

SUMMONS

To the Members of the County Council

You are hereby summoned to attend the County Council Meeting to be held in the Council Chamber at The Castle, Winchester at 10.10 am, or upon the rising of the Special County Council Meeting, whichever is the later on Thursday, 22nd July, 2021 to consider and resolve upon the business set out in the Agenda below.

Enquiries to: Debbie Vaughan: members.services@hants.gov.uk

This agenda can be provided on request in large print or Braille or on disk. This meeting will 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** (Pages 5 - 16)

To confirm the Minutes of the Extraordinary County Council Meeting held on 21 June 2021 and the County Council Annual General Meeting held on 27 May 2021.

4. **DEPUTATIONS**

There are no deputations on this occasion.

5. **CHAIRMAN'S ANNOUNCEMENTS**

To receive such announcements as the Chairman may wish to make to the Council.

6. **LEADER'S REPORT**

To receive such reports as the Leader of the Council may wish to bring before the Council.

7. **QUESTIONS UNDER STANDING ORDER 16.1.1**

To deal with questions pursuant to Standing Order 16.1.1. Where a member has submitted more than one question, their second and subsequent questions will not be answered until all members' first questions have been dealt with.

Part I: Matters for Decision

8. **APPOINTMENTS** (Pages 17 - 18)

To consider a report of the Chief Executive to make any Member appointments or alterations as required to the membership of committees and standing panels of the County Council, to statutory joint committees, to other proportional bodies the County Council is represented on, or to any other bodies which are not subject to proportionality rules.

9. **INTERIM APPOINTMENT OF CHIEF FINANCIAL OFFICER** (Pages 19 - 20)

To consider a report of the Chief Executive regarding the appointment of the Chief Financial Officer.

10. **2020/21 END OF YEAR FINANCIAL REPORT** (Pages 21 - 82)

To consider a report of the Cabinet setting out the end of year position for the financial period 2020/21 seeking approval of the County Council's treasury management activities and prudential indicators.

11. **SERVING HAMPSHIRE STRATEGIC PLAN 2021-2025 AND CORPORATE PERFORMANCE MANAGEMENT FRAMEWORK** (Pages 83 - 102)

To consider a report of the Cabinet seeking approval of the new Strategic Plan for 2021-2025 and its accompanying Corporate Performance Management Framework.

12. **AMENDMENT OF CODE OF CONDUCT FOR MEMBERS** (Pages 103 - 120)

To consider a report of the Conduct Advisory Panel recommending amendment of the Code of Conduct for Members.

13. **APPOINTMENT OF INDEPENDENT PERSONS** (Pages 121 - 122)

To consider a report of the Conduct Advisory Panel recommending the appointment of Independent Persons for the County Council.

Part II: Matters for Information

14. **HAMPSHIRE AND ISLE OF WIGHT FIRE AND RESCUE AUTHORITY**

a) H&IOWFRA Questions

To deal with any questions which have been submitted pursuant to Standing Order 16.3 concerning the discharge of the Hampshire and Isle of Wight Fire and Rescue Authority's functions.

b) H&IOWFRA Report (Pages 123 - 124)

To receive a report of the Authority.

15. **CHANGES IN RESPONSIBILITY FOR EXECUTIVE FUNCTIONS**
(Pages 125 - 134)

To receive a report of the Chief Executive notifying changes to the allocation of Executive Functions together with the appointment of two Assistants to the Executive.

16. **ANNUAL REPORT OF THE POLICY AND RESOURCES SELECT COMMITTEE** (Pages 135 - 142)

To receive the annual report of the Policy and Resources Select Committee summarising the work carried out by the County Council's Select Committees during 2020/21.

17. **ANNUAL REPORT OF THE HEALTH AND ADULT SOCIAL CARE SELECT COMMITTEE** (Pages 143 - 150)

To receive the annual report of the Health and Adult Social Care Select Committee summarising the health scrutiny work carried out by the Committee during 2020/21.

18. **EXECUTIVE AND COMMITTEE REPORTS**

To receive for information the reports of the following:

- a) The Leader/Cabinet (Pages 151 - 152)
- b) Executive Lead Member for Children's Services (Pages 153 - 154)
- c) Executive Member for Adult Services and Public Health (Pages 155 - 156)

**Carolyn Williamson FCPFA
Chief Executive
The Castle
Winchester**

Wednesday, 14 July 2021

Agenda Item 3

AT A MEETING of the Extraordinary County Council of HAMPSHIRE COUNTY
COUNCIL held at the castle, Winchester on Monday, 21st June, 2021

Chairman:

* Councillor Melville Kendal

Vice-Chairman:

* Councillor Marge Harvey

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|---------------------------------|---|
| * Councillor Nick Adams-King | * Councillor Rob Humby |
| * Councillor Prad Bains | * Councillor Andrew Joy |
| * Councillor Jackie Branson | * Councillor Rupert Kyrle |
| * Councillor Ann Briggs | * Councillor Hugh Lumby |
| * Councillor Fran Carpenter | * Councillor Alexis McEvoy |
| * Councillor Roz Chadd | * Councillor Derek Mellor |
| * Councillor Adrian Collett | * Councillor Rob Mocatta |
| * Councillor Rod Cooper | * Councillor Kirsty North |
| * Councillor Tonia Craig | * Councillor Phil North |
| * Councillor Alex Crawford | * Councillor Russell Oppenheimer |
| * Councillor Debbie Curnow-Ford | * Councillor Louise Parker-Jones |
| * Councillor Liz Fairhurst | * Councillor Stephen Philpott |
| * Councillor Steve Forster | * Councillor Jackie Porter |
| * Councillor Jonathan Glen | * Councillor Roger Price |
| * Councillor David Harrison | * Councillor Stephen Reid |
| * Councillor Pal Hayre | * Councillor Patricia Stallard |
| * Councillor Juliet Henderson | * Councillor Tom Thacker |
| * Councillor Edward Heron | * Councillor Martin Tod |
| * Councillor Dominic Hiscock | * Councillor Malcolm Wade |
| * Councillor Keith House | * Councillor Jan Warwick |
| * Councillor Rob Humby | * Councillor Bill Withers Lt Col (Retd) |

*Present

NB: With the agreement of the Group Leaders, this was a reduced attendance proportional meeting in line with Government Covid safe guidance.

1. APOLOGIES FOR ABSENCE

Due to the specific circumstances of this particular meeting as referred to above, apologies were not required.

2. 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 1, 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 Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 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.

3. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements on this occasion.

4. **APPOINTMENT OF CHIEF EXECUTIVE (HEAD OF PAID SERVICE)**

The Council considered the report of the Member Appointment Panel (Item 4 in the Minute Book), as presented by the Deputy Leader, Councillor Rob Humby recommending Carolyn Williamson be appointed as the next Chief Executive of Hampshire County Council.

Firstly, the Deputy Leader took the opportunity to thank to all Group Leaders for their co-operation in agreeing to reduced attendance in order to hold a Covid-safe meeting within Government guidelines. The Deputy Leader also extended thanks to all officers involved in putting these arrangements in place.

The Deputy Leader reported that an experienced firm of consultants were commissioned to carry out an executive search process resulting in a long list of 10 candidates. A shortlist of four high calibre candidates were interviewed by a Member Panel who reached the unanimous decision to recommend Carolyn to all Members of the Council for appointment.

Carolyn joined the County Council in 2010 as Director of Corporate Resources and became the County Council's Deputy Chief Executive in 2017. As well as ably steering the County Council's finances during very challenging times, Carolyn has achieved a number of significant successes such as the implementation of inter-agency shared services, leading Connect 2 Hampshire and, alongside her County Council role, a term as President of CIPFA.

The Deputy Leader confirmed that Carolyn had stood out against a very strong field of candidates and had demonstrated energy, intelligence and passion for the job which had led to the Panel's unanimous decision.

In response, Carolyn thanked all Members for their confidence, confirmed she was delighted to take up the role of Chief Executive and looked forward to working with all Members to help steer the Council through the times ahead.

RESOLVED:

That the County Council:

- a) approves the appointment of Carolyn Williamson as Chief Executive of

Hampshire County Council

- b) delegates authority to the current Chief Executive, in consultation with the Chairman of the Employment in Hampshire County Council Committee (EHCC), for the setting of the salary of the new Chief Executive, to be reflective of the current rate of the role.

Chairman,

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AT A MEETING of the County Council of HAMPSHIRE COUNTY COUNCIL held
at the Hilton Hotel, Ageas Bowl, West End on Thursday, 27th May, 2021

Chairman:

* Councillor Melville Kendal

Vice-Chairman:

* Councillor Marge Harvey

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|-----------------------------------|---|
| * Councillor Nick Adams-King | * Councillor Gavin James |
| * Councillor Prad Bains | * Councillor Andrew Joy |
| * Councillor Lulu Bowerman | * Councillor Mark Kemp-Gee |
| * Councillor Jackie Branson | * Councillor Rupert Kyrle |
| * Councillor Ann Briggs | * Councillor Peter Latham |
| * Councillor Steven Broomfield | * Councillor Hugh Lumby |
| * Councillor Pamela Bryant | * Councillor Keith Mans |
| * Councillor Graham Burgess | * Councillor Alexis McEvoy |
| * Councillor Fran Carpenter | * Councillor Lesley Meenaghan |
| * Councillor Roz Chadd | * Councillor Derek Mellor |
| * Councillor Peter Chegwyn | * Councillor Rob Mocatta |
| * Councillor Adrian Collett | * Councillor Arun Mummalaneni |
| * Councillor Mark Cooper | * Councillor Kirsty North |
| * Councillor Rod Cooper | * Councillor Phil North |
| * Councillor Tonia Craig | * Councillor Russell Oppenheimer |
| Councillor Alex Crawford | * Councillor Sarah Pankhurst |
| * Councillor Debbie Curnow-Ford | * Councillor Tanya Park |
| * Councillor Tim Davies | * Councillor Stephen Parker |
| * Councillor Christopher Donnelly | * Councillor Louise Parker-Jones |
| * Councillor Alan Dowden | * Councillor Neville Penman |
| * Councillor David Drew | * Councillor Stephen Philpott |
| * Councillor Barry Dunning | * Councillor Jackie Porter |
| * Councillor Liz Fairhurst | * Councillor Roger Price |
| * Councillor Michael Ford | * Councillor Lance Quantrill |
| * Councillor Steve Forster | * Councillor Stephen Reid |
| * Councillor Jonathan Glen | * Councillor Patricia Stallard |
| * Councillor Tim Groves | * Councillor Elaine Still |
| * Councillor David Harrison | * Councillor Kim Taylor |
| * Councillor Pal Hayre | * Councillor Tom Thacker |
| * Councillor Juliet Henderson | * Councillor Michael Thierry |
| * Councillor Edward Heron | * Councillor Martin Tod |
| * Councillor Dominic Hiscock | * Councillor Andy Tree |
| * Councillor Keith House | * Councillor Jacky Tustain |
| * Councillor Zoe Huggins | * Councillor Rhydian Vaughan MBE |
| * Councillor Gary Hughes | * Councillor Malcolm Wade |
| * Councillor Rob Humby | * Councillor Jan Warwick |
| * Councillor Wayne Irish | * Councillor Bill Withers Lt Col (Retd) |
| * Councillor Adam Jackman | * Councillor Seán Woodward |

*Present

Opening Remarks

The Chairman opened the Annual General Meeting of the County Council and welcomed all Members, new and returning to the meeting.

Before moving to the formal agenda, the Chairman reported on an event which he had attended, together with the Lord Lieutenant of Hampshire, to lay a wreath on behalf of the County Council in memory of HRH the Duke of Edinburgh below the bronze of Her Majesty Queen Elizabeth in the Great Hall in Winchester. The Chairman and the Lord Lieutenant were accompanied by the Leader, the Chief Executive and The Sheriff of Hampshire. The Chairman, Leader and Chief Executive subsequently signed a letter of condolence which was sent to Her Majesty.

