

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Environment and Transport
Date:	19 September 2017
Title:	Transformation to 2019 – Revenue Savings Proposals
Report From:	Director of Economy, Transport and Environment and Director of Corporate Resources – Corporate Services

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1. Executive Summary

- 1.1. The purpose of this report is to outline the detailed savings proposals for the Economy, Transport and Environment Department that have been developed as part of the Transformation to 2019 Programme.
- 1.2. The report also provides details of the Equality Impact Assessments (EIAs) that have been produced in respect of these proposals and highlights where applicable, any key issues arising from the public consultation exercise that was carried out over the summer and how these have impacted on the final proposals presented in this report.
- 1.3. The Executive Member is requested to approve the detailed savings proposals for submission to Cabinet in October and then full County Council in November, recognising that there will be further public consultation for some proposals.

2. Contextual information

- 2.1. Members will be fully aware that the County Council has been responding to reductions in public spending, designed to close the structural deficit within the economy, since the first reductions to government grants were applied in 2010/11 and then as part of subsequent Comprehensive Spending Reviews.
- 2.2. Reductions in government grant together with inflationary and service pressures, notably within social care areas, have created an average budget gap of around £50m per year, meaning that around £100m has needed to be saved every two year cycle.
- 2.3. This position has been exacerbated following the changes announced in the Local Government Settlement in February 2016 which provided definitive figures for 2016/17 and provisional figures for the following three years to 2020. The settlement included a major revision to the

methodology for distributing Revenue Support Grant (RSG) which had a significant impact on Shire Counties and Shire Districts and also reflected a clear shift by the Government in council tax policy.

- 2.4. Consequently, even after allowing for council tax increases over the settlement period, the forecast gap for the two years to 2019/20 is £140m, and after allowing for 'housekeeping savings' of £20m, targets were set for Departments based on a reduction of approaching 19% in cash limited spend.
- 2.5. One of the key features of the County Council's well documented financial strategy and previous savings programmes has been the ability to plan well in advance, take decisions early and provide the time and capacity to properly implement savings so that a full year impact is derived in the financial year that they are needed.
- 2.6. This approach has also meant that savings have often been implemented in anticipation of immediate need and this has provided resources both corporately and to individual departments to fund investment in capital assets and to fund further change and transformation programmes to deliver the next wave of savings. This approach has enabled the County Council to cushion some of the most difficult implications of the financial changes.
- 2.7. Whilst this has been a key feature of previous cost reduction programmes it was recognised without doubt that the Transformation to 2019 (Tt2019) Programme, the fourth major cost reduction exercise for the County Council since 2010, would be significantly more challenging than any previous transformation and efficiency programme against the backdrop of a generally more challenging financial environment and burgeoning service demands.
- 2.8. Departments have looked closely at potential opportunities to achieve the required savings and unsurprisingly the exercise has been extremely challenging because savings of £340m have already been driven out over the past seven years, and the fact that the sheer size of the 19% target requires a complete "re-look"; with previously discounted options having to be re-considered. It has been a significant challenge for all Departments to develop a set of proposals that, together, can enable their share of the Tt2019 Programme target to be delivered.
- 2.9. The opportunity assessment and planning work has confirmed the sheer complexity and challenge behind some of the proposals as a consequence of which in a number of areas significantly more than two years will be required to develop plans and implement the specific service changes.
- 2.10. The cashflow support required to manage the extended delivery timetable will in the most part be met from departmental cost of change reserves and further contingency options to cover any shortfall will be considered as part of the updated Medium Term Financial Strategy (MTFS) that will be reported in October.
- 2.11. The County Council undertook an open public consultation called *Serving Hampshire – Balancing the Budget* which ran for six weeks from 3 July to

21 August. The consultation was widely promoted to stakeholders and residents and asked for their views on ways the County Council could balance its budget in response to continuing pressures on local government funding, and still deliver core public services.

