

NOTICE OF MEETING

Meeting	Cabinet
Date and Time	Monday, 11th March, 2019 at 10.30 am
Place	Wellington Room, Ell Court, The Castle, Winchester
Enquiries to	members.services@hants.gov.uk

John Coughlan CBE
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

All Members who believe they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to Part 3 Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore all Members with a Personal Interest in a matter being considered at the meeting should consider, having regard to Part 5, Paragraph 4 of the Code, whether such interest should be declared, and having regard to Part 5, Paragraph 5 of the Code, consider whether it is appropriate to leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with the Code.

3. MINUTES OF PREVIOUS MEETING (Pages 3 - 16)

To confirm the minutes of the previous meeting

4. DEPUTATIONS

To receive any deputations notified under Standing Order 12.

5. CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

6. TRANSFORMATION TO 2019: REPORT NO. 6 (Pages 17 - 36)

To consider a report of the Chief Executive regarding Transformation to 2019

7. ATTAINMENT OF CHILDREN AND YOUNG PEOPLE IN HAMPSHIRE SCHOOLS 2018 (Pages 37 - 48)

To consider a report of the Director of Children's Services regarding the attainment of children and young people in Hampshire schools in 2018

8. COUNTRY PARKS TRANSFORMATION UPDATE (Pages 49 - 60)

To consider a report of the Director of Culture, Communities and Business Services regarding Country Park Transformation

ABOUT THIS AGENDA:

On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING:

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

Public Document Pack Agenda Item 3

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

Chairman:

* Councillor Roy Perry

- | | |
|----------------------------|--------------------------------|
| * 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
--	-------------------------------------

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**

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	11 March 2019
Title:	Transformation to 2019: Report No. 6
Report From:	Chief Executive

Contact name: John Coughlan

Tel: 01962 846400

Email: john.coughlan@hants.gov.uk

1. Recommendations

1.1 It is recommended that Cabinet:

- a) Notes the latest Tt2019 programme risk assessment, including the early securing of £69m of savings - section 5.
- b) Notes that the last of the six-service specific Tt2019 public consultations, Learning Disabilities Respite Care Services has been completed and that the Executive Member for Adult Social Care and Health has deferred a decision to close the Orchard Close service pending further work to be completed by the end of this calendar year - section 5.
- c) Note the on time and on budget on-boarding of the three London Boroughs to the Council's shared services platform at the beginning of December and the positive early operational performance over the first three months – section 5.
- d) Notes the continued progress and strong contributions being made by the three enabling projects to the programme; Digital, Productivity and Procurement – section 6.
- e) Notes that programme progress will continue to be monitored closely and that (at least) quarterly updates will be provided to Cabinet during 2019/20 – section 5 and 8.
- f) Notes the update on the planning work and forward timescales for the successor £80m Tt2021 programme – section 7.
- g) Agrees to continue to lobby Government in respect of new charging powers aimed specifically at raising income that will be used to protect important universal services into the future e.g. Household Waste Recycling Centres, or to enable other specific savings proposals not to be implemented or for their impact to be mitigated.

2. Executive Summary

- 2.1 This is the sixth dedicated Transformation to 2019 (Tt2019) report to Cabinet setting out the latest programme position. In November 2017 Full Council approved a set of savings proposals put forward to enable a predicted budget gap of £140m by April 2019 to be closed against a then overall cash limited budget provision (excluding schools) approaching £767m.
- 2.2 Full Council approval of the savings proposals and the budget envelope for 2019 followed a summer 2017 public consultation exercise that provided an opportunity for residents and stakeholders to express their views on how best the County Council should go about the challenge of balancing a forecast £140m future budget gap. Further to the public consultation process and informed by it, Departments took their specific savings proposals to Select Committee meetings and Executive Member Decision Days in September 2017. In the October, Cabinet approved a Medium-Term Financial Strategy and Transformation to 2019 Savings Proposals report, which included the outcome of the public consultation exercise.
- 2.3 The October 2017 Cabinet report referenced clearly the challenges associated with the Tt2019 programme and made clear that delivery would extend beyond two years but that this would be supported financially by cost of change reserves held by Departments with the exception of Children's Services who would require central support. The report confirmed that due to the scale of the overall challenge and the increased risk to the timely delivery of the savings, CMT would be carrying out a peer review over the early autumn of 2017 of the higher risk elements of the programme and would advise accordingly on any changes to the financial support requirements for Tt2019.
- 2.4 The peer review exercise was duly completed and as reported in December 2017, it was estimated that further one-off cash flow support would also be required to enable the safe delivery of the Adults element of the programme. This brought the overall Tt2019 cash flow requirement to £40m to support the savings programmes in Adults and Children's which has been able to be accommodated from the Council's strong reserves position that has resulted from year on year strong and effective financial management. The Adults and Children's programmes, subject to the careful management of some key risks, are forecast to take four years to deliver. The continued strong financial performance in Adults, including delivery in full of its legacy Tt2017 savings ahead of schedule, provide increasing confidence that some of the estimated £40m will not be called upon in the coming years.
- 2.5 That said, the demand and delivery challenges in the two social care Departments, especially in Children's mean that it would be unwise to forecast a lower overall call on the estimated cash-flow requirement for the programme at this point in time. Members will be aware of the current focus, nationally and locally, on Children's social care pressures in a similar way to that experienced within Adults previously. Those pressures are described in more detail in Section 5 of this report but particularly include the continuing

rise in the number of children in care and the additional rise in placement costs as the market responds accordingly. This is a national issue. To put this in context, the base budget for CLA in 2018/19 was £85m but after taking account of all the forecast increases in numbers and prices, it will be around £112m by 2021/22.

- 2.6 Accordingly, upper tier authorities are having to re-calibrate their budgets, with the resultant negative impact upon other services of the County Council to meet the increasing demand. This is in advance of any potential recurrent national funding coming forward to ease some of the pressure (as it eventually did with Adult social care). Delivery in the other Departments is largely being contained to two years or, where it will stretch beyond, most notably in ETE, the individual Departments will manage the later savings achievement through their own cost of change reserves.
- 2.7 In December 2017, Cabinet were updated on work to explore all viable options to revise or refine the October proposals with particular regard to service continuity in areas such as school crossing patrols, community transport, bus subsidies and household waste and recycling centres. These savings options accounted for some £5.3m of the overall programme proposals. The culmination of this work and the development of £2.1m of alternative savings proposals combined with Government allowing local authorities to increase Council Tax by a further 1% (valued at £5.7m of which £3.2m is being used to allow the universal service savings to be withdrawn in full) were reported to Cabinet in early February and paved the way for Full Council to approve changes to the Tt2019 programme at their meeting later in the same month.
- 2.8 The programme focus for over a year now has been very much orientated to implementation and delivery. Where appropriate, this has included service specific public consultations where proposals and options for service change have been debated with service users and key stakeholders. All six stage-two public consultations have now been completed with the last of these in respect of Learning Disabilities Respite Services concluding just prior to Christmas on 21st December. Further to consideration by HASC in early February, the Executive Member for Adult Social Care and Health deferred the decision to close the Orchard Close service at her 27 February Decision Day (see paragraph 5.6). Further work will now be progressed and will be completed by the end of the calendar year. Programme implementation progress has been positive to date with some £69m of the £140m target secured by the end of December 2018. This includes the full achievement of the £23m of investment and borrowing savings (and a small element of additional Council Tax income) alongside £45m of delivery across the different Department programmes.
- 2.9 Resources for the programme are in place and are focused on a number of the more significant programmes of work. This includes deployment of the in-house Transformation team to support Adults and Children's projects as well as specialist I.T input to drive forward the business critical Digital 2 work, which, as previously reported, is a key enabler for Tt2019. Strong progress is also being made with other important enabling projects including

'Enabling Productivity' and 'Strategic Procurement'. These important contributors to Tt2019 are covered later in this paper.

- 2.10 In line with previous major cost reduction exercises, Tt2019 progress is being closely monitored and is subject to monthly review by CMT. This ensures that issues, concerns and risks are dynamically responded to and dealt with and also means that benefits realisation and the timely delivery of savings is consistently in focus, which for this programme, given its later cash flow support demands, is ever more important. Further, it is certain that there will be continued and additional demographic driven service demand pressures, particularly in the social care Departments into the next decade. This puts an added premium on Tt2019 being delivered in full, and in the timeliest manner to put the Council in the best position possible at the commencement of the successor Tt2021 programme that, Full Council approved as part of the MTFs last September. Planning for Tt2021 is now at an advanced stage and an update on progress and the key next steps for the next period is included in section 7 of this report.