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Alex Crawford.

2. COUNTY COUNCIL ELECTIONS

The Council received the report of the County Returning Officer confirming the persons elected Members of the County Council on 6 May 2021.

3. ELECTION OF CHAIRMAN

The Chief Executive, as the Proper Officer, called for nominations. Councillor Keith Mans, seconded by Councillor Rob Humby proposed that Councillor Melville Kendal be elected Chairman of the Council until the Annual General Meeting of the Council in 2022. No other nominations were received therefore the proposition was put to the vote and carried.

ORDERED:

That Councillor Melville Kendal be elected Chairman of the County Council until the Annual General Meeting in 2022. Councillor Kendal made the declaration of Acceptance of Office and took the chair.

4. 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 Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 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.

5. **MINUTES**

The Minutes of the meeting of the County Council held on 25 February 2021 were confirmed as a correct record subject to a correction to paragraph 256 that Councillor Derek Mellor participated in the recorded vote. The Minutes were signed by the Chairman. There were no matters arising.

6. **APPOINTMENT OF VICE-CHAIRMAN**

The Chairman invited nominations for the position of Vice-Chairman of the Council. Councillor Keith Mans, seconded by Councillor Rob Humby proposed Councillor Marge Harvey. No other nominations were received therefore the proposition was put to the vote and carried.

ORDERED:

That Councillor Marge Harvey be appointed as Vice-Chairman of the County Council until the Annual General Meeting in 2022. Councillor Harvey made the declaration of Acceptance of Office.

7. **CHAIRMAN'S ANNOUNCEMENTS**

Councillor Kendal confirmed he had pleasure in accepting the nomination to serve as Chairman of Hampshire County Council for a second year and in so doing thanked all of his councillor colleagues he had served with over the years, many of whom had now retired. The Chairman also extended thanks to the Chief Executive and his staff for their work, not only in the challenging circumstances of the last 15 months, but as also indicated by the numerous awards received. In particular the Chairman commented on John Coughlan who retires shortly after his successful tenure as Chief Executive, a position he has held since 2015. The Chairman wished the Chief Executive the very in the years ahead and a very happy retirement.

The Chairman commented on the many attributes of the County of Hampshire such as two National Parks, the coastline and beautiful countryside. The County we have been at the forefront of household waste disposal, recycling plastics and converting non recyclables including plastics to energy, which led to the Chairman's continuing theme for the year ahead - for a Cleaner, Greener Hampshire led by the County Council – in particular encouraging the use of clean energy wherever possible and to continue to reduce carbon emissions improving air quality to reach carbon neutrality. The Chairman also commented on the music services offered through Children's Services and expressed hope that the coming year will allow young people to perform in live concerts to showcase their talents and hard work.

It was with sadness that the Chairman advised the passing of former County Councillor and Honorary Alderman John Waddington who had represented the

Ringwood division from 1997 to 2005 following a distinguished career in the insurance industry. Councillors Peter Chegwyn and Jonathan Glen paid tribute and a minute's silence was observed as a mark of respect.

8. LEADER AND CABINET

a) Election of Leader

The Chairman called for nominations for the position of Leader of the County Council pursuant to Part 1, Chapter 9 of the Constitution. Councillor Rob Humby, seconded by Councillor Peter Latham proposed Councillor Keith Mans. In the absence of any other nominations the proposition was put to the vote and carried. Councillor Keith Mans was duly elected Leader until the Annual General Meeting of the Council in 2022.

b) Cabinet Members

The Leader confirmed the members of his Cabinet as follows:

- Councillor Keith Mans - Leader of Hampshire County Council and Executive Member for Policy and Resources
- Councillor Rob Humby - Deputy Leader of Hampshire County Council and Executive Lead Member for Economy, Transport and the Environment
- Councillor Russell Oppenheimer – Executive Member for Highways Operations
- Councillor Jan Warwick – Executive Member for Climate Change and Sustainability
- Councillor Stephen Reid – Executive Member for Performance, Human Resources and Partnerships
- Councillor Roz Chadd – Executive Lead Member for Children's Services
- Councillor Liz Fairhurst – Executive Lead Member for Adult Services and Public Health
- Councillor Edward Heron – Executive Member for Recreation, Heritage and Rural Affairs
- Councillor Steve Forster – Executive Member for Commercial Strategy, Estates and Property

9. LEADER'S REPORT

The Leader congratulated Councillors Kendal and Harvey on their second term of office as Chairman and Vice-Chairman respectively and thanked Members for re-electing him as Leader of the County Council and congratulated those Members who had been re-elected and those that had been elected to the Council for the first time, with commiserations to those who were not re-elected. He thanked district, borough and County Council staff for all their hard work to deliver what had been complicated elections to administer to support democracy.

The Leader referred to the challenges faced by the Covid-19 pandemic during which the focus had been to reduce the spread of the virus and keep Hampshire safe. While the Government's announcement on easing restrictions was awaited, he emphasised the importance of continuing to follow the rules. The pandemic had also had a major impact on already constrained finances – a consequence of the growing demand for social care for vulnerable children and adults, against a backdrop of rising inflation and reduced Government funding.

The Leader reported that he continued to believe the best way forward for Hampshire is the two-tier model of local government, by working in partnership with the District and Borough Councils to ensure that efficiencies are gained from the work done to support the communities that those local authorities serve. He expressed his hope that if the Government decide on a unitary authority approach that this will be clearly stated in the White Paper which is anticipated for publication in the autumn. If this was the case, the Leader was of the view that a whole county unitary model would work best for Hampshire on the basis that any savings that might be made by that model would be lost if services already provided throughout the county were to be disaggregated.

The Leader reported that the Administration's overriding objective remains to keep Hampshire safe, continue to deliver the highest outcomes for residents, and maintain Hampshire as a successful and prosperous county - supporting post-COVID economic recovery, balancing economic success with care for the environment, and tackling climate change. He also highlighted the continuing prioritisation of support for the most vulnerable in the community with a commitment to delivering high performing services, and a desire to maintain council tax amongst the lowest of any county in England. The Leader also commented on the need for the Government to address the Social Care situation and for a more equitable form of tax for both on-line businesses and shops.

The Leader expressed his sadness at the death of HRH The Duke of Edinburgh and referred to the Duke of Edinburgh Award as a lasting legacy. He also added his condolences in respect of former County Councillor and Honorary Alderman John Waddington.

The Leader thanked the Chief Executive, John Coughlan for his work during his career with the County Council and commented that it had been a pleasure working with him. The Chairman invited Members to speak after which the Chief Executive thanked everyone for their kind words.

Lastly, the Leader confirmed his intention for the title of Honorary Alderman to be conveyed on a number of past County Councillors at a Special Meeting to be convened prior to the start of the full Council Meeting on Thursday 22 July. Following consultation with the Group Leaders it was proposed that Chris Carter, Peter Edgar MBE, Roy Perry and David Simpson be conveyed the title.

10. **DEPUTATIONS**

There were no deputations on this occasion.

11. **QUESTIONS UNDER STANDING ORDER 16.1.1**

Executive Members responded to questions submitted in accordance with Standing Order 16.1.1 as published.

12. **PROPORTIONALITY AND APPOINTMENTS**

The Council considered the updated report of the Chief Executive (Item 12 in the Minute Book), as presented by the Leader, setting out the proportionality between the political groups following the Elections on 6 May and making provision for appointments to be made to County Council committees including Co-opted Members and to Joint Committees and to Outside Bodies on which the County Council is represented, and for which appointments are to be made by the full Council.

RESOLVED:

That the County Council:

- a) Approves the Proportionality Table (Appendix 1 to these Minutes).
- b) Approves the appointment of Chairmen and Vice-Chairmen of the County Council's Committees and Standing Panels (Appendix 2 to these Minutes).
- c) Approves the appointment of Members, Substitute Members and Co-opted Members, where applicable, of the County Council's Committees and Standing Panels (Appendix 2 to these Minutes).
- d) Approves the appointments to the Health and Wellbeing Board in accordance with Part 1, Chapter 10 of the County Council's Constitution (Appendix 2 to these Minutes).
- e) Approves the appointment of the County Council's representative on the ACCESS Joint Governance Committee (Appendix 2 to these Minutes).
- f) Approves the appointment of the County Council's representatives on the Hampshire and Isle of Wight Fire and Rescue Authority (Appendix 2 to these Minutes).

- g) Approves the appointment of the County Council's representatives on other proportionate bodies, Joint Committees and Outside Bodies reserved to the County Council for appointment (Appendix 2 to these Minutes).

13. CONSTITUTIONAL MATTERS

The Council considered the report of the Chief Executive (Item 13 in the Minute Book) seeking approval of some constitutional matters, namely: the appointment of the County Council's Scrutiny Officer and approval of an amendment to the Terms of Reference for the Pension Fund Panel and Board.

RESOLVED:

- a) That the Deputy Head of Governance and Head of Democratic Services be appointed as the County Council's Scrutiny Officer.
- b) That the Monitoring Officer be authorised to make the necessary amendment to the County Council's Constitution consequential upon this appointment.
- c) That the County Council agrees the amended Terms of Reference for the Pension Fund Panel and Board at Appendix 1 to the report, for inclusion in the Constitution.

14. HAMPSHIRE AND ISLE OF WIGHT FIRE AND RESCUE AUTHORITY

- a) HIWFRA Questions
No questions had been received in accordance with Standing Order 16.3.
- b) HIWFRA Report
The Council received and noted the report of the Hampshire & Isle of Wight Fire and Rescue Authority as presented by Councillor Roz Chadd in her capacity as Vice-Chairman of the Fire Authority.

The Meeting closed at 11.19am.

Chairman,

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COUNCIL MEETING, 22 JULY 2021

REPORT OF THE
Chief Executive
PART I

1. APPOINTMENTS

The following appointments are proposed by the Leader of the Council:

- a) That the following changes of membership are made to the Health and Adult Social Care Select Committee:
 - Councillor Adam Jackman to replace Councillor Rhydian Vaughan and Councillor Nick Adams-King to replace Councillor Michael Thierry as full Committee members
 - Councillor Jackie Branson to replace Councillor Chris Donnelly as a Substitute Member
- b) That Councillor John Hannides (Southampton City Council) be appointed as the Unitary Council Co-opted Employer Representative, and Councillor Cal Corkery (Portsmouth City Council) be appointed as the Unitary Council Co-opted Substitute Employer Representative on the Hampshire Pension Fund Panel and Board for the municipal year 2021/22.

NB: In accordance with the Appointments Policy for the Hampshire Pension Fund Panel and Board, the respective representatives from Southampton and Portsmouth City Councils rotate between being a main co-opted Member and a co-opted Substitute Member on an annual basis.

- c) That Chris Anders replace Joanna West as the Hampshire Secondary Schools Co-opted Member on the Education Advisory Panel.
- d) That Father John Chandler be appointed as a Co-opted Member to Group A of the Standing Advisory Council for Religious Education.
- e) That the County Council's representation on the Assembly of European Regions be adjusted to reflect two main members – Councillors Keith Mans and Andrew Joy, and two deputy members – Councillors Steve Forster and Phil North.
- f) That the following appointments be made to the Health and Wellbeing Board:
 - Rob Cole representing Hampshire Fire and Rescue Service and Glenn Bowyer as the Substitute Member
 - Luke Stubbs as the Substitute Member to Donna Jones the Police and Crime Commissioner for Hampshire
- g) That Councillor Rob Stead replace Councillor Professor Barrie Margetts on the Joint Health Overview and Scrutiny Committee, representing Southampton City Council.

RECOMMENDATIONS

That the County Council approve the appointments set out above.

