

Economy, Transport and Environment Savings Programme to 2023 (SP2023) Revenue Saving Proposals

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Summary

- HCC Context
- ETE Budget and Context
- ETE SP2023 Savings Proposals
- Risks and Equality Impacts

Funding Recap (SR2020)

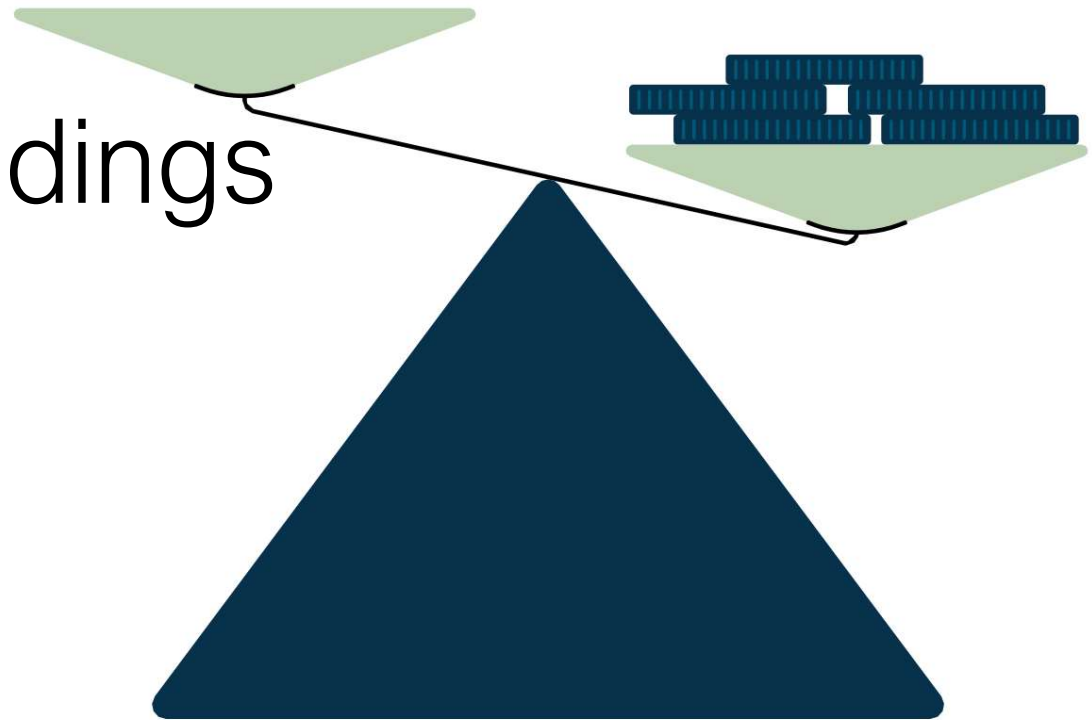
- One year spending review (SR) period to April 2022 as a result of economic and fiscal uncertainty due to Covid.
- Continuation of existing £38.5m social care grants but limited additional funding provided (£1.2m for Hampshire).
- Announcements dominated by one-off Covid-19 financial support package, however additional local funding of £69m required to meet unfunded pressures and delayed savings.
- Adult Social Care precept not confirmed beyond 2021/22 resulting in potential funding gap of up to £29m by 2023/24.
- Record levels of government borrowing due to the pandemic, necessitating a further period of fiscal restraint.

County Council Context

- £560m removed from budgets over eleven years.
- £80m forecast budget gap for the two years to 2023/24.
- £45m of Tt2019 and Tt2021 savings still to deliver across 2021/22 and 2022/23, including delays of £25m due to the impacts of Covid-19.
- Extended delivery and overlapping programmes increases risk and complexity.
- County Council public consultation (7 June – 18 July).
- Medium Term Financial Strategy update to Cabinet in October and County Council in November 2021.