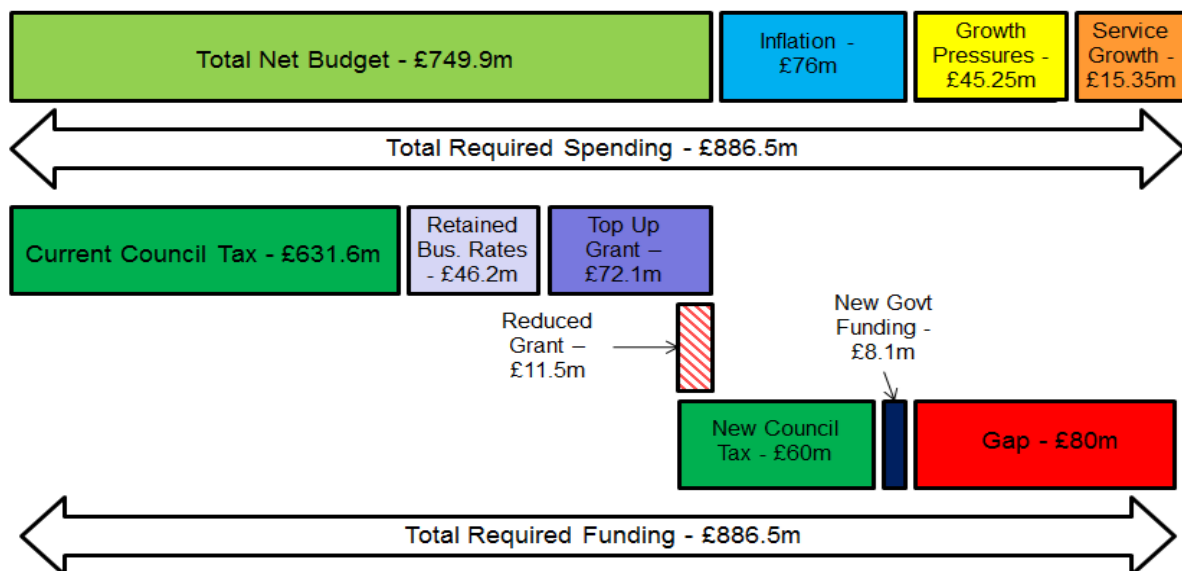
3. Financial Context

- 3.1 Cabinet has previously noted that each successive programme of 'transformation' in itself is harder than the previous one as the scope for early and easier removal of spending lessens each time. To this end, Tt2019 is testing the Council like no other programme has up to this point.
- 3.2 Throughout the period since 2010 the Council's financial performance has been very strong. This has been evidenced in each and every annual performance report and independently by the external auditor through the annual best value judgement on the Council's financial resilience. Council tax in Hampshire is amongst the lowest in the Country whilst performance across a number of key service areas is strong as evidenced in the performance report that was presented to Cabinet at the end of last calendar year.
- 3.3 In February this year, Full Council approved the budget for 2019/20 and as part of this were updated on the continuing strong financial position the County Council is in despite operating in a near decade of austerity and relentless service demand challenges. The budget for 2019/20 includes the full removal of the £140m Tt2019 savings meaning that some £480m has now been removed from budgets since 2010 across the consecutive cost reduction programmes. Whilst technically all savings have been removed from the budget for 2019/20, where further Executive Member decisions are still required, including following possible further service specific consultations, funding has been set aside within Departmental cost of change reserves or corporate contingencies to continue to fund the service pending the results of any further consultations and final Executive Member decision(s).
- 3.4 The achievement of early savings, the careful use of one-off monies and the additional recurring provisions to support social care demand and complexity have allowed for some targeted re-investment back into services over the same period e.g. more social workers, operation resilience, Digital platforms

etc. This has helped Departments to manage their resources, provide further for one off investment to support the on-going transformation (cost reduction) challenge and at the same time maintain and even improve service outcomes and performance. The chart in paragraph 3.6 highlights that growth pressures and service growth account for over £60m of the additions to the budget over the two-year period. Up to and including 2021/22 there has been total growth of £250m in the social care services alone.

3.5 The allocation of recurring provisions for growth alongside resources provided to Departments for the cost of pay and price inflation has been a key feature of the County Council’s financial planning for many years. On top of this the County Council has also received less grant funding from the Government, to the point that Revenue Support Grant is reduced to nothing by 2019/20. The MTFs approved by Full Council at their September 2018 meeting, highlighted a further two year budget gap by 2021 of some £80m. Whilst grant reductions represent only a small proportion of this overall gap in resources, the County Council must still find ways of meeting cost pressures in the form of inflation (on gross spend of c£1bn – averaging 3.6% p.a.), growth and new initiatives, which hitherto were also supported by increases in government grant.

3.6 Whilst some money is therefore added into Departmental budgets before the gap is met, this still requires a total reduction in net spend of £80m that must be delivered either by reducing activity, reducing the cost of the activity that is provided or generating additional income. This can be represented diagrammatically as follows for the two-year period 2020/21 to 2021/22:



Notes:

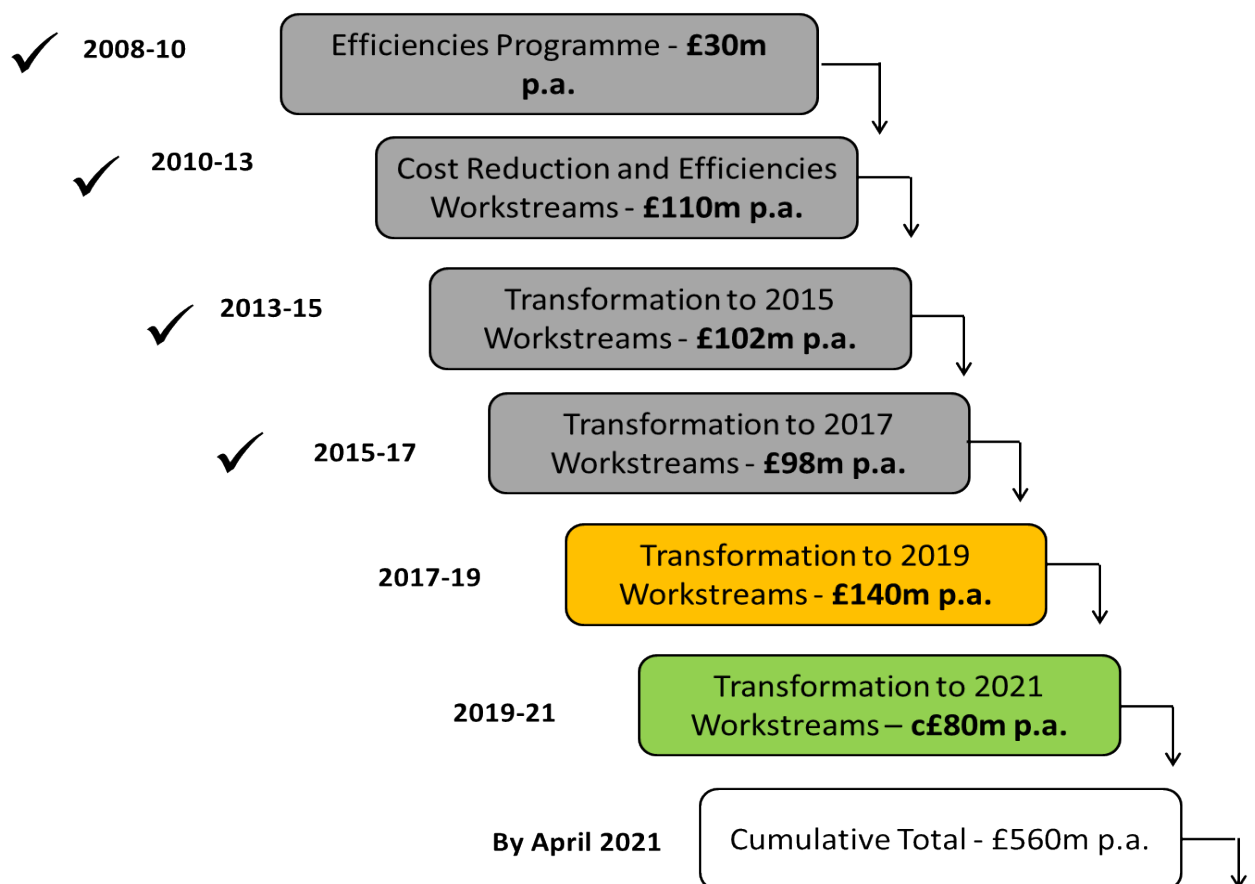
Blocks are not to scale. Inflation estimate covers a 2 year period. Growth pressures relate mainly to Adult and Children’s Services demographics. Service growth includes new targeted investment e.g. into I.T.

3.7 Whilst performance has been sustained to date, the cumulative impact of numerous savings programmes together with sustained pressure on all Departments, but in particular social care spending, show a different picture

beginning to emerge. As outlined to Cabinet in February, Children’s Services are unlikely to remain within their cash limited expenditure position and thus additional recurring provision has been allowed for in the Medium-Term Financial Strategy that Cabinet considered in June 2018 and Full Council approved in September 2018. Children’s Services have exhausted their cost of change reserves and Adults are set to do likewise in the next two to three years.

- 3.8 Notwithstanding that the latest MTFs update signalled that a successor programme to Tt2019 will need to be planned for over the next year or so, the Council needs to stay focused on fully closing the existing budget gap of £140m by April 2019 from a cash limited overall budget (excluding schools) of some £767m, even after allowing for planned Council Tax rises. The inclusion of the Tt2021 Programme of £80m within successive savings programmes since 2008, takes the total requirement to £560m as outlined in Figure 1 over the page:

Figure 1. Cost Reduction Exercises including the Tt2021 Programme Requirement



Note: The cumulative figure is made up of inflation, demand and reduced grant

4 Tt2019 – Targets and Timeframe

- 4.1 Cabinet approved the overall programme target of £140m and the

breakdown of the programme, including Department targets when considering the medium-term financial strategy report of the Director of Corporate Resources in June 2016.

