

## DRAFT

### HAMPSHIRE COUNTY COUNCIL

#### Decision Report

|                        |   |
|------------------------|---|
| <b>Decision Maker:</b> | Executive Member for Economy, Transport and Environment   |
| <b>Date:</b>           | 17 September 2019   |
| <b>Title:</b>          | Transformation to 2021 – Revenue Savings Proposals  |
| <b>Report From:</b>    | Director of Economy, Transport and Environment and Deputy Chief Executive and Director of Corporate Resources |

**Contact name:** Stuart Jarvis  
Sue Lapham

**Tel:** 01962 845260                      **Email:** stuart.jarvis@hants.gov.uk  
01962 847804                              sue.lapham@hants.gov.uk

#### Purpose of this Report

1. The purpose of this report is to outline the detailed savings proposals for Economy, Transport and Environment that have been developed as part of the Transformation to 2021 (Tt2021) Programme.

#### Recommendation

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

#### Executive Summary

3. The purpose of this report is to outline the detailed savings proposals for Economy, Transport and Environment that have been developed as part of the Transformation to 2021 (Tt2021) Programme.
4. 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.
5. The Executive Member is requested to approve the detailed savings proposals for submission to Cabinet in October and then full County Council in November 2019 recognising that there will be further public consultation for some proposals.

#### Contextual information

## DRAFT

6. 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 (CSRs).
7. Whilst the County Council understands the wider economic imperative for closing the structural deficit, the prolonged period of tight financial control has led to significant reductions in government grant and the removal of funding that was historically provided to cover inflation, coupled with continued underfunding for demand pressures. At the same time the County Council has also had to respond to inflationary and growth driven increases in costs across all services, but in particular adults' and children's social care.
8. 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.
9. This strategy has enabled the County Council to cushion some of the most difficult implications of the financial changes which have affected the short term financial viability of some County Councils, with Surrey previously considering a referendum for a 15% council tax increase and the well publicised financial issues facing Northamptonshire whose Director of Finance issued a Section 114 notice in February 2018, imposing spending controls on the council.
10. This approach has also meant that savings have often been implemented in anticipation of immediate need providing 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.
11. Whilst this has been a key feature of previous cost reduction programmes it was recognised that the Transformation to 2021 (Tt2021) Programme, the fifth major cost reduction exercise for the County Council since 2010, would be even more challenging than any previous transformation and efficiency programme against the backdrop of a generally more challenging financial environment and burgeoning service demands.
12. Unsurprisingly, the Tt2021 Programme is building seamlessly on from the Transformation to 2019 (Tt2019) Programme, with projects and programmes of work set to go further and harder in a number of areas as the search for an additional £80m of savings (combining cost reduction and income generation) develops.
13. The Tt2021 work has been taken forward without any impacts for Tt2019 delivery with the Corporate Management Team (CMT) setting appropriate time aside for the Tt2021 planning process whilst maintaining a continued strong grip on Tt2019.
14. What is different to previous years however is the fact that the profile of delivery for the Tt2019 Programme is back loaded, with some changes not being delivered at all until well after 2019/20. Secured savings exceeded the £100m mark in the first quarter of 2019 which represented another major

## DRAFT

milestone for the Programme. However, this leaves £40m to deliver and as we move ahead we know that the remaining savings areas will be the most difficult to secure.

15. Whilst sufficient resources have been set aside to cover this delayed implementation the need to commence the successor programme does therefore mean that there will be overlapping change programmes which is another significant difference. This does increase the overall risk in the budget going forward and there is clearly no room for complacency especially as implementation and delivery of Tt2021 will begin to run alongside the Tt2019 Programme and strong focus will be required to ensure simultaneous delivery of both.
16. Departments have looked closely at potential opportunities to achieve the required savings and unsurprisingly the exercise has been extremely challenging because savings of £480m have already been driven out over the past nine years, and the fact that the size of the target (a further 13% reduction in departmental cash limited budgets) 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 Tt2021 Programme target to be delivered.
17. The opportunity assessment and planning work has confirmed the sheer complexity and challenge behind some of the proposals, which means in a number of areas more than two years will be required to develop plans and implement the specific service changes.
18. The cashflow support required to manage the extended delivery timetable for the Tt2021 Programme will in the most part be met from departmental cost of change reserves but further funding of £32m to provide for necessary investment and the later delivery has already been factored into the requirements for the Grant Equalisation Reserve going forward. This provision will be considered as part of the updated Medium Term Financial Strategy (MTFS) that will be reported in October.
19. The County Council undertook an open public consultation called *Serving Hampshire – Balancing the Budget* which ran for six weeks between 5 June – 17 July. 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.
20. The consultation was clear that a range of options would be needed to deliver the required £80m of savings by 2021. Therefore, whilst each option offers a valid way of contributing in-part to balancing the budget – plugging the estimated £80m gap in full will inevitably require a combination of approaches. For example, the Information Pack illustrated the amount of savings that would still be required even if council tax was increased by up to 10%. It explained that the £80m estimated budget shortfall took into account an assumed increase in ‘core’ council tax of 4.99% in both 2020/21 and 2021/22. The Pack also explained that if central government were to support changing local government arrangements in Hampshire, savings would still take several years to be realised. Residents were similarly made aware that

