

Economy, Transport & Environment Select Committee 15 September 2015

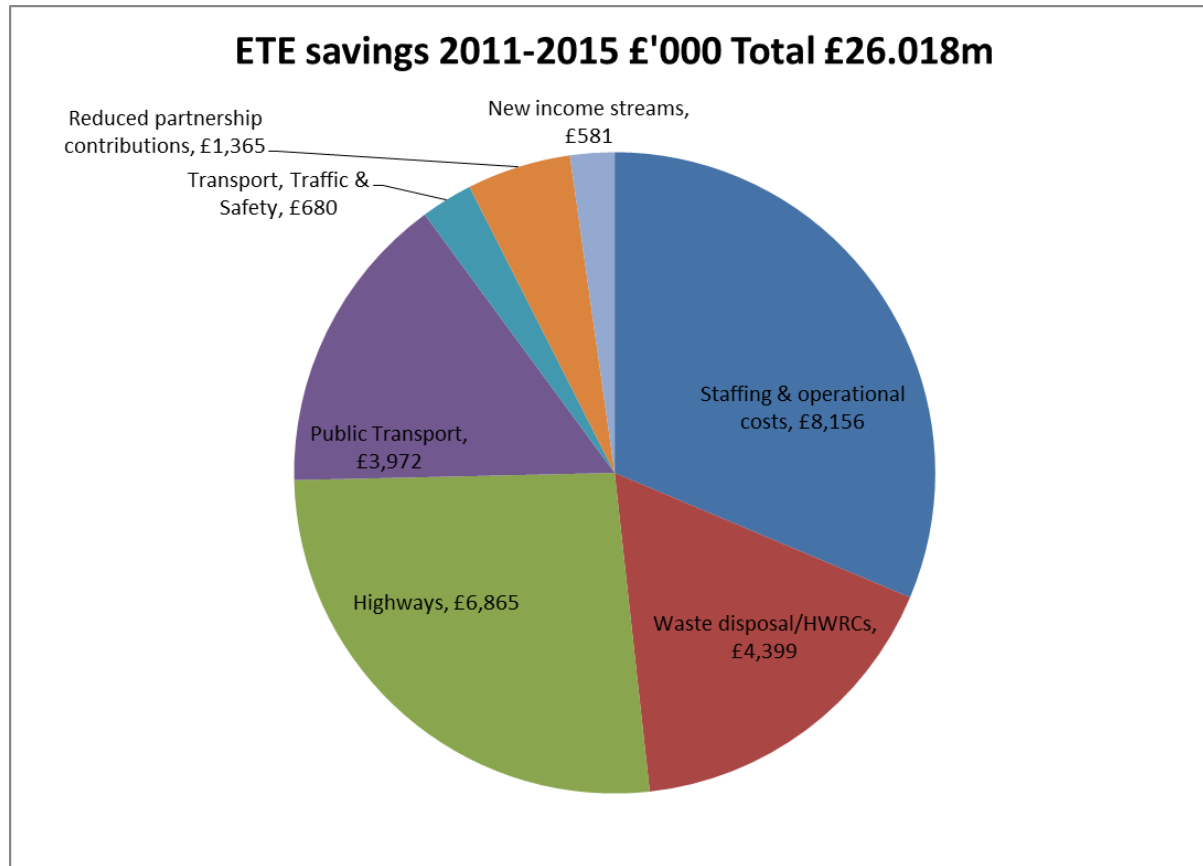
Transformation to 2017 –
Revenue Savings Proposals