COUNCIL MEETING, 22 JULY 2021

REPORT OF THE
CHIEF EXECUTIVE
PART I

1. INTERIM APPOINTMENT OF CHIEF FINANCIAL OFFICER

- 1.1. At the Extraordinary Council meeting on 21 June 2021, it was agreed that the Director of Corporate Resources and Chief Financial Officer Carolyn Williamson be appointed as the new Chief Executive (Head of Paid Service). Mrs Williamson formally takes up this appointment on 19 July 2021.
- 1.2. Following the decision of the Extraordinary Council, at a meeting of the Employment in Hampshire County Council (EHCC) Committee on 5 July 2021, proposed adjustments to the senior management structure were considered and agreed. With respect to the Director of Corporate Resources and Chief Financial Officer role becoming vacant as a result of the Chief Executive appointment, this comprised:
 - The deletion of the post of Director of Corporate Resources
 - The expansion of the role of the current Head of Finance, to be redesignated as Director of Corporate Operations and Chief Financial Officer.
- 1.3. In accordance with the County Council's Standing Orders, an Appointment Panel is required to confirm the appointment of the Director of Corporate Operations and Chief Financial Officer. This will be convened in September 2021, until which time the appointment has been made on an interim basis, to ensure that robust senior management arrangements are in place.
- 1.4. Part 1, Chapter 4, paragraph 1.17 of the County Council's Constitution reserves to the Full Council the responsibility for making arrangements for proper administration its financial affairs. In respect of this, the County Council is asked to approve the interim appointment of the Chief Financial Officer.
- 1.5. Following the Appointment Panel meeting in September, a further report will be presented to Council to consider confirmation of the interim appointment of the Chief Financial Officer on a permanent basis.

The full report to EHCC Committee can be found at the following link:

[EHCC Monday, 5th July](#)

RECOMMENDATIONS

That the County Council:

- a. Approve the appointment of the Director of Corporate Operations as the interim Chief Financial Officer of the County Council.

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COUNCIL MEETING, 22 JULY 2021

REPORT OF THE

Cabinet

PART I

1. 2020/21 – END OF YEAR FINANCIAL REPORT

- 1.1. At its meeting of 13 July 2021, Cabinet considered a report providing a summary of the 2020/21 final accounts.
- 1.2. Savings on non-cash limited budgets total just over £14.7m. This largely results from unused inflation and Adult social care contingencies partly offset by lower than planned interest on balances and the requirement for an increased contribution to the bad debt provision.
- 1.3. The report recommends that these corporate savings of £14.7m are earmarked for specific purposes set out in section F. This includes investment in highways maintenance, a contribution to the interest risk reserve in line with the approved investment strategy, new funds to support new ways of working and other recovery issues post pandemic and funding towards the County Council's celebrations for the Queen's Platinum Jubilee.
- 1.4. Net service cash-limited expenditure was £51.9m lower than originally planned against an overall gross budget of approaching £2.0bn; a variance of 2.9%. This position is after the allocation of Government funding to cover the cost of responding to the coronavirus pandemic during 2020/21 and therefore reflects the financial position of the 'usual' business of the County Council, albeit 2020/21 was unusual in many respects as a consequence of the pandemic.
- 1.5. The position for each of the departments is summarised in the table below:

	Variance (Under) / Over Budget
	£M
Adults' Health and Care	(30.6)
Children's Services - Non Schools	(10.0)
Corporate Services	(6.1)
Culture, Communities and Business Services	(4.5)
Economy, Transport and Environment	(0.7)
Total Departmental Expenditure	(51.9)

- 1.6. In addition to agreeing the recommendation to Council set out below, Cabinet resolved to:
- i. Note the year end position in respect of Covid-19 costs and losses as outlined in Section D.
 - ii. Note the outturn position set out in Section E.
 - iii. Note the use of £30m of contingencies as part of the Covid Financial Response package as previously agreed by County Council.
 - iv. Approve the allocation of unspent central budgets of £14.7m for the specific purposes set out in section F.
 - v. Approve one off funding of up to £64,000 from contingencies in the current year and recurring funding of £110,000 from 2022/23 onwards for additional senior capacity to support the health and safety and risk functions across the County Council. The outcome of a further review of health and safety roles will be built into the base budget as part of the budget setting process for next year.
 - vi. Approve the increase of service capital programme cash limits for 2021/22 to reflect the carry forward of capital programme schemes totalling £99.7m and shares of capital receipts totalling £0.113m as set out in Appendix 3.
 - vii. Approve the addition to the capital programme, as outlined in Section I, a scheme to reconfigure Rookwood office accommodation with an estimated cost of £430k to be funded from capital receipts and revenue contributions from the fund proposed in section F of this report.
 - viii. Approve the increase in the capital programme value for the A3090 Winchester Road/Halterworth Lane Junction, Romsey junction improvements scheme, from £0.574 million to £1.3 million with the increase to be funded from developer contributions as outlined in Section I.

The full report to Cabinet can be found at the following link and is attached as an Annex to this report:

[Cabinet 13th July, 2021](#)

RECOMMENDATION

- a. With reference to the report annexed to this Council report, Council is recommended to approve the report on the County Council's treasury management activities and prudential indicators set out in Appendix 2.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet County Council
Date:	13 July 2021 22 July 2021
Title:	2020/21 – End of Year Financial Report
Report From:	Deputy Chief Executive and Director of Corporate Resources

Contact name: Rob Carr, Head of Finance

Tel: 01962 847508

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Section A: Purpose of this report

1. The purpose of this report is to provide a summary of the 2020/21 final accounts. It sets out the variance against the revenue budget for service departments and non-service budgets and explains the reasons for the variances. It makes recommendations for the use of budget underspends including transfers to earmarked reserves.
2. The report also covers capital expenditure and funding for 2020/21, revisions to the 2021/22 capital programme and reports on treasury management activity for the year ended 31 March 2021.

Section B: Recommendations

RECOMMENDATIONS TO CABINET

It is recommended that Cabinet:

3. Notes the year end position in respect of Covid-19 costs and losses as outlined in Section D.
4. Notes the outturn position set out in Section E.
5. Notes the use of £30m of contingencies as part of the Covid Financial Response package as previously agreed by County Council.
6. Approves the allocation of unspent central budgets of £14.7m for the specific purposes set out in section F.
7. Approves one off funding of up to £64,000 from contingencies in the current year and recurring funding of £110,000 from 2022/23 onwards for additional senior capacity to support the health and safety and risk functions across the County Council. The outcome of a further review of health and safety roles will be built into the base budget as part of the budget setting process for next year.

8. Approves the increase of service capital programme cash limits for 2021/22 to reflect the carry forward of capital programme schemes totalling £99.7m and shares of capital receipts totalling £0.113m as set out in Appendix 3.
9. Approves the addition to the capital programme, as outlined in Section I, a scheme to reconfigure Rookwood office accommodation with an estimated cost of £430k to be funded from capital receipts and revenue contributions from the fund proposed in section F of this report.
10. Approves the increase in the capital programme value for the A3090 Winchester Road/Halterworth Lane Junction, Romsey junction improvements scheme, from £0.574 million to £1.3 million with the increase to be funded from developer contributions as outlined in Section I.
11. Recommends to the County Council approval of the County Council's treasury management activities and prudential indicators set out in Appendix 2.

RECOMMENDATIONS TO COUNTY COUNCIL

This single report is used for both the Cabinet and County Council meetings, the recommendations below are the Cabinet recommendations to County Council and may therefore be changed following the actual Cabinet meeting.

County Council is recommended to approve:

- a) The report on the County Council's treasury management activities and prudential indicators set out in Appendix 2.

Section C: Executive Summary

12. This report provides a summary of the 2020/21 final accounts. In line with the revised statutory requirement, the draft statement of accounts will be published by 31 July and will be reported to the Audit Committee in September, in conjunction with the External Audit report on the accounts.
13. The volatility of the coronavirus pandemic with the various restrictions, lockdowns and new requirements and approaches for the County Council made it extremely difficult to form an accurate prediction of the financial impact of the pandemic both in the short and medium term. Given the unprecedented situation at the start of last financial year, it was essential that our financial management approach was robust. It was appropriate, therefore, that our initial assessment of the potential financial impact was a prudent one and it is much better that subsequent monitoring and updates have reported an improving position than to have started from an overly optimistic position and then descend into an unanticipated black hole. The revised forecast of £88.3m was included in the February budget report and has been updated as outlined in section D of this report. During the year, general and specific funding from the Government and NHS England has been received and applied to offset the visible costs and losses resulting from the pandemic. Consequently, the County Council's financial response package of £30m identified in the Medium Term Financial Strategy has not yet been required.

14. Our position throughout and at the year end is very much in alignment with other County Councils who experienced similar challenges. The future remains difficult to predict. Therefore, given the on-going uncertainty of the financial impact of the pandemic in the medium term, particularly fears of a potential time lag in its impact on council tax, business rates and social care costs as we move through 2021/22 and government support comes to an end, it will be important to protect the locally funded response package and carry it forward for this purpose.
15. Savings on non-cash limited budgets total just over £14.7m. This largely results from unused inflation and Adult social care contingencies partly offset by lower than planned interest on balances and the requirement for an increased contribution to the bad debt provision.
16. This report recommends that these corporate savings of £14.7m are earmarked for specific purposes set out in section F. This includes investment in highways maintenance, a contribution to the interest risk reserve in line with the approved investment strategy, new funds to support new ways of working and other recovery issues post pandemic and funding towards the County Council's celebrations for the Queen's Platinum Jubilee.
17. Net service cash-limited expenditure was £51.9m lower than originally planned against an overall gross budget of approaching £2.0bn; a variance of 2.9%. This position is after the allocation of Government funding to cover the cost of responding to the coronavirus pandemic during 2020/21 and therefore reflects the financial position of the 'usual' business of the County Council, albeit 2020/21 was unusual in many respects as a consequence of the pandemic.
18. The underspend against budget reflects the early achievement of Tt2021 savings in many service areas, savings in travel and printing as a result of new ways of working in line with our original digital strategy, which has been accelerated by the work from home response to the pandemic, and largely expected to continue into the future. Additionally, to some extent, there has been a shift in focus away from some planned projects and service developments and instead directed towards activity required in response to the pandemic, which is covered by Covid funding. The financial position also reflects funding from NHS England as part of the Hospital Discharge Scheme which was supplemented by the Hampshire CCGs with a one-off additional contribution to the Better Care Fund of £7.75m to support reablement services. This is a reciprocal arrangement that will be adjusted for within 2021/22.
19. The nature and timescales of the on-going impact of the pandemic are still uncertain, as is future Government funding and the position continues to be volatile. Against this backdrop, departments need to complete full delivery of Tt2019 and Tt2021 and plan for the savings programme required in 2023. The one-off funding arising from the 2020/21 final outturn position can be used to meet the future costs of change, for example in shaping services to meet the changing needs of a post-pandemic world, to cash flow the necessarily slower delivery of some savings or to offset other service pressures, for example within social care.

20. The position for each of the departments is summarised in the table below:

	Variance (Under) / Over Budget
	£M
Adults' Health and Care	(30.6)
Children's Services - Non Schools	(10.0)
Corporate Services	(6.1)
Culture, Communities and Business Services	(4.5)
Economy, Transport and Environment	(0.7)
Total Departmental Expenditure	(51.9)

21. The position for Adults' Health and Care largely reflects additional financial support from NHS England and Hampshire CCG to facilitate hospital discharge and also reduced demand for residential/nursing care and day services. The longer-term position for the Department is likely to present greater challenges than might be indicated by the 2020/21 outturn position. Moving into 2021/22, whilst further NHS funding has been received, it is cash limited and will have a significantly reduced impact. Short term services that support the discharge of clients from hospital are estimated to cost in the region of £20m - £22m in 2021/22 and in the region of £15m - £18m annually thereafter. Whilst local and national discussions are on-going to identify sources of funding, there remains considerable uncertainty regarding the level and sustainability of such funding. At the same time, it is expected that residential and nursing care demand may begin to recover; this will likely generate a pressure.

22. The position in Children's Services largely arises from early achievement of Tt2021 savings, lower demand for family support services and lower than anticipated numbers of secondary school pupils and pupils with special educational needs requesting local authority funded school transport. These combined savings more than offset cost pressures elsewhere including Safeguarding and Young People's Services.