Serving Hampshire – **Balancing the Budget 2021 Consultation**

Headline Findings



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Hampshire
County Council

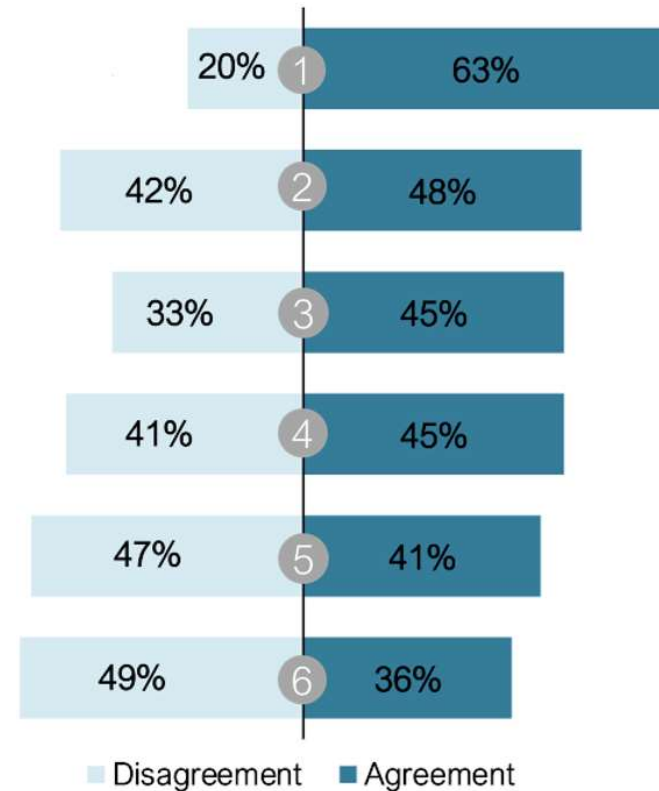
Consultation context

- The 2021 *Serving Hampshire - Balancing the 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 **07 June to 18 July 2021** 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 2,027 responses** – 1,931 via the consultation Response Forms and 96 as unstructured responses via email/ letter (44) or social media (52).
- Of the responses submitted via the consultation Response Forms, **1,878** were from individuals and **21** from democratically elected representatives. Including the unstructured responses **41** groups, organisations or businesses responded.

Level of agreement with proposed options

1. Six out of ten respondents (63%) felt that consideration should be given to changing local government arrangements in Hampshire
2. Almost half of respondents (48%) thought that the Council should **not** use reserves to plug the budget gap
3. 45% of respondents agreed that the Council should continue with its current financial strategy
4. This was also the number who agreed with the principle of increasing existing charges for services
5. Four in ten respondents (41%) agreed with the principle of introducing new charges for some services that are currently free, however a higher proportion (47%) felt that new charges should not be applied
6. Just over one in three respondents (36%) agreed with the principle of reducing or changing services, however almost half of respondents (49%) disagreed with this approach

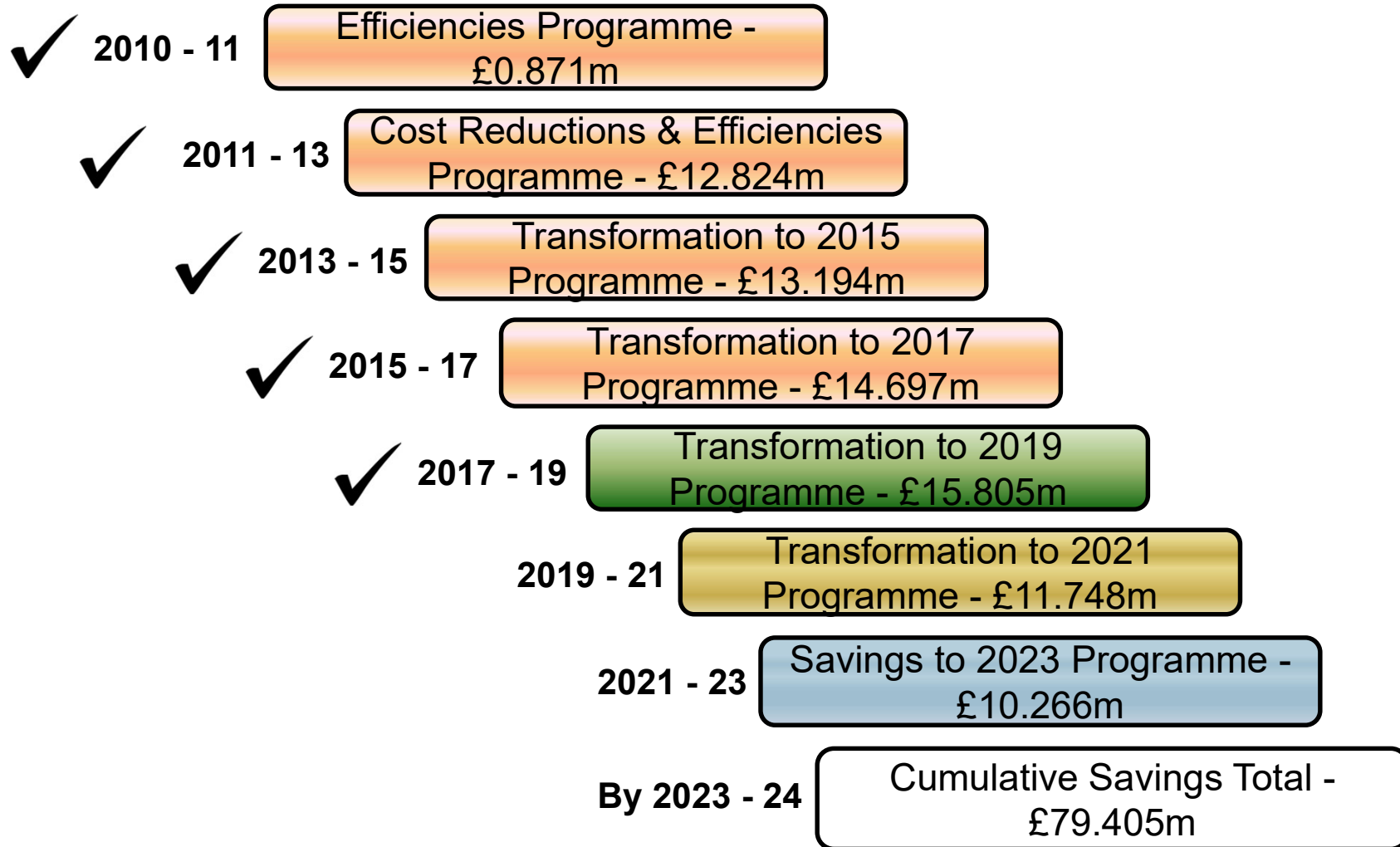
Agreement or disagreement as to whether the County Council should. . . (Base: 1772-1917)



