

HAMPSHIRE COUNTY COUNCIL

Decision Report

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| Decision Maker: | Executive Member for Economy, Transport and Environment |
| Date of Decision: | 15 September 2015 |
| Decision Title: | Transformation to 2017 – Revenue Savings Proposals |
| Decision Reference: | 6888 |
| 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 purpose of this report is to outline the savings proposals for the Economy, Transport and Environment Department that have been developed as part of the Transformation to 2017 Programme.
- 1.2. The report also provides details of the Equality Impact Assessments (EIAs) that have been produced in respect of these proposals and highlights some of the key issues arising from the public consultation exercise that was carried out over the Summer and how these have impacted on the proposals presented in this report.
- 1.3. The Executive Member is requested to approve the savings proposals for submission to Cabinet and then full County Council in October (recognising that there will be further public consultation for some proposals as required).

2. Background and Context

- 2.1. The County Council has since the 2010/11 financial year been responding to the on-going reductions in public spending that are required to close the structural deficit within the economy.
- 2.2. Reductions in Government grant together with inflationary pressures and social care growth have created an average budget gap of around £50m per annum, meaning that around £100m has needed to be saved every two year cycle.
- 2.3. The forecast gap for the two years to 2017/18 is £98m, and after allowing for 'housekeeping savings' of £8m, targets were set for Departments based on a reduction of 14.5% in cash limited spend.

- 2.4. One of the key features of previous savings programmes within the County Council 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.
- 2.5. This approach has also meant that savings have often been implemented in advance of need and this has provided resources both corporately and to individual Departments to fund investments in capital assets and to fund further change and transformation programmes to deliver the next wave of savings.
- 2.6. The Transformation to 2017 Programme was formally launched in October last year and began with an Initial Opportunity Assessment carried out in conjunction with the County Council's Private Sector Partner. Since the early part of this year, the initial opportunities have been developed into a defined programme, centred around a 'Top 19' group of projects, details of which were reported to Cabinet on 22 June 2015.
- 2.7. At the same time, the *Shaping Hampshire* – Spending Review Consultation was carried out between 26th May and 6th July and was conducted using two methods:
 - an open consultation – available online and via a paper copy (available to any stakeholder or member of the public); and
 - a telephone survey – targeted at a representative sample of 1,500 residents.
- 2.8. To ensure independence and objectivity during the consultation process, the national market research company Ipsos MORI was commissioned to undertake the consultation and analysis on behalf of the County Council.
- 2.9. In addition, Equality Impact Assessments have been produced for all of the detailed savings proposals and these, together with the outcome of the consultation and the development work on the overall Transformation to 2017 Programme, have helped to shape the proposals presented for approval in this report.

3. Budget Update

- 3.1. The savings targets that were set for Departments were based on forecasts produced over the Summer of 2014 and included a wide range of variable assumptions to arrive at the total predicted gap of £98m.
- 3.2. Following the General Election in May an early Budget announcement was scheduled for 8 July, and it was hoped that there would be further information that would provide greater certainty around grant reduction assumptions.
- 3.3. However, there was minimal additional detail in respect of likely levels of grant reductions although we are now aware that Government Departments have been asked to start preparing plans for real terms reductions of between 25 and 40% over the next four years.

- 3.4. The profile of reductions published by the Government indicate that 2016/17 will be a relatively light year, with the bulk of the reductions weighted towards 2017/18 and 2018/19.
- 3.5. The County Council is working on the basis that grant will reduce in cash terms by 10% per annum over the next 4 years, which is within the overall boundaries of reductions announced by the Government. However, as is known from past experience, the distribution of the reduction is often heavily weighted towards local government as an unprotected area and could therefore produce a worse position than is currently predicted.
- 3.6. A further more detailed spending announcement is anticipated from Government towards the end of the year, at which point it will be necessary to review assumptions in light of the information that is made available at that time.