- 2.12. Responses to the consultation will help to inform the decision making by Cabinet and Full Council in October and November of 2017 on options for delivering a balanced budget up to 2019/20, which the Authority is required by law to do.
- 2.13. In addition, Equality Impact Assessments have also been produced for all of the detailed savings proposals and these together with the broad outcomes of the consultation and the development work on the overall Transformation to 2019 Programme have helped to shape the final proposals presented for approval in this report.

3. Budget Update

- 3.1. The savings targets that were set for Departments were based on forecasts produced over the summer of 2016 and included a wide range of variable assumptions to arrive at the total predicted gap of £140m.
- 3.2. Last year the Local Government Finance Settlement provided definitive figures for 2016/17 and provisional figures for local authorities for the following three years to aid financial planning for those authorities who could 'demonstrate efficiency savings'. Following acceptance by the Department for Communities and Local Government (DCLG) of the County Council's Efficiency Plan for the period to 2019/20 the expectation is for minimal change.
- 3.3. The offer of a four year settlement provided greater but not absolute funding certainty. However, following the Queen's speech to Parliament in June this year, the planned changes to implement 100% business rate retention by 2019/20 are effectively suspended with no indication of when this might be resumed although the Government has just invited applications for pilots to operate during 2018/19, the detail of which will be considered in due course. Work to carry out a fair funding review is set to continue as it does not require legislation.
- 3.4. An updated MTFs will be presented to Cabinet in October and then the County Council in November and we will continue to review our assumptions on an ongoing basis in light of information that is made available.

4. Transformation to 2019 – Departmental Context

- 4.1. The Economy Transport and Environment (ETE) Department is responsible for a range of services, including highways maintenance and improvement, traffic management, subsidised public and community transport, waste disposal and recycling, minerals and waste planning, flood risk management, economic development and specialist environmental services. Most of these services are statutory i.e. required by law.

- 4.2. ETE has already made savings since 2011 totalling £40.7m including reductions of 217.7 permanent Full Time Equivalent (FTE) posts. The requirement for 2019 is to identify and deliver a further £19.005m of savings against the net budget of £108.014m approved in February 2017.
- 4.3. External spend, i.e. money paid to third parties to provide services, accounts for over 70% of the Department's gross spend including amounts payable under the Concessionary Fares scheme. For the 2017 savings programme, the Department's strategy was to maximise savings from external spend. This proved successful, with 71% (over £10.5m) of the savings coming from this workstream whilst still delivering good services. This involved either renegotiating, re-letting or refinancing all of our major contracts, including highways, waste disposal, Household Waste Recycling Centre management, street lighting, Intelligent Transport Systems, bus subsidies, and all our District Agency Agreements. This collective scale of savings can not be achieved again until the contracts are renewed, and this will take us into the mid 2020s onwards.
- 4.4. As a result of the changes and savings already made from 2011-2017, the Department's scope to secure further savings is essentially focused on staffing and operational budgets together with further exploring options for additional income generation. The proposals for 2019 include service reductions that will directly affect the public and all three of the proposals outlined in paragraphs 4.6-4.15 would require a detailed stage two public consultation before any decisions could be made on them.
- 4.5. All budgets have been looked at and details of the savings proposals under consideration for 2019 are shown in the rest of this section. The proposals and their potential impact are also set out in Appendix 1 and the references to individual proposals (e.g. E1) are included in the following paragraphs where applicable.
- 4.6. In relation to public bus services, the key legislation is section 63 of the Transport Act 1985. Section 63(1)(a) provides that:
- “(1) In each non-metropolitan county of England and Wales it shall be the duty of the county council to secure the provision of such public passenger transport services as the council consider it appropriate to secure to meet any public transport requirements within the county which would not in their view be met apart from any action taken by them for that purpose.”
- 4.7. The duty set out above is not absolute; it is a duty to secure such services as the council considers “appropriate” to meet the requirements of the county or area where these would not otherwise be met. Thus the question of what it will be appropriate to secure is for the County Council to determine, once it has established what the public transport requirements of the county are. In determining what is appropriate to meet the identified needs, a council will be entitled to take into account the funds available. The Act also sets out the need for local authorities “to have regard to the transport needs of members of the public who are elderly or disabled” and

it is on this basis that many local authorities support the provision of community transport services.