## DRAFT

the use of reserves would only provide a temporary fix, providing enough money to run services for around 27 days.

21. As the consultation feedback confirms, a number of different approaches are likely to still be needed to meet the scale of the financial challenge. Consequently, the County Council will seek to:
- **continue with its financial strategy**, which includes:
    - **targeting resources** on the most vulnerable adults and children
    - **using reserves carefully** to help meet one-off demand pressures
  - **maximise income generation** opportunities;
  - **lobby central government** for legislative change to enable charging for some services;
  - **minimise reductions and changes to local services** wherever possible, including by raising council tax by 4.99%;
  - consider further the opportunities for **changing local government arrangements** in Hampshire.
22. Executive Members and Chief Officers have been provided with the key findings from the consultation to help in their consideration of the final savings proposals for this report. Responses to the consultation will similarly help to inform the decision making by Cabinet and Full Council in October and November of 2019 on options for delivering a balanced budget up to 2021/22, which the Authority is required by law to do.
23. 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 Tt2021 Programme have helped to shape the final proposals presented for approval in this report.

### Budget Update

24. Members will be aware that 2019/20 represented the final year of the current Spending Review period and that no indication has previously been provided by Government about the prospects for local government finance beyond this time. Although a further 4 year Spending Review had originally been planned for the summer of this year, this was impacted by Brexit and the national political situation.
25. In recent years, significant lobbying of the Government has been undertaken by Hampshire and the wider local government sector in order to ask them to address the financial pressures we are facing and to convince them to provide an early indication of the financial position beyond 2019/20 to aid medium term financial planning and to address the more immediate issue of budget setting for 2020/21. Whilst the news of a single year settlement was not welcome, it was not unexpected and was partly balanced by the promise of an early indication of the 'settlement' for local government.
26. The Spending Round announcement took place on 4 September and the key issues from a Hampshire perspective were:

## DRAFT

- £2.5bn nationally for the continuation of existing one-off grants across social care services (worth around £38.5m to Hampshire) most of which had already been assumed in the MTFS.
  - An extra £1bn for adults' and children's social care services, representing between £15m and £20m to Hampshire depending on the distribution methodology, which will be consulted upon.
  - Core council tax of 2% and the continuation of a 2% adult social care precept. This is below our assumptions in the MTFS and would lose the County Council around £12m of recurring income over the two years of the Tt2021 Programme.
  - Additional funding for schools, which includes extra funding for Special Educational Needs of £700m. If this was distributed on the same basis as previous additional grant, our share would be around £16.8m and would help to address the future growth in this area but does not provide a solution to the cumulative deficit position schools will face at the end of 2019/20.
27. The content of the proposed settlement and the issues it addressed were pleasing to see as they mirrored the key issues that we have been consistently raising for some time directly with the Government and through our local MPs.
28. In overall terms, there is a net resource gain to the County council, albeit that is only for one year at this stage. However, the cost pressures we face, particularly in adults and children's social care services are significantly outstripping the forecasts that were included in the original Tt2021 planning figures.
29. Without the additional injection of funding, the County Council would have faced a revised deficit position well in excess of £100m by 2021/22, but the additional resources bring us back to a broadly neutral position.
30. More detail will be provided in the update of the MTFS and as part of the Member briefings that will take place as part of the Tt2021 decision making process.