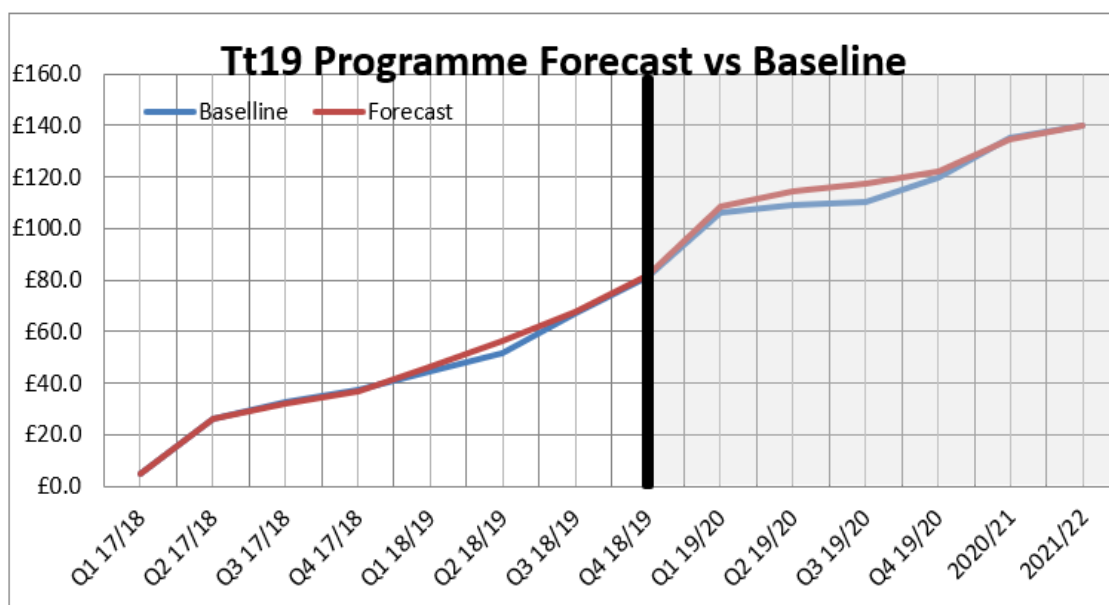
- 4.2 It was agreed that £120m of the overall programme would be met by Departments, equating to a further cash limit reduction of some 19% against an overall Department budget provision approaching £767m. The cumulative Tt2019 challenge for the Departments being one third again, the size of what was asked of them for Tt2017. Per the approval of Full Council in February 2018 to remove savings proposals in respect of universal services, the £120m Departmental reduction was subsequently reduced to £117m.
- 4.3 The remaining £23m has been secured from increased investment and Council tax income and reduced borrowing costs. In the main this has resulted in a revision to the accounting practice in respect of the minimum revenue provisions (MRP) for depreciation, but this also covers management of debt and reserves and also includes part of the extra 1% increase for Council Tax in 2018/19. Positively, these savings have been delivered in full this financial year providing a very solid foundation for the programme overall. The programme breakdown and individual Department targets updated to take account of the February 2018 changes approved by Full Council are shown in Appendix 1.
- 4.4 At their June 2016 meeting, Cabinet also approved the headline programme timetable including an earlier budget setting process that commenced in early Autumn 2017. This has allowed the maximum possible time to plan, work on and implement the range of service changes required to enable the programme to be delivered. As outlined in paragraph 2.4, it is predicted that the entire programme will take up to four years for it to be delivered safely and with minimum disruption and impact to service users and communities.

5. Tt2019 Programme Overview and Progress to Date

- 5.1 Departments continue to work hard to ensure that their various projects and overall programmes are continually reviewed and appropriately resourced in order to provide the right conditions for the continued transformation of services and realisation of savings. This work has included a full risk assessment for each project that builds on what has been done previously but has been added to in order to reflect the greater scale and complexity of the Tt2019 programme.
- 5.2 Further, CMT completed in early November 2017 (paragraph 2.4) a peer review of the higher risk projects and scrutinised the savings delivery profiles for each Department so that the corporate cash flow requirements for the programme overall could be updated and planned for. The latest programme (risk apportionment) position for the end of January is summarised in the table below, and briefly described in the following paragraphs.

Blue	£ 69m
Green	£ 27m
Amber	£ 17m
Red	£ 27m
Total	£140m

5.3 Pleasingly, the Blue and Green classifications already account for a healthy £96m, or just short of 6% of the overall programme requirement. The £69m that is Blue (secured) includes the full £23m of the investment and borrowing component being secured with the remaining £46m covering the delivery of projects in each of the different Departments with savings ranging from £14.9m in Adults to £4.2m in CCBS. The secured savings figure continues to track to the forecast savings profile developed by each of the Departments at the outset of the programme as demonstrated in the graph (see next page). The Green £27m figure includes the inclusion of the previously announced £18.9m additional 'Better Care Fund' to support Adult Social Care from the beginning of 2019/2020.



5.4 Unsurprisingly for this stage of what is a very challenging programme, a significant proportion £44m or 31% of the overall savings to be achieved still sits in the Amber and Red classifications. Given the complexity of any number of the savings areas, the reported position is not an unexpected one. Just under £39m of the cumulative Red and Amber totals relate to Adults and Children's. This equates to 45% of their combined programmes. Proportionately, the challenges for ETE, despite the programme changes approved by Full Council in February 2018, also remain challenging with £4.1m classified as Amber or Red against an adjusted overall savings requirement of £15.8m. This represents 26% of the total ETE programme.

5.5 The risks for each of the aforementioned Departments are well rehearsed but numerous. The two social care Departments continue to experience growth in demand. Transforming these key front-line services is difficult and requires extra time for the changes to be safely implemented without significant disruption to service users and their families. For Adults the demand challenges are in different forms including higher numbers of younger adults with complex care needs, an increasing amount of people experiencing mental health problems and an ageing population that is set to result in an increase of 10,600 in the 85 year plus population from 43,900 in 2017 to 54,500 in 2024. An added dimension of complexity, impacting on

social isolation levels and service delivery, is the sheer scale and rurality of a County such as Hampshire, which is one of the largest in the Country with an urban/rural split in the order 20:80.

- 5.6 In the area of Learning Disabilities, the public consultation in respect of Respite Care services concluded on 21st December and following analysis and evaluation of the consultation responses and scrutiny of the proposed service changes by the Health and Social Care select committee, the Executive Member for Adult Social Care and Health deferred a decision to close the Orchard Close service at her 27 February Decision Day pending further work to be completed by the end of this calendar year. In the meantime, the Department will support the delayed £0.6m savings achievement through one-off cost of change resources and will also, alongside the further work on the closure proposal, develop possible alternative savings options should it be ultimately decided not to close the Orchard Close service.
- 5.7 Alongside the demand and service challenges, the Department is working jointly with Health in response to the CQC led whole system review that focussed on hospital discharge performance. The review outputs were presented and debated at a summit meeting held in June 2018 and progress against the resulting action plan is due to be debated by the Health and Wellbeing Board later this week.
- 5.8 The joint programme of work that is now underway is resulting in improved client outcomes and improved system performance with the position leading into the recent Christmas period as good as can be remembered, reflecting well on the winter pressures planning work and the securing of additional care and bed capacity. That said, January and February proved to be testing months and provided further learning for the overall system to heed as it begins, post Easter, to plan for winter 2019. Other integration work with the NHS is also in train and making good progress including in the areas of Integrated Intermediate Care, Mental Health and Learning Disabilities.
- 5.9 For Children's Services, corporate financial support has already been factored in, both in-year and continuing into 2019/20, to accommodate existing cost pressures in terms of Home to School Transport and Children Looked After. The recent budget report considered by Cabinet in February provided more detail in terms of the current financial pressures impacting on the Department. Focused further work has been undertaken to better understand the current rate of increase in Children Looked After and the higher unit costs being experienced, which is a national issue affecting all upper tier authorities.
- 5.10 Current forecasts are based on the growth in numbers and costs experienced from 2016/17 to 2017/18 but the current trend for 2018/19 remains above this. This is partly due to the fact that many of the new placements are at the more expensive end of provision, because of the current state of the external market where demand is far out-stripping supply. Price increases in some areas compared to a year or two ago are in the order of 15% or more.

5.11 The key factors that are driving the increased number of placements were reported previously to Cabinet in detail as part of the Medium-Term Financial Strategy. They centre around:

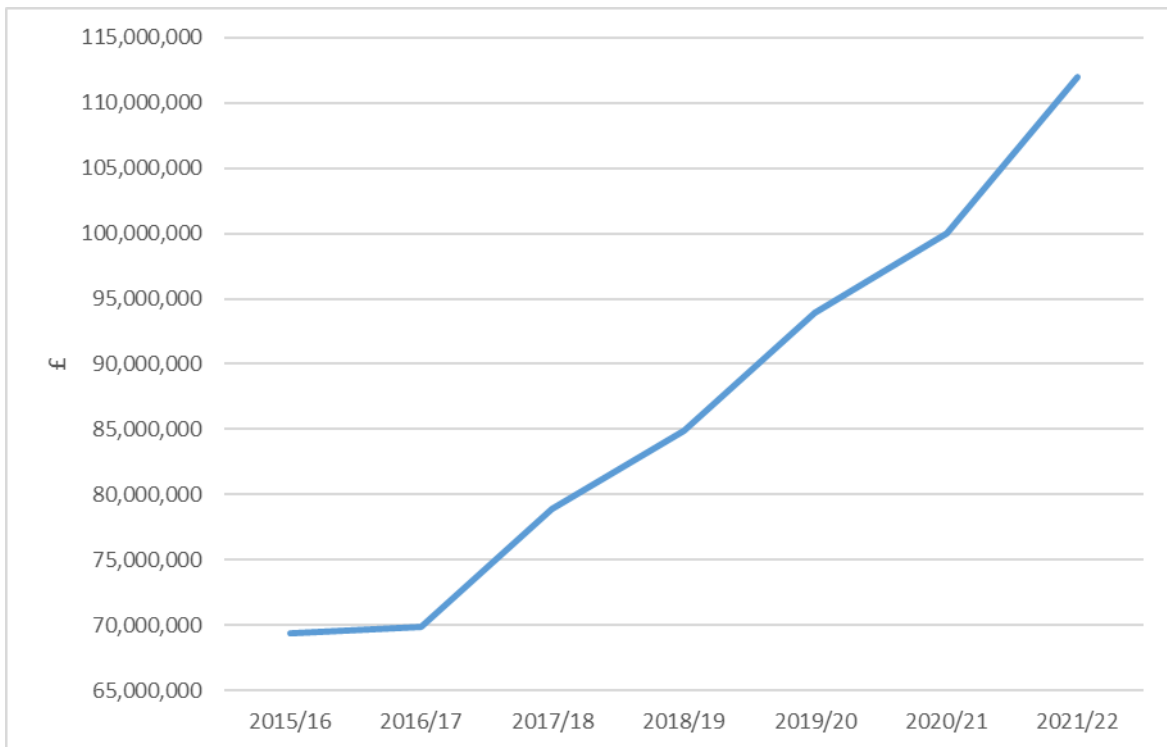
- A much better awareness and identification of child abuse and neglect from a range of partners.
- The better application of consistent thresholds to receive help as a result of government statutory guidance ('Working Together to Safeguard Children').
- A growing professional awareness of risk from partners driven by national child care scandals.
- The better identification of forms of abuse such as child sexual exploitation, child criminal exploitation and online abuse.
- The creation of a number of new policy initiatives such as 'staying put' which allow teenagers to stay in their foster care placements.
- Children remanded in custody being treated by law as children in care.
- A range of new legal processes such as the 'public law outline' which drive local authorities to put far more case decisions before the family courts.
- A drive by the courts for all application cases to conclude within 26 weeks.
- Policy drivers such as the national redistribution of Unaccompanied Asylum-Seeking Children (UASC) arriving from France.

