

Public Document Pack

AT A MEETING of the Cabinet of HAMPSHIRE COUNTY COUNCIL held at the Castle, Winchester on Tuesday, 15th October, 2019

Chairman:

* Councillor Keith Mans

- | | |
|-------------------------------|--------------------------------|
| * Councillor Rob Humby | * Councillor Andrew Joy |
| * Councillor Roz Chadd | * Councillor Stephen Reid |
| * Councillor Liz Fairhurst | * Councillor Patricia Stallard |
| * Councillor Judith Grajewski | * Councillor Seán Woodward |
| * Councillor Edward Heron | |

Also present with the agreement of the Chairman: Councillor Bennison, Carter, Glen, House, Huxstep and Latham.

143. APOLOGIES FOR ABSENCE

All Members of Cabinet were present and no apologies were noted.

144. 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.

The following Councillors declared a personal interest in relation to the Medium Term Financial Strategy item in respect of their membership of another public body, namely a District or Borough Council within the area of the County Council.

- Councillor Grajewski (Member of Eastleigh Borough Council)
- Councillor Heron (Member of New Forest District Council)
- Councillor House (Member of Eastleigh Borough Council)
- Councillor Humby (Member of Winchester City Council)
- Councillor Woodward (Member of Fareham Borough Council)

The following Councillors declared a personal interest in relation to the Medium Term Financial Strategy item in respect of the membership of a close family relative of another public body, namely a District or Borough Council within the area of the County Council.

- Councillor Chadd (father a Member of Rushmoor Borough Council)

- Councillor Reid (wife a Member of Basingstoke and Dean Borough Council)

145. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were reviewed and agreed.

146. DEPUTATIONS

It was confirmed that no requests to make a deputation had been received.

147. CHAIRMAN'S ANNOUNCEMENTS

The Chairman of Cabinet highlighted a number of meetings relating to Brexit preparation and reported his increased confidence in the arrangements for freight traffic to pass through Portsmouth in the event of a no-deal exit from the European Union. He also noted that the local resilience forum, led by the Chief Fire Officer, was operating successfully.

148. MEDIUM TERM FINANCIAL STRATEGY UPDATE AND TRANSFORMATION TO 2021 SAVINGS PROPOSALS

Cabinet received a report of the Director of Corporate Resources regarding the Medium Term Financial Strategy and Transformation to 2021 Savings Proposals.

The report was introduced and it was explained that this report related to the overall financial strategy to 2021/22 and that the process of budget setting for 2020/21 would be via separate reports to Cabinet in December 2019 and February 2020. Key points in the report regarding cash limits and the assumptions upon which anticipated budget gaps were based on were set out. Particular departmental pressures were detailed, the position on schools funding was highlighted and the need to make an adjustment to funding for the coroner was explained. With reference to the appendices, changes to the pension fund with respect to treasury management were explained, as was the proposal to set aside a contingency for Brexit related activity. The "Serving Hampshire – Balancing the Budget" consultation process and outcomes were highlighted and Cabinet's attention was drawn to the Equality Impact Assessments in the appendices.

With regard to the savings proposals, an error in the report was noted and an addendum to the report circulated with the corrected text and a minor change to the recommendations at paragraphs 8 and 13 to acknowledge this. It was noted that the savings proposals would have a relatively low impact on staff and it was anticipated that staff reductions could largely be achieved through natural turnover. Proposals relating to economic development and investment were drawn out, as were reserves strategies and in particular the approach to the grant equalisation reserve. The strategy beyond 2021/22 was highlighted and it was noted that current estimates suggested a minimum of £40 million further savings would be required to meet a future Transformation to 2023. A possible mitigating factor in this was identified as the (initially one off) benefit derived from

a re-valuation of the pension fund; a further revaluation would be needed to establish whether this could be regarded as a recurring benefit.

The report and presentation by the Director were welcomed by Cabinet, who noted the approach of re-distributing resources to the most vulnerable. Recognising the difficulty in setting achievable savings targets, it was felt that any objections to the proposals should be accompanied by viable alternative suggestions.

With the agreement of the Chairman, Councillor House addressed Cabinet, making a number of points about the impact of national fiscal policy and of Brexit on local funding pressures. He also addressed the approach of demand reduction to achieve savings and the potential impact on both residents and on partners such as District Councils and the NHS.

With the agreement of the Chairman, Councillor Glen addressed Cabinet in relation to the proposed spend on a safe route to access Robert Mays school, calling for more consideration to be given to the final solution.

Cabinet members discussed the content of the report, acknowledging the scale of the challenge and recognising the achievements with initiatives such as the supported living strategy, public health strategies and the investment in IT. It was noted that the current County Council subsidy for recycling gave no incentive to District Councils to improve and for that reason a review of project integra was required. It was felt that the £600k proposed spend on Robert Mays school should be agreed and the Executive Lead Member for Children's Services and Young People indicated a willingness to consider alternative solutions.