### **Transformation to 2021 – Departmental Context**

31. 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, and there is requirement to maintain a base level of funding to meet our statutory requirements.
32. ETE has already made savings since 2011 totalling £56.5m, including real term reductions in operational budgets, increased income from charges and recharges, and reductions in core full time equivalent (FTE) posts by 24%. The requirement for 2021 is to identify and deliver a further £11.748m of savings against the net budget of £102.856m approved in February 2019.

## DRAFT

33. External spend, i.e. money paid to third parties to provide services, accounts for over 70% of the Department's gross spend. For the 2015 and 2017 savings programmes, the Department's strategy was to maximise savings from external spend. This proved successful, with the majority of 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 cannot be achieved again until the contracts are renewed, and this will take us into the mid 2020s onwards.
34. As a result of the changes and savings already made from 2011-2019, the Department's scope to secure further savings is increasingly limited. All budgets have been looked at and details of the savings proposals under consideration for 2021 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. ETE1) are included in the following paragraphs where applicable. The department has five proposals for 2021, two of which will directly affect the public (outlined in paragraphs 39 and 41) which would require a detailed stage two public consultation before any final decisions could be made on them.
35. Two proposals relate to the County Council's waste disposal statutory duties. The most significant proposal, in terms of scale, is proposed to come via the waste contract (recycling and other efficiencies - £8.2m) where the County Council has to arrange for the disposal of waste collected by District Councils. There are several elements to this proposal that include saving derived from increased operational efficiencies and the potential for negotiated contract variations. However, in order to deliver the full savings required there is a need to review, and revise, the existing arrangements for recycling between the County Council, as a statutory Waste Disposal Authority and Hampshire's District and Borough Councils as Waste Collection Authorities that have been in place, without significant update, since the inception of the Project Integra Partnership in the mid -1990's.
36. It is proposed to make changes including no longer subsidising aspects of the recycling systems run by District Councils to reduce costs to the County Council through a more financially sustainable model. The proposals will require a new financial framework within the Project Integra arrangements though the details will need to be worked through in the context of national changes being proposed.
37. The proposed changes will also support moves to adapt waste systems and infrastructure in line with emerging Government changes. There remains some uncertainty over the exact nature of any service changes at present due to proposed changes to recycling and waste collection services being considered by the Government, that have been the subject of a consultation process in early 2019 and are likely to be subject to further consultations in early 2020 with implementation unlikely to be before the mid 2020s however it remains important in the meantime to deliver the necessary savings which are not dependent on confirmation of detailed implementation proposals.

## DRAFT

38. There should be no impact on residents from the County Council's proposals, whilst the Governments stated intention is to harmonise and simplify the arrangements for recycling and residual waste collections.
39. The second proposal relates to the Household Waste Recycling Centres (HWRCs), at which the County Council continues to allow householders to deposit non-household waste but seeks to protect the overall service by recovering the cost of managing and disposing of such material through levying a charge on users bringing in the materials. It is proposed to recover costs by charging customers to dispose of non-household wood waste (£1.0m), e.g., fence panels, sheds, window frames etc. However, again we are aware that the Government is minded to review and then consult on future HWRC services. This is expected to occur in 2020.
40. It is proposed to make modest savings to the Highways service (£0.5m) through an alternative funding model for the Parish Lengthsmen scheme (Parish Lengthsmen carry out straightforward highways maintenance tasks requested by the local parish council), and/or other Highways Contract efficiencies. These are not anticipated to have any impact on residents.
41. Further reductions in the energy cost of managing Hampshire's street lighting network are also proposed (£0.5m), principally via opportunities offered through advances in technology. There may also be a requirement to extend part-night lighting for longer periods or additional areas than those introduced under the 2019 savings, and/or some additional dimming of the streetlights.
42. The remainder of the savings is proposed from changes to the department's operating model (£1.548m), the principal focus of which is income generation from trading and charging activities that were also key components of the 2019 savings programme. The trading offer focuses on increasing the net contribution from selling services to external organisations, and the charging proposal builds on the full-cost recovery approach for discretionary activities introduced in the 2019 programme. Any residual savings are planned from a reduced headcount of revenue-funded staff by up to 15-25 full time equivalent posts based on average budgeted salary costs. The department would seek to minimise the impact on staff through the use of vacancy management, natural turnover, redeployment of staff where possible, and exploring voluntary redundancy where appropriate. All the operating model proposals would need to be underpinned by further increases in productivity from, for example, digital tools and business process reviews.
43. The proposals set out in paragraphs 35-42 above combine to make the £11.748m target for ETE. Two service areas have a saving that could achieve further benefits subject to legislative change. In general terms, this would be in line with headline results from the recent 'Balancing the Budget 2019 Consultation', in which the top two preferred options from the 5,432 responses were 1) generating additional income and 2) lobbying central Government for legislative change. Specifically on the latter, the response for lobbying for changes on individual services were as follows – older person bus pass (66% agreed / 29% disagreed); 25% charge of each concessionary fare (42% agreed / 43% disagreed), £1 per visit to local HWRCs (40% agreed, 56% disagreed).