CONTEXT

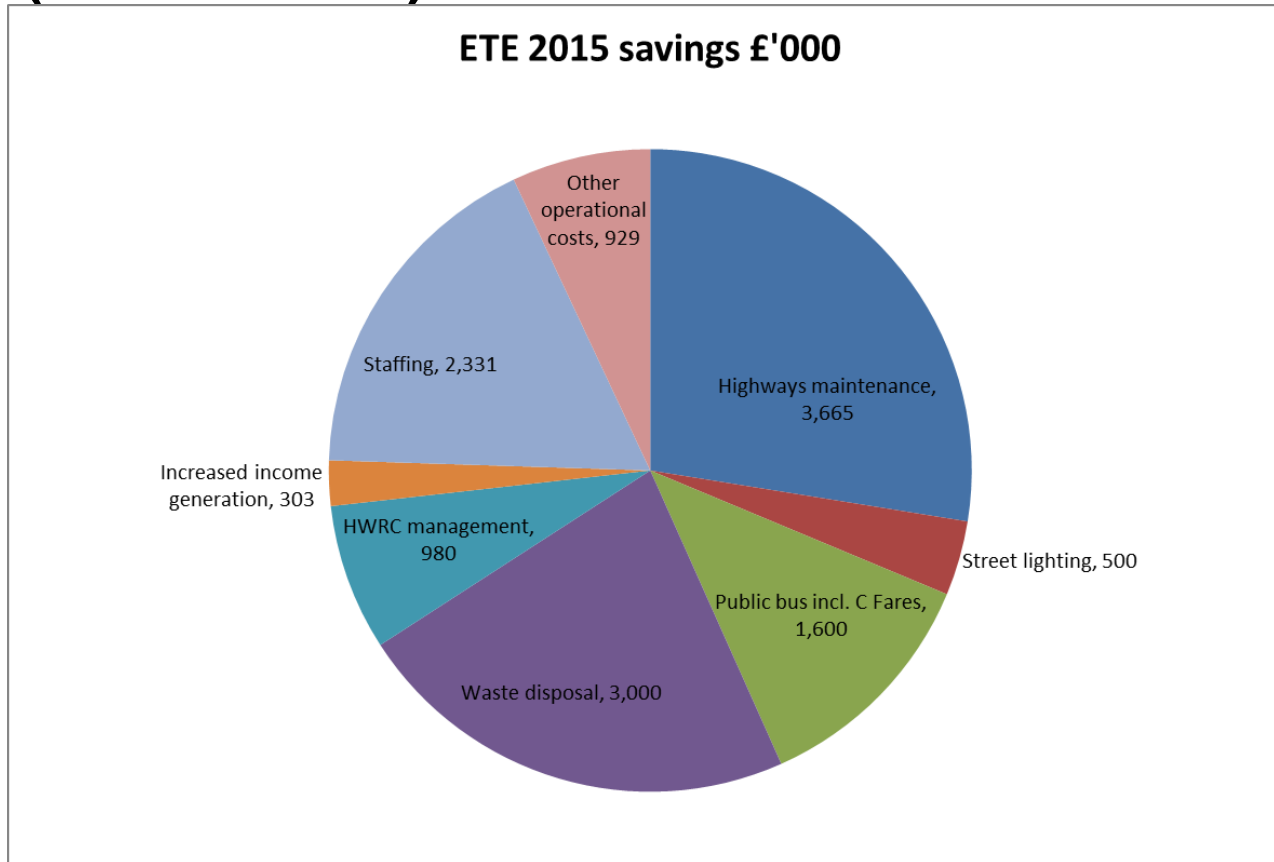
Key ETE services

- Highways maintenance & improvement
- Traffic management
- Subsidised public & community transport
- Waste disposal & recycling
- Minerals & waste planning
- Flood risk management
- Economic development
- Specialist environmental services

