

HAMPSHIRE COUNTY COUNCIL

Decision report

Decision Maker:	Executive Member for Economy, Transport and Environment
Date of Decision:	21 January 2014
Decision Title:	Revenue budget report for Economy, Transport and Environment Department for 2014/15
Decision Reference:	5505
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 County Council's early action in tackling its forecast budget deficit over the current Comprehensive Spending Review period has placed it in a very strong position to produce a 'steady state' budget for 2014/15 and give itself the time and capacity to develop and implement the next phase of savings by 2015/16.
- 1.2. This report proposes a budget for the Economy, Transport and Environment Department for 2014/15 and is also approving a range of proposals to close the 2015/16 budget gap in accordance with the Council's Medium Term Financial Strategy reported to Cabinet in July.
- 1.3. The report includes information in respect of the development of proposals for the 12% reduction in spending for 2015/16, consistent with the Transforming the Council to 2015 programme and outlines the framework against which each Department will finalise their budgets for 2015/16.
- 1.4. The report also provides an update on the financial position for the current year. Overall the Department is expected to achieve a break even position against its cash limited budget for the year.
- 1.5. The detailed savings proposals for 2014/15 are outlined in section five of this report and are analysed by workstreams in Appendix 1. As a result of the early implementation of these proposals, the Department is forecast to be £4.062m below their cash limit for 2014/15, which in line with current policy will be retained by Departments to be used for cost of change purposes.
- 1.6. The detailed individual proposals that make up these savings together with the anticipated impact of making the savings are shown in Appendix 2.

- 1.7. The development of further savings proposals for implementation as part of the Transforming the Council to 2015 Programme is discussed in Section 10 and key theme areas that are being pursued are outlined in Appendix 6. These proposals will by their very nature be subject to further development, may require consultation before they can be implemented and due to their transformational nature may have less certainty in respect of timescales and the final level of savings.
- 1.8. The framework for delivery of savings against the 2015/16 budget will be formally recommended as part of the overall budget proposals presented to Cabinet and Council in February, but are outlined for information in this report.
- 1.9. The report also reviews the level of charges for the provision of services in section 6 and provides a summary of charges in Appendix 3.
- 1.10. The proposed budget for 2014/15 analysed by service is shown in Appendix 4 and the workforce implications of the budget proposals are set out in Appendix 5.
- 1.11. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2013/14 and proposals for the 2014/15 and 2015/16 revenue budget for the Economy, Transport and Environment Department. The report has been prepared in consultation with the Executive Member and will be reviewed by the Economy, Transport and Environment Select Committee. It will be reported to the Leader and Cabinet on 7 February 2014 to make final recommendations to County Council on 20 February 2014.

2. Context and Priorities

- 2.1. Following the COMPREHENSIVE SPENDING REVIEW announcement in 2010 local government was anticipating an average 28% reduction in Government funding across the Country. Whilst there has been a small increase in the overall amount, the distribution of the reductions has meant that the County Council has experienced Revenue Support Grant reductions of 43% during this period.
- 2.2. Details of the COMPREHENSIVE SPENDING REVIEW for 2015/16, published in June, included a 10% real terms cut in the Departmental Expenditure Limit (DEL) for local government. The impact on the County Council may not be known until December 2014, but a 10% cash cut in all grant funding has been assumed for planning purposes.
- 2.3. The July Medium Term Financial Strategy update outlined the Council's strategy to tackle these anticipated budget reductions. Assumptions included in the strategy that have been built into the 2014/15 budget proposals are:
 - a 1% council tax freeze grant available for 2014/15 on the assumption that council tax is not increased
 - a pay increase of 1% for 2014/15
 - general inflationary increases of 2.2% per annum

- 2.4. As part of the Medium term Financial Strategy update, the 2% annual efficiency targets set for 2014/15 were rolled up into a total 12% target to be delivered by 2015/16. The 'Transforming the Council to 2015' (TtC to 2015) programme that has been developed is expected to deliver these savings in order to close the budget gap by 2015/16.
- 2.5. As part of the transformation programme, the County Council has been developing its 'Shaping Hampshire' plan, signalling the County Council's intention to further transform and shape services for the future.
- 2.6. The Economy, Transport and Environment department has been developing its service plans and budgets for 2014/15 and future years in keeping with the 'Shaping Hampshire' priorities and the key issues, challenges and priorities for the department are set out below.

