

Universal
Services

Universal Services Savings Programme to 2025 (SP2025) Revenue Saving Proposals

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County Council Context

- £640m removed from budgets over thirteen years.
- £132m forecast budget gap for the two years to 2025/26.
- £71m of Tt2021 and SP2023 savings still to deliver across 2023/24 and 2024/25.
- Extended delivery and overlapping programmes increases risk and complexity.
- County Council public consultation (12 June – 23 July).
- Medium Term Financial Strategy update to Cabinet in October and County Council in November 2023.

County Council Context

The significant gap to 2025/26 has necessitated the County Council to move towards a 'bare minimum' level of services.

Whilst this is difficult to define across our varied and complex services there are a number of key principles we can apply :

- Resources will be focussed on statutory and critical services.
- Discretionary preventative services will only be provided where there is a clear and demonstrable longer term value for money business case.
- Resident services to be online by default, with appropriate alternatives available where required.
- Enabling functions to be provided as efficiently and effectively as possible from the centre of the organisation at a level sufficient to provide an adequate level of corporate governance and informed decision making.
- Discretionary service areas must have a strong rationale for being delivered and need to be cost neutral. Fees and charges to be increased if this allows a discretionary service to continue.

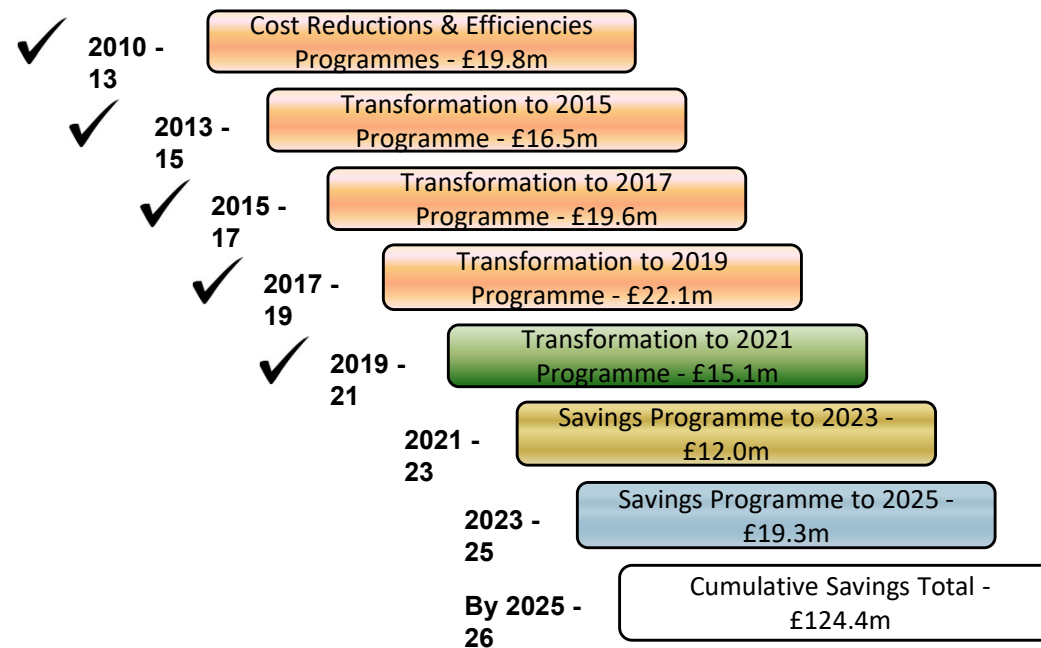
SP2025 Approach

- In recognition of the size of the financial challenge, directorates were not issued with defined savings targets.
- Directorates were instead instructed to review what savings might be achievable if the Council was to move towards a 'bare minimum' provision of services.
- A detailed review of each budget line was undertaken to identify all potential savings options available.
- Savings options were subject to a robust scrutiny process to ensure that opportunities have been maximised whilst limiting cumulative impacts across service user groups as far as possible.
- The savings identified are currently insufficient to meet the budget gap to 2025/26.
- We continue to lobby Government to seek a fairer funding formula and legislative change for some services to help us close the gap.