5.12 The increasing number and complexity of children needing to be placed in care is having an impact on the market for placements. Once capacity within in-house placements is full there is no choice but to look to independent fostering agencies and non-county placements, which are higher cost in any event and the increased national demand is forcing up prices even further.

5.13 Projecting the increase in numbers and costs forward based on the growth between 2016/17 and 2017/18, it is predicted that a further ongoing base budget increase of £13.5m on top of the £9.7m that had already been allowed for in the forward forecasts will be required and this will be followed by further annual increases of £11.6m in 2020/21 and £13.3m in 2021/22. The base budget for CLA in 2018/19 was £85m but after taking account of all the forecast increases in numbers and prices, it will be around £112m by 2021/22 (see table on next page).

5.14 This additional corporate support for future years was included in the latest MTFs update that was agreed by Cabinet in June 2018 and approved by Full Council in September 2018, but still represents the highest risk area in the budget at the current time. It is also inescapable that this necessary and planned strategy limits the scope for additional support to other areas of County Council services, such as highway maintenance, which are also statutory responsibilities but where the risks to the vulnerable are less immediate and severe.

Children Looked After Spend 2015/16 to 2021/22



- 5.15 For Home to School Transport, an eight-week public consultation exercise finished in March 2018 around proposed service changes. The consultation results were subsequently analysed and reported to the Executive Member in May 2018. The Executive Member agreed to a number of policy changes that are being introduced over an 18 month period and will deliver some £1.5m of savings per annum for the Department when completed.
- 5.16 Containing and then reducing demand and thus cost in these two key areas is especially difficult. The work programmes being undertaken in this regard include attracting and maintaining higher number of Social Workers (an overall resource increase of 120 is on target to be achieved over the next 2-3 years). This ambition will be assisted by the new Agency arrangements the County Council is set to enter into from this April. In addition, the service has recently made two key changes to reduce demand; multi-disciplinary working (MDW) and the 'Hampshire Approach', the latter being a family centred, resilience focused approach to social work that together with MDW will keep more children safely at home. Notwithstanding, nationally there is growing recognition that Children's Services are facing financial difficulties that now go beyond the very challenging environment in which Adult Services have been and are operating in. Safely removing £30m from the service (the Department Tt2019 target), even over an extended four-year programme period is the biggest challenge for the overall Council cost reduction exercise.
- 5.17 Alongside demand challenges, the Department will also need to manage or work with partners through a range of other key risks including Continuing Health Care funding with the NHS, the increasing budget challenges being faced by Schools', and the transition to a new I.T Care Management system.

For Children with Disabilities, changes to Short Breaks service provision resulting from last summer's public consultation were approved by the Executive Member in July 2018.

- 5.18 That said, it should be noted that Hampshire Children's Services continues to work effectively and successfully with other local authorities in support of their services and their improvement requirements, in line with the Department's long established and exceptional status as a high performing service. That includes: the partnership with Isle of Wight now moving to an open-ended arrangement and following the recent Good rating from Ofsted (a unique achievement of its kind); the role as improvement partner with Torbay, now moving to its final stages as the formal partnership with Plymouth City Council has been brokered and established; the role as improvement partner with Buckinghamshire County Council now fully established under Secretary of State Direction; a range of smaller scale regional support initiatives under the DfE Partners in Practice programme. All of these arrangements generate helpful income to the Department but also offer invaluable learning to senior managers and extend the capacity and the reputation of the local authority.
- 5.19 For ETE, the Tt2019 programme changes approved by Cabinet and Full Council in February saw the removal of some £5.3m of savings proposals relating to universal services including school crossing patrols, community transport, bus subsidies and household waste recycling centres. After allowing for some substitute proposals, the Department is now working to a revised programme target of £15.8m and within this has some £4.1m still classified as Amber or Red. Proposed changes to Street Lighting operations and to some specific bus subsidy areas were consulted on last summer with resulting proposals being approved by the Executive Member at his October 2018 decision meeting. Options for waste related savings are also being reviewed with collection authority partners aimed at improving recycling performance across the Hampshire waste partnership. Capital provision was approved by Full Council in February 2019 for future infrastructure investment to enable the recycling improvements to be realised and a business case is now being developed for consideration by the Executive Member early in the new financial year.
- 5.20 The risks and issues associated with CCBS and Corporate Services are less significant from a direct service perspective although there are some challenges to overcome and work through including timing. Introducing greater levels of self-service, implementing further digital technology initiatives and reducing (and at the same time modernising) the corporate office estate will all combine to improve the Council's overall efficiency and reduce its business operating costs. The different projects themselves will not be straightforward to deliver, especially at a time when so much other service change is also happening.
- 5.21 Positively, the on-boarding of the three London Boroughs (Westminster City Council, London Borough of Hammersmith and Fulham, and Royal Borough of Kensington and Chelsea) to the high performing shared service arrangements that the Council has successfully implemented and built upon over the past 5 years, progressed to time and budget with the

implementation being completed, as planned, at the beginning of December 2018. The new service incorporates the delivery of core HR, Payroll and Finance systems. Early operational performance over the first three months of the new arrangement has gone exceptionally well with the three London Boroughs very content and pleased with the quality of the service they are benefitting from. As reported previously, this expansion, which is in line with a deliberate strategy to grow the shared services platform in a carefully managed way, brings further resilience to our shared Corporate Services arrangements with partners and welcome recurring income to the Council.

5.22 As we move into 2019/20, Tt2019 performance will continue to be closely monitored with further monthly reports to CMT and a next update being provided to Cabinet in the early summer. As things stand, secured savings are set to go beyond the £100m mark in the first quarter of 2019 and this will represent another major milestone for the programme. As we move ahead we know that the remaining savings areas will be the most difficult to secure and given the challenges described earlier for the two social care Departments there is clearly no room for complacency especially as implementation and delivery of Tt2021 will begin to run alongside the Tt2019 programme.

6. Tt2019 Enabling Projects

- 6.1 Key to the success of previous cost reduction programmes, and Tt2019 is no different, is the contribution that is made from cross cutting enabling projects. The Council's achievements in terms of introducing and exploiting digital technology are well trailed and the previous Tt2017 programme significantly benefited from the multi-layered, multi-faceted Digital programme that ran alongside and has resulted in the Council, its staff and residents working from and accessing modern business platforms.
- 6.2 Three cross-cutting enabling projects are, and will, continue to make a telling contribution to the success of Tt2019 with the benefits extending to Tt2021 and beyond and together with the digital programme underpin recurring savings in the order of £62m. These include a successor (and bigger) Digital programme of work known as Digital 2, an 'Enabling' Productivity' project which is focused on creating the optimum conditions for all staff, managers and the front line, to improve individual productivity levels and lastly a Council wide Strategic Procurement programme of work that is set to enable Departments to maintain and/or improve service outcomes whilst reducing the overall external spend which currently exceeds £600m.
- 6.3 As the Tt2019 programme has developed, Cabinet and Council Members have been regularly updated on the progress and achievements of the individual work programmes. At the end of June 2018, Members took part in a very successful Digital 2 seminar type event and a report was presented to Cabinet at their September 2018 meeting outlining the achievements and return on investment of the Digital 2 and the Enabling Productivity programmes. Each of the three main cross-cutting work areas are significantly contributing and bringing pace to the Council's modernisation agenda towards high class, efficient back office functions and high quality, customer-orientated front-line services.

- 6.4 In the second half of 2018/19, further strong progress has been made within the Digital 2 programme especially in terms of Robotics Processing Automation (RPA). In addition, projects have either been completed or are progressing to plan. Further, the Web Programme is currently supporting 44 of the Tt2019 IT Projects; including HR, Libraries, Partners in Practice and the Social Care Manual. Good progress has also been made in moving the Council's document management system to SharePoint with the last of the five Departments, Children's Services due to migrate this month. All of the Digital 2 areas of work are resulting in business processes that are more efficient, more modern and more effective.
- 6.5 In the Enabling Productivity programme, the deployment of some 6,000 mobile devices has been completed with staff from different parts of the business now benefitting from the latest technology that is enabling them to work more productively (smarter not harder). Feedback from the roll-out of the new devices remains consistently upbeat and positive and usage of the new equipment is being closely monitored so that optimal benefits for staff and for service users are secured.
- 6.6 In both our Digital 2 and EPP work, a more commercial approach to procurement has been an important enabler in the progress that has been made. This more robust procurement approach is extending to all parts of the Council business and to our partnership work with Hampshire Constabulary and Hampshire Fire and Rescue Service. Positively other Hampshire based partners are now looking to work closer with the Council in this area including the Clinical Commissioning Groups and at least one District Council. Beyond Hampshire, the service is working with a neighbouring upper tier authority on a major highways procurement exercise. Increasingly, the work is resulting in stronger tender processes and improved service outcomes combining both quality and cost. The outputs and additional service capacity resulting from the Adults Care at Home contracts that were awarded last year are testament to this.