## DRAFT

### Summary Financial Implications

44. The savings target that was set for Economy, Transport and Environment was £11.748m and the detailed savings proposals that are being put forward to meet this target are contained in Appendix 1.
45. £10.2m (87%) of these savings are currently expected to be delivered on time with £850,000 forecast to be achieved ahead of target.
46. In addition to funding for the wider implementation of the overall programme, £1.548m has been set aside in the Department's Cost of Change reserve to cover timing shortfalls currently anticipated in the following areas:
  - Street lighting, where the potential need for investment in new technology would mean the full value of the saving not being achieved by 2021/22.
  - Highways, to allow time for alternative funding to be confirmed for the Parish Lengthsmen scheme.
  - Operating model, to enable development of sustainable new trading activity.

### Workforce Implications

47. Appendix 1 also provides information on the estimated number of reductions in staffing as a result of implementing the proposals.
48. Up to 15 - 25 Full Time Equivalent (FTE) posts may be affected by the proposals and it is anticipated that savings would be achieved as far as possible through vacancy management and natural turnover within the relevant services although this may not be sufficient to meet the reduction required.
49. 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 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.

### Consultation, Decision Making and Equality Impact Assessments

50. As part of its prudent financial strategy, the County Council has been planning since June 2018 how it might tackle the anticipated deficit in its budget by 2021/22. As part of the MTFs, which was last approved by the County Council in September 2018, initial assumptions have been made about inflation, pressures, council tax levels and the use of reserves. Total anticipated savings of £80m are required and savings targets were set for departments as part of the planning process for balancing the budget.
51. 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 Tt2021 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



## DRAFT

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 2021/22.

52. The County Council undertook an open public consultation called *Serving Hampshire – Balancing the Budget* which ran for six weeks from 5 June to the 17 July 2019. The consultation was widely promoted to stakeholders through a range of online and offline channels including: the County Council's website; local media and social media channels; the County Council's residents' e-newsletter *Your Hampshire*; direct mail contact to a wide range of groups and organisations across Hampshire; posters and adverts in County Council libraries, Country Parks, at Hillier Gardens and Calshot Activity Centre; in residential and day care settings, on electronic noticeboards in GP surgeries and healthcare settings. Information Packs and Response Forms were available in hard copy in standard and Easy Read, with other formats available on request. Comments could also be submitted via email, letter or as comments on social media.
53. The consultation sought residents' and stakeholders' views on several options that could contribute towards balancing the revenue budget, and any alternatives not yet considered – as well as the potential impact of these approaches. The consultation was clear that a range of options would be needed to meet the required £80m savings by 2021. For example, the Information Pack illustrated the amount of savings that would still be required even if council tax was increased by up to 10%.
54. The options were:
  - 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.
55. Information on each of the above approaches was provided in an Information Pack. This set out the limitations of each option, if taken in isolation, to achieving required savings. For example, supporting information explained that the £80m estimated budget shortfall took into account an assumed increase in 'core' council tax of 4.99% in both 2020/21 and 2021/22. The Pack also explained that if central government were to support changing local government arrangements in Hampshire, savings would still take several years to be realised. Residents were similarly made aware that the use of reserves would only provide a temporary fix, providing enough money to run services for around 27 days.
56. Therefore, whilst each option offers a valid way of contributing in-part to balancing the budget – plugging the estimated £80m gap in full will inevitably require a combination of approaches.