- 4.8. The Transport Act 2000 addresses information provision and requires the County Council to implement the mandatory travel concession as set out in the Transport Act 2000 as amended by the Concessionary Bus Travel Act 2007. The statutory scheme, which the council is required to operate, should provide for free travel between 0930 and 2300 on Monday to Friday, and at all times on weekends and on Bank Holidays, for eligible older and disabled persons.
- 4.9. The County Council's Concessionary Fares Scheme already provides only the minimum statutory provision relating to older people. While modest enhancements for disabled people are still incorporated in the Scheme the County Council believes its duties under the Equalities Act 2010 mean these cannot be reduced. Further administrative savings can be secured against the Concessionary Fares budget (these are proposed in 4.22 but it is not felt possible to make any additional reductions against the Concessionary Fares operational budget. The Concessionary Fares budget makes up 73% of the total budget for Public Transport.
- 4.10. The County Council has previously undertaken reviews of Bus Subsidy in 2011 and Passenger Transport (incorporating bus subsidy, community transport and the Hampshire Concessionary Fares Scheme) in 2014 in both cases considering how best to use reducing revenue resources to ensure the provision of transport considered appropriate to meet the requirements of the area. In parallel during the same time period the County Council has sought to encourage a sustainable increase in the commercially viable bus network for example by utilising Bus Service Operator Grant (BSOG) to provide match funding for bus operators to help fund improvements such as contactless payment, onboard WiFi, next stop announcements, USB chargers and real time passenger information. Since 2011 the percentage of bus journeys in Hampshire provided on a fully commercial basis has risen from 72% to 87%.
- 4.11. In this context a sum of £4m is proposed to be saved from bus subsidies and community transport which involves stopping community transport services (e.g. Dial-a-Ride and Call and Go) and withdrawal of remaining bus subsidies (which cover 13% of all Hampshire services at present) – see Appendix 1 E12.
- 4.12. The County Council has a statutory duty under the Environmental Protection Act 1990 to arrange for the disposal of waste collected by District Councils and to provide places for, and dispose of, waste deposited by householders resident in the County Council area. Hampshire County Council provides more Household Waste Recycling Centres (HWRCs) than other county councils and almost 85% of the population is currently within five miles of an HWRC.
- 4.13. The County Council is permitted to charge householders for depositing non-household waste at HWRCs and also to charge householders living outside the County Council area for using an HWRC. The County Council

has already taken decisions to charge in these two areas as part of the two previous savings programmes (Transformation to 2015 and Transformation to 2017).

- 4.14. Current legislation prevents local authorities from charging residents to deposit household waste. In the absence of being legally able to introduce a nominal universal access charge to HWRCs and already having previously made significant savings in 2015 and 2017 while avoiding the need for site closures, it is proposed to save £1.2m by closure of up to half the HWRC network (the saving is approximately £100,000 per site) plus the potential for amended opening hours (up or down) on the remaining sites – see Appendix 1 E14. It is acknowledged that this proposal would mean significantly greater travel requirements for some Hampshire residents to reach a site.
- 4.15. It is proposed to save £1.2m from the School Crossing Patrol budget either by maintaining a County Council managed service paid for by other organisations (e.g. schools or possibly Parish Councils) or by full withdrawal of the service, or by a combination of these options based on revised criteria for where patrols are provided – see Appendix 1 E7. The arrangement made by local authorities for school crossing patrols is not a statutory responsibility and remains a permissive function, which means that it is carried out at the discretion of the County Council. The responsibility for any child's safety on the way to and returning from school is that of the parents or the carer of the child.
- 4.16. Two proposals will impact directly on District Councils through the removal of Agency Arrangements (£0.5m) – see Appendix 1 E9 - and, in the case of On Street Parking and other Parking Charges (£0.9m), the County Council taking over civil parking enforcement and management of on street parking services – see Appendix 1 E8.
- 4.17. Renegotiation of the Waste Disposal Contract has previously achieved £4.851m of savings towards 2015 and 2017 savings programmes. To 2019, a further £3.675m of savings proposals are predicated on effective, Hampshire wide co-operation between authorities and partners, as well as public engagement with the main saving based on behavioural change, i.e. Hampshire households generating less waste and recycling more. This opportunity includes increased capture of dry mixed recyclable goods and glass – see Appendix 1 E13.
- 4.18. The focus in reducing Highways Maintenance operational budgets in previous savings programmes in 2011, 2015 and 2017 has been on maximising efficiencies from external spend and has involved re-letting or re-financing the major highways maintenance, Intelligent Transport Systems and street lighting contracts.
- 4.19. Four savings relating to the Highways service are proposed, two of which are likely to impact on members of the public. A saving of £0.5m against the Winter Maintenance budget is proposed which would mainly be achieved by optimising the use of new technology but would see the potential reduction in Priority One salting routes – see Appendix 1 E5. It is