7 Planning for Tt2021 – Progress and Next Steps

- 7.1 Further to Full Council approval of the latest MTFS in September, planning work for the £80m successor programme to Tt2019 is now nearing completion. Each Chief Officer has been leading on this work designed to lead to a draft set of savings proposals that will enable Department targets for Tt2021 to be met.
- 7.2 Unsurprisingly, Tt2021 will build seamlessly on from Tt2019, with projects and programmes of work set to go further and harder in a number of areas as the search for an additional £80m of savings (combining cost reduction and income generation) develops. The Tt2021 work has been taken forward without any impacts for Tt2019 delivery with CMT setting appropriate time aside for the Tt2021 planning process whilst maintaining a continued strong grip on Tt2019.
- 7.3 The Tt2021 timetable allows for a full public consultation exercise in June 2019 to be followed by individual Executive and Select Committee budget proposal meetings in September 2019. Cabinet will then consider the full set of savings proposals and the outcome from the public consultation exercise

in October 2019 with a Full Council meeting planned for November 2019 at which approval for the reduced budget envelope from April 2021 will be sought. The above time table follows the tried and tested approach that has been adopted for Tt2017 and Tt2019. It is designed to provide the maximum amount of time for both planning and then implementation and delivery.

8 Conclusion

- 8.1 Following impressively strong and consistent financial performance over many years and further to last year's finance settlement for Local Government, the County Council is now deep into the process of closing a budget gap of some £140m by 2019/20 with some £96m either already secured or close to being secured to this point. This is after safely removing £340m of savings over the past seven years and within that, delivering in full on the latest Tt2017 programme.
- 8.2 Following a public consultation exercise that sought views from the public and key stakeholders on a range of different options for closing the budget gap, Full Council approved the Tt2019 savings proposals in November 2017 further to Select Committees and Executive Members consideration in September and a consolidated report to Cabinet in October.
- 8.3 In December 2017 Cabinet were updated on the work of officers to explore all viable options to revise or refine the universal service proposals where possible which culminated in the development of £2.1m of alternative savings proposals. Taken together with Government allowing local authorities to increase Council Tax by a further 1% (valued at £5.7m of which £3.2m is being used to withdraw savings) in February 2018 Cabinet agreed to recommend to Full Council the removal of £5.3m of universal savings, recommending also that Full Council agree to raise Council Tax in 2018/19 by the extra 1%. Full Council approved the Cabinet recommendations at their February 2018 meeting.
- 8.4 Further to the formal budget setting stages, Departments have been working hard to ensure robust plans are in place for their Tt2019 projects and that the right capacity and capability is aligned to the different transformation activity so that the savings can be delivered in a timely manner. This work includes a detailed risk assessment exercise and a review of the savings profile by project to ensure that the corporate cash flow requirements to support later delivery are clear and can be planned for. As reported, the cash-flow support requirement for the programme has been estimated at £40m.
- 8.5 The continued strong financial performance in Adults, including delivery of its legacy Tt2017 savings ahead of schedule has provided increasing confidence that some of the estimated £40m will not be called upon in the coming years. That said, the continued demand challenges across the two social care Departments mean it would be unwise to forecast a lower overall call on the estimated cash-flow requirement at this point in time. The MTFS includes cash flow funding of £24m in 2019/20 and £16m in 2020/21 and the expectation is that the bulk of the programme will be complete by this time. Using reserves in this way creates capacity and de-risks delivery, ensuring

that savings are landed safely in the most appropriate timescales. In this regard, further funding of £32m for the later delivery of the Tt2021 Programme has already been factored into the requirements for the Grant Equalisation Reserve going forward.

- 8.6 Tt2019 progress is being closely monitored and is subject to monthly review by CMT. This ensures that issues, concerns and risks are dynamically responded to and dealt with and also means that benefits realisation and the timely delivery of savings is consistently in focus. Given the cash-flow demands of the Tt2019 programme and the imperative of it being delivered in full and thus no leaving no legacy as we face the reality of needing to deliver on a successor £80m programme (see paragraph 8.8), the importance of closely monitoring Tt2019 programme performance can not be over stated.
- 8.7 Progress with Tt2019 continues to track to plan with £69m of savings secured to the end of January. Of this figure, £23m relates to the full achievement of investment and borrowing savings, together with an element of increased council tax income. The remaining £46m flows from delivery in the different Departments. Pleasingly, the three Tt2019 enabling programmes; Digital 2, Enabling Productivity and Strategic Procurement are all progressing well and the contributions from these will continue to evolve and be more influential as the programme develops. CMT are monitoring the programme on a monthly basis and a further progress reports will be presented to Cabinet at least quarterly during 2019/20.
- 8.8 Following Full Council approval of the MTFS in September, planning work for the £80m Tt2021 programme is now well underway. Without impacting upon Tt2019 delivery, CMT have set time aside for Chief Officers to develop a draft set of savings proposals. A full public consultation exercise is planned for the summer which will set out the context and strategic options for balancing the forecast future budget gap. This will be followed by a round of Scrutiny, Executive Member, Cabinet and Full Council meetings in the early autumn aimed at approving the reduced budget envelope and the full set of savings proposals for Tt2021 by November 2019.

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

Hampshire safer and more secure for all:	No
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	No
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	No
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Transformation to 2019 – Report No. 1	27 October 2014
Medium Term Financial Strategy Update and Transformation to 2019 Proposals	16 October 2017
Budget Setting and Provisional Cash Limits 2018/19	11 December 2017
Transformation to 2019 – Report No 2	11 December 2017
Revenue Budget and Precepts 2018/19	5 February 2018
Transformation to 2019 – Report No 3	16 April 2019
Medium Term Financial Strategy	18 June 2018
Transformation to 2019 – Report No 4	17 September 2018
Budget Setting and Provisional Cash Limits 2019/20	10 December 2018
Transformation to 2019 - Report No 5	10 December 2018
Revenue Budget and Precept 2019/20	1 February 2019
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
Section 100 D - Local Government Act 1972 - background documents	
<p>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.)</p>	
<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:

It is to be expected that each theme/workstream will have an impact on staff and communities. To ensure that the Council meets its statutory equality duties, each theme/workstream will be asked to consider potential differential impacts on people and communities. Detailed Equality Impact Assessments will be carried out on the implementation plans as appropriate.

2. Impact on Crime and Disorder:

2.1.

3. Climate Change:

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

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

Appendix 1

T19 – Latest Programme Financial Targets Updated to Reflect Changes Approved (February 2018) By Cabinet and Full Council

Programme Financial Targets – (figures representative of a c19% budget reduction for each Department)

Department	£m's
Adults	55.9
Children's	30.1
ETE	15.8
CCBS	6.3
Corporate Services	7.9
P&R Other	0.8
Programme Sub Total	116.8
Investment and Borrowing	23.2
T19 Overall Programme Total	140.0

This page is intentionally left blank

HAMPSHIRE COUNTY COUNCIL

Report

Committee:	Cabinet
Date:	11 March 2019
Title:	Attainment of children and young people in Hampshire Schools 2018
Report From:	Director of Children's Services

Contact name: David Hardcastle

Tel: 01252 814755

Email: david.hardcastle@hants.gov.uk

1. Recommendations

- 1.1. Cabinet is asked to note the positive attainment outcomes being achieved by Hampshire's schools as outlined in this report.

2. Purpose of Report

- 2.1. This report provides a summary and analysis of the performance of Hampshire schools in 2018 at the key points in children's education: the end of the Foundation Stage (the end of early years), the end of Key Stage 2 (the end of primary education) and at the end of Key Stage 4 (the end of secondary education).

3. Background information

- 3.1. Local authorities have a significant number of statutory duties for schools which are set out in detail within regulation.
- 3.2. These include a range of duties held for all schools, irrespective of status, including planning for the school system as a whole, the management of the overall schools budget; development of the local funding formula for schools; promoting good attendance through support and intervention with schools and families; providing support and guidance to schools and parents around exclusion including the duty to secure education for any child permanently excluded; landlord responsibilities for all buildings owned by the Local Authority and management of the Local Authority's capital programme. These duties are funded from the central schools services block of the Dedicated Schools Grant, with the agreement of Schools Forum.
- 3.3. Additional duties are held for Local Authority maintained schools only and include oversight of the financial and HR management in schools, data management, health and safety, pension administration, additional landlord responsibilities, certain music-related activities and monitoring of national

curriculum assessments. These duties are funded from maintained schools budgets with the agreement of the members of Schools Forum from maintained schools.

- 3.4. Local Authorities have further statutory duties with regard to school improvement support which is funded through a specific grant. This duty requires Local Authority to monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate.

4. Contextual Information

- 4.1. This report has been produced using the latest provisional data for 2018 released by the Department for Education (DfE) at the time of writing. A final dataset will be published later in the year. This will show some changes from the figures included in this report, although it is unlikely that the figures will vary significantly. Data from previous years uses the DfE's final published figures.

5. Consultation and Equalities

- 5.1. There is no consultation proposed in relation to the contents of this report. Similarly, there are no equalities issues raised in Appendix B of this report.

6. Early Years Foundation Stage Profile

- 6.1. Standards in the foundation stage, as measured by the proportion of pupils that have reached a good level of development (GLD), continue to be well above those nationally and have been consistently so now for a number of years.