4. Transformation to 2017 – Departmental Context

- 4.1. 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 (required by law).
- 4.2. ETE has already made savings since 2011 totalling £26.018m including reductions of 159.4 permanent Full Time Equivalent (FTE) posts. The requirement for 2017 is to identify and deliver a further £14.7m of savings against the net budget of £103.77m approved in February 2015.
- 4.3. To develop a comprehensive programme for achieving the savings, the Department has reviewed all aspects of its services (the Initial Opportunity Assessment process) with support and challenge from both the Council's Private Sector Partner and internal peer review.
- 4.4. Much of the service provision in the Department is delivered by the private sector, for example through the major contracts for highways maintenance and waste disposal. As a result, some 73% of ETE's gross costs are spent with external contractors with a significantly smaller percentage (18%) on staffing and other costs such as premises, travel and office costs (9%). Some 28% of these gross costs are offset by income and recharges.
- 4.5. The review process therefore focussed on external spend and market management (building on or enhancing existing partnerships and using the opportunity of new contracts to transform service delivery), identifying further opportunities to replace budget funding with traded income to enable retention of specialist service capacity within the organisation, and developing new operating models (including reviewing staffing levels, organisation and skills) to drive new ways of working.
- 4.6. Key principles underpinning the process were to develop plans to deliver the savings in full by 2017, to achieve this by transforming how services are delivered thereby minimising the impact on service levels wherever

possible, and to ensure that proposals would continue to be financially sustainable beyond 2017.

- 4.7. Proposals were included in County Council's public consultation exercise ending on 6 July 2015.
- 4.8. The key proposals emerging from this process are set out below with a more detailed financial breakdown shown in Appendix 1.

External spend/market management £9.710m (£2.427m already secured).

- 4.9. Highways maintenance activities are delivered through the term highways contract and represent a major area of spend for the Department. The current contract expires in April 2017. There are two opportunities in this area. Firstly a review of the current contract (where significant savings have already been achieved through previous negotiations) to include further efficiencies in service delivery and reducing service frequencies in activities including grass cutting, weed killing, sign cleaning, gully emptying, A and B road line re-marking and work on cattle grids. The new contract (the Hampshire Highways Service Contract) which will operate from May 2017 will bring a further opportunity to deliver additional savings through new approaches to service delivery.
- 4.10. It is proposed to significantly reduce the work on local traffic management schemes which are not led by safety concerns and to review the way in which both traffic management and development planning services, which are currently delivered under agency agreements with District Councils in a number of areas within the County, are funded and provided.
- 4.11. The contract for providing Intelligent Transport Systems (e.g. traffic signals) will be re-procured to reduce the cost of providing and maintaining this equipment. It is also proposed to reduce the cost of street lighting by seeking cost reduction opportunities from the the street lighting Public Finance Initiative (PFI) contract under which lighting equipment is provided and maintained and achieve other operational efficiencies in the provision of street lighting including energy savings from further dimming.
- 4.12. The full effect of the reductions in public bus subsidy agreed as part of the 2015 savings will contribute towards achieving the 2017 target and no further reductions in this area are recommended. It is proposed to review some legacy, non statutory Home to School Transport provision to limit support solely to those with a statutory entitlement to the service in line with existing County Council policy. Unlike statutory Home to School Transport provision these services are currently funded from the bus subsidy budget.
- 4.13. The second phase of the waste disposal contract extension agreed as part of the 2015 savings will contribute additional savings in 2017/18 and ongoing collaborative work with the contractor is expected to build in further savings from activities within the contract. The Department will undertake a review of the overall waste management system looking at a whole cost approach focussing, with Collection Authority partners, on waste prevention and encouraging recycling to yield additional efficiencies. This work will have potentially significant longer-term financial benefits for both the County Council and District Councils within Hampshire and is currently

expected to begin to deliver savings by 2017. Finally, a Household Waste Recycling Centre (HWRC) service review has been undertaken and it is proposed to re-shape and rationalise the service built around a new management contract from April 2016. The importance of maintaining this service provision to the public is acknowledged and proposals are based on retaining the existing pattern of service provision as far as possible within financial resources.

- 4.14. Total savings from external spend/market management are currently forecast at £9.967m with £2.427m already secured from previous actions. The remaining £7.54m savings are at least in part dependent on either the attractiveness of proposed new contracts to the market or the willingness of partners to collaborate in delivering savings but are nevertheless considered realistic and achievable.

Income generation/traded services £1.951m

- 4.15. Recognising the changes in responsibility for service delivery in areas such as Strategic Planning the case for the County Council to continue to exclusively fund the provision of specialist expertise and services can no longer be justified. However the merit in retaining a range of specialist expertise within the County Council is also acknowledged.
- 4.16. It is therefore proposed to contribute to overall budget savings by offering certain professional services including transport consultancy, specialist environmental services, planning pre-application advice, research and intelligence services and economic development advice to external customers on a traded basis and seeking to cover costs currently funded from the Department's cash limited budget from external funding contributions. Options to further develop commercial opportunities in areas such as engineering consultancy will also be pursued.
- 4.17. In addition to traded professional services, as part of the new Hampshire Highways Service Contract, it is proposed to generate savings from diverting materials from landfill as well as recycling and reusing the old highways materials and exploring options for generating income from this process.
- 4.18. While there is an inherent risk involved in any trading operation proposed savings have been calculated using available estimates of the potential market, assessments of what activities would prove attractive and our capacity to deliver them.

