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AT A MEETING of the Cabinet of HAMPSHIRE COUNTY COUNCIL held at the Castle, Winchester on Friday, 1st February, 2019

Chairman:

* Councillor Roy Perry

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| * Councillor Keith Mans | * Councillor Mel Kendal |
| * Councillor Liz Fairhurst | * Councillor Stephen Reid |
| * Councillor Edward Heron | * Councillor Patricia Stallard |
| * Councillor Rob Humby | * Councillor Seán Woodward |
| * Councillor Andrew Joy | |

Co-opted members

Also present with the agreement of the Chairman: Councillors Dowden, House, Latham, Porter and Tod

98. APOLOGIES FOR ABSENCE

All Members were present and no apologies were noted

99. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Personal interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 5 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

100. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were reviewed and agreed

101. DEPUTATIONS

No requests to make a deputation had been received.

It was noted that Councillor Keith House and Councillor Jackie Porter would speak on the Revenue Budget item (minute 103 refers). Councillor Martin Tod would speak on the Referral of Motion item (minute 106 refers) with the agreement of the Chairman.

102. CHAIRMAN'S ANNOUNCEMENTS

Noting the wintery weather conditions, the Leader paid tribute to the County's highways teams as well as local farmers who were working hard to keep roads open. Around 200 schools had been closed for safety reasons, however the majority had been able to remain open.

The Leader drew Cabinet's attention to a number of meetings run by the LGA that he had been involved in, in particular relating to local government preparation for Brexit. He had also met with Trade Union leaders as part of the budget setting process and had been able to convey the message that Hampshire was as well prepared as possible to deal with different possible outcomes.

The recent Commission of Enquiry 2050 meeting was highlighted to Cabinet. It was also noted that under the leadership of Hampshire's Director of Children's Services, an Ofsted rating of Good had been achieved for Children's Services on the Isle of Wight.

103. REVENUE BUDGET & PRECEPT 2019/20

[Councillor Kendal declared a personal interest in this item by virtue of being the County Council's representative on the a Director of the Manydown Garden Communities LLP company]

Cabinet considered a report of the Director of Corporate Resources regarding the Revenue Budget and Precept 2019/20.

The report was introduced and key points were highlighted. It was confirmed that the final grant settlement had been received and there was no change to the County Council, but there was a change to council tax flexibility for East Hampshire District Council. The 2019/20 budget was set out and an update provided on the position of the 2018/19 budget, noting that this was based on financial targets agreed in autumn 2017. Demographic and other pressures were identified in the context of the need to invest in the transformation of services and specific pressures facing each department were explained. Details of the proposed arrangements to make a loan to the Manydown Garden Communities LLP Company and the expected return were set out.

With the agreement of the Chairman, Councillor Keith House addressed Cabinet, raising concerns about the impact of reduced funding from government for the County Council.

With the agreement of the Chairman, Councillor Jackie Porter addressed Cabinet, suggesting that additional funding for Children's Services should be included in the base budget rather than held in contingency.

The Director of Corporate Services explained the approach to budget setting, in particular around estimating inflationary and demand pressures and efficiency

savings. She drew attention to Appendix 6 of the report, confirming her professional view that the budget was properly set.

Cabinet welcomed the budget report, noting that no new savings were proposed and that service delivery would continue to evolve to meet the financial position and the needs of service users. It was furthermore recognised that balancing public sector spending was a significant challenge for government and many areas were under pressure.

The recommendations in the report were proposed and agreed and the decision record can be found as an appendix to these minutes.

104. **CAPITAL PROGRAMME 2019/20 - 2021/22**

[Councillor Woodward declared a personal interest in this item by virtue of being Leader of Fareham Borough Council and a Director of the Solent LEP.
Councillor Mans declared a personal interest in this item by virtue of the being a Director of the Solent LEP]

Cabinet considered a report of the Director of Corporate Resources regarding the Capital Programme 2019/20 – 2012-22.