ETE SP2023



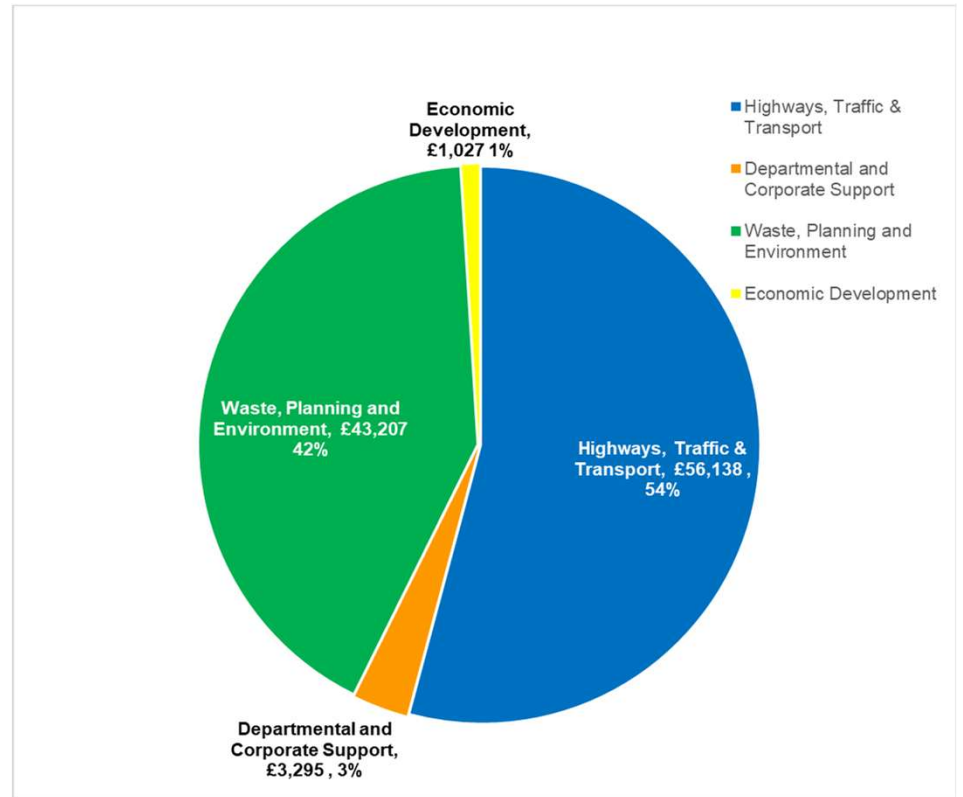
ETE Transformation Journey



ETE Budget 2021/22 - services

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Service	£'000
Highway maintenance	28,745
Winter maintenance	5,820
Public transport	17,520
Road Safety	2,573
Strategic Transport	1,480
Waste disposal	41,656
Planning & Environment	1,551
Economic Development	1,027
Department & corporate support	3,295
Total ETE cash limit	103,667