Directorate Context

- As Universal Services is a new directorate, specific historic savings data prior to SP23 is not available, however savings programmes from 2011 (up to, but excluding SP2023 savings) of the former ETE and CCBS departments, plus SP23 savings for Universal Services, total £105m.
- For SP25, Universal Services is proposing £19.279m of savings across 16 proposals, which equates to 13% of the directorate's cash limit.
- These proposals require savings to be made through service reductions, alternative non-County Council funded delivery models, service efficiencies, organisational efficiencies, and further specific income / cost recovery initiatives where possible.
- Successful implementation of these proposals will be very challenging, particularly against the backdrop of continuing to deliver complex operational services at this scale, all of which carry individual and collective levels of risk to the public. £8m of Tt2021 savings are yet to be realised.
- It is estimated that the delivery of these proposals in full could result in the loss of around 140 FTE, (approximately 8% of the Universal Services workforce FTE).

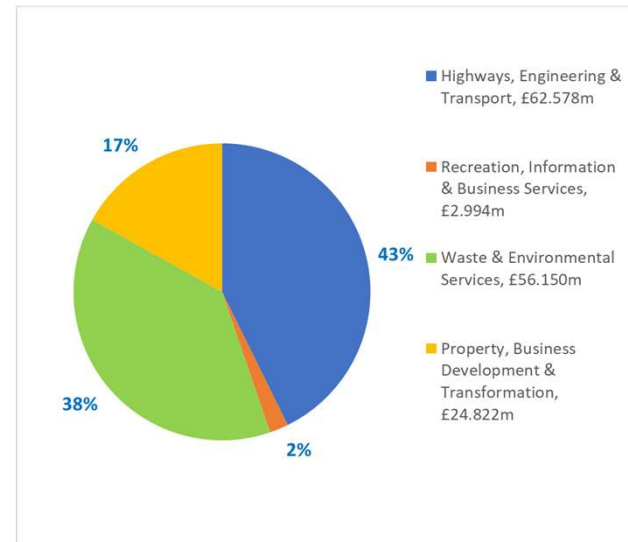
Directorate Transformation Journey



US Budget

Net Budget 2023/24 of £146.5m by Service Activity

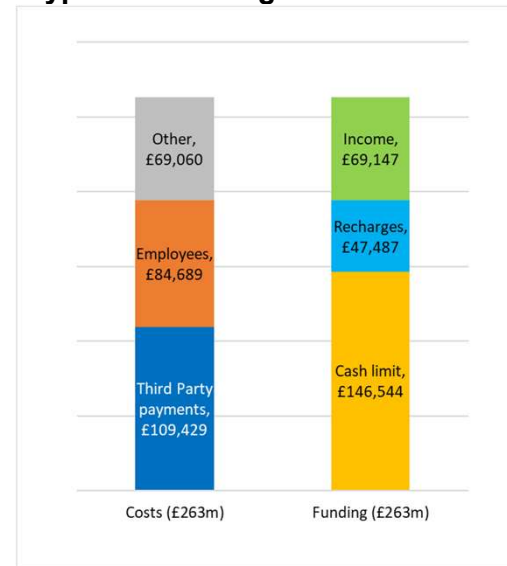
Activity	£'000
Highway maintenance	37,682
Winter maintenance	6,489
Public transport	15,941
Road Safety	2,072
Other Highways, Engineering & Transport	394
Waste disposal	53,428
Environment and regulatory services	2,722
Countryside Services	3,245
Registration	(1,028)
Archives	727
Hampshire Outdoor Centres	289
Other Recreation, Information & Business Services	(239)
Facilities Management	4,441
Feasibility	1,035
Repairs and Maintenance	9,980
Property Services	4,291
Business Support, Development, Strategy & Improvement and transition	5,075
Total US cash limit	146,544



