some pressure on already struggling households. However, a lower increase would significantly increase the budget gap and pressure for service charging, change, or reduction. Where we have not increased Council Tax in previous years this has resulted in Hampshire currently having c.£59 million less per year to spend on public services than other County Councils<sup>12</sup>; or
- **increase Council Tax by more than 4.99%:** Forecast inflationary and growth pressures are expected to exceed £171m in 2023/24, equivalent to a 22% increase in Council Tax. Raising Council Tax by more than 4.99% would reduce the pressure for service change but would place a significant extra burden on household finances and would require a public referendum (local vote) at a one-off cost of around £2.3 million.

Each 1% increase in Council Tax generates £7.8m in income for the County Council. The table below provides examples of the potential financial impact of a Council Tax rise at a range of levels, using a Band D property for illustration<sup>13</sup>.

Percentage increase in Council Tax for 2024/25	Impact on Band D Council Tax annual bill	Impact on Band D Council Tax weekly bill	Additional Council Tax income generated in 2024/25	Level of expected savings still needed by 2025/26
0%	No change	No change	£0m	£171m
2.50%	£36.51	£0.70	£19.5m	£151.5m
4.99% (assumed level)	£72.87	£1.40	£39m	£132m
7.50%	£109.52	£2.11	£58.6m	£112.4m
10.0%	£146.03	£2.81	£78.2m	£92.8m
21.9%	£319.79	£6.15	£171.2m	£0m

More information about Council Tax can be found on the County Council's website at: [hants.gov.uk/aboutthecouncil/budgetspendingandperformance](https://hants.gov.uk/aboutthecouncil/budgetspendingandperformance)

<sup>11</sup> 1.99% of this increase is the adult social care precept.

<sup>12</sup> Based on the average Council Tax in 2023/24.

<sup>13</sup> Impacts on other Council Tax bands can be viewed in the consultation Response Form. 52% of properties in Hampshire are in Council Tax bands A, B and C so will pay less than the illustrations shown.

## Changing local government arrangements in Hampshire

A further option we could consider to help balance the budget is to review how local government in Hampshire could be re-organised.

A range of bodies are responsible for delivering local services across Hampshire. Hampshire currently has a County Council and 11 District/Borough Councils, and responsibility for providing most local services is split between us. This is known as a 'two-tier' system of local government.

Changing the structure to a 'one-tier' system with a single authority that is responsible for all council services could achieve annual savings of at least £40 million by, for example: removing duplication, having fewer councillors and senior managers, reducing back-office functions, disposing of surplus buildings and equipment, and finding opportunities for economies of scale in purchasing goods and services.

The County Council's position on re-organisation has not changed since an independent review and public consultation on arrangements in Hampshire in 2016<sup>14</sup>. We would prefer to keep a two-tier system of local government and to avoid re-organisation, if possible, but we recognise that this may be subject to external factors, such as decisions by other parts of central and local Government; and financial pressures.

Changes to the structure of local government in Hampshire would need the unlikely agreement of central Government and would be complex to undertake. As a result, it would take several years to fully realise any savings.

NB: Local Government reorganisation is different to seeking a devolution deal with central Government. The County Council is still keen to pursue a devolution deal as this brings with it many opportunities and potential funding for capital investment and economic regeneration. However, this does not offer any solution to the current revenue budget gap that the County Council faces.

## Conclusion

Thank you for reading through this Information Pack.

Please now share your views and help to inform our decisions by visiting [hants.gov.uk/budgetconsultation](https://hants.gov.uk/budgetconsultation), emailing [insight@hants.gov.uk](mailto:insight@hants.gov.uk) or writing to **Freepost HAMPSHIRE**, following the instructions on page 5 of this document.

If you have finished with this document, please pass it on to someone else, so that they too can have their say.

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<sup>14</sup> More information about the independent review can be found here:

[documents.hants.gov.uk/communications/HampshireCountyCouncilExecutiveSummaryReport.pdf](https://documents.hants.gov.uk/communications/HampshireCountyCouncilExecutiveSummaryReport.pdf)