23. Corporate Services continues to implement a strategy of strong budgetary control, managing expenditure and gaining economies of scale through expanded joint working and generating income, for example for legal services, pension administration, internal audit, procurement and other services. This has ensured early achievement of Tt2021 savings resulting in an underspend against budget for 2020/21.
24. Culture, Communities and Business Services continues to take every opportunity to make savings in business as usual activity where possible. This has been achieved by stopping all non-essential spend including delaying planned infrastructure developments at the Great Hall and a pause on awarding new grants in 2020/21 and generating increased income through new contracts and new initiatives, particularly within Property Services and Scientific Services. Early achievement of Tt2021 also contributes to the net underspend for the department.
25. The final outturn position for Economy, Transport and Environment (ETE) is the result of early achievement of Tt2021 savings, reduced need for highways winter maintenance as a consequence of the relatively mild winter weather and further savings across the department as every effort has been taken to minimise all non-essential spend and maximise efficiencies and income, given the context of the severe financial pressure the County Council is currently facing.
26. The savings on the winter maintenance budget will be carried forward to be spent in 2021/22 in accordance with established principles, providing additional one-off resources to supplement existing maintenance programmes and activities.
27. The one-off funding arising from the 2020/21 final outturn position has been set aside for use by the respective services in line with County Council policy. This funding will be required to meet the future costs of change, for example in shaping services to meet the changing needs of a post-pandemic world, to cash flow the necessarily slower delivery of some savings or to offset other service pressures, for example within social care.
28. Schools continue to face increasing financial pressure, in particular relating to high needs for children with special educational needs and or disabilities (SEND). These pressures are outside the County Council's core budgets, but the County Council retains an active role and interest as the local education authority. In 2020/21 the overall position has once again been balanced through the use of the Dedicated Schools Grant (DSG) Reserve, as allowed by the Department for Education (DfE).
29. The accumulated DSG deficit is now approaching £35.5m (up from £22.8m last year) and will be funded from future years DSG funding. A DSG Deficit Recovery Plan was produced last year, at the request of the DfE, and the local authority continues to develop this and implement strategies to reduce the pressure on the High Needs Block. Longer term the County Council is still looking to the Government to implement a solution to this increasing deficit and make policy changes to existing criteria whilst providing increased funding to fully meet growth in demand in the future.
30. The report contains a small section on reserves and balances highlighting a net increase in revenue reserves available to the County Council of £89m.

This largely equates to the unused locally funded Covid-19 response package and early achievement of savings and in line with the objective set out in the MTF5, the County Council has achieved a financial outcome for 2020/21 that leaves it no worse off as a result of the pandemic.

31. The report also recommends approval of:

- permanent funding for additional senior capacity to support the health and safety and risk functions across the County Council.
- The annual report on the operation of the treasury management strategy and the County Council's end of year prudential indicators.
- A revised capital financing plan for 2021/22.
- 2020/21 Revenue Outturn.

Section D : Covid-19 Financial Impact

32. Cabinet and county council have had regular reports throughout last year in respect of the financial impact of Covid-19. On top of the fact that the pandemic itself was unprecedented, as was the County Council's response to it, the constantly changing landscape and volatility of the virus meant that it was virtually impossible to form an accurate prediction of the eventual impact on the County Council's finances.

33. For example, spikes in the virus leading to new and extended lockdown periods had an adverse impact on income generation across the Council's Services but also reduced activity within social care services compared to what was expected which reduced anticipated extra costs (but may have the effect of pushing the demand into the current year).

34. Similarly, it was not until very late in the year (mid-December) that any relevant information on council tax and business rate losses became available for which the County Council had assumed quite large losses resulting from the pandemic. Government support was allocated in tranches and more latterly specific government grants around public health were distributed that help to offset some costs already incurred.

35. Our position throughout and at the year end is very much in alignment with other County Councils who experienced similar challenges. However, from a robust financial management perspective it is always better to err on the side of prudence and then have an improving position than the reverse of being overly optimistic developing into an unanticipated black hole.

36. The final position on gross costs and losses is shown in the following table:

	Year End
	£'000
Response and Recovery Costs	113,110
Lost Savings – 2020/21 only	9,742
Lost Sales Fees and Charges Income	10,094
Lost Commercial / Other Income	4,088
Costs and Losses	137,034
<i>Add Back:</i>	
Market Underwriting Costs	22,757
Total Costs and Losses	159,791

37. During the year funding was made available to help meet the visible costs of Covid by the Government and NHS England, together with savings made in the budget and budgeted market underwriting costs as shown below. Due to the way in which the MHCLG wanted figures reported, savings in costs have been netted off the costs and losses figures in the table above and the Other Savings figure below represents the balance of consequential savings arising from Covid-19.

	Year End
	£'000
Total Costs and Losses	159,791
Service Specific Funding (CCG's and Government)	(12,861)
Covid-19 Grant Allocations	(70,395)
Test and Trace, Infection Control and Emergency Assistance Grants	(57,151)
Income Reimbursement Scheme	(3,482)
Other Savings	(1,348)
Market Underwriting (Budgeted)	(22,757)
Total Funding	(167,994)
General Covid-19 Grant Carried Forward	(8,203)

38. Test and Trace, Infection control and Emergency Assistance Grants were applied in the year to actual spend and the balance of these specific grants has been carried forward to 2021/22. A total of just under £70.4m of general Covid-19 grant was received in the year and after taking into account all of

the other adjustments a balance of £8.2m of the general grant will be carried forward to 2021/22 to help offset expected costs in that year.

39. In terms of the medium term impact, it has not yet been possible to fully update the forward projections given the recent change to the Government's roadmap and extended period of restrictions to 19 July. The previous figures reported to County Council in February have therefore been updated to reflect the outturn for 2020/21 and other minor revisions and gives the current position:

	2020/21	2021/22	2022/23	2023/24	Total
	£'000	£'000	£'000	£'000	£'000
2020/21 Spare Grant	(8,203)				(8,203)
Slipped T19 and T21 Savings		22,752	3,131		25,883
Departmental Pressures		37,921	25,704	15,000*	78,625
Covid Grant - Tranche 5		(23,979)			(23,979)
Updated Total Gap	(8,203)	36,694	28,835	15,000	72,326

* A pure guess at this stage but the assumption is that the spike in social demand will eventually tail off and return to previous levels.

40. Whilst this once again shows an improvement against the previous forecast, the County Council is still in a 'less worse' position as funding of £72.3m will need to be found to meet this cost, which could have been used for other purposes.
41. A fuller update will be provided in the Medium Term Financial Strategy that will be presented to Cabinet and county Council in October and November respectively and this will reflect better data around social care and income pressures for the current year.

Section E : 2020/21 financial outturn

42. The table below summarises the net outturn position for each department compared to the final cash limit for the year. The figures exclude schools spending:

	Variance (Under) / Over Budget
	£M
Adults' Health and Care	(30.6)
Children's Services - Non Schools	(10.0)
Corporate Services	(6.1)
Culture, Communities and Business Services	(4.5)
Economy, Transport and Environment	(0.7)
Total Departmental Expenditure	(51.9)

43. The budget report to Cabinet in February 2021 reported the forecast outturn position as at the end of November 2020 (month 8). In so doing it recognised that the financial landscape in the year was complicated by Covid-19. The report anticipated that there would be early delivery of savings in the majority of departmental budgets by the end of the 2020/21 year and that most services would make contributions to their departmental cost of change reserves.

44. Strong financial management has remained a key focus throughout the year to ensure that all departments stay within their cash limits, that no new revenue pressures are created and that they deliver the savings programmes that have been approved. Importantly, when the pandemic commenced just before the start of the financial year, directors were requested to minimise all non-essential spend. In addition to this normal financial resilience monitoring, specific monitoring has been in place to identify the financial impact of Covid-19 in order to ensure full and appropriate application of the various elements of Government funding that have been provided throughout the year.

45. The financial management approach has been to deal with the impact of Covid-19 as a separate one-off event in order to leave the County Council in the same position it would otherwise have been. Uncertainty continues in the medium term as highlighted above, but for the financial year 2020/21, the strategy has proved to be successful and the final position for departments has improved since the November forecast.

46. Key issues across each of the departments are highlighted in the paragraphs below.

Adults' Health and Care

47. The impact of the pandemic on Public Health activity and Adult Social Care has been profound requiring a significant shift in focus; the financial consequences of which have been complex and dynamic. The cost of Covid-19 has been offset using a wide range of new Government grants. In addition, funding has been received from NHS England under the Hospital Discharge Scheme and from CCGs to support reablement services. Furthermore, there is a significant lower spend on social care activity as a consequence of excess deaths and alternative support being taken by residents, rather than be admitted to residential and nursing settings.
48. The planned delivery of savings as part of the Tt2019 and Tt2021 programmes has been delayed over the last year. The primary area savings were delayed is from sustainable reduced care package costs. The reason for the increased delay is two-fold; project resources to deliver the saving have been diverted to support the Covid-19 response effort, and any ability to affect the volumes of care and price paid has been significantly impacted by the need to support the NHS in freeing up acute capacity. Nevertheless, the department has achieved £6.9m early delivery against the Tt2021 target of £43.1m.
49. There are various minor savings across the Department, including: £2.9m from utilising spare HCC Care capacity to accommodate NHS funded Discharge to Assess beds, £0.4m income from one off back dated NHS funded nursing care for 2019/20 announced in 2020/21 and £5.3m from care packages across all client groups primarily arising from one off funding made available through the NHS Discharge Scheme and significantly reduced client volumes within Older Adults Residential and Nursing care settings in addition to Day Services due to enforced closures. In addition, where non care services have been focussed on Covid-19 activity this has reduced spend on other business as usual services saving approximately a further £4.3m.
50. The longer-term position for the Department is likely to present greater challenges than might be indicated by the 2020/21 outturn position. Moving into 2021/22, whilst further NHS funding has been received, it is cash limited and will have a significantly reduced impact. Short term services that support the discharge of clients from hospital are estimated to cost in the region of £20 - £22m in 2021/22 and in the region of £15m - £18m annually thereafter. Whilst local and national discussions are on-going to identify sources of funding, there remains considerable uncertainty regarding the level and sustainability of such funding. At the same time, it is expected that residential and nursing care demand may begin to recover; this will likely generate a pressure. This is further exacerbated as it is likely that the care market will, over the course of 2021/22 and beyond, have adapted to reflect lower overall demand, particularly from private clients, potentially leading to higher costs on average for Council funded clients.

51. Public Health ended the year with a balanced position having applied various Government grants to offset the cost of response to the pandemic. The balance of these specific grants has been carried forward to 2021/22.

Children's Services

52. The outturn for 2020/21 on the non-schools' budget is an underspend of £10m. Of this, £8.8m relates to early achievement of Tt2021. The balance comprises a range of variances across all budgets as summarised below.
53. There has been significant focus on Children Looked After (CLA) numbers and costs over recent years and trends for average costs, numbers and the mix of placement type have been tracked. Based on this analysis and tracking, additional corporate support has been agreed to address the pressures arising from this growth. The pressure eased slightly during 2020/21 with lower activity than forecast in Non-County Placements (NCPs), Independent Fostering Placements (IFPs) and children with disabilities placements. However, this was largely offset by pressures in post 16 accommodation and special guardianship order placements.
54. The Department continues to apply strong focus to these. However, these pressures continue to be areas of some concern in Children's Services and for the County Council as a whole, particularly in light of the potential impact of the Covid-19 pandemic, as a consequence of the prolonged lock down period and the impact on family settings; and will be closely monitored throughout the coming year.
55. Additional spend was required to deliver Safeguarding and Young People's Services mainly from the use of social work agency staff. Whilst recruitment through the Graduate Employment Trainee Scheme (GETS) continues, reliance on agency staff to cover for the short supply of qualified social workers and to balance the experience within frontline teams has continued to be required.
56. Excluding the impact of Covid-19, an underspend against budget for Home to School Transport resulted from lower than budgeted growth in pupil numbers. The number of pupils with EHCPs has increased as expected although the number requiring local authority funded transport has not seen the same increase. Similarly, the number of pupils moving into the secondary phase in mainstream schools increased in line with forecasts but the number requiring local authority funded transport was also lower than expected which has meant that we have not seen the 'step increase' in secondary costs that was anticipated when the budget was set.