An additional recommendation was proposed that:

Cabinet re-affirms the County Council's offer to work collaboratively with our council partners, through Project Integra or other mechanisms, to boost recycling performance and improve waste collection and management arrangements and ensure that waste and recycling in Hampshire are environmentally and economically sustainable for all partners for the future, whilst also delivering the necessary financial savings for the County Council by 1st April 2021.

With the additional recommendation above and the amendments to the recommendations at paragraph 8 and 13 detailed in the addendum to the report, the recommendations in the report were agreed. A decision record is attached to these minutes.

149. **ADULTS' HEALTH AND CARE STRATEGY - ONE YEAR ON PROGRESS REPORT**

Cabinet considered a report of the Director of Adults' Health and Care regarding progress against the Department Vision and 5 Year Strategy.

The background and context of the strategy were introduced and it was confirmed that the department was working well with partners and at the forefront of innovation in the sector. Recognition was given to all those who were working towards achieving the targets set out in the strategy.

Cabinet welcomed the report and the positive progress against the strategy, recognising that demand remained high, but that the department was travelling in the right direction.

The recommendations in the report were proposed and agreed. A decision record is attached to these minutes.

150. **PUBLIC HEALTH ANNUAL REPORT**

Cabinet considered a report of the Director of Public Health, presenting his annual report.

This annual report was centred around the theme of violence, with four areas of specific focus. With reference to the report, the actions being taken by the department to prevent violence were highlighted. The success of partnership working was also highlighted, specifically in the contribution of the Deputy Chief Constable.

Cabinet welcomed the report and the recommendations within it were proposed and agreed. A decision record is attached to these minutes.

Chairman,

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	15 October 2019
Title:	Medium Term Financial Strategy Update and Transformation to 2021 Savings Proposals
Report From:	Deputy Chief Executive and Director of Corporate Resources

Contact name: Carolyn Williamson

Tel: 01962 847400

Email: Carolyn.Williamson@hants.gov.uk

1. The decision:

1.1. That Cabinet:

- a) Notes the latest position in respect of the financial resilience monitoring for the current financial year.
- b) Notes the potential financial impact of Brexit and the proposed response to the risks identified.
- c) Confirms that the current planning assumption that council tax will increase by the maximum permissible without a referendum, in line with government policy, will continue.
- d) Approves the recommended approach to dealing with the anticipated £80m budget deficit, as set out in paragraphs 181 to 183.
- e) Approves, subject to further consultation and executive decision making where necessary, the savings proposals in Appendix 4, including proposal WD4 as amended; after taking due regard of the consultation feedback and Equality Impact Assessments.
- f) Approves further service specific consultations, where necessary, on the savings proposals set out in Appendix 4, prior to final decisions being made by Executive Members.
- g) Restates and reinforces the requirement that should any savings proposal be rejected that alternative options to the same value will need to be developed by the appropriate department.
- h) Approves a one-off amount of £4.6m in 2019/20 to fund the impact of further growth in the cost of Child Looked After, to be met from the savings in non-departmental budgets in the current year; as identified in Section F.
- i) Notes the change to the Coroner's Service in 2019/20, the financial consequences of which have been incorporated into the budget for 2020/21, with any in year impact managed through the use of contingencies.

- j) Re-affirms the County Council's offer to work collaboratively with our council partners, through Project Integra or other mechanisms, to boost recycling performance and improve waste collection and management arrangements and ensure that waste and recycling in Hampshire are environmentally and economically sustainable for all partners for the future, whilst also delivering the necessary financial savings for the County Council by 1st April 2021.
- k) **Recommends to County Council that:**
- i. The mid-year report on treasury management activity at Appendix 2 be approved.
 - ii. Delegated authority be given to the Deputy Chief Executive and Director of Corporate Resources to make pre-payments of employer contributions to the Pension Fund (including any residual deficit) if it is considered financially favourable to do so.
 - iii. The savings proposals in Appendix 4 be approved, including proposal WD4 as amended, subject to further consultation and executive decision making where necessary.
 - iv. Recurring funding of £10m for Adult's Health and Care is approved in response to a step change in costs, along with an additional £3.5m per annum to cover ongoing growth driven by complexity and demography.
 - v. Up to £4m of one off funding for Adult's Health and Care is approved to provide potential cash flow support that may be required given the current pressure on care packages.
 - vi. A sum of £6.8m for the forecast growth in the cost of Children Looked After in 2020/21 is approved, with further increases of £1.9m in 2021/22 and £1.2m per annum thereafter, along with up to £1m for growth in associated legal costs.
 - vii. Funding of up to £555,000 is ring-fenced within existing contingencies to provide resources to respond to the potential direct impact of Brexit on the County Council as set out in more detail in Appendix 3, with approval delegated to the Deputy Chief Executive and Director of Corporate Resources, in the event that additional government funding is not provided.
 - viii. Recurring funding of up to £300,000 be approved from 2020/21 to provide additional resources and capacity for the Highways Service following a review of the existing operational processes, policies and of the management and delivery of the frontline service.
 - ix. Strategic land purchase up to £10m to be funded from prudential borrowing with approval delegated to the Deputy Chief Executive and Director of Corporate Resources, in consultation with the Chief Executive and the Leader be approved.
 - x. Investment of £70m in Older Persons and Younger Adults Extra Care be approved to continue to provide high quality living environments at the same time as reducing the long term costs of care, to be funded from prudential borrowing, that can be approved by the Executive Member for Policy and Resources subject to a satisfactory business case being produced for each scheme.