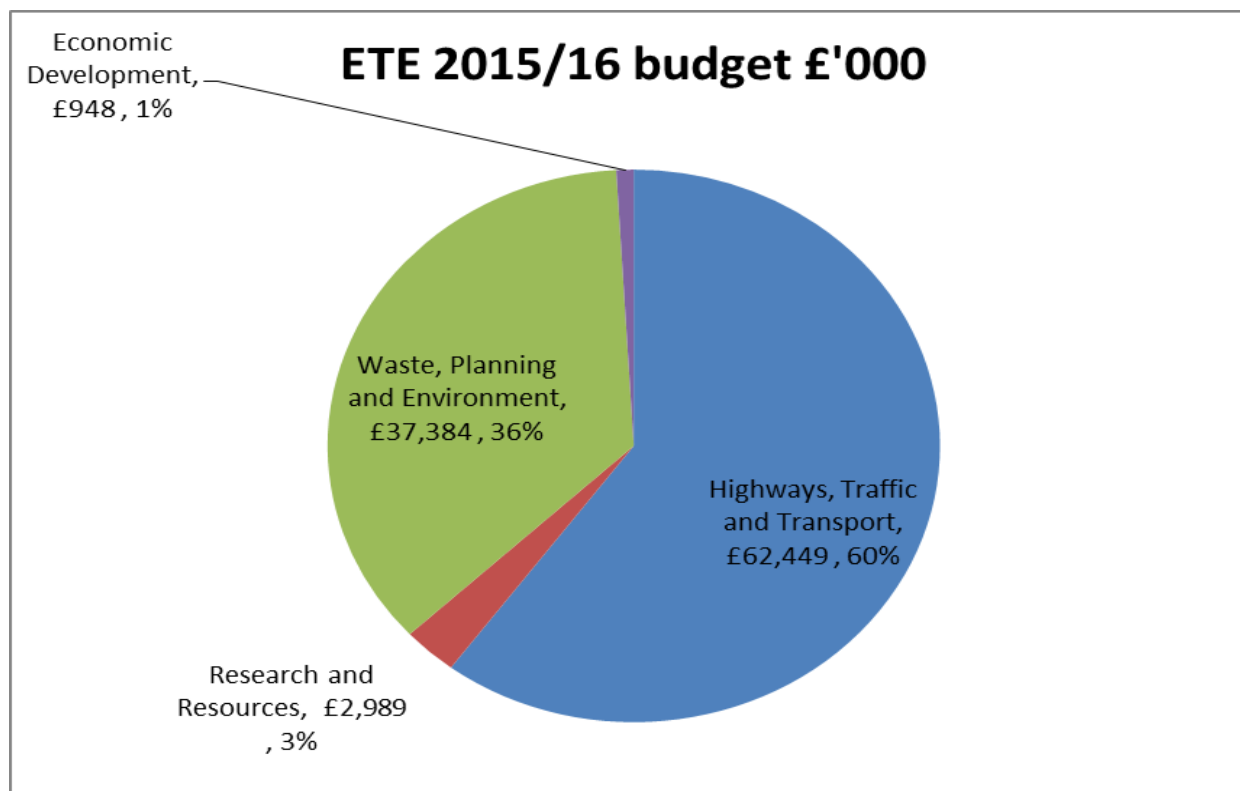
ETE Savings 2011-15 (£26m & 159.4 ftes)



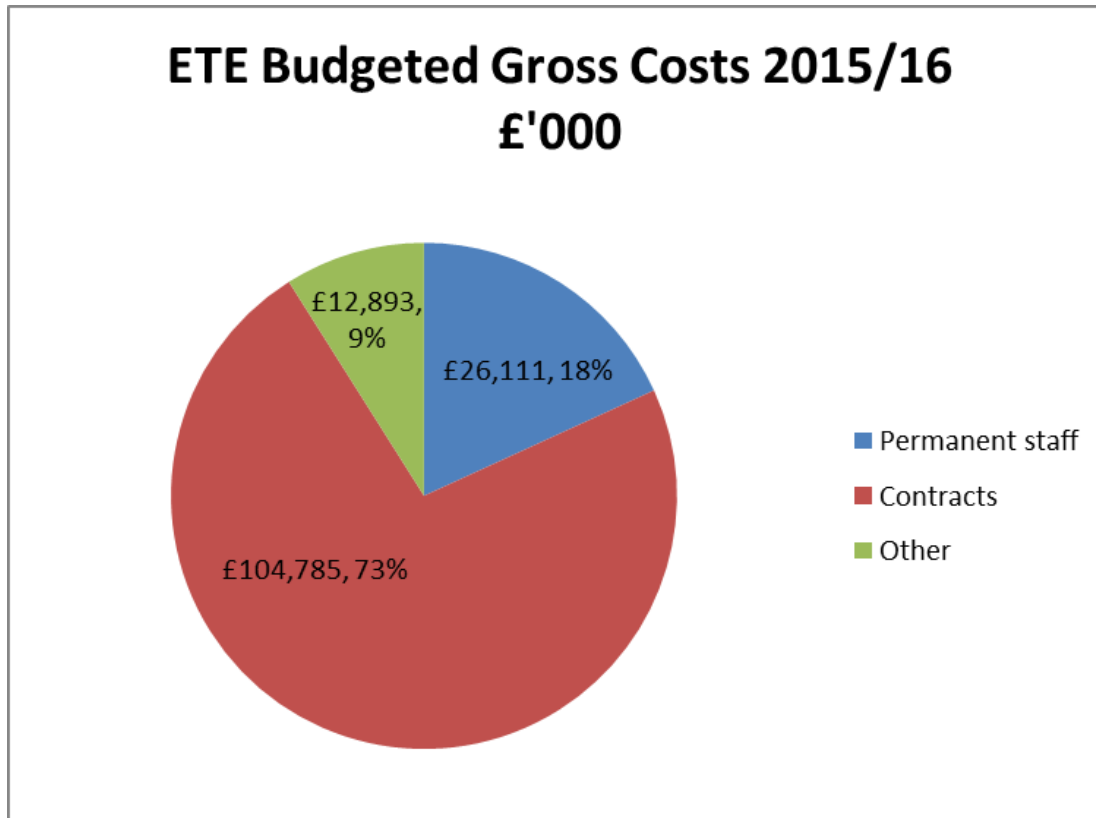
Savings achieved for 2015 (£13.3m)