Corporate Services

57. Corporate Services departments achieved a saving against the budget of nearly £5.6m. This underspend is after substantial transformation costs have been met in year and largely results from early delivery of Tt2021 savings. This includes business efficiencies through the use of technology and additional income, for example for legal services, pension administration, internal audit, procurement and other services.

58. The overall Corporate Services cash limit also includes a number of non-departmental budgets, including Member Support Costs and Corporate Grants. The net saving of £0.5m largely reflects lower costs or additional income in a number of budget areas. This includes lower members support costs, one-off adjustments and lower grants to local organisations and grants to voluntary organisations as agreed projects will be progressed in subsequent years and the saving will be carried forward to match the expenditure as it is incurred.

Culture, Communities and Business Services

59. The final outturn position for CCBS is a £4.5m under spend, as the Department continues to make every effort to minimise non-essential spend and maximise income and efficiencies, with savings arising mainly from staff savings across the Department. Savings totalling £3.728m have been achieved through a combination of generating increased income through new contracts and new initiatives, particularly within Property Services and Scientific Services; targeted staff savings through holding vacant posts and non-pay savings mainly within Library Services, Registration and Facilities Management; and stopping all non-essential spend including delaying planned infrastructure developments at the Great Hall and a pause on awarding new grants.

60. The remaining £0.8m of the Tt2019 savings target, which relates to office accommodation, continues to be delayed due to the dependency on other workstreams across the Council, including the consideration of new ways of working post pandemic, and also due to existing contractual commitments. However, agreed corporate funding has offset this slippage in 2020/21. The Tt2021 savings programme for CCBS has been delivered in full and this early achievement of savings is included in the overall underspend.

61. The successful implementation of the Tt2021 Programme and the resulting early delivery of savings will enable one-off investment in services including, for example, funding for the reinstatement of countryside footpaths, the condition of which has deteriorated significantly as a result of increased use during the pandemic and exacerbated by the wet winter weather.

Economy, Transport and Environment (ETE)

62. ETE continues to maintain a relentless focus on core service delivery around Highways, Waste Management, Transport, Economic Development and statutory planning services. The first two of these being major universal demand led services. To date the Department has been able to make contributions to its Cost of Change Reserve to cash flow planned later delivery of savings and to provide for the necessary enabling investment to deliver transformation. This has been an effective strategy to date although the increased requirement for investment in assets and resources to generate the next phase of savings will place further pressure on the Department.

63. A position close to break even has been achieved for 2020/21 after one-off investment of nearly £4m in the year which has been funded from savings

across all service areas. In view of the current financial situation for Local Government (excluding the impact of Covid-19), the Department continues to take every opportunity to make savings in 'business as usual' work where possible. The identification of opportunities for the early delivery of Tt2021 activity has resulted in savings of £1.034m being achieved in 2020/21.

64. Included within this result is an amount just approaching £0.75m within the winter maintenance budget which will be carried forward to be spent in 2021/22 as part of an ongoing programme of maintenance work. As set out in the Revenue Budget and Precept 2020/21 Report approved by County Council in February 2020 this will be supplemented from corporate contingencies to ensure that a minimum allocation of £2.0m is available to provide greater certainty over reactive maintenance funding.

Overall Position

65. Detailed explanations for the outturn position for all departmental budgets are provided in Appendix 1.
66. The departmental savings will be set aside to meet the future cost of change in line with the current financial policy which incentivises good stewardship.

Schools Budget

67. The financial pressures facing schools are well documented and in 2020/21 there was a net pressure of £12.7m against the school budget (including a £15.8m pressure on the High Needs Block) which has been offset by a charge to the Dedicated School Grant (DSG) reserve, as allowed by the Department for Education (DfE).
68. This year, the charge will increase the deficit on the DSG reserve to a total of approaching £35.5m which will be funded from future years DSG funding. A DSG Deficit Recovery Plan was produced last year, at the request of the DfE, and the local authority continues to develop this and implement strategies to reduce the pressure on the High Needs Block.

Other Budgets

69. The outturn for other items contained within the County Council's budget is shown in the following table:

	Variance (Under) / Over Budget
	£m
Capital Financing / Interest on Balances	0.8
Contingencies	(18.1)
Covid 19 financial response package	(30.0)
Increase in Doubtful Debt Provision	2.6
Total	<u>(44.7)</u>

70. The main reasons for these variances are set out in the paragraphs below.

Capital Financing and Interest on Balances (£0.8m increase)

71. Despite the reduction in the UK Bank Rate to 0.10% in March 2020 in response to the coronavirus pandemic, the County Council's treasury management strategy, which includes a mixture of variable and fixed rate and short and long term investments, has performed well. Further information is included in Appendix 2. This small variance against budget relates to the cash flow impact of the pre-payment of employer pension contributions on 1 April 2020 for three years.

Contingencies (£18.1m Saving)

72. The level of contingencies held as part of the 2020/21 budget reflected the well documented pressures and risk around demand and costs. Through strong management, applied to manage demand and suppress the additional costs, savings against these contingency amounts were realised.

73. Contingencies which were not required in the year related to inflation, general risk (including Brexit) and Adult social care contingencies.

Covid-19 Financial Response Package

74. The locally funded risk contingency of £30m was set aside early on in the pandemic given the significant uncertainty over the financial impact of the

Covid-19 crisis and potential Government Funding. Over the course of 2020/21, the Government has made available various sources of funding and the County Council has made appropriate use of these. Whilst the locally funded contingency has not been needed in 2020/21, the on-going uncertainty, particularly about council tax and business rates income, remains and this report recommends the unused contingency funding of £30m is carried forward to meet any future unfunded cost of Covid-19.

Doubtful Debt Provision (£2.6m Increase)

75. The County Council's policy is to make a provision against a proportion of debts that could prove to be irrecoverable. The provision is assessed on the basis of the age profile of outstanding debts and partly on the probability of specific larger debts being irrecoverable. There is no annual budgeted amount because the provision varies significantly from year to year. Part of the increase relates to the potential for greater bad debts as a result of the Covid-19 pandemic and organisations' and individuals' reduced ability to pay.

Section F: Proposed Allocation of Net Saving

76. As mentioned above, the full update for the medium term Covid-19 impact will be revised in light of data for the early part of 2021/22 albeit it is difficult to predict what the longer term impact might be in Adults' and Children's Social Care.
77. In any event, it is not anticipated that unfunded costs and losses will exceed the £72.3m to 2023/24 as stated above and therefore existing funding is already in place to meet this deficit on a one-off basis. Should some of the costs continue on a longer term basis this would need to be addressed as part of the Medium Term Financial Strategy at the time. The net one-off funding of £14.7m is therefore available to be applied to Council priorities during the current year.
78. The Budget Setting report for 2021/22 highlighted the significant challenges facing the maintenance and improvement of the County's highway network. Whilst additional funding has been approved to help with the planned maintenance programme, there is still a significant pressure every year to deal with a growing reactive maintenance problem. It is therefore suggested that a further £3m be approved for 2021/22 for this purpose.
79. Given the pressures on the maintenance budgets the longer term aim is to consider adding the equivalent of 1% council tax increase (£7m) to the highways budget (£3m for Operation Resilience and £4m Highways Maintenance) on a recurring basis from 2022/23 onwards. This will be considered as part of the next Medium Term Financial Strategy in the Autumn.
80. Part of the overall underspend relates to savings in travel and vehicle costs and printing and stationery, which is around £6m in total. It therefore seems appropriate that the equivalent of these consequential Covid-19 savings are used to create a 'Covid Recovery Fund' to be utilised as appropriate, but in the first instance to provide the necessary changes to accommodation,

equipment and technology to support new hybrid ways of working once staff are allowed to return to the office, albeit on a much reduced frequency compared to pre-Covid arrangements.

81. It is anticipated that the new ways of working will over time reduce the office footprint across the County Council and enable leased buildings to be returned or owned buildings to be sold off. There are already dilapidation and moving costs associated with the decision not to renew the lease on Hampshire House and the knock-on impacts of relocating those staff is also creating additional unbudgeted costs.
82. It is therefore proposed to allocate £4.3m as a property fund to facilitate future changes and savings in the overall property portfolio as the new ways of working are embedded. This will cover dilapidations, any refurbishment costs or costs of presenting properties to the market, together with any knock-on moves, alterations or spend associated with relocating staff currently in the buildings.
83. The County Council has been investing in higher yielding investments for some time now and to mitigate the slight extra risks associated with these investments, an 'investment risk reserve' was created. The Medium Term Financial Strategy approved last year set a target for the reserve equivalent to 2.5% of the maximum level of the higher yielding investment portfolio. This amounts to £6.25m and a further contribution of £1.292m is required to achieve this level.
84. Finally, a commitment was made during the last financial year to provide funding of £100,000 towards the County Council's celebrations for the Queen's Platinum Jubilee which it is proposed to take from this source.
85. Cabinet are requested to approve spend of £14.7m from the net savings in contingencies in order to enable these initiatives to proceed.
86. In addition Cabinet are also asked to consider a request for permanent funding for additional senior capacity to support the health and safety and risk functions across the County Council. This request is being considered at this stage following changes to the management structure within the Community Culture and Business Services (CCBS) Department and will ensure that sufficient senior capacity is available to maintain the strong focus on health and safety matters which CCBS are now overseeing for the County Council.
87. Members will recall that following an incident of a child being injured in Lymington, a thorough external review was undertaken of the health and safety function across the County Council to ensure that lessons were appropriately learned and applied. One of the changes was to move responsibility for health and safety to sit under the Assistant Director for Transformation within CCBS. Following the disaggregation of the Transformation and Governance Department earlier this year, further functions including Emergency Planning and Risk Management were also added to the remit of this post and it was re-designated as the Deputy Director for CCBS.
88. Whilst strong senior oversight will continue to be applied by both the Director and Deputy Director, an initial review of the structure within CCBS indicates that further senior resource will be required to add additional strategic

capacity and continued focus in this important area for the County Council. It is therefore recommended that funding be earmarked for additional senior capacity upto a total cost of £110,000 per annum and that this be available to CCBS during a forthcoming further review of the H and S roles. The part year cost of around £64,000 in 2021/22 will be met from general contingencies and the recurring impact from 2022/23 will be factored into the budget setting process for the next financial year.

Section G: General Balances and Earmarked Reserves

89. The County Council's reserves strategy, which is set out in the MTFs, is now well rehearsed and continues to be one of the key factors that underpin our financial resilience and ability to provide funding for the transformation of services and give the time for changes to be properly planned, developed and safely implemented.
90. We have made no secret of the fact that this deliberate strategy was expected to see reserves continue to increase during the period of tight financial control by the Government, although it was always recognised that the eventual planned use of the reserves would mean that a tipping point would come and we would expect to see reserves start to decline as they are put to the use in the way intended as part of the wider MTFs.
91. At the end of the 2020/21 financial year the total reserves held by the County Council, including the general fund balance and individual schools' balances, but excluding the DSG deficit, total £754m an increase of nearly £89m on the previous year. Of this increase, over £28m relates to the increase in reserves held by individual schools and £30m relates to the Covid-19 financial response package. The balance includes contributions to Departmental cost of change reserves offset by agreed use of the Corporate Reserves. The following table summarises by purpose the total level of reserves and balances that the County Council holds and compares this to the position reported at the end of 2019/20. There is a new requirement this year to show the DSG deficit separately; previously it had been deducted from Non HCC earmarked reserves.