Departmental Challenges and Priorities

- 2.7. The basis of the Economy, Transport and Environment budget and cost reduction approach, which continues to underpin the Department's Medium Term Financial Strategy is built on a sharpening focus on core service delivery around Highways, Waste Management, Transport and remaining statutory planning and environmental services, which seeks to optimise efficient and effective service delivery for customers.
- 2.8. Relationships with external service providers, and particularly our two largest private sector business partners, Amey and Veolia are critical to the successful delivery of ETE services. Some three quarters of the ETE revenue budget is currently spent through external contracts, making this the major focus for any cost reduction work in the Department. As part of the Council's business strategy, it remains important to position ourselves strategically in relation to commercial partners in respect of highways and waste where the operational capacity and responsibility was effectively outsourced in the 1990s though strong client management and commissioning expertise is retained within the Department. New service delivery models will be required in both waste and highways which have the potential to deliver very significant financial benefits but this will require careful work and some radical changes to current operations and the working relationships with our private sector partners.
- 2.9. The Department derives around one third of its overall budget from capital funding. There is a close level of integration between capital and revenue spending and activity, such as Highways Maintenance and the Transport Improvements Programme, funded through LTP Capital Grant and Developer funds. Therefore in addition to the revenue budget the capital programme is a very significant area for the Economy, Transport and Environment budget and capital recharges support significant areas of Departmental staffing and operational costs. The Department has again been very successful in bidding for Transport and Infrastructure funding from central Government which has helped to retain delivery capacity and maintain investment levels for capital activities. Indeed we have been so successful that there are some real challenges in securing sufficient staff resources and delivery capacity to successfully implement these projects, alongside Operation Resilience and normal maintenance works, at a time when the County Council is struggling to

retain existing staff and to compete for new staff with private sector consultants, who are once again hiring staff as the construction sector is now emerging strongly from recession.

- 2.10. The Government's intended transfer of future major transport funding and up to half of the LTP non maintenance funding to Local Enterprise Partnerships (LEPs) as part of the local growth pot along with further proposed limitations to Section 106 and section 278 funding agreements pose a further challenge for securing timely and adequate transport infrastructure provision in the future. The funding will be predominantly capital, and therefore initial scheme development and business case production will all be funded on an at risk basis by the scheme promoters (i.e. Highway Authorities). The deployment of additional locally sourced one off monies has been particularly important in helping the County Council to secure its technical cases and evidence base to support bids which have been very successful in 2013/14, securing and it will be important to maintain activities in this area as the LEPs Local Growth Pot and local growth deals come into full operation from April 2015 onwards.
- 2.11. The main challenges for the Department in 2014/15 on top of the on-going need to deliver the proposed savings and to manage cost pressures within the agreed budgets relate to staff and skill retention as the private sector starts hiring planners, transport professionals and engineers again, and the long term impact of successive severe weather events on the overall condition of our highway network. Finally, the Department deals with the County Council's new and emerging responsibilities as a lead local flood authority, under the terms of the Flood and Water Management Act. The Government plan to enact the final element of the Act with the County Council becoming the Sustainable Drainage System (SuDS) Approval Body (or SAB) for Hampshire, requiring us to consider and approve plans, inspect construction and adopt for future maintenance purposes all Sustainable Urban Drainage provisions on new development of 10 or more dwellings from April 2014. The resource implications for approving and adopting SuDS are significant, and will require additional capacity. The fee income is unlikely to fully cover these costs, but it is maintaining SuDS once adopted where the main potential financial challenges lie. At this stage, DEFRA has not come forward with firm proposals for how SABs will secure funding for this work, though the scheme is due to be implemented in less than three months. Therefore with funding mechanisms and levels still to be confirmed, there are significant doubts, also shared and articulated by the LGA, about the realism of the timetable for introducing the new measures by April 2014, and about the potential financial implications for lead local flood authorities.