The report was introduced and it was noted that the Capital programme was one of the largest of any local authority in the country. It was highlighted that since publication of the report, additional information had become available regarding the Botley by-pass project. In particular, confirmation had been received that funding from Homes England would be in the form of non-repayable grant and not as a loan. On this basis an additional recommendation was proposed to increase the Capital Programme by £32.869 million to meet the additional costs associated with further infrastructure works and the by-pass at Botley.

Cabinet welcomed the report and the additional information regarding the Botley project. The scale of the Programme was recognised as was the ability of the County Council to deliver it.

With the additional recommendation above, the recommendations in the report were proposed and agreed and the decision record can be found as an appendix to these minutes.

105. **HAMPSHIRE & ISLE OF WIGHT SUSTAINABILITY & TRANSFORMATION PARTNERSHIP (STP) - SYSTEM REFORM PROPOSALS**

[Councillor Reid declared a personal interest in this item by virtue of being the County Council's representative on the North Hampshire Hospital Trust
Councillor Humby declared a personal interest in this item by virtue of being the County Council's representative on the Southern Health Foundation Board of Governors]

Cabinet considered a report of the Director of Adults' Health and Care regarding the Sustainability and Transformation Partnership (STP).

In introducing the report, the Director set out the background to the STP and the strategic ambition to improve service delivery whilst achieving financial sustainability. The challenges around the structural change needed for this were outlined as were the specific complexities in Hampshire.

It was questioned whether all local issues were being addressed by the STP and it was clarified that this was not a final report and would continue to develop. It was noted that a further update report would be presented to Cabinet.

The recommendations in the report were proposed and agreed and the decision record can be found as an appendix to these minutes.

106. **REFERRAL OF MOTION FROM COUNTY COUNCIL ON 29 NOVEMBER 2018**

Cabinet considered a report of the Chief Executive regarding a Notice of Motion referred to Cabinet from County Council on 29 November 2018.

The Chairman welcomed the report and noted that the outcomes of the item would be presented to the February meeting of the County Council.

With the agreement of the Chairman Councillor Tod, who was the seconder of the original Motion to County Council addressed Cabinet. Councillor Tod explained the rationale behind the Motion, in particular his concerns over the impact of Brexit locally and the position the County Council should take with regard to the outcome of Brexit in light of this.

Cabinet agreed that the County Council should focus on matters that fell within its remit and that Parliament was the proper place for the outcome of Brexit to be debated. It was proposed and resolved to recommend to County Council:

That the County Council notes the Report 'Brexit: The Potential Impact on the County Council's Resources and Services' considered by the Cabinet at its meeting on 10 December 2018 set out in Appendix B to this Report and supports the recommendations contained within that Report.

The decision record can be found as an appendix to these minutes.

Chairman,

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	1 February 2019
Title:	Revenue Budget and Precept 2019/20
Report From:	Director of Corporate Resources

Contact name: Rob Carr – Head of Finance

Tel: 01962 847508

Email: Rob.Carr@hants.gov.uk

1. The decision:

That Cabinet:

- 1.1. Notes the current position in respect of the financial resilience monitoring for the current financial year.
- 1.2. Approves the Revised Budget for 2018/19 contained in Appendix 1, including a transfer of £1.0m to the Investment Risk Reserve.
- 1.3. Gives approval to transfer any spare resources on the 2018/19 winter maintenance budget to the highways maintenance budget for 2019/20 and to apply this principle in future years.
- 1.4. Approves the updated cash limits for departments for 2019/20 as set out in Appendix 2.
- 1.5. Delegates authority to the Deputy Chief Executive and Director of Corporate Resources, following consultation with the Leader and the Chief Executive to make changes to the budget following Cabinet to take account of new issues, changes to figures notified by District Councils or any late changes in the final Local Government Finance Settlement.
- 1.6. **Recommends to County Council that:**
 - a. The Treasurer's report under Section 25 of the Local Government Act 2003 (Appendix 6) be taken into account when the Council determines the budget and precept for 2019/20.
 - b. The Revised Budget for 2018/19 set out in Appendix 1 be approved.
 - c. The Revenue Budget for 2019/20 (as set out in Appendix 3 and Appendix 4) be approved.