Good Level of Development (GLD)	2018	2017	2016
National	71.5%	70.7%	69.3%
Hampshire	76.7%	75.7%	75.2%

- 6.2. Given that standards are well above those nationally, it is helpful to compare our performance with a group of demographically similar local authorities, our so-called "statistical neighbours". The group comprises the 10 authorities statistically most like Hampshire, with 5 being more advantageous and 5 less so. The group currently consists of Leicestershire, Gloucestershire, South Gloucestershire, North Somerset, West Berkshire, West Sussex, Warwickshire, Worcestershire, Cambridgeshire and Central Bedfordshire.
- 6.3. The group is set up so that Hampshire's performance should be in line with the group average, with the county being ranked in the middle of the group (i.e. 6th place). Performance above this represents a strength and performance below an area for development.

6.4. This comparison indicates that performance of Hampshire schools against those in statistically neighbouring local authorities is strong and has been so over time, with the proportion of children reaching the GLD standard being well above the average for the group and the local authority ranked as second in the group.

Good Level of Development (GLD)	2018	2017	2016
Group average	71.9%	71.2%	69.6%
Hampshire	76.7%	75.7%	75.2%
Rank in group	2nd	2nd	2nd

7. Standards at Key Stage 2 (KS2)

7.1. New national testing arrangements were introduced in 2016 in line with the changes to the KS2 curriculum. There are now three years of data which can give an indication of trends over time against the more challenging standards introduced in 2016. This is the second year of the new national testing and assessment processes that were introduced for 2016.

7.2. The Government's preferred measure is the proportion of pupils that have reached Age Related Expectations (ARE) in each of reading, writing and mathematics (RWM). The table below sets out the Hampshire performance at this measure.

RWM	2018	2017	2016
Hampshire	68%	66%	59%
National	64%	61%	54%

7.3. Standards in Hampshire schools are well above those nationally and have been so now consistently over the past three years.

7.4. As with Early Years, standards at the end of KS2 in Hampshire schools are well above those in statistically neighbouring authorities and have been so over the past three years. Hampshire schools have consistently placed at the top of the group.

RWM	2018	2017	2016
Hampshire	68%	66%	59%
Group average	63%	59%	52%
Rank	1st	1st	1st

7.5. This strong overall performance is as a result of equally strong performance in the individual subject areas

Reading	2018	2017	2016
Hampshire	78%	76%	71%
National	75%	72%	66%

Writing	2018	2017	2016
Hampshire	82%	81%	80%
National	78%	77%	74%

Mathematics	2018	2017	2016
Hampshire	79%	78%	72%
National	77%	75%	70%

- 7.6. In all three subject areas, Hampshire performs well above that nationally and has done so consistently over the three year period. The same pattern is found when compared to our statistical neighbours, with standards being consistently well above the group average for the past three years. Hampshire schools have maintained their position of group top for each of reading, writing and mathematics.
- 7.7. The local authority has been working closely with about 100 schools through the 2017/18 financial year to help them secure improvements in standards. This group of schools has improved the proportion of pupils reaching ARE in 2018 compared to 2017 by 4.6% - over double the national rate.

8. Standards at Key Stage 4 (KS4)

- 8.1. New measures were introduced for secondary schools in 2016 which signalled the end to the percentage of pupils attaining 5A*-C (including English and Mathematics). Schools are judged against attainment 8 (A8), progress 8 (P8), and the proportion of pupils achieving the basics (a grade 4 or better in both English and mathematics). A further change has been made in 2018, with the average English Baccalaureate (EBacc) grade replacing the proportion of pupils achieving the EBacc.
- 8.2. New, more challenging GCSE courses in English and mathematics were examined for the first time in 2017. These are graded on a 1 to 9 point scale. The majority of GCSE subjects have now also been revised with more challenging content and have been examined for the first time in 2018.
- 8.3. We have been through an unprecedented period in terms of the changes to examination courses and school performance measures over the past five years. These changes mean that it is difficult to form a clear understanding of trends over time.

9. The “Basics”

Prior to 2017, this measure indicated the proportion of pupils who have achieved a C or better grade in both an English and mathematics qualifying qualification. The definition changed in 2017 to take into account the fact that pupils examined in these subjects had taken the new, harder revised GCSEs that are graded by numbers. So in 2017, to have qualified for the basics, pupils must have achieved a grade 4 or better in both subjects. This definition has remained unchanged for 2018.

9.1. Schools in Hampshire have performed well against this measure compared to the national figures, over time.

	Hampshire	National
2016 (old measure)	66.7%	63.3%
2017 (new measure)	68.3%	64.2%
2018 (new measure)	66.4%	64.2%

9.2. The local authority performs above the statistical neighbour average for this measure, something it has consistently done over a number of years. Its ranking places it in the top half of the group.

	Hampshire	Statistical neighbour average	Hampshire rank
2016 (old measure)	66.7%	65.4%	3
2017 (new measure)	68.3%	66.9%	3
2018 (new measure)	66.4%	66.4%	5

10. The English Baccalaureate

10.1. In previous years this measure has shown the proportion of pupils that have “achieved” the English baccalaureate. To qualify, pupils achieved a grade 5 or better in English Language and literature, and mathematics; Grade C or better in two sciences; a language (either modern or ancient) and an A*-C in either history or geography. However, the measure has changed this year to show the average score that pupils achieve across this group of subjects

10.2. As a new measure there is no previous data against which to judge performance over time. In 2018, the average score for Hampshire schools is 4.11, which is above the National average score of 4.04. The local authority places at 5th position in the table of statistical neighbours, with the average score being in line with the average for the group.

11. Attainment 8

11.1. The calculation of A8 is complex, looking at pupils’ average performance across eight subjects from a tightly defined set that includes an English, mathematics, three EBacc subjects and 3 other subjects. A8 is not a threshold measure.

11.2. For reasons outlined above, A8 figures are not directly comparable with those from previous years

11.3. A8 has remained above the national average in Hampshire over the past three years

Attainment 8	Hampshire	National
2016	50.8	50.1
2017	46.9	46.4

2018	47.0	46.5
------	------	------

11.4. A8 has remained in line with our statistical neighbour average over the past three years, with the local authority being placed consistently in the top half of the table:

Attainment 8	Hampshire	Statistical neighbour average	Hampshire rank
2016	50.8	50.8	5
2017	46.9	46.9	5
2018	47.0	47.2	5

11.5. The complexities associated with interpreting A8 are demonstrated by the three sets of GCSE results shown below:

GCSE subject	Pupil A (grade)	Pupil B (grade)	Pupil C (grade)
English Language	5	4	4
English Literature	4	4	4
Mathematics	4	4	4
Science 1	4	4	4
Science 2	4	4	4
Religious Studies	Not studied	Not studied	4
History	4	4	Not studied
Drama	4	5	5
Art	4	4	4
Food Technology	4	4	4
Attainment8	42	41	37

Each pupil has “passed” the same number of GCSEs and has the same average grade. However, pupil A has the highest A8 score. Pupil B is next. Pupil A’s A8 is higher because their grade 5 is in an English subject. The English and mathematics grades are doubled when they are counted in the calculation. So pupil A’s A8 is 1 point higher. Pupil C’s A8 is 5 points below pupil A and 4 points below pupil B. This is because they only have two grades to contribute to the three EBacc subject grades that are included in the calculation. The other two pupils have three (History, Science 1 and Science 2), whilst the fact that pupil C did not take History (an EBacc subject), reduces their number of counting subjects to two in this area.

11.6. A8 is therefore influenced by the combination of subjects that pupils study as well as the quality of the experience that pupils receive

11.7. Consequently, there has been significant discussion nationally about the way in which the eligibility of subjects for the A8 calculation might or might not be shaping the curriculum on offer in secondary schools. In particular, it has been reported nationally that there has been a reduction in the proportion of pupils studying arts based courses that are not part of the EBacc. The

proportion of pupils entering various subjects in Hampshire schools in 2018 can be compared to that back in 2013 before the conception of A8 and EBacc.

Subject	Hampshire entries 2018 (% of cohort)	Hampshire entries 2013 (% of cohort)
Dance	3%	2%
Drama	13%	11%
Music	8%	6%
French	18%	25%
German	7%	10%
Spanish	14%	13%
Geography	46%	30%
History	46%	38%
Religious Studies	27%	37%
Art and Design	10%	13%
Photography	10%	2%

There is little evidence in Hampshire that the proportion of pupils following GCSE arts courses has fallen in response to the A8 measure. Indeed it appears to have increased. Whilst there has been a slight decline in the proportion taking GCSE art and design, schools report that this is due to pupils following GCSE photography instead. It is clear, however, that more pupils are studying history and geography – both EBacc subjects – at a cost to religious studies – not an EBacc subject. There has been a reduction in pupils studying French, which is an EBacc subject.