US Budget

Net Budget 2023/24 by cost type and funding sources

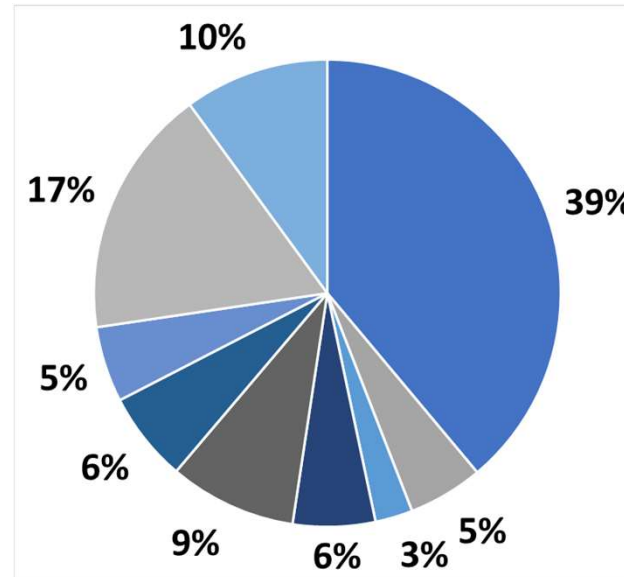
Cost type / funding source	£'000
Third party payments	109,429
Employees	84,689
Premises	37,322
Supplies & Services	20,537
Other costs	11,201
Recharges	47,487
Fees and charges	50,828
Other income	18,319
US net cash limit	146,544



US SP25 Reductions

SP2025 Target of £19.3m by Workstream

Proposal	£'000
Highways	7,500
Highways Winter Service provision	1,000
Streetlighting	500
School Crossing Patrols	1,100
Public Transport	1,700
Household Waste Recycling Centres	1,200
Commercial opportunities / income generation	1,010
Trading services	273
Facilities Management	200
Registration & Archives	358
Countryside Services	280
Outdoor Centres	193
Traffic & Safety and Rural Parking	315
Non-pay budgets	116
Feasibility	200
Organisational redesign	3,334
TOTAL	19,279



US Highways, Engineering & Transport Branch proposals

The majority, **£12.810m**, of the directorate's proposed savings are to be achieved through initiatives undertaken within the Highways, Engineering & Transport (HET) branch.

	Full-year impact £'000	Estimated FTE impact
Highways – significant reduction to planned maintenance budget	7,500	0
Highways – reducing the cost of the Winter service provision	1,000	0
Highways – streetlighting operational savings	500	0
School Crossing Patrols – review of school crossing patrol service	1,100	45
Public Transport – removal of all remaining non-statutory public transport	1,700	5
Highways, Engineering & Transport – commercial opportunities and income generation	1,010	0

US Waste & Environmental Services Branch proposals

The Waste and Environmental Services (WES) branch of the Universal Services directorate is responsible for the delivery of two of the sixteen SP2025 Universal Services proposals totalling **£1.473m**.

	Full-year impact £'000	Estimated FTE impact
Household Waste Recycling Centres – revised service delivery strategy	1,200	0
Waste and Environmental Services trading areas – cost neutrality	273	0

US recreation, Information & Business Services Branch proposals

The Recreation, Information & Business Services (RIBS) branch of the Universal Services directorate has proposals totalling **£0.831m**. Reflecting the nature of the services within the branch, the proposals are made up of income and service efficiencies.

	Full-year impact £'000	Estimated FTE impact
Registration & Archives – service efficiencies and income generation	358	0
Countryside – income from price and membership increases, service efficiencies	280	2
Hampshire Outdoor Centres – commercial and efficiency initiatives	193	0

US Property, Business Development & Transformation Services Branch proposals

The Property, Business Development and Transformation (PBD&T) branch is proposing **£0.516m** of savings, and will also provide project and programme leadership and support to other branches within Universal Services and Hampshire 2050 directorates to enable the delivery of their planned savings

	Full-year impact £'000	Estimated FTE impact
Facilities Management – service reductions from office rationalisation	200	7
Property Services – streamline feasibility activity	200	0
Reductions to cross-directorate non-pay budgets	116	0

Cross-Directorate proposals

Two proposals are cross-directorate in nature, totalling **£3.369m** from reviewing the approach to charging and enforcing parking across Hampshire, and from organisational redesign across the directorate.

	Full-year impact £'000	Estimated FTE impact
Cross-Directorate Organisational redesign	3,334	81
Traffic & Safety and Rural Parking – wide-ranging review of parking charging and enforcement.	315	0

Risks to Highlight - Internal

- Proposed savings equate to 13% of the directorate's cash limit
- The directorate has responsibilities to continue to deliver complex operational services at scale, all of which carry individual and collective levels of risk to the public.
- Resources required to deliver savings and embed the changes may result in a slightly later timing of delivery of some staffing proposals
- Digital innovation needed to improve productivity and interactions with customers
- Impact on other directorates e.g. public transport reductions potentially increasing demand for home to school transport services