also proposed to save £0.525m from the Street Lighting budget by reducing the energy requirements from a) further dimming of street lights & b) switching off the street lights in some areas in the middle of the night, e.g. 1am to 4am – see Appendix 1 E6.

- 4.20. The County Council has a statutory obligation to maintain public highways and ensure safe passage. The Highways Maintenance budget has already found savings of £4.6m as part of the 2017 savings proposals on top of savings of £2m and £3.505m in 2011 and 2015 respectively. Further revenue savings of £0.2m can be delivered through service efficiencies and a new fully integrated operating model between the County Council and our new 'Hampshire Highways' delivery partner – see Appendix 1 E4. However following these earlier reductions the service is now operating at a level below which it would be at risk of not meeting statutory obligations. Further reduction of the highways maintenance service is therefore not envisaged.
- 4.21. Some highways maintenance works currently charged to revenue will in future be charged to capital (£0.455m) to reflect revised accounting guidance. There would be no impact on service delivery however, a coherent approach will be needed to ensure that best value is still achieved from the Council's capital spend and that off setting revenue budgets in this way does not have a negative impact upon overall capital scheme delivery – see Appendix 1 E10.
- 4.22. A further £1m of proposed efficiency savings is to come from the Concessionary Fares budget by capitalising on changes in contract arrangements, national trends and other minor opportunities. All these changes revolve around efficiencies, so there will be minimal impact on users – see Appendix 1 E11.
- 4.23. Three ETE proposals rely on either reducing or offsetting through income the net revenue spend on staff. The Trading proposal seeks additional income of £1.5m from increasing the net contribution from ETE's trading offer to external organisations, thereby helping to retain capacity and capability for the benefit of Hampshire – see Appendix 1 E3. The more that can be achieved through this proposal, the less that will need to be made from the Operating Model (see 4.24-4.25 below) and vice versa.
- 4.24. The ETE Operating Model saving (£1.55m) envisages a reduced headcount of revenue-funded staff by 30-50 full time equivalent posts based on average budgeted salary costs – see Appendix 1 E1. The Department would seek to minimise the impact on staff through the use of vacancy management, redeployment of staff where possible and exploring voluntary redundancy where appropriate. Both the Operating Model and the Trading proposal would need to be underpinned by further increases in productivity from, for example, applying further digital tools and business process reviews.
- 4.25. Over recent years the Department has become increasingly innovative in both resource allocation and, through digital solutions across the Department, enabling teams to become more productive with less resource. In Highways, for example, improved mobile working with the

Confirm IT system was introduced in 2013. More recently the service redesigned its operating model to introduce more central enquiry management and resource deployment through the new Highways Operations Centre, reducing demand on the area based professional teams.