3. 2013/14 Budget

- 3.1. The cash limited budget for 2013/14 included efficiency savings of £1.411m to be delivered during the year. All departments are monitoring achievement of efficiency targets as part of the normal budget monitoring process for the year.
- 3.2. The budget for the department has been updated throughout the year and the revised budget is shown in Appendix 4. The expected outturn forecast for

2013/14 reported at the end of quarter 2 is to break even against the cash limited budget.

- 3.3. The department is facing significant one-off costs to deliver future savings and has therefore significantly tightened its approach to vacancy management as well as seeking other non-pay savings in year. Early indications from quarter 3 monitoring suggest these actions will improve the position by year end and generate a modest surplus to be used to offset future costs of change. The effect of the recent severe weather emergencies may have an impact on the revenue outturn position if the rest of the winter brings further severe weather events.

Budget 2014/15

4. Revenue Savings Proposals

- 4.1. In July, Cabinet decided to roll up the 2% efficiency targets set for 2014/15 into a total 12% target to be delivered by 2015/16.
- 4.2. As part of the Transforming the Council to 2015 programme, corporate workstreams have been developed that will deliver the bulk of the savings by 2015/16. Each Department retains responsibility for achieving its Departmental savings target and has developed further proposals to ensure the 12% target can be met.
- 4.3. A number of these proposals are already well developed and as such can be taken into account as part of the budget setting process for 2014/15. The early delivery of these 'firm' proposals will create a surplus for Departments against their 2014/15 cash limit which will be used to fund the costs of change in line with the current policy.
- 4.4. Appendix 1 details the savings proposals for the Economy, Transport and Environment Department between the corporate workstreams and departmental savings. It shows that 92% of the savings for Economy, Transport and Environment are being delivered through the corporate workstreams.
- 4.5. Appendix 1 also shows proposals for the early achievement of £4.062m of the savings during 2014/15.
- 4.6. These are summarised in the table below:

	2014/15	Full Year
	£000	£000
Corporate workstream savings	3,687	6,699
Departmental savings	375	575
Total savings	4,062	7,274

- 4.7. In addition it is anticipated that progress will be made with negotiations and consultations in the areas outlined in Appendix 6 to achieve further early savings in 2014/15.
- 4.8. The current Term Highways Contract (THC) runs until April 2016 with the option to extend for a further two years. This means the options for the current budget proposals centre on re-negotiation within the existing contract with more transformational approaches being developed in tandem as part of the procurement strategy for the new contract. A saving of £3.425m is proposed across this area by 2015/16 with the majority of savings expected to be delivered from changes to the way in which routine maintenance is delivered. The overall package includes savings in maintenance and cleansing of road signs, drainage and traffic signals together with proposals to end retainer and equipment grant payments to farmers prepared to be called out for winter maintenance snow clearance work; the payments for each call out will remain in place.
- 4.9. Under the street lighting PFI contract new more energy efficient street lighting equipment is being installed across Hampshire with the core investment period completed by April 2015. The comprehensive roll out of this more energy efficient equipment together with an increased dimming regime are planned to deliver energy savings of £337,000 by 2015/16.
- 4.10. A total of £309,000 is targeted by 2015/16 both from generating external markets for in-house specialist skills to spread these costs across a broader base which will facilitate the retention of specialist skills for the County Council and from other operational efficiencies and reduced costs.
- 4.11. Savings of £92,000 are planned from Economic Development by 2015/16 through re-prioritising operational spend, seeking opportunities to recover costs where appropriate and exploring sponsorship and options to develop shared service approaches to maximise the skills available to the County Council.
- 4.12. The Department expects to meet the corporate target reduction of 10% in senior management numbers and in addition is also planning a department-wide restructuring early in 2014 to deliver a sharper focus on core services and support new models of service delivery. Overall savings anticipated by 2015/16 are £2.24m.
- 4.13. Further savings of £299,000 have been targeted from operational support budget reductions and by increasing the external customer base for the information and data analysis services provided by the Research & Intelligence team.
- 4.14. Further Concessionary Fares scheme administration savings have been identified in addition to the £300,000 already delivered in 2013/14. Together with other efficiencies from greater use of digital media in meeting the statutory requirement to promote travel information a saving of £215,000 is expected.
- 4.15. It is proposed to withdraw funding currently provided to the Police and Crime Commissioner for additional Village 30 enforcement work in line with the notice period set out in the joint agreement. It is also proposed to reduce