## DRAFT

57. A total of 5,432 responses were received to the consultation – 4,501 via the Response Forms and 931 as unstructured responses through email, letter and social media.
58. The key findings from consultation feedback are as follows:
- The majority of respondents (52%) agreed that the County Council should continue with its current **financial strategy**. This involves **targeting resources on the most vulnerable** people; **planning ahead** to secure savings early and enable investment in more efficient ways of working; and the **careful use of reserves** to help address funding gaps and plug additional demand pressures e.g. for social care.
  - Achieving the required savings is likely to require a multi-faceted approach. However, respondents would prefer that the County Council seeks to explore all other options before pursuing proposals to reduce and change services – in particular, opportunities to **generate additional income** and **lobby central government for legislative change**.
  - Just over one in three respondents (37%) agreed with the principle of **reducing or changing services** - but the proportion who disagreed was slightly higher (45%) - Of all the options, this was respondents' **least preferred**.
  - Around half of respondents (**52%**) **agreed** with the principle of **introducing and increasing charges** to help cover the costs of running some local services, but over one-third (39%) felt that additional charges should not be applied.
  - Respondents were in favour of **lobbying central government** to allow charging in some areas:
    - 66% agreed with charging for issuing Older Person's Bus Passes.
    - 64% agreed with charging for Home to School Transport.
    - 56% agreed with diverting income from speeding fines or driver awareness courses.
  - However, in other areas, opinions were more mixed:
    - 42% agreed and 43% disagreed with recouping 25% of concessionary fares.
    - most did not feel that it would be appropriate to lobby for charges relating to library membership (60% disagreement) or HWRCs (56% disagreement).
  - Overall, lobbying for legislative change to enable charging was respondents' **second preferred option**.
  - Of all the options presented, generating additional income was the **most preferred option**. Suggestions included:
    - Improving the efficiency of council processes.

## DRAFT

- Increasing fees or charges for services.
- Using council assets in different ways.
- Implementing new, or increasing existing, taxes.
- Lobbying central Government for more funding.
- Six out of ten respondents (61%) agreed with the position that **reserves should not be used** to plug the budget gap.
- Most respondents (55%) preferred the County Council to raise **council tax** by less than 4.99%. This compared to 34% of respondents whose first choice was to raise council tax by 4.99%. There was limited support for a rise in council tax above this level (14%).
- More than half of those who responded (**61%**) agreed that consideration should be given to **changing local government arrangements in Hampshire**.
- One in three (36%) respondents noted **potential impacts** on poverty (financial impacts), age (mainly older adults and children), disability and rurality.
- Staffing efficiencies were the most common focus of **additional suggestions** (31%).
- The 931 unstructured **other responses** to the consultation primarily focused on ways to reduce workforce costs (26% of comments), the impact of national politics on local government (8%), the need to reduce inefficiency (6%) and both support and opposition to council tax increases (7%).

### Proposals following consultation feedback

59. Executive Members and Chief Officers have been provided with the key findings from the consultation to help in their consideration of the final savings proposals. As the consultation feedback confirms, a number of different approaches are likely to still be needed to meet the scale of the financial challenge. Consequently, the County Council will seek to:
- **continue with its financial strategy**, which includes:
    - **targeting resources** on the most vulnerable adults and children
    - **using reserves carefully** to help meet one-off demand pressures
  - **maximise income generation** opportunities;
  - **lobby central government** for legislative change to enable charging for some services;
  - **minimise reductions and changes to local services** wherever possible, including by raising council tax by 4.99%;
  - consider further the opportunities for **changing local government arrangements** in Hampshire.