New operating models £3.039m (£2.3m already secured)

- 4.19. New and substantially different ways of delivering consolidated services will need to be supported by workforce redesign, changed staffing, management and support structures, and a different culture with different skills and approaches will be required. Savings across the Department through developing these new operating models are estimated at £3.039m of which £2.3m has already been secured from staff reductions through Voluntary Redundancy (58.3 FTE).

5. Summary financial implications

- 5.1. The savings target that was set for the Economy, Transport and Environment Department was £14.7million and the savings proposals that are being put forward to meet this target have been set out in Section 4 above with a more detailed financial breakdown in Appendix 1.
- 5.2. These proposals, once fully implemented, will deliver £14.7million of savings by 2018/19 which will meet the required target. Of this, £12.7million will be delivered by 2017/18. The initial timing shortfall of £2m can be met from the Department's cost of change reserve (see 5.3 below). The timing shortfall includes a sum of £1.4million already confirmed through negotiations as part of the 2015 savings process which will be implemented from January 2018.
- 5.3. The cost of change reserve has been built up by delivering savings ahead of the required timeframe in line with the County Council's overall approach outlined in 2.4-2.5 above. The Department will continue this approach for the savings proposed in this report and it is currently forecast that up to £4.6million can be delivered ahead of April 2017. This is expected to be sufficient to cover both the anticipated timing shortfall and the cost of one-off investments required to deliver the savings.

6. Workforce Implications

- 6.1. Appendix 1 also provides information on the estimated number of reductions in staffing contributing towards implementing the proposals and shows 58.3 FTE have already been agreed as part of the Voluntary Redundancy (VR) process that was undertaken earlier in the year culminating in a significant contribution to the savings.
- 6.2. The County Council's approach to managing down staff levels in a planned and sensitive way through the VR process continues to generate significant savings with £18m secured earlier this year as part of the Transformation to 2017 programme across the County Council as a whole of which the Department's contribution was £2.3m.
- 6.3. At the current time, the detailed workforce implications can not be estimated for all aspects of the proposal. Whilst it is anticipated that further reductions in the number of posts within the Department will be required to achieve the savings in full, the Department will seek to mitigate the impact of this through voluntary means, workforce redesign, natural turnover and a continued programme of robust vacancy management. 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 policy and procedures.

7. Equality Impact Assessment, Consultation and Decision Making

- 7.1. An Equality Impact Assessment appraises the impact of each individual savings proposal on parts of the community which have characteristics which are protected by legislation, such as religion, age, etc. If a savings

proposal has an impact on one of these characteristics this does not mean that the proposal cannot be carried through, but means that the impact has to be understood and taken into account during the decision making.

- 7.2. Each of the savings proposals has had an Equalities Impact Assessment completed for it, and these are all attached at Appendix 2.
- 7.3. From a review of these assessments there is nothing in the current savings proposals that will have a high impact on members of the community with protected characteristics. A large number of the savings proposals are delivering efficiencies through generating income, reducing the cost of contracts, or reducing services to the level required by statute, all of which help to keep impacts upon people with protected characteristics and the community in general to a minimum.
- 7.4. The Shaping Hampshire - Spending Review Consultation was carried out between 26 May and 6 July 2015, with the aim to seek residents' and stakeholders' views on three main options for managing the anticipated shortfall in funding and achieving savings of around £98million by April 2017, namely:
 - Raising the rate of Council Tax
 - Using the County Council's reserves differently
 - Reducing spending on specific services.
- 7.5. The Consultation also included questions on which services respondents considered to be 'most important' for the County Council to continue to deliver; usage of a range of services; and an opportunity to add views or further options.
- 7.6. Overall, there was a high level of support for the County Council's current financial strategy. Respondents also favoured savings being found through a combination of all three options – namely increasing Council Tax, using more of the County Council's reserves and reducing spending on some services. There was less support for using more of the County Council's reserves (in combination with service spending reductions), and very limited support for finding the anticipated savings through reductions in funding for services alone.
- 7.7. Most residents and stakeholders were strongly opposed to reducing spending on services for children, older people and vulnerable people - ranking these as the 'most important' services for the County Council to continue to support and deliver. However, services were not prioritised based on respondents' use of the service. Household waste recycling, roads maintenance and libraries were also ranked as important services.
- 7.8. Executive Lead Members and Chief Officers have been provided with the key findings from the consultation to help in their consideration of any areas where the feedback conflicts with the options for savings proposals that were included in the Spending Review Consultation.
- 7.9. In relation to the options on which the County Council consulted, for savings in service areas for Economy, Transport and Environment (ETE), the majority of residents and stakeholders opposed reducing spending on