	Balance 31/03/2020 £'000	Balance 31/03/2021 £'000	% of Total %
General Fund Balance	22,298	23,198	3.1
HCC Earmarked Reserves			
Fully Committed to Existing Programmes	184,545	202,115	26.8
Departmental / Trading Reserves	92,217	149,490	19.8
Risk Reserves	45,913	45,839	6.1
Corporate Reserves	111,092	96,107	12.7
HCC Earmarked Reserves	<u>433,767</u>	<u>493,551</u>	65.4

	Balance 31/03/2020 £'000	Balance 31/03/2021 £'000	% of Total %
Non HCC Earmarked Reserves	43,190	71,428	9.5
Total Revenue Reserves & Balances	499,255	588,177	78.0
Total Capital Reserves & Balances	166,637	166,672	22.0
Total Reserves and Balances	665,892	754,849	100.0
DSG deficit	(22,754)	(35,444)	
Net total	643,138	719,405	

92. General Balances at the 31 March 2021 stand at £23.2m, following the planned contribution in 2020/21, which is broadly in line with the current policy of carrying a general balance that is approximately 2.5% of the County Council's Budget Requirement (currently a sum of circa £20m).

93. In addition to the general balance, the County Council maintains earmarked reserves for specific purposes and to a large extent the majority of these are committed either to existing revenue or capital programmes or to mitigate risks that the County Council faces through self insurance or funding changes by government.

94. In overall terms the total value of earmarked revenue reserves has increased largely due to the departmental underspends outlined in this report. This reflects the continued strategy of achieving savings early and then using those savings to fund the next phase of savings delivery and to allow delivery of the more complex savings to be achieved safely over a longer time period.

95. Other earmarked reserves have increased due to the timing of receipt of funds in advance of their planned use for an intended purpose, in particular in funding the Capital Programme and to cover specific on-going costs resulting from Covid-19.

96. Corporate Reserves relate to those reserves which whilst set aside for a specific purpose could be used to limit the impact of savings in services, which is exactly what for example the BBR does on a short term basis giving the County Council the time and capacity to properly and safely implement savings programmes. A net draw from the BBR in 2020/21 is in line with the planned use of this reserve as previously reported.

97. Non HCC reserves include individual schools' balances, over which the County Council has no direct control, and which have increased during 2020/21. In line with new statutory reporting requirements, the overall deficit in DSG is shown separately and not deducted from schools' balances. Non HCC reserves also include reserves held for the Enterprise M3 Local Enterprise Partnership (EM3 LEP).

98. In addition, a further £166.6m is held within capital reserves and balances, although of this sum almost £22.5m relates to the EM3 LEP which is included in the annual accounts, as the County Council is the Accountable Body. These reserves hold capital grants that have been received in advance of the matched spending being incurred. They are not available for revenue purposes.

Section H: Treasury Management and Prudential Indicators

99. The County Council's treasury management policy requires an annual report to the Cabinet on the exercise of the treasury management function, details of which are set out in Appendix 2. The report is also scrutinised by the Audit Committee. This approach accords with the current Treasury Management Code of Practice.

100. The Prudential Code for Capital Finance in Local Authorities requires that the County Council reports its actual performance against the Prudential Indicators that were set in its Treasury Management Strategy. Appendix 2 summarises the relevant indicators for the 2020/21 outturn which are in accordance with the figures approved by the County Council.

Section I: Capital Spending and Financing

101. From the 2020/21 Capital Programme, schemes to the value of £235.2m were committed during the year, leaving £124.2m to be carried forward to 2021/22. The approval of Cabinet is required for proposals to carry forward schemes to the value of £99.7m, which are largely committed against named projects. This sum excludes schemes to the value £0.9m for Adults, £8.4m for Children's Services and £15.2m of Policy and Resources schemes for which approval to carry forward to 2021/22 has previously been given during 2020/21.

102. During 2020/21 capital expenditure of £214m was incurred, which can all be financed within available resources. This includes prudential borrowing of just over £28m in line with previously approved funding sources. There will also be a further repayment of prudential borrowing from capital receipts and other funding sources of approaching £19m. Further details of the outturn position for capital are provided in Appendix 3.

103. Since the 2021/22 Capital Programme was approved in February, two changes have been identified as outlined below. Cabinet is recommended to approve these variations to the 2021/22 capital programme.

104. Rookwood office accommodation in Eastleigh offers a suitable location for the Children and Families teams who were previously located in Hampshire House. It is proposed to add a scheme to the CCBS capital programme to reconfigure Rookwood to provide conventional desk space, break out space, collaboration space, quiet areas, meeting rooms, family contact centre and spaces for case meetings and other public contact activity. The necessary building and mechanical and engineering costs, including costs to address roof leaks, window repairs, IT, furniture and moves, is estimated at £430k. It is proposed to fund these works from capital receipts and revenue contributions from the fund proposed in section F of this

report. Works to Rookwood are estimated to take four to five months with a target completion by February 2022.

105. The A3090 Winchester Road/Halterworth Lane Junction, Romsey junction improvements scheme was added to the 2018/19 capital programme based on a feasibility estimate value of £0.574 million. Since this time, the scheme has been paused as trigger points to secure the S.106 funding contribution had not been achieved. In addition, the mitigation deemed necessary at the planning stage, resulting from the adverse impact of the development on the highway network, has only recently been realised as the development is now mostly occupied. Therefore, this is the optimum time to deliver the project.
106. The scheme design has now been developed further to reflect current conditions and design standards and it is anticipated that the scheme value will now be up to £1.3 million. The additional cost estimate is partly due to increased scope and added value (including additional carriageway resurfacing and increased utility diversions), in combination with sector wide cost increases (including increased labour costs due to a national skills shortage and inflationary pressures from rising materials and construction costs).
107. However, this scheme will add benefit to the local area and build on the measures that have already been undertaken in this locality to improve accessibility to local amenities including the construction of a new footpath to link the new “Silverwood” development north of the A3090 to the existing bus stop on the A3090, which will need to be moved, and the footpath extended as part of the revised scheme
108. The increase in the scheme value of approximately £0.726 million will be funded by developer contributions currently held by HCC. The project will also be subject to a full project appraisal to be considered by the Executive Member before any final commitments are made.

Section J : Assurance Statement

109. The code of Practice on Local Authority Accounting in the UK requires the County Council to publish, together with its Statement of Accounts, an annual governance statement signed by the Leader and Chief Executive. As part of this process, the Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control operating in the County Council as a whole. The Chief Internal Auditor’s Annual Report and Opinion is approved by the Audit Committee.
110. The Chief Internal Auditor has concluded that:
- “In my opinion, Hampshire County Council’s framework of governance, risk management and management control is ‘Reasonable’¹. and audit testing has demonstrated controls to be working in practice. Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.”*

¹ Reasonable means: There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

111. The separate accounts for the Hampshire Pension Fund will also be incorporated in the County Council's Statement of Accounts. The accounts for 2020/21 record that the value of the fund's assets increased significantly from £6.9bn to £9.07bn during the year. The Chief Internal Auditor has provided a separate assurance opinion for the Pension Fund and has concluded that:

"In my opinion, Hampshire Pension Funds framework of governance, risk management and management control is 'Substantial' ² and audit testing has demonstrated controls to be working in practice. Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement."

² Substantial means: a sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

112. For the Local Government Pension Scheme (LGPS) administered by Hampshire County Council, the latest actuarial valuation, as at 31 March 2019, showed it to be 98.9% funded – a significant increase from the position three years prior of 81%. Similarly to most investment markets, the Pension Fund has more than recovered the losses it sustained in 2020 as a result of the COVID-19 crisis and has now reached a record high valuation. The Fund is entering the final year of its actuarial valuation cycle and the estimates received from the Fund's Actuary indicate that the funding position has improved and the Fund is now more than 100% funded.

Section K: Statutory Statement of Accounts

113. Usually, the Accounts and Audit Regulations 2015 require local authorities to publish their draft accounts by 31 May, with the audited accounts required to be published by 31 July.

114. Due to the disruption caused by Coronavirus, the Government issued legislation (The Accounts and Audit (Amendment) Regulations 2021) which gives local authorities more time to prepare their accounts for 2020/21. This year, the draft accounts must be published before 1 August, with the audited accounts due by 30 September. The change in publication dates relates to the financial years 2020/21 and 2021/22 only. Therefore, unless further amendments are made, the deadlines will revert to the usual dates for the 2022/23 accounts.

115. There are no major changes to the format of the statement of accounts and they continue to follow the requirements of the Code of Practice for Local Authority Accounting (the Code) as set by the Chartered Institute of Public Finance and Accounting (CIPFA). The narrative report within the Statement of Accounts includes an explanation of how the required accounting

presentation relates to the financial performance of the County Council as set out in this report.

Section L: Consultation, Equalities and Climate Change Impact Assessment

116. Consultation on the budget is undertaken every two years when the County Council considers savings to help balance the budget. All savings proposals put forward by the County Council has an Equality Impact Assessment published as part of the formal decision making papers and for some proposals stage 2 consultations are undertaken before a final decision is made by the relevant Executive Member.
117. This report deals with the outturn position and accounts for 2020/21, which is an end of year reporting matter and therefore no consultation or Equality Impact Assessments are required.
118. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
119. This report deals with the outturn position for the revenue budget, capital programme and treasury management aspects of the County Council's business. For the first two items climate change impact assessments for individual services and projects will be undertaken as part of the approval to spend process. For treasury management, in line with the CIPFA code, the County Council's treasury management investment balances are invested prioritising security, liquidity and then yield. Investments in pooled funds are managed by investment managers who are signatories to the PRI (Principles for Responsible Investment), managing investments in line with their own individual responsible investment policies. The County Council's Treasury Management Advisers, Arlingclose, have advised the County Council on Environmental, Social and Governance (ESG) issues in relation to investments in pooled funds.
120. There are no further climate change impacts as part of this report which is concerned with financial reporting.

1. CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

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

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Date</u>
Revenue Budget and Precept 2021/22 and Capital Programme 2021/22 – 2023/24 Agenda for County Council on Thursday, 25th February, 2021.	Cabinet – 9 February 2021 County Council – 25 February 2021
Medium Term Financial Strategy Agenda for County Council on Thursday, 16th July, 2020.	Cabinet - 14 July 2020 and County Council – 16 July 2020

IMPACT ASSESSMENTS:

1. Equality Duty

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.

2. Equalities Impact Assessment:

Equality objectives are not considered to be adversely impacted by the proposals in this report.

Adults’ Health and Care Department – Revenue Expenditure 2020/21

Major variations in cash limited expenditure – Under Spend of £30.589m (6.36%) against the adjusted cash limit.