funding for services provided under agency agreements with District Councils and to review the provision of school crossing patrols where these fall below current criteria. These measures together with a reduced contingency requirement in this area are expected to deliver savings of £360,000 by 2015/16.

- 4.16. A more detailed summary of the savings proposals for 2014/15 is contained in Appendix 2 which shows the estimated impact on workforce levels. The Appendix also provides information on the type of savings proposals categorised over Transformational, Efficiencies, Income Generation or Service Reductions. The table below summarises the split of savings between these categories:

	2014/15	Full Year
	£000	£000
Transformational		
Efficiencies	3,653	6,513
Income Generation	229	401
Service Reductions	180	360
Total	4,062	7,274

- 4.17. These savings proposals would result in an estimated workforce reduction of 59 full-time equivalent (FTE) positions based on current average budgeted FTE costs.

5. Review of charges

- 5.1. For the Economy, Transport and Environment Department, the 2014/15 revenue budget includes income of £0.5m from fees and charges to service users. This is a nil increase on the adjusted original budget for 2013/14.
- 5.2. Equivalent figures provided in the previous year's budget report included charges to external organisations including contributions from other local authorities. The figures this year reflect only fees and charges made to individuals to ensure consistency of approach across the organisation and have been compared to the equivalent figures from 2013/14.
- 5.3. Details of current and proposed fees and charges (where these are specifically defined) for 2014/15 are outlined in Appendix 3.

6. Other expenditure

- 6.1. The budget includes some items which are not counted against the cash limit. This includes budgets for central department support services (except where they have been given to service departments to buy services), and repair and maintenance of buildings. It also includes costs of Member Support within the Economy, Transport and Environment Department and

budgets that are rechargeable to Policy and Resources for corporate and democratic core services. For the Economy, Transport and Environment Department this also includes a sum of £557,000 relating to the Flood Protection Levy paid annually to the Environment Agency. These funds are received and distributed by the Regional Flood and Coastal Committees for flood defence works across their regions.

7. Budget summary 2014/15

- 7.1 The budget update report presented to Cabinet in December included provisional cash limit guidelines for each department. The cash limit for the Economy, Transport and Environment Department in that report was £113.794m.
- 7.2 Appendix 4 sets out a summary of the proposed budgets for the service activities provided by the Department for 2014/15 and show that these are £4.062M below the cash limit that was set. These spare resources will be retained by the Department to meet the future costs of change in line with the current County Council policy.
- 7.3 In addition to these cash limited items there are further budgets which fall under the responsibility of this department, which are shown in the table below :-

	2014/15 £000
Total expenditure	129,818
Income other than Government grants	14,064
Government Grants:	694
Total net expenditure	115,060

- 7.4 This net position excludes central items such as repairs and maintenance, support service charges and capital charges which will be added as part of the overall budget reported to Cabinet and County Council in February.