Household Waste Recycling Centres (HWRCs). Instead, respondents would prefer that the County Council focused on making savings through the following:

- Dimming streetlights
 - Reviewing the amount of waste produced by households and increasing the proportion that can be recycled
 - Reviewing local traffic management schemes which are not led by safety concerns or legal requirements
- 7.10. The Department is pursuing proposals around these options. The make-up of the ETE budget is based around large long-term contracts for highways maintenance and waste disposal. This means that repeated savings from these contracts are difficult to secure. For example, the major renegotiation of the waste disposal contract, last year, has already provided significant savings by extending the contract.
- 7.11. Therefore, it will not be possible to meet the savings target for the Department without looking at potential savings from HWRCs. The original intention was to explore charging for the use of HWRCs which would have protected the current level of provision. However, the Government specifically ruled out any ability for local authorities to introduce charges for depositing household waste at such sites, for example by charging an entrance fee. Consequently, it has been necessary to consider the level of HWRC provision across the county. Any proposals for this option will be subject to a separate consultation, with the aim of ensuring that an adequate level of provision is maintained across the county, in response to the findings of the Spending Review Consultation.
- 7.12. Furthermore, as respondents were generally supportive of a rise in the level of Council Tax to offset some of the service reductions, the County Council could consider this as an option, although the current planning assumption is no rise in council tax.
- 7.13. Information on the findings from the Shaping Hampshire - Spending Review Consultation will be subject to a separate detailed report to Cabinet in September, leading into the update of the Medium Term Financial Strategy planned for October.
- 7.14. Further detailed consultation will follow in areas where there could be localised effects such as non-statutory Home to School Transport and the operation of Household Waste Recycling Centres.

8. Recommendation

- 8.1. To approve the proposed savings options contained in this report and Appendix 1, for submission to the Cabinet.

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

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

1.1 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 under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

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

1.2 Equalities Impact Assessment:

A full Equalities Impact Assessment has been undertaken for each of the savings proposals and these are included as a separate appendix to this report.

2. Impact on Crime and Disorder:

2.1 The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime.

2.2 There are two proposals with potential to have an impact on crime and disorder. There could be an increase in fly-tipping in localised areas if some of the options for HWRC savings are pursued, and there could be the perception of increased street crime if street lighting is dimmed.

2.3 In both cases, however, recent evidence from earlier savings proposals appears to indicate that there will be no impact.

3. Climate Change:

3.1 How does what is proposed impact on our carbon footprint / energy consumption?

The proposals are likely to have a positive effect on the council's carbon footprint and on our energy consumption. Dimming of street lights, improvements to our

waste disposal partnership with Veolia, preventing waste arising and maximising recycling with the Hampshire Waste Partnership, and the recycling of highways material, are likely to have significant and positive impacts.

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

None of these proposals are likely to have an impact on our ability to deal with the likely consequences of climate change.

