

# ETE T19 Savings Proposals

Presentation for Economy,  
Transport & Environment Select  
Committee 19 September 2017



Hampshire  
County Council

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# *Serving Hampshire –* Balancing the Budget consultation

Consultation on Hampshire County Council's financial options for 2018-2020



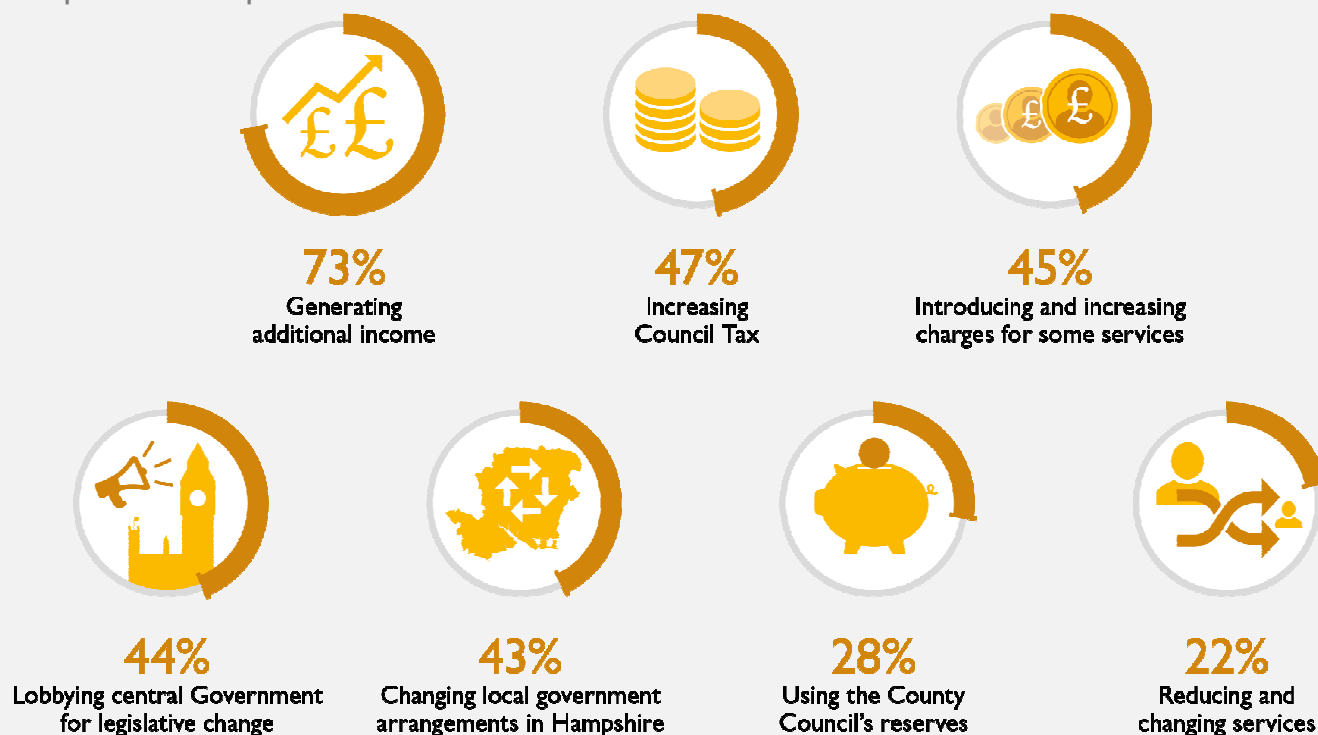
3 July - 21 August 2017

# Key findings

- 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.

# Net popularity of proposals when ranked

- Respondents were asked to rank the seven options for balancing the County Council's budget by order of preference. The image below shows how the options were ranked overall – from generating additional income as the most preferred option to reducing and changing services as respondents' least preferred option.
- The rankings are based on how many times each option was chosen by a respondent as one of their **top three** preferred options.