ETE 2015/16 net budget £103.77m



ETE Gross Costs 2015/16



Contracts (73%) include:

- Highways maintenance
- Street lighting
- Public bus (incl. Concessionary Fares)
- Waste disposal
- HWRC management

Remaining costs

- Staffing (18%)
- Other costs including premises, travel, training, office costs (9%)
- Income & recharges cover 28% of gross costs

PROCESS

Developing the 2017 savings

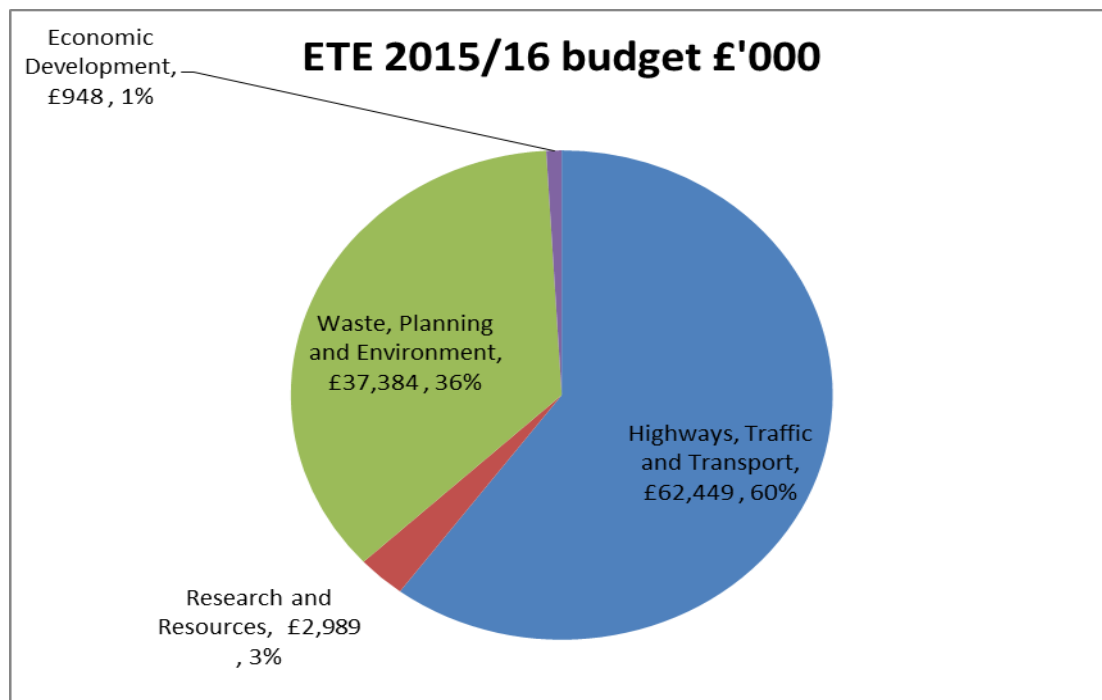
- Initial Opportunity Assessment process
- External challenge – Deloittes & internal peer review
- Programme of 21 proposals identified
 - 19 new areas
 - 2 from full impact of 2015 proposals

Objectives

- Save £14.7m
- Transformation – minimise service impact by doing things differently
 - External spend - innovative partnerships with suppliers
 - New operating models to enable new ways of working
 - Replace budget funding with traded income where appropriate
- Looking beyond 2017 – building a sustainable approach

SAVINGS PROPOSALS

ETE 2015/16 net budget £103.77m



- Savings needed by 2017 = £14.7m

Highways £6.166m

Description	£'000	Fte
Review existing term maintenance contract	2,000	-
New highways contract (May 2017)	1,800	-
Highways materials recycling	800	-
New operating model	1,112	26.96
Engineering Consultancy traded service offer	204	-
Street lighting –PFI cost reductions, further dimming, other operational savings	250	-