Appendix 1

| Corp. Prog. Ref | Service Activity | Appendix 1 Saving Description | Impact / Issues | 2016/17 | 2017/18 | 2018/19 | FTE |
|-----------------|--|---|--|---------|---------|---------|-------|
| E3 | Highways - new operating model | This project will reduce the cost of the highways service and improve the management of demand, both into and within, the Highways department, resulting in a more efficient and effective operating model. | The impact on the public may be beneficial in that they will be able to access directly more information about the highways service themselves. However the new approach is expected to result in more standardised responses to members of the public, less one to one engagement and meetings attendance and less detailed consultation processes in some cases. Some aspects will require agreement to be reached with those District Councils currently delivering elements of the service themselves to allow the savings to be achieved. This proposal in part achieves savings from a recent Voluntary Redundancy scheme and the full-time equivalent (FTE) reductions quoted in this appendix refer to this scheme. Where further specific consultation is required for staff on detailed options for new operating models this will be carried out at appropriate times and in accordance with relevant HR policies and procedures. | 936 | 1112 | 1112 | 26.96 |
| E1 | Highways - existing term contract | To improve the existing Term Contract by altering some existing specifications and agreeing further service delivery efficiencies resulting in a more efficient and effective contract. | Potential impact on the public from changes to levels of service e.g. where frequencies are reduced or response times lengthened. Some aspects will require agreement to be reached with those District Councils currently delivering elements of the service themselves to allow the savings to be achieved. | 650 | 2000 | 2000 | 0 |
| E2 | Highways - new Hampshire Highways Service Contract | To draft and procure a new Hampshire Highways Service Contract that meets Hampshire's statutory obligations as the Highways Authority, provides good value for money, is customer focused and flexible enough to meet future economic pressures and opportunities facing the Authority. | Potential impact on the public from changes to levels of service e.g. where frequencies are reduced or response times lengthened. Some activities will have a reduced level of service based on risk in line with the new national code of practice. Some aspects will require agreement to be reached with those District Councils currently delivering elements of the service themselves to allow the savings to be achieved. | 0 | 1800 | 1800 | 0 |

| Corp. Prog. Ref | Service Activity | Appendix 1 Saving Description | Impact / Issues | 2016/17 | 2017/18 | 2018/19 | FTE |
|-----------------|--|--|---|---------|---------|---------|-------|
| E4 | Household Waste Recycling Centres (HWRCs) | The project is intended to help reshape the HWRC service to achieve revenue savings; this includes a long term plan to rationalise the service to help manage future demand for the service and deliver a holistic approach to waste management in Hampshire that is fit for purpose. | Potential impact on the public from re-shaping and rationalising the HWRC service and from the potential for increased fly-tipping at least in the short term. | 500 | 1000 | 1200 | 0 |
| E5 | Transport and Traffic Management - new operating model | This project will review the services currently provided by Traffic & Transport group to members of the public, LEPs, partner agencies and internal customers within the organisation. An operating model will be developed which will identify how to exploit new opportunities, address rising threats (e.g. government directives, legislation changes, etc) and use resources more efficiently and flexibly across the department to generate savings. | Some aspects will require agreement to be reached with those District Councils currently delivering elements of the service themselves to allow the savings to be achieved. There is also a possibility that potential service reductions in non-safety related areas of Traffic Management activity may generate some adverse public reaction. This proposal in part achieves savings from a recent Voluntary Redundancy scheme and the full-time equivalent (FTE) reductions quoted in this appendix refer to this scheme. Where further specific consultation is required for staff on detailed options for new operating models this will be carried out at appropriate times and in accordance with relevant HR policies and procedures. | 631 | 1000 | 1000 | 16.79 |
| E6 | Highways materials recycling | To deliver cost savings from diverting materials from landfill as well as to recycle and reuse the old highways materials and generate income from providing this as a service to others | No impact anticipated on the public. | 100 | 800 | 800 | 0 |
| E12 | Waste, Planning & Environment traded services | To maintain/expand capacity and expertise by growing income from existing services and identifying opportunities to explore options for generating income from this process. | No impact anticipated on the public. | 75 | 300 | 500 | 0 |

| Corp. Prog. Ref | Service Activity | Appendix 1 Saving Description | Impact / Issues | 2016/17 | 2017/18 | 2018/19 | FTE |
|-----------------|--|--|--|---------|---------|---------|------|
| E13 | Research & Resources traded services | To maintain/expand capacity and expertise by growing income from existing services and identifying opportunities to generate income from new services to offset costs. | No impact anticipated on the public. | 0 | 134 | 194 | 1.8 |
| E14 | Engineering Consultancy traded services | To maintain specialist and technical services capacity through the establishment of successful and effective trading arrangements to secure additional sources of external income | No impact anticipated on the public. | 21 | 178 | 204 | 0 |
| E7 | Development planning & traffic management | Review of services currently provided under agency agreements by District Councils. | Any changes will require agreement to be reached with District Councils currently providing these services. | 0 | 800 | 800 | 0 |
| E8 | Traffic Management - intelligent transport systems | Intelligent Transport Systems (ITS) re-procurement. | Minimal impact on the public anticipated although the new contract may include lower service levels e.g. increased response times to rectify faults. | 150 | 200 | 200 | 0 |
| E9 | Street lighting | Further operational efficiencies including increased dimming of street lighting and cost reductions from the current PFI contract. | Potential concern from members of the public about proposals for further dimming. Any changes to the PFI contract would require the agreement of the service provider and the two other authorities who are party to the contract. | 0 | 250 | 250 | 0 |
| E10 | Waste, Planning & Environment new operating model | To move the Waste Planning and Environment service to a new operating model which is able to deliver safe and effective services to Hampshire within the required budget envelope and which is financially sustainable in the long term. | No impact anticipated on the public. This proposal in part achieves savings from a recent Voluntary Redundancy scheme and the full-time equivalent (FTE) reductions quoted in this appendix refer to this scheme. Where further specific consultation is required for staff on detailed options for new operating models this will be carried out at appropriate times and in accordance with relevant HR policies and procedures. | 268 | 500 | 500 | 5.93 |