- d. Funding for one off revenue priorities linked to the development of capital investment totalling £2.9m as set out in paragraphs 5.26 to 5.46 be approved.
- e. Funding for the future years cost of the Manydown development of up to £4.2m be approved to be met from general contingencies.
- f. Loan funding of up to £600,000 a year from 2018/19 to 2026/27 be made available to meet the running costs of the Manydown Garden Communities LLP to be met from general contingencies.
- g. The total **net budget requirement** for the general expenses of the County Council for the year beginning 1 April 2019, be £757,211,373.
- h. The **council tax requirement** for the County Council for the year beginning 1 April 2019, be £634,450,710.
- i. The County Council's band D council tax for the year beginning 1 April 2019 be £1,236.87, an increase of 2.99%.
- j. The County Council's council tax for the year beginning 1 April 2019 for properties in each tax band be:

	£
Band A	824.58
Band B	962.01
Band C	1,099.44
Band D	1,236.87
Band E	1,511.73
Band F	1,786.59
Band G	2,061.45
Band H	2,473.74

- k. Precepts be issued totalling £634,450,710 on the billing authorities in Hampshire, requiring the payment in such instalments and on such date set by them previously notified to the County Council, in proportion to the tax base of each billing authority's area as determined by them and as set out overleaf:

Basingstoke and Deane	65,768.80
East Hampshire	50,461.90
Eastleigh	44,805.97
Fareham	42,909.60
Gosport	26,941.34

Hart	40,704.11
Havant	40,708.00
New Forest	71,074.40
Rushmoor	31,300.99
Test Valley	48,966.00
Winchester	49,307.47

- l. The Capital & Investment Strategy for 2019/20 (and the remainder of 2018/19) as set out in Appendix 7 be approved.
- m. The Treasury Management Strategy for 2019/20 (and the remainder of 2018/19) as set out in Appendix 8 be approved.
- n. An increase to the allocation targeting higher yields from £200m to £235m (as set out in the Treasury Management Strategy in Appendix 8) to increase the overall rate of return and the income contributed to the revenue budget, based on the stability of the County Council's cash balances be approved.
- o. Authority is delegated to the Deputy Chief Executive and Director of Corporate Resources to manage the County Council's investments and borrowing according to the Treasury Management Strategy Statement as appropriate.

2. Reason(s) for the decision:

- 2.1. The County Council must agree the 2019/20 budget and set the council tax for 2019/20 at its meeting on 14 February 2019. The Leader will present his budget speech and recommendations at the meeting. This report provides the background to those budget decisions and presents the recommendations from the Leader and Cabinet to the County Council.

3. Other options considered and rejected:

- 3.1. In effect the number of options for setting the budget are limitless and Leaders of the Opposition Groups may wish to present alternative recommendations on the budget and council tax at County Council as an amendment to the proposals.

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker: None
- 4.2. Conflicts of interest declared by other Executive Members consulted: Not applicable

5. Dispensation granted by the Conduct Advisory Panel: none.
6. Reason(s) for the matter being dealt with if urgent: not applicable.
7. Statement from the Decision Maker:

Approved by:

Date:

1 February 2019

**Chairman of Cabinet
Councillor Roy Perry**

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	1 February 2019
Title:	Capital Programme 2019/20 to 2021/22
Report From:	Director of Corporate Resources

Contact name: Rob Carr – Head of Finance

Tel: 01962 847508

Email: Rob.Carr@hants.gov.uk

1. The decision:

That Cabinet

1.1. Recommend to Council to:

- a. Approve the increase in value of the M27 J10 scheme (design and development phase) from £1.5m to £4m.
- b. Approve an increase in the capital programme by £32.869m to meet the additional costs associated with further infrastructure works and the by-pass at Botley.
- c. Approve the capital programme for 2019/20 and the provisional programmes for 2020/21 and 2021/22

2. Reason(s) for the decision:

- 2.1. The County Council must agree its Capital Programme at its meeting on the 14 February 2019. The Leader will present his budget speech and recommendations at that meeting, including proposals for the capital programme. The report provides the background to the capital programme and presents the recommendations from the Leader and Cabinet to the County Council.

3. Other options considered and rejected:

- 3.1. Other options are not available as far as process and timetable are concerned, but the Leader of the Opposition may wish to present alternative recommendations on the capital programme at County Council, as an amendment to these proposals.