8. Workforce implications

- 8.1. The workforce implications of the proposed budget for 2014/15 are set out in Appendix 5. As the Department is planning a major restructuring exercise to commence early in 2014 precise figures are not yet available but the impact of the planned saving in senior management and other staffing has been estimated based on the current average budgeted cost per fte.
- 8.2. On this basis, at the end of 2014/15 the planned workforce for the Economy, Transport and Environment Department is 705 full time equivalent (FTE) staff. This compares with the estimate at the end of 2013/14 of 739 FTEs

which is a reduction of 34 FTEs (full year effect -59 FTEs) as summarised below:

	FTEs
FTE staff as at 31 March 2014	739
Changes relating to savings targets	-34
FTE staff as at 31 March 2015	705

9. Transforming the Council to 2015

- 9.1. The public sector has experienced unprecedented change over the last 4 years, following the significant reductions in Government Grant that have been put in place.
- 9.2. The County Council has from the outset responded positively to these reductions, dating back to the 'in year' reductions in Children's Services grants during 2010/11 and then in respect of the anticipated reductions over the 2010 Comprehensive Spending Review period.
- 9.3. The key strands of the County Council's strategy during this period, are to plan well in advance, to implement savings in advance of need and then use the surplus resources to fund the next phase of investments in order to secure even greater efficiencies.
- 9.4. This strategy has enabled the County Council to develop its 2014/15 budget without the need to implement significant savings and means that it has the time and capacity to develop further efficiencies and importantly to transform services with a view to implementing revised models of service delivery for the 2015/16 financial year.
- 9.5. The Transforming the Council to 2015 Programme was put in place last year and is based as in previous years on the pursuit of a range of Corporate Workstreams designed to assist Departments in achieving their 12% savings targets.
- 9.6. Given the developmental and transformational nature of many of the savings, it is not possible to provide detailed proposals on all areas at this stage but a summary of key theme areas for this Department has been provided at Appendix 6 and show a total range of savings of £5.3m to £7.6m.
- 9.7. In order to provide Directors with the flexibility to maximise opportunities within the overall Programme, it is proposed that delegated authority will be sought from the Cabinet to give them the authority (in consultation with the relevant Executive Member) to implement savings that are consistent with the themes and values outlined in Appendix 6 during 2014/15 and 2015/16, that will enable them to come within their 2015/16 cash limits.
- 9.8. This flexibility is necessary because whilst there is certainty over the financial envelope within which Departments are working, the revised operating model designed to meet the savings target is not yet fully clear and will potentially be subject to transformational activity, further development, refinement or

investment and in some cases formal consultation with users before they can be fully implemented.

- 9.9. Any significant departures either in terms of value or against the themes that have been identified will require formal approval from Cabinet before they can be fully implemented.
- 9.10. Given the scale of the total savings that are being implemented as part of the Transforming the Council to 2015 Programme, the Corporate Management Team will continue to undertake detailed monitoring of the overall programme and in particular those items outlined in Appendix 6 to ensure that they remain on track for delivery for 2015/16. Regular updates will also be provided to Cabinet.

10. Conclusion

- 10.1. This report outlines the key issues and proposals for the Economy, Transport and Environment Department budget for 2014/15 and sets out the key themes and methodologies in respect of developing savings proposals to meet the 12% savings target for 2015/16.
- 10.2. Risk associated with achieving these proposals, as set out within this report, include:
 - contract changes cannot be secured without agreement of the contractor
 - delivering a major programme of change at a time of significant pressure on both staff resource and budgets
- 10.3. Equality Impact Assessments have been undertaken in respect of the main savings proposals, and where necessary, appropriate actions have been identified.
- 10.4. The Departmental Management Team will monitor progress against all savings proposals on a regular basis, and highlight issues with the Executive Member where appropriate. Separate corporate monitoring of savings delivery will be undertaken by CMT and will be reported to Cabinet on a regular basis.
- 10.5. Delegated authority will be requested to allow the Director in consultation with the Cabinet Member to implement proposals consistent with those outlined in this report in order to set service budgets within the provisional cash limits that will be set for 2015/16.