Transport & Traffic Management £3.026m

Description	£'000	Fte
New operating model	1,000	16.79
Development planning & traffic management agency arrangements	800	-
Intelligent Transport Systems re-procurement	200	-
Home to School Transport – statutory provision only	450	-
<i>Public bus subsidies – full effect of 2015 – no further service reductions proposed</i>	576	-

Waste, Planning & Environment £4.754m

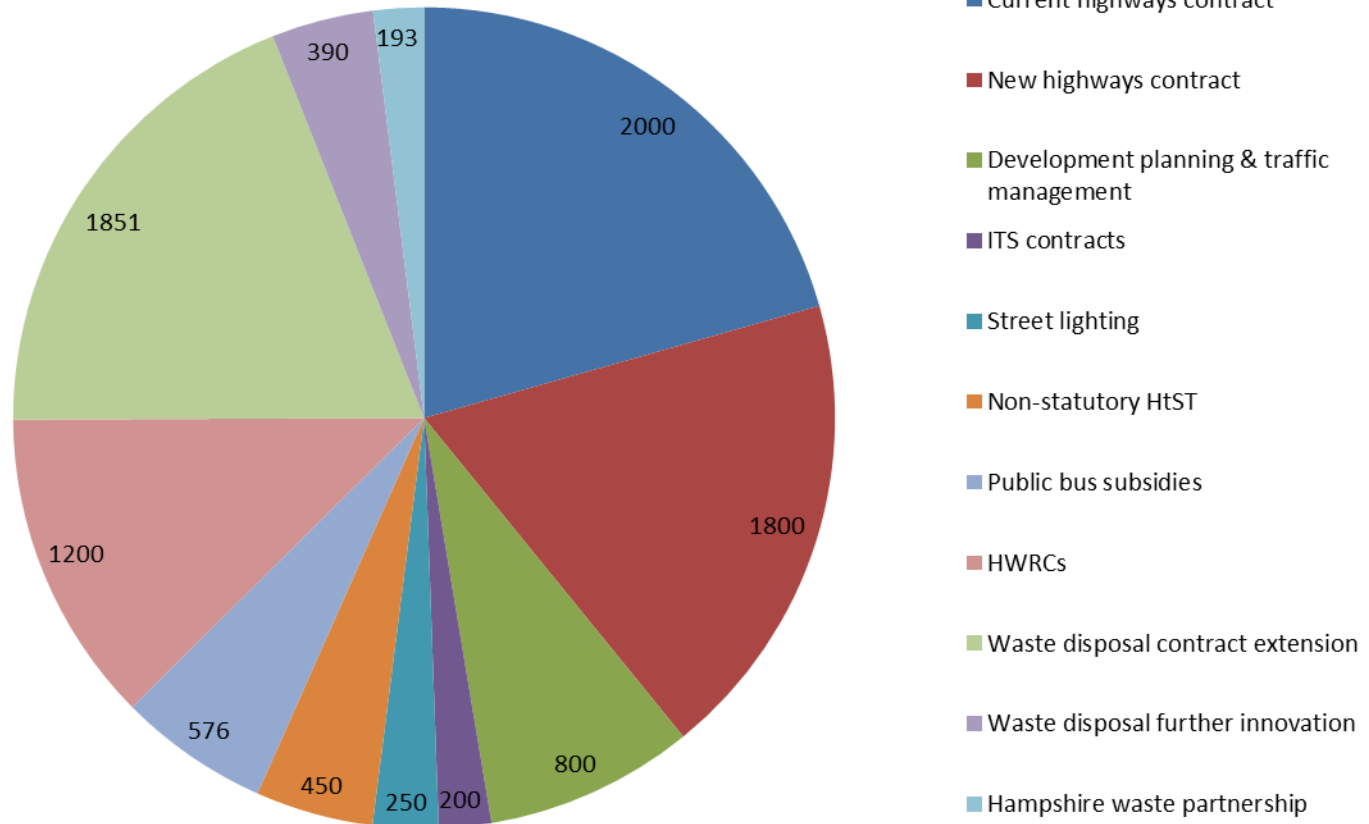
Description	£'000	Fte
HWRC service review	1,200	-
Traded service offer for specialist Environmental Services	500	-
Waste disposal contract – further innovation through collaboration	390	-
Waste management partnership – work with waste collection authorities and others to minimise waste & maximise recycling	193	-
New operating model	500	5.93
Planning – pre-application advice	120	-
<i>Waste disposal contract extension phase 2 (already confirmed)</i>	<i>1,851</i>	<i>-</i>