4. Conflicts of interest:

4.1. Conflicts of interest declared by the decision-maker: None

4.2. Conflicts of interest declared by other Executive Members consulted: Not applicable

5. Dispensation granted by the Conduct Advisory Panel: none.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

Approved by:

Date:

1 February 2019

**Chairman of Cabinet
Councillor Roy Perry**

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	1 February 2019
Title:	Hampshire and Isle of Wight Sustainability and Transformation Partnership – System Reform Proposals
Report From:	Director of Adults' Health and Care

Contact name: Graham Allen

Tel: 01962 847200

Email: Graham.allen@hants.gov.uk

1. The decision:

It is recommended that Cabinet:

- a) Endorses and asserts its support to the principle of the Hampshire Local Care System determining the joint strategic direction of health, care and associated services in supporting the whole population of Hampshire.
- b) Further endorses the consequent principle and expectation that wherever possible the NHS should seek to establish its key strategic commissioning and decision making arrangements as they affect the residents of the County of Hampshire so that they are contiguous with the boundaries and authority of the County Council (as with other upper tier local authorities).
- c) Supports partnership working across local authority and other organisational boundaries through aligning services with Local Care Partnerships, ensuring equitable and appropriate access to acute and secondary care services, but on the clear understanding that financial and political accountability and strategic authority for social care remain with the County Council.
- d) Supports the continued development of local operational 'clusters' of appropriate services in partnership with the NHS as the natural and best approach to determine the operational arrangements and delivery of community health and care services capable of supporting Hampshire's residents in the natural communities in which they live across the county.
- e) Seeks recognition by the HIOW STP in its System Reform Proposals of the demographic pressures the Hampshire Local Care System will continue to face in coming years and of the need to support whole population health investments in preventative services and outcomes.
- f) Requires that a further report is brought to Cabinet in the course of this next year which describes the progress of these arrangements and in particular confirms the progress of the systems of democratic accountability that should support these important developments for the residents of Hampshire.

2. Reason(s) for the decision:

- 2.1. The system reform proposals have been developed through much of 2018 and are designed to support the continued development of more integrated working arrangements and financial sustainability of NHS provision across the population of the HIOW STP footprint, while recognising the essential connections between NHS services and local government provision. These are ambitions of the HIOW STP, in common with all STP developments nationally.
- 2.2. The local authority remains financially and politically accountable for its care services and it is reasonable to note that because of particular complexities in this sub regional health economy the County Council with NHS agreement has been cautious to protect those accountabilities accordingly while doing all it can to support a joint strategy and progressive integration.
- 2.3. On that basis we are now at a point where Cabinet is asked to consider endorsing a direction of travel and confirm the basis by which future engagement is developed.

3. Other options considered and rejected:

- 3.1. None

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker: None
- 4.2. Conflicts of interest declared by other Executive Members consulted: Not applicable

5. Dispensation granted by the Conduct Advisory Panel: none.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

Approved by: ----- Executive Member for Cabinet Councillor Roy Perry	Date: 1 February 2019
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HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	1 February 2019
Title:	Referral of Motion from County Council on 29 November 2018
Report From:	Chief Executive

Contact name: Barbara Beardwell

Tel: 01962 845157

Email: barbara.beardwell@hants.gov.uk

1. The decision:

That Cabinet

1.1. Recommend:

That the County Council notes the Report 'Brexit: The Potential Impact on the County Council's Resources and Services' considered by the Cabinet at its meeting on 10 December 2108 and supports the recommendations contained within that Report.

2. Reason(s) for the decision:

2.1. The County Council referred the Motion received on 29 November 2018 to Cabinet for further recommendations.

3. Other options considered and rejected:

3.1. None.

4. Conflicts of interest:

4.1. Conflicts of interest declared by the decision-maker: None

4.2. Conflicts of interest declared by other Executive Members consulted: Not applicable

5. Dispensation granted by the Conduct Advisory Panel: none.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

Approved by:

Date:

1 February 2019

**Chairman of Cabinet
Councillor Roy Perry**