# Corporate Context

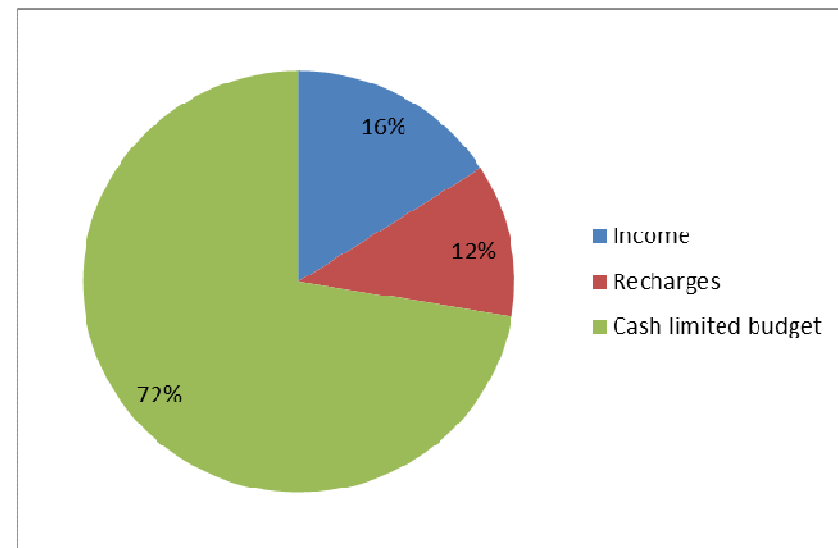
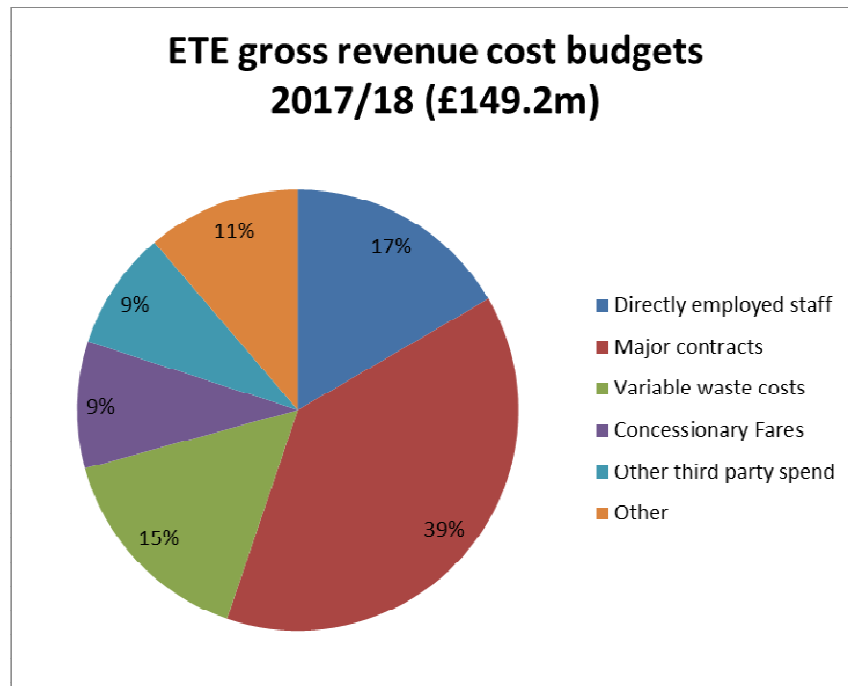
“As a result of national austerity measures, combined with demographic and inflationary pressures, the County Council has had to transform and change the way it works to deliver £340 million of savings over the past seven years. By April 2019, the County Council will face an anticipated budget shortfall of a further £140 million. It has been clearly understood and repeatedly stated that plugging this budget gap was always going to be more challenging – as opportunities for reducing costs even further are obviously more difficult to find. The £140 million savings target was first reported to Cabinet in [February 2017](#) and formed part of the Medium Term Financial Strategy in [June 2016](#).”