- 4.26. The Charging proposal (£1.8m) would see the introduction of a full-cost recovery 'pay-as-you-go' model for discretionary activities via a) reviewing current charges, b) introducing charges for eligible services currently provided free of charge, & c) potentially introducing new chargeable services – see Appendix 1 E2.
- 4.27. The proposals set out in paragraphs 4.6-4.26 above combine to make the £19.005m target for ETE. Two of these service areas have a saving that could be added to, or replaced by, further benefits subject to legislative change. They are therefore not included in Appendix 1.
- 4.28. For Concessionary Fares, £5.2m could potentially be achieved from introducing a nominal fare of 50p for all journeys using older persons concessionary travel passes. This would allow the County Council to retain bus subsidies thus replacing most of the savings against Bus Subsidies and Community Transport with additional income.
- 4.29. The proposal for HWRCs set out in 4.12-4.14 above would be more than offset if there were a change in the law to allow a nominal universal access charge to HWRCs. It is estimated that an additional net benefit of £1.3m could be achieved from introducing a nominal site access fee of £1. This would be a net benefit from a total of £2.5m, as it would no longer be necessary to go ahead with site closures (£1.2m) as a result. While a universal access charge is not currently allowed under the law a trial to explore the potential benefits of asking for voluntary contributions for using HWRCs could also be explored.

5. Summary Financial Implications

- 5.1. The savings target that was set for the Economy, Transport and Environment Department was £19.005m and the detailed savings proposals that are being put forward to meet this target are contained in Appendix 1.
- 5.2. The emerging benefits realisation profile reveals £16.130m of ETE's £19.005m target delivered by the 2019/20 target date with the later delivery of benefits offset by early savings, a strategy that has served ETE well to date. However, this profile is highly provisional and we fully expect to make changes and re-profile this after the consultation. It is quite possible the later savings could ultimately exceed the early ones.

6. Workforce Implications

- 6.1. Appendix 1 also provides information on the estimated number of reductions in staffing as a result of implementing the proposals.

- 6.2. For the School Crossing Patrol proposal the impact on the staff providing the service would depend on whether or not alternative sources of funding for the service can be secured. The figure of 63 included in the appendix represents the maximum reduction of full time equivalent (i.e. 37 hour week) posts including current vacancies but it should be noted that average weekly hours worked by staff in this service are lower than this so the number of individuals potentially affected is correspondingly higher at 210. However, if alternative funding sources are confirmed the reductions will be lower or potentially not required at all.
- 6.3. The anticipated level of reduction required from the Operating Model proposal is between 30-50 full time equivalent (fte) posts based on an average budgeted salary cost per fte. The Department would seek in the first instance to achieve any required reductions in posts through vacancy management however it is not expected that this will be sufficient to achieve the overall level of reduction required.
- 6.4. The County Council's approach to managing down staff levels in a planned and sensitive way through the use of managed recruitment, redeployment of staff where possible and exploring voluntary redundancy where appropriate will be continued. The County Council will ensure appropriate consultation with staff and trade unions about workforce implications at the appropriate time and in accordance with County Council policies and procedures.
- 6.5. The Department will seek to release capacity by further productivity improvements, e.g. through effective use of digital tools and re-profiling overall staff numbers for example fewer specialist technical and professional staff focussing more closely on activities appropriate to their skills and expanding the flexible deployment of staff with transferable skills on a matrix basis. This will also mitigate the impact on service provision and staff to the extent that this capacity can be redeployed in providing traded services.

7. Consultation, Decision Making and Equality Impact Assessments

- 7.1. As part of its prudent financial strategy, the County Council has been planning since February 2016 how it might tackle the anticipated deficit in its budget by 2019/20. As part of the Medium Term Financial Strategy, which was last approved by the County Council in July 2016, initial assumptions have been made about inflation, pressures, Council Tax levels and the use of reserves. Total anticipated savings of £140m are required and of this sum, savings targets to the value of £120m were set for departments as part of the planning process for balancing the budget.
- 7.2. The proposals in this report represent suggested ways in which departmental savings could be generated to meet the target that has been set as part of the Transformation to 2019 Programme. Individual Executive Members cannot make decisions on strategic issues such as Council Tax levels and use of reserves and therefore, these proposals, together with the outcomes of the *Serving Hampshire - Balancing the Budget* consultation

exercise outlined below, will go forward to Cabinet and County Council and will be considered in light of all the options that are available to balance the budget by 2019/20.

