

2018/2019 Revenue Budget & Precept.

This is a revised report of previously notified information. The budget & precept proposals for the council tax requirement for the County Council for the year beginning 1st April 2018 were agreed by full council on 22nd February. On the same day Winchester City District Council also agreed its precepts and we now know also the precepts for the PCCH and HFRA. All council tax payers will now have received their tax demands and paid their first instalment.

All the 2-tier counties have set their budgets and we are confident that in Hampshire we shall sustain services amongst the best in the country and our council tax precept is again the second lowest of any county. For example, in Hampshire we are asking on an average Band D property a precept of £1200 i.e. £100 a month a household. For our neighbours in West Sussex the ask is £1317 and in Dorset and Surrey their precepts are both over £1400 i.e. over £200 more than Hampshire.

No pleasure is derived in proposing tax increases which is why for 5 years from 2010 at the start of the coalition Government we froze the County precept. Even with the increase of 5.99% the burden of Council Tax measured against inflation is actually £100 less than it would have been had we let it go up in line with average cost of living increases. We do recognise household budgets are stretched and do not readily accept increasing tax is an easy solution, but we are able to make that point that measured against inflation Hampshire's council tax is lower than it was 8 years ago and is the second lowest in the country after Somerset.

Why do we need an increase? This is clear: **1.** Above all we have demographic pressures. More children and more elderly people in particular and much as we love our children and respect and cherish our senior citizens they are the 2 sections of the community who understandably take more from the economy than they put in. The elderly have paid their taxes so earned their rights and the children we hope will grow up to make a positive contribution to the economy. It used to be that there were 1000 extra people over the age of 80 every year in Hampshire - that figure now is 1000 extra over the age of 85 and a proportion of them will inevitably turn to the council for assistance with their care needs. Many will not need help, but many will. Added to that there are more young people with complex needs living into adulthood who will need expensive social care but not necessarily medical care. There is also school transport cost at some £30m. **2.** Inflation is rearing its head again - we are budgeting for a 2% increase in salaries and as with everyone else we have to pay for electricity and other utilities. Travel costs of staff go up as the price of fuel increases. **3.** Government is reducing our Revenue Support Grant (RSG). You will see measured against last year alone the Government RSG and Business rate passed back to us is reduced from £156m to £138m. This grant is scheduled to become Zero. Which is why it is tremendously important we get a Fair Funding Formula for shire counties. In other words, treated more fairly. We also hope that the Green Paper on social care also comes up with an acceptable way of funding social care.

Local government comes low down the list of those priorities versus the NHS, Education & Defence and one of the problems is that HCC has been too successful at achieving more with less.

It is interesting to note that Nottinghamshire CC is receiving Government support of £335 a head for its upper tier responsibilities Hampshire is receiving just £100 a head. Try working out the £235 x 1.3million we would be receiving if we got the same per head as Nottingham. It is £317.25 million.

Cllr Roger Huxstep

Member for Meon Valley Division

revised 9th April 2018