11. Recommendations

To approve for submission to the Leader and Cabinet:

- 11.1. The firm proposals for savings totalling £4.062m in 2014/15 (as set out in Appendix 1 and 2)
- 11.2. The annual review of income and charges (as set out in Appendix 3).
- 11.3. The revised budget for 2013/14 (as set out in Appendix 4).
- 11.4. The summary budget for 2014/15 (as set out in Appendix 4).

- 11.5. The workforce implications of the proposed budget for 2014/15 (as set out in Appendix 5).
- 11.6. The key theme areas for further savings as part of the Transforming the Council to 2015 Programme (as set out in Appendix 6)

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	
Corporate Business plan link number (if appropriate):	
Maximising well-being:	
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	
None		

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.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. Departments have carried out a screening for equality impact on all budget decisions. This work was supported by trained equalities leads and service managers and was approved by Departmental management teams.
- 1.2. This identified that there will be an impact on staff and services as a result of some of the budget proposals. Where potential negative or adverse impact has been identified, we have put in place proportionate and relevant responses to mitigate this.
- 1.3. On the whole however, the proposals contained in this paper then themselves to improved, modernised or transformed services, or to different models of delivery and where possible, provide greater choice for, and greater involvement of, service users.

2. Impact on Crime and Disorder:

- 2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime, but where services are being re-designed this will be a factor that is being taken into account.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

There are no specific proposals that impact on the County Council's carbon footprint / energy consumption but where service changes are being considered they will take this into account.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

There are no specific proposals that directly relate to climate change issues but where service changes are being considered they will take this into account.

Department
Summary of corporate workstreams
2014/15 Firm Proposals

Corp. Workstream Ref.	Description	Savings 2014/15	Savings 2015/16
		£'000	£'000
ES5	External spend - Highways	1,990	3,762
FE1	Senior management and other workforce savings	1,279	2,237
FE2	Staff overheads and running costs	418	700
		3,687	6,699
D	Departmental Savings	375	575
	Total savings	4,062	7,274

**Department
Expenditure Reduction Options – 2014/15 Firm Proposals**

Ref.	Savings Type	Service Activity	Description	Impact / Issues	2014/15		Full Year	
					£000	FTE	£000	FTE
ES5	E	Highways Maintenance	Savings from the current Term Highways contract and reviewing operational delivery methods across all aspects of highways and winter maintenance.	Potential reduction in ability to respond to non-safety issues.	1,865	0	3,425	0
ES5	E	Street lighting	Reduced energy costs from more efficient equipment and increased dimming.	Minimal impact on highway users and residents anticipated.	125	0	337	0
FE2	I	Planning and environmental services	Generate additional external funding to retain in-house specialist skills ⁽¹⁾ .		163	0	309	0
FE2	I	Economic Development	Reprioritisation of operational activity/explore options to develop shared service approaches ⁽¹⁾ .		66	0	92	0
FE1	E	Senior management & other workforce	Reduce senior management numbers as part of corporate approach. Restructure whole department to deliver sharper focus on core services and support new models of service delivery		1,279		2,237	
FE2	E	Departmental operational support	General efficiency savings/increase external customer base for research services ⁽²⁾ .		189	0	299	0
Total of Corporate Workstreams					3,687		6,699	

Ref.	Savings Type	Service Activity	Description	Impact / Issues	2014/15		Full Year	
					£000	FTE	£000	FTE
ET1	E	Public Transport	Further savings on Concessionary Fares scheme administration/ greater use of digital media in meeting statutory requirement to promote travel information.		195	0	215	0
ET2	R	Traffic and Transport	Review funding to the Police and Crime Commissioner for additional Village 30 enforcement work/reduced contingency requirement. Review funding provision for services operated by District councils under agency arrangements. Also, review school crossing patrol provision not meeting current criteria.	Village 30 funding provided under joint agreement with Hampshire Police and Crime Commissioner. Agency arrangements provided under joint agreement with District Councils.	180	0	360	0
Total of Departmental Savings					375	0	575	0
Total Savings					4,062		7,274	

⁽¹⁾ Proposals also include operational cost savings

⁽²⁾ Proposals also include expanding external customer base to retain specialist skills.