- 7.3. The County Council undertook an open public consultation called *Serving Hampshire – Balancing the Budget* which ran for six weeks from 3 July – 21 August. The consultation was widely promoted to stakeholders and residents through all available channels, including online, via the County Council’s website; Hampshire media (newspapers, TV and radio); and social media. Hard copies were also placed in Hampshire libraries and alternative formats, such as easy read, were made available on request.
- 7.4. The *Serving Hampshire – Balancing the Budget* consultation asked for residents’ and stakeholders’ views on ways the County Council could balance its budget in response to continuing pressures on local government funding, and still deliver core public services. Specifically, views were invited on several high level options as follows:
 - 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; and
 - changing local government arrangements in Hampshire.
- 7.5. A total of 3,770 responses were received to the consultation. The key findings from consultation feedback are as follows:
 - The majority of respondents (65%) agreed that the County Council should continue with its financial strategy.
 - Responses were relatively evenly split between those who tended to support changes to local services and those who did not (50% agreed, 45% disagreed and 5% had no view either way).
 - Of all the options, this was respondents’ least preferred.
 - Two thirds of respondents (67%) agreed that the County Council should raise existing charges or introduce new charges to help cover the costs of running some local services.
 - Over half of respondents (57%) agreed that the County Council should lobby the Government to vary the way some services are provided, and enable charging where the County Council cannot levy a fee due to statutory restrictions.
 - Of all the options presented, generating additional income was the most preferred option.

- On balance, the majority of respondents (56%) agreed that the County Council should retain its current position not to use reserves to plug the budget gap.
 - Of all the options, this was respondents' second least preferred.
 - Respondents would prefer the County Council to continue with its plans to raise Council Tax in line with Government policy (50% ranked this as their preferred approach to increasing Council Tax).
 - Of all the options, increasing Council Tax was respondents' second most preferred.
 - More than half of those who responded (64%) agreed that the County Council should explore further the possibility of changing local government structures in Hampshire.
- 7.6. Executive Lead Members and Chief Officers have been provided with the key findings from the consultation to help in their consideration of the final savings proposals. In particular, as a result of the feedback on service issues, the County Council will seek wherever possible to:
- minimise reductions and changes to local services, and continue to ensure that resources are prioritised on those who need them most, i.e. vulnerable adults and children;
 - increase and introduce charges to cover the costs of some local services. Where the County Council is unable to charge for services due to statutory restrictions, the County Council will continue to lobby the Government for legislative change;
 - maximise further income generation opportunities.
- 7.7. The proposals set out in Appendix 1 have, wherever possible, been developed in line with these principles but inevitably the effect of successive reduction programmes over a 9 year period will begin to have an impact on the services that can be provided.
- 7.8. In some cases, the proposals in this report will be subject to further, more detailed public consultation if they are ratified by the Cabinet and Full Council in October and November respectively, at which the overall options for balancing the budget will be considered in light of the consultation results.
- 7.9. In addition to the consultation exercise, Equality Impact Assessments have been produced for all of the detailed savings proposals outlined in Appendix 1 and these have been provided for information in Appendix 2. These, together with the broad outcomes of the consultation, have helped to shape the final proposals presented for approval in this report.

8. Recommendation

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

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

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

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equality Duty

- 1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

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

1.2 Equalities Impact Assessment:

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

2. Impact on Crime and Disorder:

- 2.1 No impact on crime and disorder is anticipated from this decision. Further decisions to implement any associated future work programmes will be assessed separately.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption? See below
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No impact on the County Council's carbon footprint or ability to adapt to climate change is anticipated from the recommendations included in this report. Any further, associated decisions will be assessed separately.