Cllr Perry – 15<sup>th</sup> September 2017

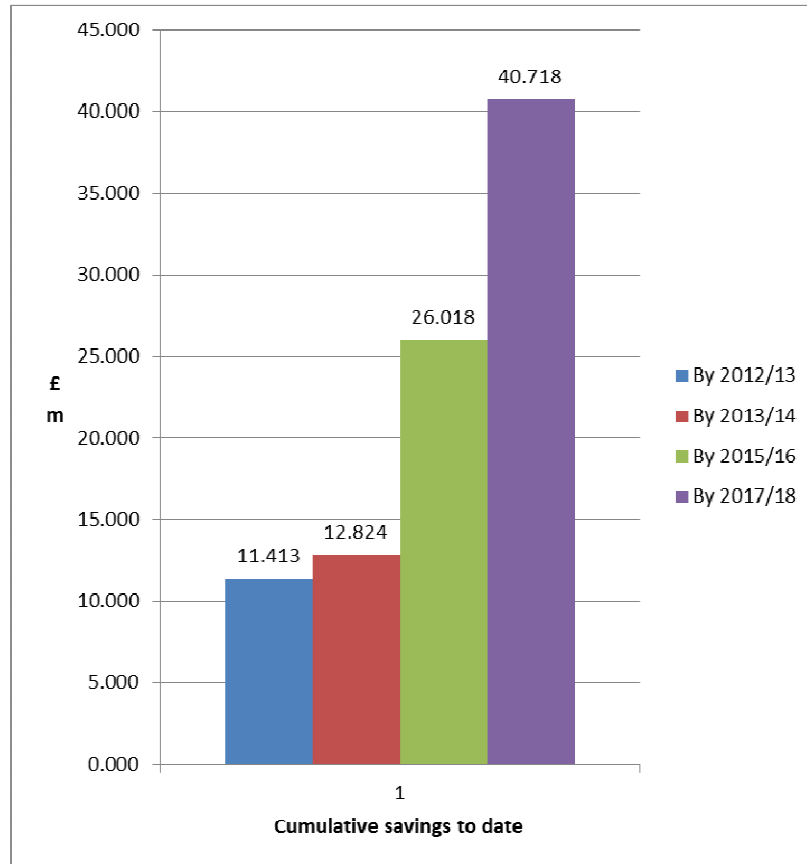
# Target: £19m by 2019/20

**ETE gross revenue cost budgets  
2017/18 (£149.2m)**

**Funded by cash limit (£108m),  
income (£23.8m) & recharges  
(£17.4m)**



# ETE savings already made



- 218 Staff (FTE)

total - £40.718m



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# ETE – T19 Strategy Context

- T17 focus on external spend (£10M - 71%);
  - All major contracts re-negotiated, re-let or re-financed (e.g. Highways, Street Lighting PFI);
- Service levels reduced within areas of discretion or where provision exceeded statutory levels (e.g. withdrawal of 9:00 am start for concessionary fares passengers);
- New Highways Operating Model, reflected in new contract;
- Staff reduction and BAU efficiency savings .














# ETE T19 - Strategy/approach

- Additional income from charging and Trading ●
- Reducing Operational Spend ●
  - Removing/reducing discretionary services;
  - Reducing core service levels towards statutory minimum;




# ETE T19 - Strategy/approach

- **Changing Operating Models** ●
  - Boosting productivity – more flexible workforce, mobile working capability, optimised digital deployment;
  - Re-profiling workforce to better fit new operating model
  - Reducing overall staffing costs;
  - Ending current agency agreements
- **Improved Service Performance** ●
  - e.g. Waste Contract Recycling
- **Efficiencies** ●
  - Concessionary Fares Admin

# Savings proposals (1)

Ref	Proposal	Amount £'000
E12	 Bus Subsidies & Community Transport	4,000
E14	 HWRCs	1,200
E07	 School Crossing Patrols	1,200
E09	 Agency agreements	500
E08	 On street parking	900
E13	 Waste Disposal	3,675
E05	 Highways - winter maintenance	500
E06	 Street Lighting	525
E04	 Highways – new maintenance contract	200
E10	 Revenue works charging review	455
E11	 Concessionary Fares	1,000

# Savings proposals (2)

Ref	Proposal	Amount £'000
E03 	Income – trading	1,500
E01 	ETE operating model	1,550
E02 	Income – charging	1,800
<b>Total</b>		<b>19,005</b>

# Consultation and Decision Making

- *Serving Hampshire – Balancing the Budget*
  - Informed preparation of proposals and recommendations under consideration
- All proposals have already been reviewed for impact on groups with protected characteristics (EIA)
- Next Steps – Recommendations from Exec Members to Cabinet on 16<sup>th</sup> October, and Decision at County Council on 2<sup>nd</sup> November
- Some proposals will need further consultation and further Executive Member decisions
- Where further consultation and decisions are required, updated EIAs will also be required

# Questions



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