Economic Development £260k

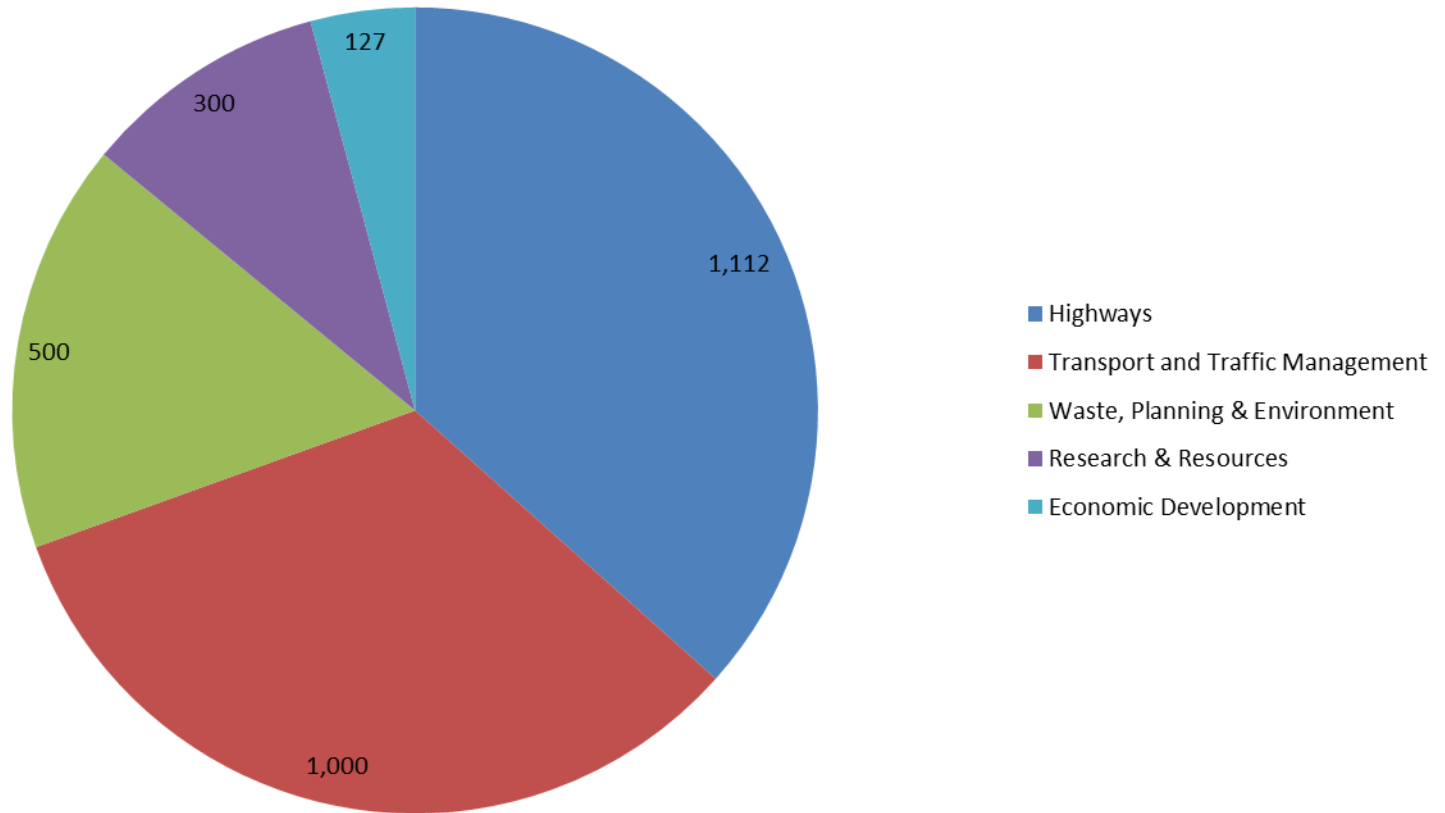
Research & Resources £494k

Description	£'000	Fte
Reduce the net cost of the Economic Development service including increased external funding and cost reductions	260	3
Traded service offer for Research & Intelligence	194	1.8
New operating model – Research & Resources	300	3.8