12. Progress 8

- 12.1. P8 is a measure of the progress pupils have made from KS2 tests in reading and mathematics across the A8 basket of subjects relative to their peers nationally. National performance information is used to estimate the A8 score of each pupil based on their KS2 performance. This is subtracted from their actual A8 score and the mean of the differences calculated across the school. P8 is therefore a relative measure, dependant on pupils' performance nationally. Schools cannot predict with any accuracy what it might be ahead of the examinations.
- 12.2. In a school with a P8 of zero, pupils have on average performed in line with pupils with similar starting points nationally. If the score is positive, then pupils have made more progress from their starting points than nationally; if it is negative, then pupils have made correspondingly less progress.
- 12.3. Hampshire schools perform slightly below the national average on this measure, and below that of statistical neighbours

	Hampshire	National	Statistical neighbour	Hampshire rank
--	-----------	----------	-----------------------	----------------

			average	
2016 (old measure)	-0.03	-0.03	-0.01	6
2017 (new measure)	-0.14	-0.03	-0.05	8
2018 (new measure)	-0.09	-0.02	0.02	8

- 12.4. All P8 figures have associated confidence limits. The Hampshire P8 figure lies within the confidence limits for the national figure. This means that it is not significantly below P8 nationally but statistically in line with it.
- 12.5. Even though A8 performance places Hampshire schools in the top half of the statistical neighbour group, the fact that KS2 results of this cohort was relatively even stronger means that P8 is slightly negative.
- 12.6. As discussed above A8, and therefore P8, are not solely a measure of school performance but also depend on the combination of subjects pupils have chosen. The example of three pupils above showed that the pupil who only had grades in two EBacc subjects had a lower A8 score than the other two, despite having the same average grade and grade distribution. They will have a lower P8 score if the three pupils had the same KS2 results.
- 12.7. The P8 values for Hampshire can be analysed by looking at the pupils who have studied three EBacc subjects, and then for those who have followed two – as per the above example, and then for just one

	No. pupils (2017)	P8 (2017)	Contribution (2017)	No. pupils (2018)	P8 (2018)	Contribution (2018)
3 EBacc subjects	10551	0.06	0.051	10605	0.09	0.079
2 EBacc subjects	982	-0.91	-0.073	972	-1.04	-0.084
1 EBacc subject	379	-1.73	-0.053	54	-1.61	-0.007

This shows that pupils who passed three EBacc subjects have a positive P8 score in Hampshire. Whilst the P8 for those who passed just 1 EBacc subject is negative, the numbers of these pupils are very small. This means that their performance makes little contribution to the overall P8 figure. The negative figure for Hampshire is largely driven by the 1000 pupils who have passed two rather than three EBacc subjects.

13. Conclusions

- 13.1. Pupils' attainment continues to compare favourably with that nationally and with our group of "statistical neighbour" local authorities across all key stages.
- 13.2. The performance in Early Years shows that pupils make a strong start to their education in Hampshire, and that this has been the case consistently over a number of years.

- 13.3. Children build on this strong foundation through the primary years to achieve highly at the end of KS2. Again this has been consistently so over a number of years and has been unaffected by changes to the national assessment arrangements.
- 13.4. Pupils' attainment is also strong at the end of KS4. Despite the significant changes to GCSE courses and their assessment and school performance measures generally over the past five years, Hampshire secondary schools have performed well during this period of unprecedented change.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	yes

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.)

Document

Location

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:

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

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.

This report is an information update for Cabinet and therefore no impact has been identified

1.2. Equalities Impact Assessment:

This report is an information update for the Children and Young People Select Committee and therefore no impact has been identified.

2. Impact on Crime and Disorder:

2.1. This report is an information update Cabinet and therefore no impact has been identified.

3. Climate Change:

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

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

This report is an information update for Cabinet and therefore no impact has been identified.

This page is intentionally left blank

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	11 March 2019
Title:	Country Park Transformation Update
Report From:	Director of Culture, Communities and Business Services

Contact name: Felicity Roe

Tel: 01962 847876

Email: felicity.roe@hants.gov.uk

1. Recommendations

That Cabinet:

- 1.1 Welcomes the success of the Country Parks Transformation (CPT) Programme to date and its contribution to both service transformation targets, and major customer improvements.
- 1.2 Endorses the positive impacts achieved in terms of visitor numbers and income generated.
- 1.3 Supports the ongoing roll out of the approved programme and planned feasibility work on further developments that may further enhance the Country Park offer.

2. Executive Summary

- 2.1. This report provides an update on progress and achievements of the Country Parks Transformation (CPT) Programme.
- 2.2. At this point in the programme, both Lepe and Royal Victoria have now completed their phase 1 transformation works. The ANPR (automatic number plate recognition system) is now up and running at Lepe, Royal Victoria and Queen Elizabeth Country Parks and is on track to be installed at all parks by the end of March 2019. The building schemes at Queen Elizabeth, River Hamble and Staunton Country Parks are due for completion by December 2019. The café refurbishment at Royal Victoria and improvements at the farm attractions will complete in 2020.
- 2.3. Initial data from the ANPR system has been used to check and challenge original revenue forecasts, inform a new charging structure, and provide improved confidence in a revised revenue income forecast. Based on this, 2019/20 should see an increase in income at the parks, reducing the parks

collective cash limit to almost a cost neutral position, achieving the overarching benefit of the CPT Programme.

- 2.4. The project at River Hamble country park will utilise a budget allocation of £800,000 from the approved corporate allocated capital, to achieve a new visitor centre with welcome facilities, catering, toilets, seating and hire space, together with new and improved play and trails. Once completed this may offer a platform to develop the site into a major visitor destination subject to appropriate feasibility work
- 2.5. The report provides information on the strong financial performance associated with the roll out of the programme including information on visitor and income uplift.

3. Programme Context

- 3.1. The Country Parks Transformation (CPT) Programme aims to develop a suite of modern 21st Century Country Parks that are operationally self financing. The parks will attract more people from Hampshire, and beyond, to visit more often, stay longer, spend more and return. By achieving this, the parks aim to become operationally and financially sustainable in the long term.
- 3.2. The outcomes of the programme can be summarised as:
 - financially self sustaining parks;
 - improved play, activities, facilities and learning;
 - increased visitor numbers, satisfaction and spend;
 - improved partner/community relationships
- 3.3. The Country Parks currently cost in the region of £3.6m collectively per annum to run. To fund this, £3.2m is generated from income, with the remaining £0.4m coming from the Culture, Communities and Business Services' Cash Limited Revenue Budget. At this point in the programme, both Lepe and Royal Victoria have now completed their phase 1 transformation works. The ANPR (automatic number plate recognition system) is now up and running at Lepe, Royal Victoria and Queen Elizabeth Country Parks and is on track to be installed at all parks by end of March 2019.
- 3.4. Initial data from the ANPR system has been used to check and challenge original revenue forecasts, inform a new charging structure and provide improved confidence in a revised revenue income forecast to achieve T19 savings. Based on this, 2019/20 should see an increase in income at the parks, reducing the parks collective cash limit to £40,000, an almost cost neutral position, thus achieving the overarching benefit of the CPT Programme.
- 3.5. The service is monitoring the increase in costs at parks as a result of completed projects to analyse the affect on the overall net revenue position. This is being fed into forecasted figures for other parks, to ensure a more accurate ongoing forecast.

4. Site Updates

4.1. Lepe Progress/Achievements:

- *The Lookout* opened on 4 May 2018;
- 80% increase in catering profit of £53k May-Nov 2018 compared with the same period in 2017;
- 57% parking income increase of £80k May-Dec compared with the same period in 2017, following the introduction of ANPR in mid May;
- visitor number increase of 25% since the opening of *The Lookout*.

4.2. Royal Victoria Progress/Achievements:

- chapel opened to the public on 1 Aug 2018;
- royal opening of the chapel by the Countess of Wessex on 12 Nov 2018;
- a number of successful events held at the chapel;
- 47% parking income increase of £41k Jun-Dec 2018 compared with the same period in 2017, following the introduction of ANPR in June;
- visitor number increase of 11% since the chapel opened;
- additional £900,000 awarded to transform the restaurant.

4.3. Queen Elizabeth Progress/Achievements:

- installation of assault course, dog activity trail, play and community space with pizza oven completed in Juniper area of the park;
- by July 2018 car parking income at Juniper increased by nearly 100% compared with 2017;
- Juniper catering income doubled from £11,000 in 2017 to £22,000 in 2018;
- visitor number increase of 86% to the Juniper area of the park since Apr 2018;
- additional £400,000 capital awarded to achieve full transformation plans;
- main contract tendered and awarded within budget. Works to the visitor centre refurbishment started on 14th January 2019.

4.4. Staunton Progress/Achievements:

- planning permission received, following a delay of approx. 6 months;
- sawmill works completed in the parkland;
- additional £450,000 capital awarded to the farm to give a budget of £600,000 for improvements to the farm attraction;
- works to the parkland will start early in 2019, following appointment of contractors. This was planned to be carried out under one contract, but due to the poor tender response this has been broken down and will be tendered as more than one contract;

4.5. Manor Farm:

- £550,000 capital awarded to the farm attraction;
- focus on enhancing animal welfare and the visitor experience through the development of outdoor play, improved learning and engagement for general visitors and school groups and animal feeding.

4.6. Titchfield Haven Progress/Achievements:

- kitchen upgrade Nov 2017;
- tea room furniture upgrade to take place in Feb 2019;
- bid for Bird Aware funding to be submitted in March 2019.

5. River Hamble Country Park – Forthcoming work

- 5.1. River Hamble Country Park (RHCP) is located directly to the north east of Junction 8 of the M27, between Southampton and Portsmouth. The country park covers approximately 400 acres and incorporates a number of different landscapes from woodland through to grassland, productive agricultural land to recreation space, with the River Hamble running along its eastern boundary.
- 5.2. At the beginning of the CPT programme RHCP was marketed as part of Manor Farm. Market research was undertaken by external consultants and their findings highlighted that two different visitor attractions were being marketed under one umbrella with a joint vision and aims. Many of the visitors going to the farm would drive through the country park without realising what it had to offer.
- 5.3. The market research and evaluation highlighted the absence of a visitor hub within the country park. The only facilities being a kiosk, which was opening at weekends (spring and summer only) and during the holidays, but is no longer fit as a catering outlet due to age and condition. There is a small amount of ageing play and toilet facilities.
- 5.4. When visitors were asked what improvements they would like to see at the country park, the top five were adventure play (40%), natural/wild play (33%), improved trails (30%), events (28%) and improved catering (27%).
- 5.5. In January 2017 the country park was rebranded River Hamble Country Park. The entrance signage was updated with the new branding and the website developed with its own identity and pages.
- 5.6. The trail network is large and with very limited signage, making it difficult for new visitors to know where to go and existing visitors to navigate further a field or take different paths.
- 5.7. There is a large housing development on the doorstep of the park. This provides an opportunity to attract further visitors and also signifies the importance of protecting green spaces within the county as more housing is developed.

