

“Devolution” latest:

Review of options for the future working of local government in Hampshire

December 2016

- **Devolution (deal with government)**
 - more powers passed down to local level
 - more funding
 - working within existing local structures as a combined authority and an elected mayor

- **LG Reorganisation (approval of government)**
 - fundamental changes to authority responsibilities & boundaries
 - Financial savings and increased resilience

- 2014 - Greater Manchester deal (Northern Powerhouse)
- Sept 2015 - HLOW joint combined authority proposal
- Feb 2016 - HLOW deal discussions break-down
 - HCC develop unitary solutions
 - Solent authorities (Southampton, Portsmouth and Isle of Wight, Fareham, Gosport, Havant, Eastleigh and East Hampshire) – combined authority plans
 - Heart of Hampshire (HoH) authorities (Basingstoke and Deane, Hart, Rushmoor, New Forest, Test Valley and Winchester) – focus on benefits to residents and business

- Autumn 2016
 - New Government/ new Sec. of State Autumn Statement
 - HCC consultation outcomes
 - Solent authorities Devolution bid to government
 - NFDC receive PwC report

- Economic Growth
 - Reduced forecasts for growth
- Public Sector Finance
 - Financial challenge remains (4 year guarantee of less funding)
- Devolution
 - Support but no new deals announced
- Housing & Planning
 - investment in 40,000 affordable homes
- Business Rates
 - some additional reliefs
- LEP Funding
 - Growth Deal Funds for our two LEPs - less?

- Outcome of consultation with residents and stakeholders
 - “little support for the ‘mega council’ county-wide option”
 - “residents tell us they prefer the status quo”
- BUT
 - “if the actions of others mean we cannot retain the status quo, we may have no option but to reconsider our position”

- No mention in Autumn Statement

- The Council remains committed to improving local services that reflect local needs and priorities
- Council commissioned review (together with other HoH Councils) with the principal driver to look at how we can make the existing system work better and
 - avoid the upheaval of unnecessary change, along with its associated costs and disruption, and
 - deliver benefits for local residents and businesses more quickly
- The review was to consider a broader range of options to that of HCC consultation

- Value for Money and cost of transition
- Ensuring strong and accountable local leadership and governance
- DCLG optimum population size 300,000 to 700,000

- 3 options modelled and annual savings estimated for each
- £948m of existing £1.6bn 2016/17 HCC revenue expenditure budgets shared across the six HoH Councils and added to existing District spend of £104m
- New Forest spend modelled at £241m

	Basingstoke & Deane	Hart	New Forest	Rushmoor	Test Valley	Winchester	TOTAL HoH
	£m	£m	£m	£m	£m	£m	£m
HoH SHARE OF HCC REVENUE EXPENDITURE	218	105	215	115	151	144	948
EXISTING DISTRICT REVENUE EXPENDITURE	20	13	26	13	12	20	104
	238	118	241	127	163	164	1,052