ETE budget 2021/22 – cost type and funding sources

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Cost type / funding source	£'000
Third party payments	96,075
Employees	42,515
Premises	4,477
Supplies & Services	4,976
Other Costs	3,679
Recharges	24,242
Fees & Charges	14,495
Other Income	9,318
ETE net cash limit	103,667



Departmental Context

Savings to date

- FTE reductions (earlier programmes)
- Enhanced efficiency from external spend
- Increased income / more commercial approaches

Challenges increase each time

- Main contracts re-negotiated, marginal gains implemented
- Complex external environment e.g. Gov't. Waste Plans

National Context

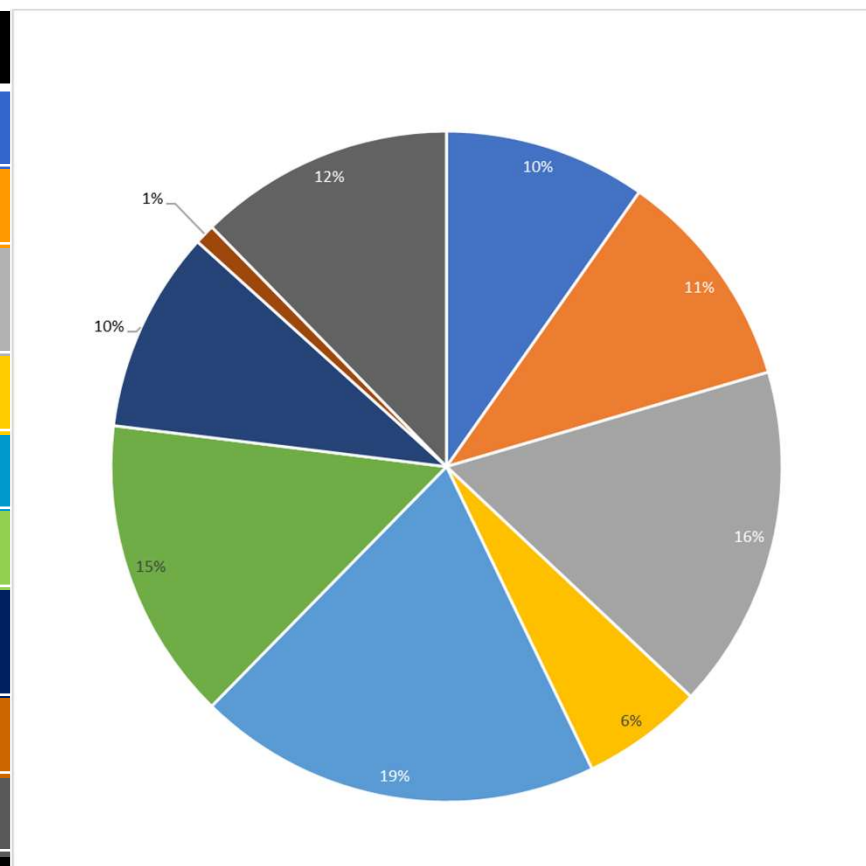
- Covid impact and recovery considerations
- Climate Change Response and Commitments

SP2023 Approach

- Requirement for savings to be fully achieved by 2023/24 – savings not transformation
- All budgets and services reviewed including service reductions in non-statutory areas
- Equality Impact Assessments, responses from the public consultation and other factors taken into account as the proposals and approach have evolved

ETE Initial SP2023 Proposals

Proposal	£'000
Highways	1,000
School Crossing Patrols	1,100
Household Waste Recycling Centres	1,700
Waste Contract Efficiencies	600
Concessionary Travel	2,000
Transport service reductions	1,500
Enhanced Traffic Management enforcement	1,000
HCC Brussels Office	100
ETE Operating Model	1,266
TOTAL	10,266