## DRAFT

60. The proposals set out in Appendix 1 have, wherever possible, been developed in line with these principles.
61. With regard to Household Waste Recycling Centres (HWRCs) it is proposed to extend the existing policy of recovering the disposal cost of non-household waste from charging to include large wood items such as fence panels, sheds and window frames (see Appendix 1 ETE2). This proposal is recommended ahead of alternatives such as reducing HWRC opening hours and is informed by the responses received from residents who have confirmed a preference for charging over reductions and changes to services.
62. The saving from the Department's Operating Model (see Appendix 1 ETE5) is mainly focussed on increasing net income from either providing traded services to other organisations or increasing the range of services provided where a charge is levied. Generating savings in this way helps protect front line services provided to the public and, again, this is informed by the views expressed in the consultation confirming a preference for generating additional income ahead of reducing or changing local services.
63. A number of specific comments were made regards ETE proposals in the *Serving Hampshire – Balancing the Budget* consultation. In terms of the written comments made in the formal responses, 36 made negative comments about the Highways and Winter Maintenance proposals, and 32 negative comments were made about the Street Lighting proposals. In addition, there were 31 comments on social media regards Highways Services, 17 of which asked for the service to be improved. A Parish Council also commented on the importance of the Parish Lengthsmen in delivering minor highways works, asking for the role to be extended.
64. Following the Executive Member Decision Days, all final savings proposals will go on to be considered by the Cabinet and Full Council in October and November – providing further opportunity for the overall options for balancing the budget to be considered as a whole and in view of the consultation findings. Further to ratification by Cabinet and the full County Council, some proposals may be subject to further, more detailed consultation.
65. In addition to the consultation exercise, Equality Impact Assessments have been produced for all the savings proposals outlined in Appendix 1 and these have been provided for information in Appendix 2. These will be considered further and alongside a cumulative EIA by Cabinet and the full County Council. The cumulative assessment provides an opportunity to consider the multiple impacts across proposals as a whole and, therefore, identify any potential areas of multiple disadvantage where mitigating action(s) may be needed.
66. Together the *Balancing the Budget* consultation and Equality Impact Assessments have helped to shape the final proposals presented for approval in this report.
67. Two proposals are likely to require a phase 2 consultation prior to a decision by the Executive Member for Economy, Transport and Environment (EMETE). Firstly, any proposal to extend part-night streetlighting and/or dimming, with an EMETE decision likely to take place spring/summer 2020. Secondly, the proposal to charge for non-household wood at HWRCs would require further consultation followed by an EMETE decision in early 2020.



**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

|   |        |
|---|--------|
| <b>Hampshire maintains strong and sustainable economic growth and prosperity:</b> | Yes/No |
| <b>People in Hampshire live safe, healthy and independent lives:</b>              | Yes/No |
| <b>People in Hampshire enjoy a rich and diverse environment:</b>                  | Yes/No |
| <b>People in Hampshire enjoy being part of strong, inclusive communities:</b>     | Yes/No |

**Other Significant Links**

|   |  |
|---|--|
| <b>Links to previous Member decisions:</b>  |  |
| <u>Title</u>  | <u>Date</u>  |
|   |  |
| <b>Direct links to specific legislation or Government Directives</b>  |  |
| <u>Title</u>  | <u>Date</u>  |
| Looking Ahead - Medium Term Financial Strategy<br><a href="https://democracy.hants.gov.uk/ielssueDetails.aspx?Id=10915&amp;PlanId=0&amp;Opt=3#A18687">https://democracy.hants.gov.uk/ielssueDetails.aspx?Id=10915&amp;PlanId=0&amp;Opt=3#A18687</a> | Cabinet - 18 June 2018<br>County Council – 20 September 2018 |

|   |                 |
|---|-----------------|
| <b>Section 100 D - Local Government Act 1972 - background documents</b>   |                 |
| <p>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.)</p> |                 |
| <u>Document</u>   | <u>Location</u> |
| None  |                 |

## **EQUALITIES IMPACT ASSESSMENT:**

### **1. Equality Duty**

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

### **2. Equalities Impact Assessment:**

Equality Impact Assessments have been produced for all the savings proposals outlined in Appendix 1 and these have been provided for information in Appendix 2.

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



| <b>Ref.</b> | <b>Service Area and Description of Proposal</b> | <b>Impact of Proposal</b> | <b>2020/21</b><br><b>£'000</b> | <b>2021/22</b><br><b>£'000</b> | <b>Full Year Impact</b><br><b>£'000</b> | <b>Estimated Staffing Impact FTE</b> |
|-------------|---|---------------------------|--------------------------------|--------------------------------|---|--------------------------------------|
|-------------|---|---------------------------|--------------------------------|--------------------------------|---|--------------------------------------|