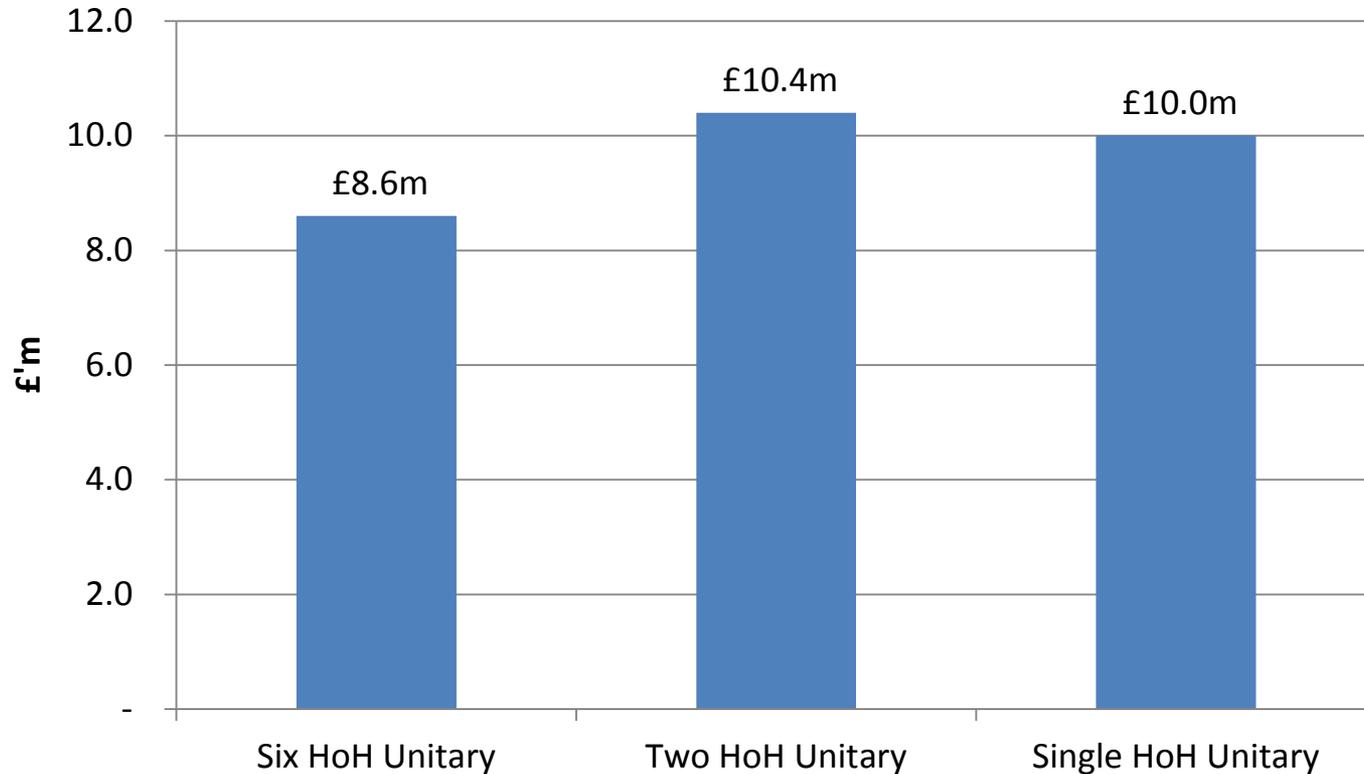
- Each new unitary would share future HCC budget deficits

- HCC expenditure share Vs income more favourable to HoH by £23.2m
- A surplus of £23.2m therefore becomes the starting point for each Unitary model, with estimated post re-organisation savings;

	Surplus/(Deficit) 2021/22 £m	Surplus/(Deficit) 2021/22 post re-organisation £m	Annual Savings from Year 4 onwards £m
Six Unitary (Cost of transition £32.4m)			
New Forest	(2.6) (1.08%)	5.5	8.1
Other 5 HoH	25.8	45.2	19.5
	<hr/> 23.2	<hr/> 50.8	<hr/> 27.6