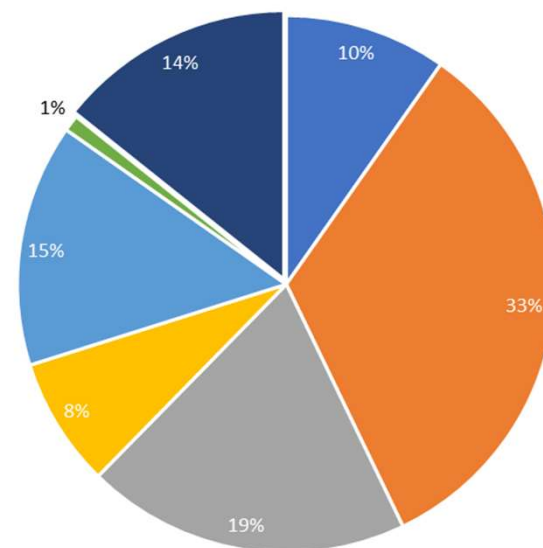


Consultation Responses to ETE

- Of the 1,931 response submitted, 335 contained open-ended comments on ETE services
- Of the 96 unstructured submissions, 30 related to ETE services
- The two ETE services most often commented on were School Crossing Patrols (55) and HWRCs (27) – the vast majority of these comments did not support the consultation proposals
- The third most commented on service area was Passenger and Community Transport

ETE SP2023 Current Proposals

Proposal	£'000
Highways	1,000
Contracted waste services	3,400
Concessionary Travel	2,000
Transport service reductions	800
Enhanced Traffic Management enforcement	1,500
HCC Brussels Office	100
ETE Operating Model	1,466
TOTAL	10,266



Reasons for changes

- New national Bus Strategy Initiative
- Resources & Waste Management
 - Service changes from Govt proposals
 - Local waste minimisation strategies
 - Reduced risk of future waste growth
- Consultation responses
- Equalities Impact Assessments
 - School Crossing Patrols – low, medium & high negative impacts



ETE02 Contracted Waste Services (£3.4m)

- Reduction in contingency provision for waste growth
 - Lower calls on this funding to date and
 - Anticipating future reductions (Govt policy changes, local waste minimisation initiatives and changing public attitudes to waste)
- Further reuse and recycling initiatives
- Updated inter-authority income apportionments

ETE04 Passenger Transport Service Reductions (£0.8m)

- End subsidies to other organisations using County Council frameworks
- Review charges made to users moving towards full cost recovery
- Service reductions
 - Focus on routes with the highest per trip subsidy levels
 - Seek alternative delivery models e.g. demand responsive
- Emerging Govt policy in this area could be critical

ETE05 Enhanced Traffic Management Enforcement (£1.5m)

- Enforcement must address either a policy need or highways problem
- Policy proposals being developed in response to Govt strategy and legislative change from 2022
 - Bus journey times and reliability
 - Air pollution
 - Climate change
- Reduced revenue costs of enforcement together with reduced spending on other measures as a result of better enforcement (e.g. Bus subsidies)

ETE01 Highways (£1m) & ETE03 Concessionary Travel (£2m)

Highways

- Contract efficiency savings developed jointly with the new contractor
- Parish Lengthsman service offered as a paid-for service with funding from the highways budget withdrawn

Concessionary Travel

- Changed patterns of use pre-pandemic and during Covid-19
- Saving assumes an ongoing reduction in use of 15%

ETE07 ETE Operating Model (£1.466m) & ETE06 HCC Brussels Office (£0.1m)

Operating Model

- Income and charging – building on earlier work
- Further efficiencies e.g. by greater exploitation of digital technology & business process reviews
- Potential for further headcount reduction through vacancy management, redeployment or voluntary redundancy where appropriate

HCC Brussels Office

- Broaden the geographic focus of support provided to Hampshire businesses as new export markets are opening up
- Close the HCC Brussels Office and provide support to business through the Economic Development team based in Hampshire

Risks to Highlight

- Complex external environment including emerging Govt policies & legislative progress
- Waste growth accelerates following economic recovery
- Concessionary Fares pass use increases significantly as impact of pandemic recedes
- Government changes to transport impact on passenger and Community transport proposals
- It is acknowledged that some savings proposals could adversely impact or delay the County Council's Strategic aims to reduce carbon emissions from transport in Hampshire.

Equality Impacts to Highlight

- Most proposals broadly neutral for most protected characteristics
- Three proposals assessed as having an entirely neutral impact – **Concessionary Travel; HCC Brussels Office; and ETE Operating Model**
- **Highways** – one low negative impact (Rurality)
- **Contracted Waste Services** – two low negative impacts (Age & Disability) and one positive impact (Poverty)
- **Enhanced Traffic Management Enforcement** – five positive impacts (Age, Disability, Pregnancy & Maternity, Race, Sex, Poverty)

Equality Impacts to Highlight

- The most significant negative impacts relate to the **Transport Service Reductions** proposal
 - Three medium negative impacts (Pregnancy & maternity, Race, Religion & belief)
 - Five high negative impacts (Age, Disability, Sex, Poverty, Rurality)
 - Mitigation: wider Community Transport Services that will remain on offer from the Council and the voluntary transport network

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