- xi. A sum of £590,000 is added to the Capital Programme for fire precaution works in Ell South and approval to spend in 2019/20 is granted, to be funded from Policy and Resources repairs and maintenance budget.
- xii. A sum of £600,000 is added to the Capital Programme for safe route to school works for Robert Mays School and approval to spend is granted, to be funded from Children's Services cost of change reserve.
- xiii. A strategy of contributing savings arising from the favourable 2019 valuation to the Budget Bridging Reserve (previously the Grant Equalisation Reserve) for the next three years is approved.

2. Reasons for the decision:

- 2.1. The decisions taken are in line with the County Council's deliberate strategy of planning ahead of time and making savings in advance of need, in order to allow time for delivery of the savings, including the requirement to undertake a second stage of consultations where this is necessary and also reflect the County Council's ability to continue to provide resources to invest in specific priorities, in line with the County Council's focus on service improvement, and to generate revenue benefits in future financial years.

3. Other options considered and rejected:

- 3.1. The County Council's early action in tackling its forecast budget deficit through previous phases of Transformation and providing funding in anticipation of the tougher times to come, has placed it in a very strong financial position and the decisions taken, which have been informed by the results of the Serving Hampshire – Balancing the Budget public consultation carried out over the summer, are in line with that strategy.

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker:

The following Cabinet Members declared a personal interest in relation to the item in respect of their membership of another public body, namely a District or Borough Council within the area of the County Council.

- Councillor Grajewski (Member of Eastleigh Borough Council)
- Councillor Heron (Member of New Forest District Council)
- Councillor Humby (Member of Winchester City Council)
- Councillor Woodward (Member of Fareham Borough Council)

The following Cabinet Members declared a personal interest in relation to the item in respect of the membership of a close family relative of another public body, namely a District or Borough Council within the area of the County Council.

- Councillor Chadd (father a Member of Rushmoor Borough Council)

- Councillor Reid (wife a Member of Basingstoke and Dean Borough Council)

4.2. Conflicts of interest declared by other Executive Members consulted: N/A

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:
-----	15 October 2019
Chairman of Cabinet Councillor Keith Mans	

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	15 October 2019
Title:	Adults' Health and Care – Year 1 Strategy Progress
Report From:	Director of Adults' Health and Care

Contact name: Graham Allen

Tel: 01962 847200

Email: Graham.allen@hants.gov.uk

1. The decision:

1.1. That Cabinet:

- a) Note and endorse the positive progress made by Adults' Health and Care in 2018/19 against the Vision and 5 Year Strategy.
- b) Acknowledge the key achievement examples included in the 2018/2019 progress section of the report.
- c) Note the key work that is planned for 2019/20 as outlined in the report, including, but not limited to the Director-led review of HCC Care.

2. Reasons for the decision:

- 2.1. To provide Cabinet with an update on the positive progress made by Adults' Health and Care over the past year (2018/19) in relation to the Department Vision and 5 Year Strategy that was approved by Cabinet in April 2018.

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: None

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:

15 October 2019

Chairman of Cabinet
Councillor Keith Mans

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	15 October 2019
Title:	Annual Report of the Director of Public Health
Report From:	Interim Director of Public Health

Contact name: Simon Bryant, Interim Director of Public Health

Tel: 02380 383326

Email: Simon.bryant@hants.gov.uk

1. The decision:

1.1. That Cabinet:

- a) notes the 2018-2019 annual report of the Director of Public Health and
- b) approves publication of the report.

2. Reasons for the decision:

2.1. To present the latest Director of Public Health's Annual Report to Cabinet, ahead of publication. The Director of Public Health's annual report is one of the ways in which specific issues to improve the health and wellbeing of the people of Hampshire can be highlighted.

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: None

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:

15 October 2019

Chairman of Cabinet
Councillor Keith Mans