Economy, Transport and Environment – Proposed Savings Options (Subject to consultation where appropriate)

Ref	Service Area and Description of Proposal	Impact of Proposal	2018/19	2019/20	Full Year Impact	Staffing Impact
			£'000	£'000	£'000	FTE
E1	ETE Operating Model Reduce department-wide staff revenue costs whilst still delivering good quality ETE core services for customers. ⁽¹⁾	The ETE Operating Model will introduce new ways of working, including digital, across all of the Department's services. This will primarily impact on staff, through reducing the staffing establishment in the Department by between 30-50 full time equivalent posts. The Department would seek in the first instance to achieve the required reductions in posts through vacancy management. There may be a possible increase in standard responses to public enquiries or work requests, increased response times for non-standard enquiries and reduced capacity to attend site meetings.	300	1,550	1,550	30-50
E2	Income – Charging 1. Review of current charges for discretionary services. 2. Potential introduction of charge for discretionary services currently provided free of charge. 3. Potential introduction of new chargeable discretionary services. ⁽¹⁾	In most cases the service itself won't change from a customer perspective, but will be offered at a revised price. Some new/additional charged for services might be introduced to enhance the portfolio and customer experience. In some areas staff might be required to develop new skills or new ways of working.	700	1,800	1,800	

Ref	Service Area and Description of Proposal	Impact of Proposal	2018/19	2019/20	Full Year Impact	Staffing Impact
			£'000	£'000	£'000	FTE
E3	<p>Trading To retain staff capacity to deliver a good level of service to Hampshire residents by increasing the net revenue income from traded services and reducing costs to the County Council ⁽¹⁾</p>	New/enhanced traded service delivery model will require some staff to adopt more commercial ways of working. Potential ultimate requirement for a new trading arrangement or vehicle.	800	1,500	1,500	
E4	<p>Highways Contract To achieve further revenue savings (on top of the £4.6m already secured as part of Tt17) through service efficiencies and the creation of a new integrated operating model.</p>	The new (from Aug 2017) Hampshire Highways Services Contract will introduce a new operating model that will have an impact on staff from both the Council and the new service provider, as it will introduce more collaborative and innovative ways of working. The new contract will focus on the optimisation of revenue spend. More capital improvement works will also be placed through this contract.	200	200	200	

Ref	Service Area and Description of Proposal	Impact of Proposal	2018/19	2019/20	Full Year Impact	Staffing Impact
			£'000	£'000	£'000	FTE
E5	Highways Winter Maintenance Review and rationalisation of the Council's salting network and associated operational activities.	This opportunity will optimise the use of the available assets and technology to reduce the cost of providing the service. There may be an impact on Hampshire residents from a planned review of the salted network. There may be an impact on Highways staff as new ways of service delivery might be required.	0	500	500	
E6	Street Lighting To achieve revenue savings by reducing the energy requirements for street lighting, and through the implementation of operational efficiencies.	Dimming street lights reduces the level of illumination making streets darker for motorists and pedestrians. Road signs and markings are retro-reflective and will appear bright in vehicle lights, reducing the impact of dimmer street lights. It is possible to vary the dimming by time of day and location to provide brighter lighting when required for site specific reasons. Switching off street lights altogether would have the greatest impact, but would likely be limited to the middle of the night (e.g. 1am to 4am) and not applied everywhere (e.g. not town centres). Large parts of the road network have no street lighting.	275	525	525	

Ref	Service Area and Description of Proposal	Impact of Proposal	2018/19	2019/20	Full Year Impact	Staffing Impact
			£'000	£'000	£'000	FTE
E7	<p>School Crossing Patrols To make this service cost neutral by securing alternative sources of funding, and/or making service reductions.</p>	<p>The optimum outcome of an alternative funding model would see no impact on service users. However, this option would impact upon school or community budgets, though the contribution requested for a single patrol would be relatively small. The Council would still manage the service.</p> <p>Other options would see a reduction in the number of school crossing patrols employed, and a potential impact upon service users in terms of perception of safety for walks to school.</p> <p>This is a discretionary service and therefore changes will not affect the statutory responsibility of parents or guardians to get their child safely to school.</p>	0	800	1,200	0-63
E8	<p>On Street Parking and other Parking Charges To explore the opportunity to address traffic and safety issues through implementing consistent, county-wide approaches to on-street parking pay and display and other parking</p>	<p>The savings would be achieved by providing a single countywide, standardised approach to civil parking enforcement. This could see an impact upon staff, principally in District Councils who currently deliver the service. There would be a potential impact upon service users as some parking charges might increase and new charges be introduced.</p>	50	100	900	