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Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Director	(119)	(2.77)	The savings mainly relate to reduced spend on the wellbeing agenda budget and lower than expected staff related costs.
Strategic Commissioning & Business Support	(3,258)	(20.93)	The year end reported savings mainly relate to reduced spend on non-care contracts and staff budgets due to the difficulty in recruiting to vacant posts.
Transformation	(783)	(11.44)	The savings mainly relate to staffing budgets due to the delayed recruitment to vacancies. A significant proportion of the favourable variance has arisen from the reduced costs associated with training provided by the Workforce Development team.
Older Adults	(8,148)	(5.98)	The pressure within the homecare budget has been more than offset by the receipt of income available through the NHS discharge scheme to support the initial cost of all discharges from hospital. Additionally due to increased death rates and reductions in new clients entering residential and nursing settings there has been a material reduction in client numbers, albeit they have started to increase toward the later part of the year.
Younger Adults	(2,651)	(1.54)	The pressure on supported living budgets has been more than offset by savings within day care, the receipt of income available through the NHS discharge scheme to support the initial cost of all discharges from hospital and lower than anticipated client numbers.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
HCC Care	(5,772)	(12.08)	The savings are in part due to the closure of day centres during the pandemic and a significant and backdated increase in FNC rates. However, the primary reason for this variation is due to HCC Care beds being the NHS's preferred option to meet the need for Discharge to Assess and Designated Settings beds to aid in the rapid discharge of patients from hospital. These beds were fully funded by the NHS Discharge Scheme.
Governance & Assurance	(362)	(10.11)	The savings mainly relate to reduced spend on Best Interest Assessors and additional income in relation to deputyship fees.
Centrally Held	(9,496)	(34.6)	The savings relate to early achievement of Tt21 savings and unrequired one off provisions that were intended to offset potential in year pressures.
Public Health	0	0.00	
Total	(30,589)	(6.36)	

Children’s Services Department – Revenue Expenditure 2020/21

Major variations in cash limited expenditure – Underspend of £10.0m (0.9%) against the adjusted cash limit.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Schools Budget			
Early Years free entitlements	(1,117)	(1.3)	There is an underspend on the free entitlements for two year olds and three and four year olds (universal and extended entitlement for eligible working parents) due to a reduction in the number of children accessing the entitlements across the year. This includes £264,000 that was earmarked for sustainability grants to early years providers set up to provide support to providers that have proven financial issues but are required to support sufficiency of places. Funding will be made available in 2021/22 for this.
Growth Fund	(905)	(18.6)	The position includes savings for infant class size funding, falling rolls, temporary classrooms and growing schools, due to fewer schools being eligible for funding than budgeted.
Central Provision funded by Maintained Schools	(799)	(27.7)	There has been a reduction in expenditure as a result of the covid-19 pandemic. There is an underspend on the redundancy and premature retirement budget due to many schools pausing their restructures and redundancy processes and the Affordable Schools Programme has been delayed due to school improvement services and schools focussing on the pandemic.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
High Needs top up funding	9,357	18.6	The pressure experienced in Hampshire is reflected in many other authorities and relates predominantly to demand led budgets funding pupils with high levels of additional need, where there are increasing numbers of pupils with Education, Health and Care plans (EHCPs); and the result of extending this support for young people up to the age of 25. This includes mainstream schools, special schools, post-16 provisions and education centres. There is also a continuation of the pressure on the service for discretionary and direct payments.
Independent and Non-maintained Special Schools	7,395	24.8	The pressure is due to an increase in both the number of placements and the average cost per placement. Whilst there is a significant and increasing pressure on this budget, the High Needs Strategy to increase in-house capacity continues to be progressed and will have resulted in a lower overall overspend on the High Needs Block this year.
Various other (net)	(1,241)	(0.1)	Various smaller budget savings across the department.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Carry Forward of Dedicated Schools Grant (DSC) Deficit	(12,690)	(1.4)	The total 2020/21 pressure of £12.69m has been offset by a charge to the DSG reserve, as allowed by the Department for Education (DfE). This year, the charge will increase the deficit on the DSG reserve to over £35.4m which will be funded from future years DSG funding. A DSG Deficit Management Plan was produced last year, at the request of the DfE, and the local authority continues to develop this and implement strategies to reduce the pressure on the High Needs Block.
Sub-Total Schools Budget	0	0.0	
COVID-19 pressures			£791,000 of COVID related costs are included within the figures above but funding will be allocated to the schools budget in 2021/22.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Non-Schools Budget			
Home to school transport	(2,946)	(8.9)	<p>The underspend on HtST is due to lower than budgeted growth in pupil numbers on Transport.</p> <p>The number of pupils with EHCPs has increased as expected although the number requiring LA funded transport has not seen the same increase. Lower than forecasted SEN pupils on Transport. The service has seen a rise in the average cost of arranging transport for children with SEN, this is being investigated to understand the impact for future years.</p> <p>The number of pupils moving into the secondary phase in mainstream schools increased in line with forecasts but the number requiring LA funded transport was also lower than expected which has meant that we have not seen the 'step increase' in secondary costs that was anticipated when the budget was set.</p>
Children Looked After (including CLA placements, SGOs, adoption and leaving care)	(1,926)	(1.0)	<p>The saving has mainly arisen from one-off backdated health income relating to previous financial years, in house provision staff vacancies and fewer than anticipated children with disabilities placements. Lower activity than forecast in Non-County Placements (NCPs) and Independent Fostering Placements (IFPs) has been offset by pressures in post 16 accommodation and special guardianship order placements.</p>

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Swanwick Lodge	729	243.4	Progress has been made against the recovery plan, although this has been revised in year. The recruitment strategy is on course to ensure the unit can be appropriately staffed. A further review of the income strategy is underway to maximise income.
Safeguarding & Young People's Services	3,587	16.4	The pressure mainly results from the use of social work agency staff. Whilst recruitment through the Graduate Employment Trainee Scheme (GETS) continues, reliance on agency staff to cover for the short supply of qualified social workers and to balance the experience within frontline teams has continued to be required.
Skills & Participation	(412)	29.0	There has been an underspend as a result of early achievement of Transformation to 2021 savings targets alongside a review of working methods which has resulted in further on-going savings.
Family Support Services	(1,003)	(9.4)	The saving mainly relates to respite and support for disabled children, equipment and adaptations. In addition, there has been a saving on short breaks including underutilisation of care support in the community and the short breaks exceptions fund, compared to the budget.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Inclusion Services (Special Educational Needs, Educational Psychology and Services for young children inclusion)	555	53.5	This pressure is mainly due to the cost of agency Educational Psychologists (EP) and a significant decrease in income as EP resources were diverted on a risk assessed basis, away from income generating work towards statutory work; supporting clearing the backlog in SEN assessments.
Net Early Achievement of T2021 and other savings	(7,076)	(39.7)	Planned early achievement of savings used to offset the department's other pressures and contribute towards cost of change items across various budgets. The main early achievement is in relation to the Tt2021 Programme and £8.1m of additional funding for social care from central government allocated to Children's Services.
Various other (net)	(732)	(0)	Various smaller budget savings across the Department.
COVID-19 support package - Schools	(791)		To support COVID-19 related pressure across the service for Schools
Sub-Total Non-Schools Budget	(10,015)	(4.2)	
Total Budget	(10,015)	(0.9)	

Corporate Services Department – Revenue Expenditure 2020/21

Major variations in cash limited expenditure – Under Spend of £6.1m (8.2%) against the adjusted cash limit.

Main variations

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Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Corporate Services	(5,587)	(9.0)	Corporate Services continues to implement a strategy of strong budgetary control, managing expenditure and gaining economies of scale through expanded joint working and generating income, for example for legal services, pension administration, internal audit, procurement and other services. This has ensured early achievement of Tt2021 savings to contribute to the cost of change reserve to be used for future investment in further transformation work.
Corporate Non-Departmental budgets	(545)	(4.1)	The saving largely reflects lower costs or additional income in a number of budget areas. This includes lower members support costs, one-off adjustments and lower grants to local organisations and grants to voluntary organisations as agreed projects will be progressed in subsequent years and the saving will be carried forward to match the expenditure as it is incurred.
Total	(6,132)	(8.2)	

Culture, Communities and Business Services Department – Revenue Expenditure 2020/21

Major variations in cash limited expenditure – Under Spend of £4.5m (8.3%) against the adjusted cash limit.

Main variations

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Culture, Communities and Business Services	(4,520)	(8.3)	In view of the current financial situation for Local Government (excluding the impact of Covid-19), the Department continues to take every opportunity to make savings in business as usual work where possible. Savings totalling £3.728m have been achieved through a combination of generating increased income through new contracts and new initiatives, particularly within Property Services and Scientific Services; targeted staff savings through holding vacant posts and non-pay savings mainly within Library Services, Registration and Facilities Management; and stopping all non-essential spend including delaying planned infrastructure developments at the Great Hall and a pause on awarding new grants. In addition, the Department secured a total of £1.856m from early achievement of Tt2021 savings and what is now looking to be sustainable over-achievement of earlier Tt2019 plans.
Total	(4,520)	(8.3)	

Economy, Transport & Environment Department

Revenue Expenditure 2020/21

Major variations in cash limited expenditure – Under Spend of £0.7m (0.5%) against the adjusted cash limit.

Main variations

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Highways, Traffic & Engineering	(704)	(1.7)	In Highways the relatively milder winter weather resulted in savings against the winter maintenance budget of £746,000, which will be reinvested in the main highways maintenance revenue budget in 2021/22 in accordance with established principles, providing additional one-off resources to supplement existing maintenance programmes and activities. Higher than budgeted staff recharges to capital schemes reflecting the significant scale of the current capital programme for the Department; staff vacancies; and increased income, have been offset by planned increased spend in Highways maintenance on drainage and other works, where the budget for other revenue maintenance work continues to be under significant pressure.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Transport	(758)	(3.4)	In Transport, payments to bus operators for Concessionary Fares journeys were based upon payments made in the previous financial year, rather than actual journeys, which were significantly lower due to Covid-19. Nonetheless, this has still resulted in a saving against the budget, combined with income from increased staff recharges, and holding staff vacancies.
Waste, Planning & Environment	(469)	(0.9)	Waste prevention measures have achieved savings of £400,000 against the Waste budget. The remaining savings in this area predominantly relate to holding staff vacancies as planned.
Economic Development	(75)	(7.3)	The outturn reflects savings as a result of delays in planned expenditure, which will now take place in 2021/22.
Departmental Support and Early Achievement of Savings	(1,088)	(23.1)	In view of the current financial situation for Local Government (excluding the impact of Covid-19), the Department continues to take every opportunity to make savings in 'business as usual' work where possible. The identification of opportunities for the early delivery of Tt2021 activity has resulted in savings of £1.034m being achieved in 2020/21. In addition, further targeted staff and non-pay savings of £54,000 were achieved.
Planned one-off investment	2,399		Planned one-off investment utilising in-year savings to support the timing delays of the Waste Tt2019 savings target as a result of the complexity of these savings, and the investment needed to support the Tt2021 savings programme.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Total	(0.7)	(0.5)	

Treasury Management Outturn Report 2020/21

Purpose of the Report

1. The County Council has adopted the key recommendations of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), last updated in 2017. The CIPFA Code requires the County Council to approve a treasury management strategy before the start of the year and a semi-annual and annual treasury outturn report. The purpose of this report is therefore to meet this obligation by providing an update on the performance of the treasury management function during 2020/21.

Recommendations

2. That the outturn review of treasury management activities be noted.

Executive Summary

3. The report fulfils the County Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code and provides an update on the performance of the treasury management function during 2020/21.
4. The County Council's treasury management strategy was most recently updated and approved at a meeting of Full Council in February 2021. The County Council has borrowed and invested sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the County Council's treasury management strategy.
5. Treasury management in the context of this report is defined as: "The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
6. This annual report sets out the performance of the treasury management function during 2020/21, to include the effects of the decisions taken and the transactions executed in the past year.
7. All treasury activity has complied with the County Council's Treasury Management Strategy and Investment Strategy for 2020/21, and all relevant statute, guidance and accounting standards. In addition, support in undertaking

treasury management activities has been provided by the County Council's treasury advisers, Arlingclose.

8. The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The latest iteration of the County Council's Capital and Investment Strategy, complying with CIPFA's requirement, was approved by Full Council in February 2021.

External Context

9. The following sections outline the key economic themes in the UK against which investment and borrowing decisions were made in 2020/21.

Economic commentary

10. The coronavirus pandemic dominated 2020/21, resulting in significant levels of government borrowing and expenditure to support the economy, with the UK also agreeing a Brexit trade deal within the period.
11. The Bank of England (BoE) held Bank Rate at 0.1% throughout the year and extended its Quantitative Easing programme by £150bn to £895bn in November 2020. The Bank expects Gross Domestic Product (GDP) to remain low in the near-term but believes that the easing of restrictions is likely to lead to a strong recovery in growth later in 2021, with inflation forecast to increase in the near-term. The economic outlook has improved but downside risks remain, such as a further increase in unemployment when the furlough scheme ends.
12. Inflation remained low during 2020/21, with the annual headline rate of UK Consumer Price Inflation (CPI) rising to 0.7% year-on-year in March 2021, below expectations and below the BoE's 2% target. Unemployment was higher for the three months to March 2021 than for the same period the previous year, while periods of GDP contractions and growth over the year largely mirrored the tightening and easing of restrictions, creating some significant quarterly swings.