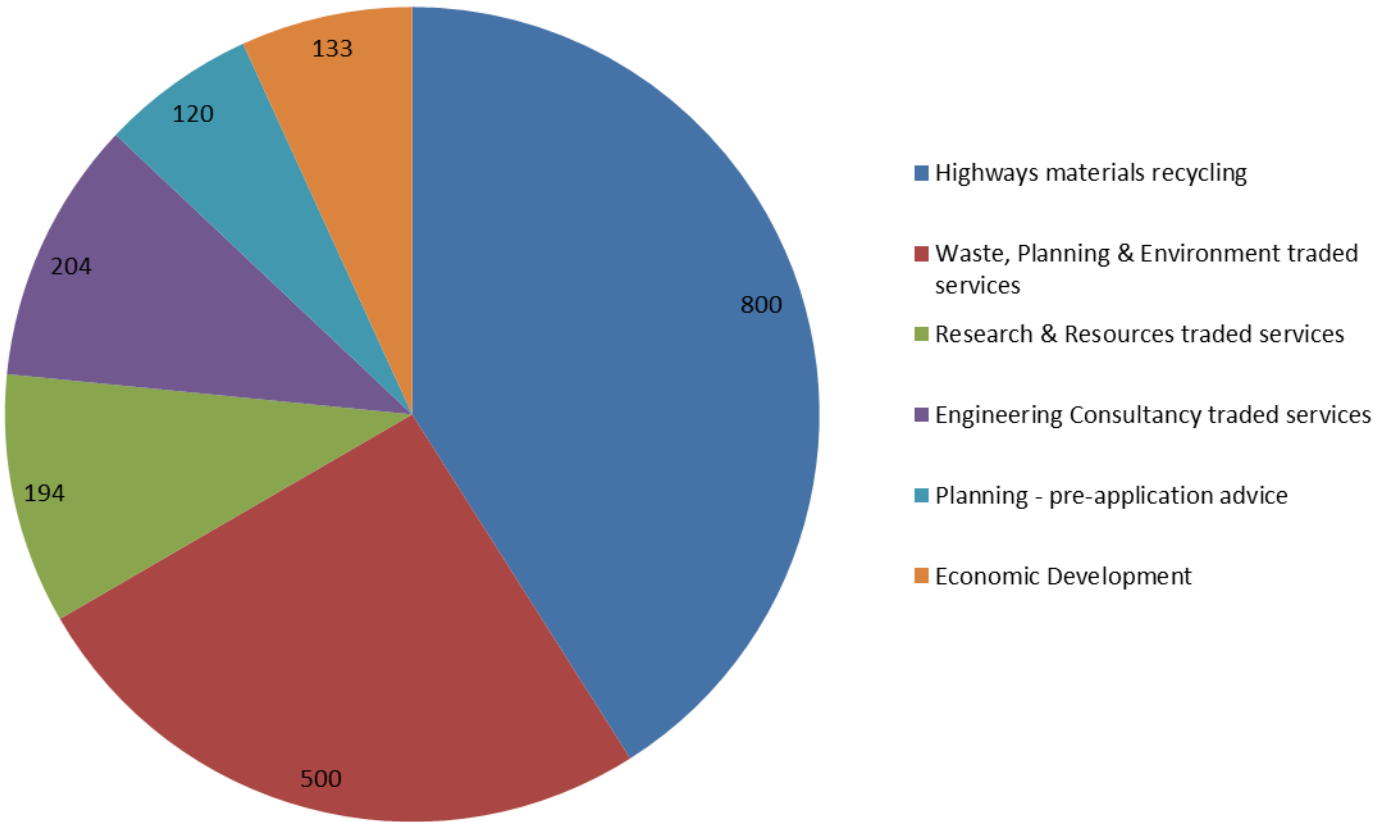
External spend £9.71m



New operating models £3.039m



Income generation £1.951m



Shaping Hampshire – Spending Review Consultation

- Lowest preference for reducing spend on HWRCs
- Highest preference for reductions
 - Dimming streetlights
 - Reducing waste/increasing recycling
 - Traffic management schemes (where not safety-led or statutory)

Equality Impact Assessments

- EIAs undertaken for all 19 new proposals to ensure impacts on groups with protected characteristics identified and considered in the decision-making process.
- No 'high' impacts for protected characteristics identified.
- 'Medium' impact in non-statutory Home to School Transport for 'Age'.

Next steps

- Further detailed consultation will be required for some proposals e.g. HWRC operation
- Further decisions will be required for these areas