Ref	Service Area and Description of Proposal	Impact of Proposal	2018/19	2019/20	Full Year Impact	Staffing Impact
			£'000	£'000	£'000	FTE
	controls.					
E9	Agency Agreements Ending all current transport and traffic agency agreements with the District Councils to be replaced with a new delivery arrangement better reflecting current policy and financial priorities.	Known impacts will be a reduction in the respective Highways Development Planning and Traffic Management agency budgets, efficiencies in the delivery of the Highways Development Planning Service, and more restricted district activity in Traffic Management, which could see a low impact upon some service users. There is potentially an impact upon mainly District Council staff arising from TUPE, which remains to be quantified. As this opportunity progresses, further adjustments to the delivery of these services may be pursued, the impact of which cannot yet be quantified.	300	500	500	

Ref	Service Area and Description of Proposal	Impact of Proposal	2018/19	2019/20	Full Year Impact	Staffing Impact
			£'000	£'000	£'000	FTE
E10	Revenue works charging review Maintenance works currently charged to revenue will be charged to capital to reflect CIPFA regulations.	Impact on services will be minimal. However, a coherent approach will be needed to ensure that best value is still achieved from the Council's capital spend and that off setting revenue budgets in line with CIPFA regulations does not have a negative impact upon capital scheme delivery.	455	455	455	
E11	Concessionary Fares Capitalise upon changes in contract arrangements, national trends, and opportunities to reduce Council investment in service or, subject to changes in the law, to introduce nominal charges to realise efficiencies and savings.	Impact upon service users from these proposals should be minimal as they revolve around making more efficient use of existing budgets to reflect changing user trends. If HCC were, subject to legal changes, introduce a nominal charge, then there would be an impact upon some service users who would be obliged to make a small financial contribution to their journeys.	800	1,000	1,000	

Ref	Service Area and Description of Proposal	Impact of Proposal	2018/19	2019/20	Full Year Impact	Staffing Impact
			£'000	£'000	£'000	FTE
E12	<p>Bus Subsidies and Community Transport Stopping the community transport service and withdrawal of all current County Council funded bus subsidies.</p>	<p><i>Community Transport</i> – impact upon community transport users as they might be required to use a wider selection of service providers depending on their needs and circumstances. There is also likely to be an impact upon community service providers, local authorities and voluntary organisations.</p> <p><i>Bus subsidy</i> - withdrawal of this subsidy may affect choice and frequency of bus services available to users and possibly affect income for bus operators.</p>	0	4,000	4,000	
E13	<p>Waste Disposal Contract To reduce the cost of managing waste across Hampshire.</p>	<p>Impact upon residents largely via communications programme(s) designed to either reduce the amount of waste that is created and/or to increase the amount of waste that is recycled. Additional impact on partners (District Councils and Veolia) for whom various options will be dependent upon changes in their own practices. Hampshire wide co-operation between authorities will be needed to underpin some of the opportunities.</p>	1,000	2,000	3,675	

Ref	Service Area and Description of Proposal	Impact of Proposal	2018/19	2019/20	Full Year Impact	Staffing Impact
			£'000	£'000	£'000	FTE
E14	<p>Household Waste Recycling Centres (HWRCs) Service Review</p> <p>To achieve a significant reduction against the ongoing cost of managing Hampshire's Waste Recycling Centres network.</p>	<p>Hampshire currently provides more HWRCs than comparable authorities with almost 85% of the population currently within five miles of an HWRC. Closure of up to half of the HWRCs network will result in longer travel distances for some users in order to dispose of their waste. There is also the potential for amended opening hours across the HWRC network, which could either limit or enhance users' ability to access the service dependant on location.</p> <p>Subject to a change in the law, an introduction of a nominal charge for access to the HWRCs would have an impact upon service users who would be obliged to make a small financial contribution to dispose of their waste. However, this would also eliminate the need for site closures.</p>	300	1,200	1,200	
Totals			5,180	16,130	19,005	0-113

(1) Savings E1-E3 depend in part on proposals to be considered by the Executive Member for Economic Development on 19 September 2017