Risks to Highlight - External

- Income proposals are dependent on growing demand for 'choose-to-use' discretionary services in a competitive market, with some requiring infrastructure investment
- High levels of inflation require revenue increases and cost savings just to maintain the status quo
- National issues with recruitment and retention are exacerbated by pressure on public sector wages and budgets, which are unable to match private sector financial incentives
- Wider impact of potential consequential reductions in match funding from other organisations and eligibility for other central government funding

Equality Impacts to Highlight

- Equality Impact Assessments (EIAs) have been undertaken for all savings proposals, taking into account feedback from the stage one budget consultation.
- Of the sixteen proposals, seven have been assessed as having an entirely neutral impact.
- For the remaining nine proposals, poverty, rurality and disability are the most common protected characteristics to have been identified as likely to be negatively affected. Where this is the case, the impact has been assessed as low-negative, except for the Public Transport proposal which is the only proposal to have medium or high-negative impacts identified.
- For the Public Transport proposal, a high-negative impact has been assessed on age, disability, sex, poverty and rurality protected characteristics; a medium-negative impact on pregnancy & maternity and race; and a low-negative impact on religion or belief.
- No positive impacts have been identified.
- As the savings proposals are progressed further, EIAs will be revisited and updated where appropriate.

Making the most of your money
**Balancing the Budget 2023
Consultation**

Headline Findings

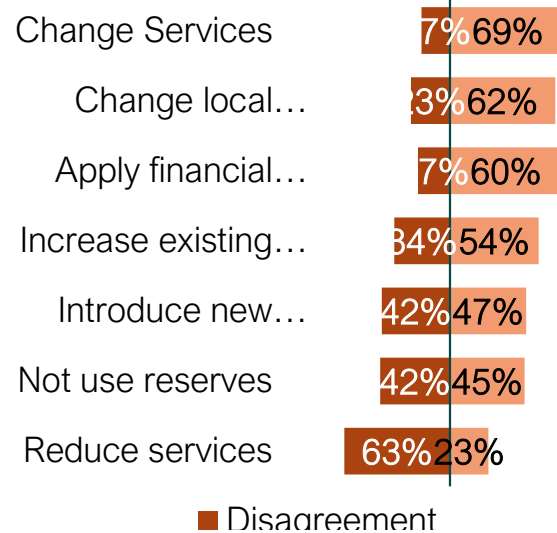


Consultation Context

- The 2023 ***Making the most of your money*** budget consultation was designed to give all Hampshire residents and stakeholders the opportunity to have their say about ways to balance the County Council's budget.
- The consultation ran from **12 June to 23 July 2023** and was widely promoted through a range of online and offline channels.
- Information Packs and Response Forms were made available both digitally and in hard copy in standard and Easy Read formats, with other formats available on request. Unstructured responses could be submitted via email, letter or as comments on social media.
- The consultation received 2,935 responses – 2,806 via the consultation Response Form and 129 as unstructured responses via email / letter (37) or social media (92).
- Of the responses submitted via the consultation Response Form, 2,743 were from individuals and 25 from democratically elected representatives. In total, there were 56 responses from groups, organisations or businesses (38 using the Response Form and 18 as unstructured responses by email / letter).

Consultation Context

Agreement or disagreement as to whether the County Council should . . . (Base: 2787-2663)



Respondents generally agreed with the County Council's financial strategy

A notable majority of respondents agreed that changes to council services and structures should be considered to help balance the budget.

Respondents were supportive of raising existing charges, but opinion was divided as to whether new service charges should be introduced.

Opinion was also split as to the use or not of council reserves.

Respondents were notably opposed to service reduction.

SP2025 key Messages

- The identification of these outline savings proposals has presented a significant challenge, coming after multiple previous rounds of savings. Since 2011, the combined savings targets from our suite of services amount to £105m.
- The savings proposed by the directorate are substantial and where services cannot be funded from income generation, the proposals would reduce service provision to bare minimum.
- Many of the proposals would result in changes or reductions to services valued by Hampshire's residents and businesses and a reduction of around 140fte from the directorate if implemented in full. Other proposals would require an increase in income generation that would be challenging to achieve.
- Seven of the sixteen proposals require stage two public consultation.
- If taken forward, these proposals would need to be implemented in parallel to the day-to-day delivery of complex universal services and existing income generation commitments.