Department**Review of income 2014/15**

	Current Charge £	Total Income (14/15 Budget) £	Proposed Increase %	Proposed New Charge £
Mandatory/National Charges:				
None				
Discretionary Charges:				
Road Traffic Incident (RTI) damage – recovery of engineering and administration costs (cost of works required are recharged at cost)	60.00	19,600	0	60.00
Non-RTI damage – recovery of engineering and administration costs (cost of works required are recharged at cost) ⁽¹⁾	8-15% of cost of works required	134,000	0	8-15% of cost of works required
Vehicle access – recovery of engineering and administration costs (cost of works are recharged at cost) ⁽¹⁾	60.00		60.00	
Land Search fees	18.65	315,000	0	18.65
Concessionary Fares – replacement of lost passes	10.00	22,800	0	10.00
Road Safety – Older Driver Courses	30.00	20,000	0	30.00

⁽¹⁾ Budget includes these and other items.

**Department
Budget summary 2014/15**

Service Activity	Original Budget 2013/14 £000	Revised Budget 2013/14 £000	Proposed Budget 2014/15 £000
Highways Maintenance	32,848	33,059	32,144
Public Transport	19,249	19,328	19,481
School Crossing Patrols	1,122	1,122	1,132
Road Safety	969	969	789
Traffic Surveys	87	87	87
Parking Services	-95	-95	-97
Staffing & Operational Support (Highways & cross-departmental)	14,390	14,699	13,536
Total Highways, Traffic and Transport	68,570	69,169	67,072
Waste Disposal Contract	36,489	37,374	38,389
Waste Management non-contract	1,171	1,246	1,185
Planning and Development	2,488	2,802	1,913
Chichester Harbour Conservancy	183	183	187
Total Waste, Planning and Environment	40,331	41,605	41,674
Economic Development	845	1,032	986
Rural Affairs ⁽¹⁾	200	0	0
Early achievement of savings – firm proposals	0	0	4,062
Total	109,946	111,806	113,794

⁽¹⁾ Rural Affairs budget transferred back to Policy and Resources during 2013/14.

**Department
Workforce implications**

Service Activity	Estimated Staff Numbers (full-time equivalent) 31.3.2014	Transfers & Other Changes	Impact of Savings Proposals⁽¹⁾	Estimated Staff Numbers (full-time equivalent) 31.3.2015
Highways, Traffic and Transport	556			556
Waste, Planning and Environment	104			104
Economic Development	17			17
Departmental and Corporate Support	62			62
Savings target			(34)	(34)
Total	739	0	(34)	705

⁽¹⁾ The Department is planning a major restructure programme in early 2014. It is therefore too soon to know the exact impact in ftes. The figure shown in this appendix is based on the planned level of saving and an average budgeted fte cost for the Department. The position as at 31 March 2015 represents a part year effect.

TRANSFORMATION TO 2015 – ECONOMY, TRANSPORT AND ENVIRONMENT – KEY THEMES

Service Area	Corporate Workstream	Description of Proposal	Key Actions and Timescales	Anticipated 2015/16 Saving £'000
Public Transport	ES5	County-wide review of subsidised bus services and community transport consistent with the principles of the 2011 review. Also to review discretionary aspects of the Hampshire Concessionary Fares Scheme.	Consultation during 2014/15. Draft Concessionary Fares Scheme published by December 2014.	1,250 to 1,500
Recycling and Waste Disposal	ES5	Explore options for financial and other benefits to the County Council from extending the existing waste disposal contract together with Household Waste Recycling Centres service provision review.	Negotiations with current waste contract provider underway. Consultation on HWRC service levels and options during 2014 will inform the new management contract from February 2015.	4,000 to 6,000 ⁽¹⁾
Review of funding contributions to departmental external partnerships	D	Explore options to reduce funding contributions.	Depends on securing the agreement from partners which may not be possible.	50 to 100

(1) HCC share