- 5.8. In response to this context the proposed enhancements focus upon:
- a hub space for the country park that is visible from the road and provides visitor welcome, catering, seating, toilets and play; and hire space;
 - investment in the play offer to meet the needs of those who wanted to see more adventure and natural play;
 - investment in the trail network to consolidate the large number of paths to a core set that improve accessibility and can be used all year round, making River Hamble a destination in all seasons;
 - new signage will be provided within the park to give visitors the confidence to explore;
 - improvements in parking including installation of ANPR at the end of March 2019.
- 5.10 Once these improvements have been secured there will be a strong platform to consider developing the site as a significant visitor destination. A combination of opportunities linked to the strategic location of the site, the family farm attraction, and the extensive and varied nature of the park itself, is worthy of further feasibility work. This will assess such potential linking to experience from the CPT programme and associated business development opportunities.

6. Finance

- 6.1. The Executive Member Policy and Resources approved the CPT Programme in December 2013 and a capital investment from Hampshire County Council of £5.7m; to match a £3m capital target from the sale of countryside assets.
- 6.2. The sale of assets has exceeded expectations and so far has achieved £3,306,000. There is one final property to be marketed with an estimated value of £500,000, which would give an overall total from the property sales of £3,806,000.
- 6.3. The initial programme budget was £12.9m, which rose to £16.1m, an increase of £3.2m or 25%. This was as a result of the success of the programme in exceeding the external funding income target of £4.2m by £2.8m to a total of £7m.
- 6.4. A request for £2.3m additional capital was recommended by Executive Member Recreation and Heritage in May 2018 and approved by the County Council in September 2018.
- 6.5. The extra funding achieved gives a total programme funding figure of £18.814m.
- 6.6. The programme capital breakdown can be seen in appendix 1.

- 6.7. The increase in revenue costs associated with the new, improved, and expanded facilities is being factored in to ongoing costings to ensure that we maintain the right standards of quality and customer service.
- 6.8. The improvements in financial performance associated with those sites which have received transformation investment, is set out in appendix 2. This represents a positive result and tracks the impact of the investment made with Lepe and RVCP both tracking over 30% in income growth. Whilst a full year's visitor data is not yet available across all parks, our low season improvement is currently tracking strongly, driven by an especially good December uplift

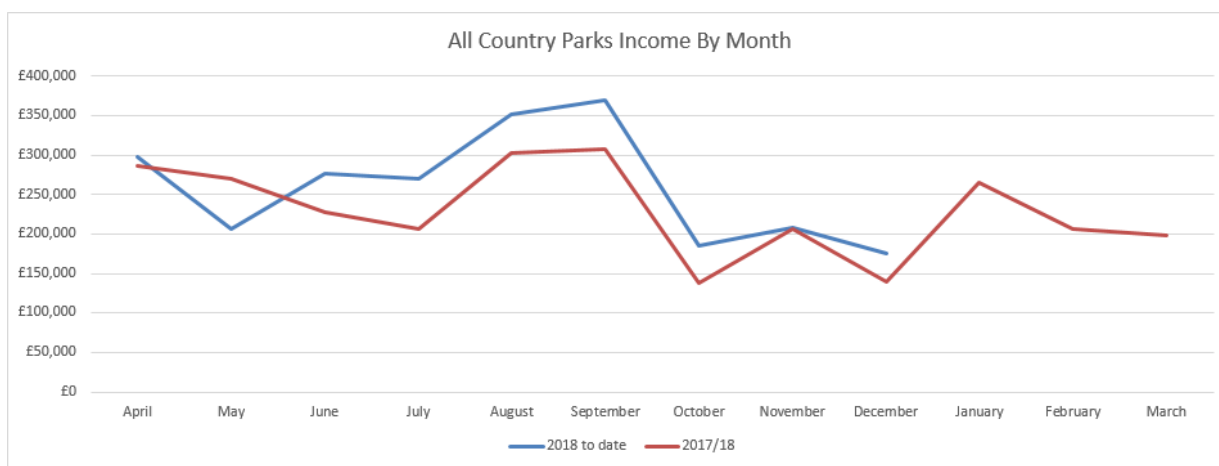
Appendix 1 – Overall Capital Breakdown

PROJECT	HCC TOTAL	EXTERNAL SOURCES TOTAL	TOTAL
	£'000	£'000	£'000
Royal Victoria	2,292	2,269	4,561
Lepe	2,070	1,028	3,098
Queen Elizabeth	2,150	208	2,358
Titchfield	50		50
Manor Farm	580		580
River Hamble	950	55	1,005
Staunton	1,558	3,448	5,006
Programme team	535		535
Other programme costs	387		387
Car parking system	950		950
Infrastructure & Signage	240		240
Contingency	44		44
Total	£11.806m	£7.008m	£18.814m

Appendix 2 – Country Parks Income and Visitor Figures

Income for all Parks

Income	2018 to date	2017	% change
Lepe	£299,253	£220,186	35.9%
RVCP	£356,683	£270,518	31.9%
QECP	£435,763	£358,088	21.7%
TH	£102,172	£90,778	12.6%
RH/MF	£406,413	£389,373	4.4%
Staunton	£741,672	£755,576	-1.8%
Totals	£2,341,956	£2,084,519	12.3%



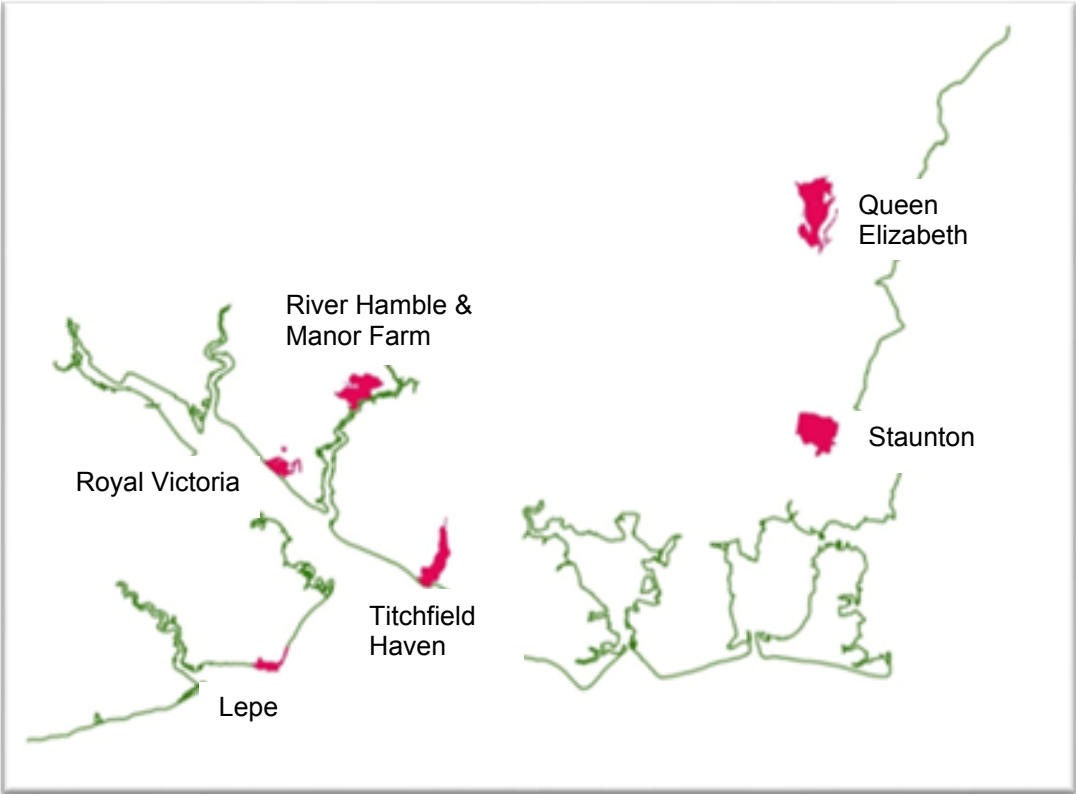
Visitor Figures for all Parks

PEAK	April	July	August	October	Totals
2018 to date	327877	329895	282431	283305	1223508
2017-2018	304075	283220	273992	251175	1112462
% variance	7.8%	16.5%	3.1%	12.8%	10.0%
MID	May	June	September	March	Totals
2018 to date	282578	275608	232906		791092
2017-2018	312927	237888	193086		743901
% variance	-9.7%	15.9%	20.6%		6.3%
LOW	November	December	January	February	Totals
2018 to date	192546	197246			389792
2017-2018	173346	142000			315346
% variance	11.1%	38.9%			23.6%

Appendix 3 – All parks spend profile

	Baseline				
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Current Gross Running Costs - Baseline	2808	2808	2808	2808	2808
Current Income - Baseline	-2370	-2370	-2370	-2370	-2370
Total Forecasted Costs	2808	3590	3235	3639	3606
Total Forecasted Income	-2370	-2969	-2902	-3242	-3566
Net Revenue Position	438	621	333	397	40

Appendix 4 – Park Location Map



CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Transforming our Country Parks – Case for Future Investment	5362	12/12/13
Royal Victoria Country Park Chapel	6424	12/03/15
Project approval for Lepe and Royal Victoria wider park	6939	20/10/15
Country Parks Transformation Project Approvals	7726	09/11/16

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.)

DocumentLocation

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:

Equality impact assessments will be completed as part of each project start-up.

2. Impact on Crime and Disorder:

2.1. No significant impact has been identified in the development of this report.

3. Climate Change:

3.1. This will be considered as part of each park project.