| Corp. Prog. Ref | Service Activity | Appendix 1 Saving Description | Impact / Issues | 2016/17 | 2017/18 | 2018/19 | FTE |
|-----------------|--|--|--|---------|---------|---------|-----|
| E11 | Research & Resources new operating model | This project will define a new model and structure for R&R to enable the group to deliver sufficient support to ETE within the context of existing and new corporate approaches, at a significantly reduced cost. | No impact anticipated on the public. This proposal in part achieves savings from a recent Voluntary Redundancy scheme and the full-time equivalent (FTE) reductions quoted in this appendix refer to this scheme. Where further specific consultation is required for staff on detailed options for new operating models this will be carried out at appropriate times and in accordance with relevant HR policies and procedures. | 150 | 300 | 300 | 3.8 |
| E15 | Economic Development | To ensure Economic Development becomes increasingly self financing by 2017/18 , specifically in relation to activity spending, to reduce net cost of this service to HCC through a combination of reduced costs and increased external funding. | No impact anticipated on the public. This proposal in part achieves savings from a recent Voluntary Redundancy scheme and the full-time equivalent (FTE) reductions quoted in this appendix refer to this scheme. Where further specific consultation is required for staff on detailed options for new operating models this will be carried out at appropriate times and in accordance with relevant HR policies and procedures. | 190 | 260 | 260 | 3 |
| E16 | Passenger Transport | This project will review the current non-statutory Home To School Transport provision funded from the bus subsidy budget with a view to reducing it solely to those who are entitled to the service in order to generate savings. | Impact on pupils and their parents who currently receive free home to school transport without being statutorily entitled to this service (this is anticipated to be a small number of current service users). | 300 | 450 | 450 | 0 |
| E17 | Waste disposal | To work collaboratively with the Council's waste disposal contractor to jointly drive innovation and continuous improvement initiatives which enable the contract to continuously evolve, driving up performance outcomes and improving value for money. | Savings would also benefit the other two authorities party to the contract. No impact anticipated on the public. | 20 | 390 | 390 | 0 |

| Corp. Prog. Ref | Service Activity | Appendix 1 Saving Description | Impact / Issues | 2016/17 | 2017/18 | 2018/19 | FTE |
|-----------------|-----------------------------------|---|---|---------|---------|---------|-------|
| E18 | Planning - pre-application advice | The purpose of the project is to generate income for the department to cover the cost of providing pre-application advice and therefore protect resources in these areas. | No impact anticipated on the public. | 90 | 120 | 120 | 0 |
| N/A | Waste disposal | Phase 2 of the waste disposal contract extension already agreed. | No impact anticipated on the public. | 0 | 463 | 1851 | 0 |
| N/A | Public bus subsidies | The full effect of savings proposals agreed following public consultation in autumn 2014. | The proposals already agreed have been subject to public consultation. No further reductions are required to achieve this saving. | 576 | 576 | 576 | 0 |
| E19 | Waste management | Review of Waste Management system for Hampshire from a Whole System cost basis to identify where system efficiencies may be made . The primary focus will be on preventing waste from arising and maximising recycling from those wastes that do arise. The project also includes a review of the existing recycling credit payment system. | Potential impact on District Councils - longer term benefits from savings but potential for adverse impact from review of recycling credits. Potential impact on third sector organisations from review of recycling credits. | 0 | 113 | 193 | 0 |
| | | | | 4657 | 12746 | 14700 | 58.28 |