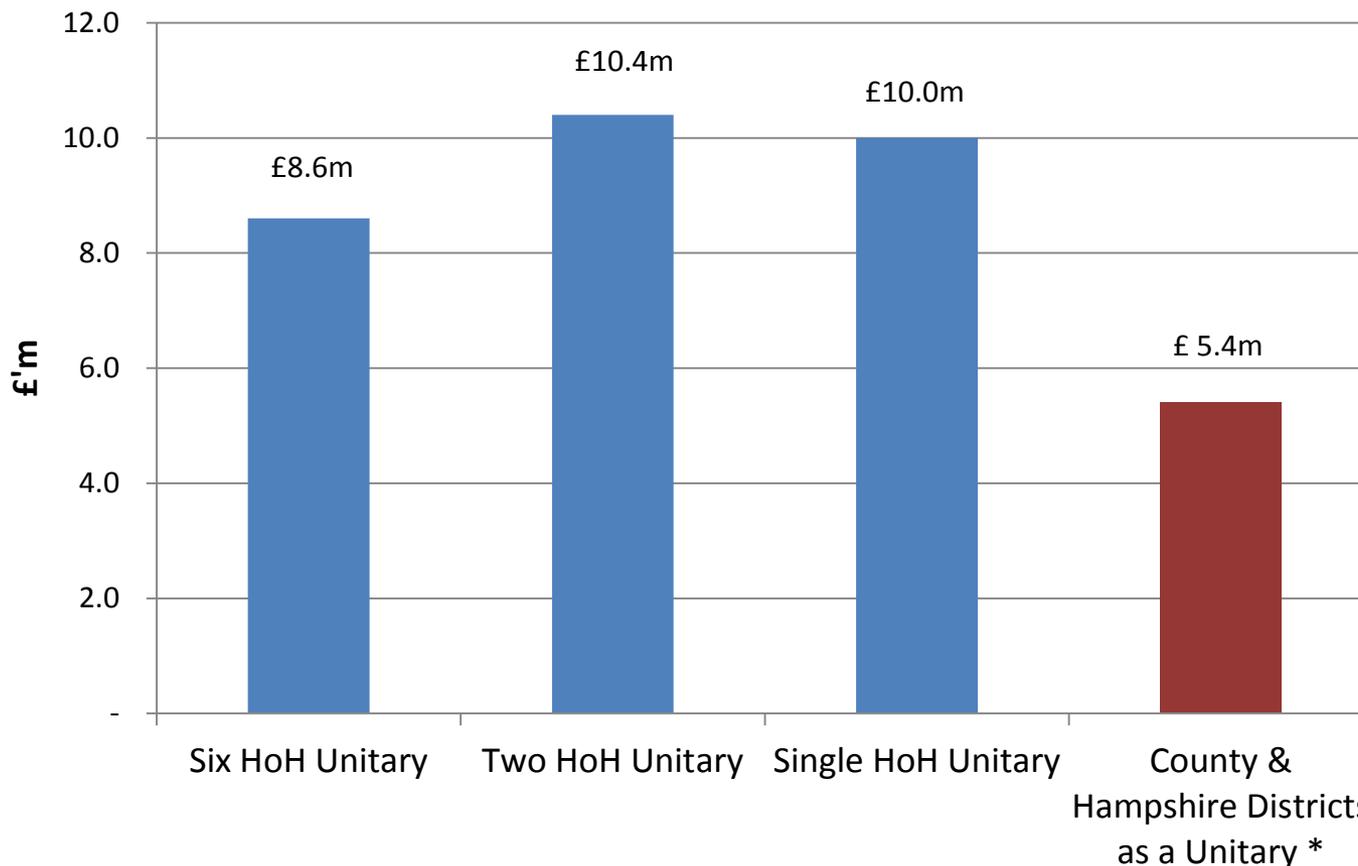
DIFFERENT UNITARY OPTIONS	Surplus/(Deficit) 2021/22 £m	Surplus/(Deficit) 2021/22 post re-organisation £m	Annual Savings from Year 4 onwards £m
Six Unitary (Cost of transition £32.4m)			
New Forest	(2.6) (1.08%)	5.5	8.1
Other 5 HoH	25.8	45.2	19.5
	23.2	50.8	27.6
Two Unitary (Cost of transition £31.8m)			
Northern Hampshire (Basingstoke & Deane, Hart, Rushmoor)	15.4	31.7	16.3
Mid Hampshire (Winchester, Test Valley, New Forest)	7.8	30.3	22.5
	23.2	62.0	38.8
Single Unitary (Cost of transition £31.2m)			
Heart of Hampshire	23.2	64.8	41.6

A Graph to show the potential annual savings for New Forest Residents



- Financials based on pro-rata share of overall estimated savings, using population figures
- Financials include the implications of Council Tax Yield and Harmonisation

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- * County and Districts is the 'best option' as outlined in the HCC Deloitte report

- PwC Report
 - Substantial and professional independent piece of work to help inform
- Preferred way forward (HoH)
 - Improve collaborative working (no to reorganisation)
 - Gain additional devolved powers and investment via collaboration
 - Critical that HCC play a participative role to achieve way forward
 - Improve working with HCC and other councils
- Local government reorganisation
 - Present structure was created over 20 years ago there have been many changes in that time and it is unlikely if looked at today the structure would be the same.
 - If enhanced current arrangements cannot achieve the desired benefits the PwC review has identified broader options for consideration.

- Local voice and local choice that recognises and represents the special nature of the New Forest
- To work with Councils in Hampshire on a solution that significantly brings tangible benefits to residents and business