|      |   |   |   |       |       |   |
|------|---|---|---|-------|-------|---|
| ETE1 | <p>Waste disposal contract: To <b>make changes to the financial arrangements by removing HCC cost subsidies in the recycling of household waste</b> in Hampshire, to:</p> <ul style="list-style-type: none"> <li>• maximise and retain income from the sale of recycled materials by HCC</li> <li>• charge costs currently incurred by HCC to District Councils</li> <li>• end direct subsidy payments to District Councils where recycling infrastructure and facilities have been provided to them free of charge to use</li> <li>• maximise impacts of Waste prevention activities</li> <li>• explore further re-financing options related to the Waste Disposal Contract</li> </ul> | <ul style="list-style-type: none"> <li>• District Council partners will be impacted by changing the financial model to remove subsidies which will impact through reduced income / recovery of full costs by HCC.</li> <li>• Service users should see no immediate impact, but in the long term may benefit from potential future countywide harmonisation of waste collection schemes and in the shorter term by a more straight-forward recycling offer and/or an increased range of materials.</li> <li>• No direct impact upon HCC staff is anticipated.</li> </ul> | 0 | 8,200 | 8,200 | 0 |
|------|---|---|---|-------|-------|---|

|      |   |   |     |       |       |   |
|------|---|---|-----|-------|-------|---|
|      |   |   |     |       |       |   |
| ETE2 | <p>Waste disposal – HWRCs: To <b>charge customers to deposit wood at Household Waste Recycling Centres</b> (i.e. non-household wood wastes, including fence panels, sheds, window frames etc.).</p> <p>This is in-line with existing policies to charge for other DIY type wastes and will serve to recover costs only.</p> | <ul style="list-style-type: none"> <li>• Service users seeking to deposit non-household wood wastes will incur additional costs in using HWRC sites.</li> <li>• Veolia as partners will deliver the charging service, but there will be limited impact as required infrastructure is already in place.</li> <li>• There is likely to be increased customer contact from Service users as a result of the introduction of the charge.</li> </ul> | 500 | 1,000 | 1,000 | 0 |

|      |  |   |     |     |     |   |
|------|--|---|-----|-----|-----|---|
| ETE3 | <p>Street Lighting: To <b>seek further reductions in the cost of managing Hampshire's streetlighting network</b>, through opportunities offered from advances in technology and/or other service efficiencies including extending dimming and part-night lighting.</p> | <ul style="list-style-type: none"> <li>• The impact upon Service users will be dependent upon the nature of how savings are achieved. Service efficiencies could impact upon network coverage e.g. further part night lighting.</li> <li>• No direct impact on ETE staff is anticipated.</li> </ul> | 50  | 100 | 500 | 0 |
| ETE4 | <p>Highways: To <b>make modest savings to the existing Highways Service</b>, through alternative funding of the Parish Lengthsman scheme, and/or other Highways contract efficiencies.</p>   | <ul style="list-style-type: none"> <li>• Parish Council partners could be asked to provide funding for their Parish Lengthsman.</li> <li>• No direct impact on ETE staff is anticipated.</li> <li>• No impact on service users is anticipated.</li> </ul>   | 200 | 300 | 500 | 0 |

|               |   |  |            |               |               |              |
|---------------|---|--|------------|---------------|---------------|--------------|
| ETE5          | <p>To build on cross-cutting income/savings already achieved in T19 (£4.85m target), by identifying further opportunities to:</p> <ul style="list-style-type: none"> <li>• generate income through <b>trading</b> activities</li> <li>• generate income through <b>charging for Council services</b></li> <li>• seek further efficiencies against the department's <b>Operating Model.</b></li> </ul> | <ul style="list-style-type: none"> <li>• Changes to Operating Model may impact 15 - 25 Full Time Equivalent (FTE) posts. Savings would be achieved as far as possible through vacancy management and natural turnover within the relevant services although this may not be sufficient to meet the full reduction required and therefore other measures such as voluntary redundancy and redeployment where appropriate would be explored.</li> <li>• Service users may incur new or increased charges to access certain ETE services (these will be for the purpose of cost-recovery).</li> </ul> | 100        | 600           | 1,548         | 15 – 25      |
| <b>Totals</b> |   |  | <b>850</b> | <b>10,200</b> | <b>11,748</b> | <b>15-25</b> |

## Appendix 2 – Equalities Impact Assessments

- [ETE1 Waste Disposal Contract](#)
- [ETE2 Waste Disposal: HWRCs](#)
- [ETE3 Street Lighting Efficiencies](#)
- [ETE4 Highways](#)
- [ETE5 Cross Cutting Departmental Savings - Service Users](#)
- [ETE5 Cross-Cutting Departmental Savings - Staff](#)