Financial markets

13. Monetary and fiscal stimulus helped provide support for equity markets which rose over the period. In the UK, the FTSE indices performed reasonably well during the period to November 2020 before being buoyed in December by both the vaccine approval and Brexit deal.
14. Ultra-low interest rates prevailed throughout most of the period, with yields generally falling between April and December 2020. From early in 2021

the improved economic outlook due to the new various stimulus packages (particularly in the US), together with the approval and successful rollout of vaccines, caused government bonds to sell off sharply on the back of expected higher inflation and increased uncertainty, pushing yields higher more quickly than had been anticipated.

Credit review

15. After spiking in March 2020, credit default swap spreads subsequently declined to broadly pre-pandemic levels. Credit default swaps are used as an indicator of credit risk, where higher premiums indicate higher perceived risks.
16. Moody's downgraded the UK sovereign rating to Aa3 with a stable outlook during the period and this change had an impact on a number of other UK institutions, banks and local government.
17. The vaccine approval and subsequent rollout programme are both credit positive for the financial services sector in general, but there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the pandemic and the effects of lockdowns and restrictions. This uncertainty means the County Council's treasury management advisors, Arlingclose, continue to recommend maximum durations of 35 days for unsecured investments with banks and building societies on their list of recommended counterparties.

Local Context

18. At 31 March 2021, the County Council's underlying need to borrow for capital purposes was £776.46m as measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment and amounted to £877.8m. These factors are summarised in Table 1.

Table 1: Balance sheet summary	31/03/20 Balance £m	Movement £m	31/03/21 Balance £m
CFR	783.48	(7.02)	776.46
Less: Other debt liabilities*	(149.43)	7.96	(141.47)
Borrowing CFR	634.05	0.94	634.99
External Borrowing	(307.24)	6.47	300.77
Internal Borrowing	326.81	7.41	334.22
Less: Usable Reserves	(665.89)	(88.96)	(754.85)
Less: Working Capital	(204.53)	81.62	(122.91)
Net Investments	(543.61)	0.07	(543.54)

* PFI liabilities that form part of the County Council's total debt

19. The CFR reduced by £7.0m during 2020/21. Other debt liabilities reduced by £8.0m in accordance with the PFI repayment models while the County Council's borrowing CFR increased by just under £1m as a result of its capital programme. External borrowing reduced by £6.5m during 2020/21 as a result of repayment of £10.0m Public Works Loan Board (PWLB) borrowing and the scheduled repayment of other borrowing of £3.4m, partly offset by a change in the short-term balances held on behalf of other organisations, which vary from year to year. At the end of the 2020/21 financial year total reserves held by the County Council, including the general fund balance and individual schools' balances, but excluding the DSG deficit, total £754m an increase of nearly £89m from 1 April 2020. Of this increase, over £28m relates to the increase in reserves held by individual schools and £30m relates to the Covid-19 financial response package. The balance includes contributions to Departmental cost of change reserves offset by agreed use of the Corporate Reserves.
20. The County Council's strategy was to maintain borrowing and investments below their underlying levels, referred to as internal borrowing, to reduce risk and keep interest costs low. The treasury management position at 31 March 2021 and the change during the year are shown in Table 2.

Table 2: Treasury management summary	31/03/20 Balance £m	Movement £m	31/03/21 Balance £m	31/03/21 Rate %
Long-term borrowing	(261.2)	11.9	(249.3)	4.66
Short-term borrowing	(10.0)	1.5	(8.5)	4.10
Total borrowing	(271.2)	13.4	(257.8)	4.67
Long-term investments	274.3	(14.4)	259.9	4.01
Short-term investments	105.5	89.2	194.7	0.32
Cash and cash equivalents	201.7	(89.2)	112.5	0.03
Total investments	581.5	(14.5)	567.0	1.95
Net investments	310.3	(1.1)	309.2	

Note: the figures in Table 2 are from the balance sheet in the County Council's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments. Borrowing figures exclude short term balances held on behalf of others.

21. The reduction in net investments of £1.1m shown in Table 2 reflects a reduction in investment balances of £14.5m largely offset by the repayment at maturity of borrowing of £13.4m, in line with the County Council's policy on internal borrowing. Further details are provided in the Borrowing Activity and Treasury Investments Activity sections of this report.

Borrowing Update

22. In November 2020 the PWLB published its response to the consultation on 'Future Lending Terms'. The rate at which local authorities could borrow from the PWLB is defined by a margin above gilts and following the response to the consultation the margin above gilts on PWLB loans was reduced from 1.8% to 0.8%, however restrictions were introduced meaning that this rate would only be available to authorities not planning to purchase investment assets primarily for yield.
23. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Authorities planning to purchase investment assets primarily for yield will only be able to access the PWLB to refinance existing loans or externalise internal borrowing and not for other purposes.
24. The County Council is not planning to purchase any investment assets primarily for yield, so is able to retain full access to the PWLB, however there are no plans to take on any new external borrowing.

Borrowing Activity

25. At 31 March 2021 the County Council held £257.8m of loans (a decrease of £13.4m from 31 March 2020) as part of its strategy for funding previous years' capital programmes. The year-end treasury management borrowing position and year-on-year change are summarised in Table 3.

Table 3: Borrowing position	31/03/20 Balance £m	Net movement £m	31/03/21 Balance £m	31/03/21 Weighted average rate %	31/03/21 Weighted average maturity (years)
Public Works Loan Board	(226.5)	10.0	(216.5)	4.7	10.7
Banks (LOBO)	(20.0)	-	(20.0)	4.8	12.3
Other (fixed term)	(24.7)	3.4	(21.3)	4.0	18.7
Total borrowing	(271.2)	13.4	(257.8)	4.7	11.5

Note: the figures in Table 3 are from the balance sheet in the County Council's statement of accounts but adjusted to exclude short term balances held on behalf of others, and accrued interest.

26. The County Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the County Council's long-term plans change is a secondary objective.

27. Short-term interest rates have remained much lower than long-term rates and the County Council has therefore considered it to be more cost effective in the near term to use internal resources than to use additional external borrowing. In line with this strategy, £10.0m of PWLB loans were allowed to mature without refinancing and a further £3.4m of other borrowing was repaid, predominantly related to the repayment of borrowing from the Solent LEP for the Solent Economic Zone (Daedalus) Phase 1 programme.
28. This borrowing strategy has been monitored with the assistance of Arlingclose and has enabled the County Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
29. The County Council also continues to hold £20m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the County Council has the option to either accept the new rate or to repay the loan at no additional cost. None of the LOBO loan options were exercised by the lender in the year.

Treasury Investment Activity

30. The County Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the County Council's investment balances ranged between £336m and £611m due to timing differences between income and expenditure. The year-end investment position and the year-on-year change are shown in Table 4.

Table 4: Treasury investment position	31/03/2020 Balance	Net movement	31/03/2021 balance	31/03/21 Income return	31/03/21 Weighted average maturity (years)
	£m	£m	£m	%	
Short term investments					
- Banks and Building Societies:					
- Unsecured	26.3	43.2	69.5	0.04	0.04
- Secured	15.0	(4.4)	10.7	0.31	0.78
- Money Market Funds	175.3	(97.3)	78.0	0.04	0.00
- Local Authorities	80.5	58.5	139.0	0.34	0.34
- Cash Plus funds	10.0	-	10.0	0.93	-
Total	307.1	-	307.1	0.21	0.19
Long term investments					
- Banks and Building Societies:					
- Secured	33.2	(13.2)	20.0	0.35	1.84
- Local Authorities	40.0	(5.0)	35.0	1.28	1.24

Table 4: Treasury investment position	31/03/2020 Balance	Net movement	31/03/2021 balance	31/03/21 Income return	31/03/21 Weighted average maturity (years)
	£m	£m	£m	%	
Total	73.2	(18.2)	55.0	0.94	1.46
Long term investments – higher yielding strategy					
- Local Authorities					
- Fixed deposits	20.2	1.5	21.7	4.32	12.49
- Fixed bonds	10.0	(10.0)	-	-	-
- Pooled Funds					
- Pooled property*	75.0	-	75.0	4.03	N/A
- Pooled equity*	50.0	-	50.0	6.45	N/A
- Pooled multi-asset*	40.0	8.0	48.0	4.53	N/A
Total	195.2	(0.5)	194.7	4.80	12.49
Total investments	575.5	(18.7)	556.8	1.89	0.76
Thames Basin Heaths pooled fund investments	6.0	4.2	10.2		
Total	581.5	(14.5)	567.0		

* The rates provided for pooled fund investments are reflective of annualised income returns over the year to 31 March 2021 based on the market value of investments at the start of the year.

Note: the figures in Table 4 are from the balance sheet in the County Council's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

31. The County Council made a payment of £226.7m on 1 April 2020 to prepay its employer's LGPS pension contributions. By making this payment in advance the County Council was able to generate an estimated saving of £9m over 3 years on its pension contributions, which will be added to the Budget Bridging Reserve.

32. Investment balances have subsequently increased and were £14.5m lower at 31 March 2021 than immediately prior to the pension prepayment. This is in part explained by the County Council not having to make monthly employer's pension contributions throughout 2020/21 (having already paid in advance) but also represents the impact of departmental underspends in 2020/21 and the balance of grants received but not yet applied. The impact of the coronavirus pandemic has created significant uncertainty, resulting in the need for significant assumptions within financial forecasts and a difference in timing between income and expenditure, both in terms of the direct response to the pandemic and in carrying out regular service delivery plans.

33. The CIPFA Code and government guidance both require the County Council

to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The County Council's objective when investing money is therefore to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults alongside managing the risk of receiving unsuitably low investment income. The County Council's Treasury Management Strategy Statement (TMSS) sets out how it will manage and mitigate these risks.

34. The security of investments has been maintained by following the counterparty policy and investment limits within the TMSS, taking advice from Arlingclose on changes in counterparty credit worthiness, and making use of secured investment products that provide collateral. The County Council invests in liquid investments to ensure money is available when required to meet its financial obligations, spreading these investments across a number of counterparties to mitigate operational risk.
35. In delivering investment returns, the County Council has operated against a backdrop in which the UK Bank Rate was cut to 0.10% in March 2020 in response to the coronavirus pandemic. It has remained at this rate throughout the year, having an impact on rates across the market. Returns had been at or around 0% for liquid investment options such as Money Market Funds (MMFs), bank call accounts and the UK Government's Debt Management Account Deposit Facility (DMADF) and have not been significantly higher for other short-term options like fixed duration loans to other local authorities and bank notice accounts. Investment income has therefore largely come from investments arranged at fixed rates of interest prior to the pandemic and through the County Council's investments in pooled funds.
36. The County Council benchmarks the performance of its internally managed investments against that of other Arlingclose clients. Internally managed investments include all investments except externally managed pooled funds but do include MMFs. The performance of these investments against relevant measures of security, liquidity and yield are shown in Table 5, providing data for the quarter ended 31 March 2021 and at the same date in 2020 for comparison.

Table 5: Investment benchmarking (excluding pooled funds)	Credit rating	Bail-in exposure	Weighted average maturity (days)	Rate of return %
31.03.2020	AA	50%	551	0.97%
31.03.2021	AA-	40%	393	0.50%
Similar LAs	AA-	39%	983	0.42%
All LAs	A+	63%	14	0.15%

37. Table 5 shows the average credit rating of the portfolio was lower at 31 March 2021 than at the same time the previous year, largely as a result of the impact

of the pandemic on credit ratings across the market, including that of the UK Government. Bail-in exposure was lower than at the same time in 2020, as the County Council held a greater investment balance with other local authorities, who are not subject to bail-in risk, while the weighted average maturity of investments was lower as the County Council held lower long-term balances and sold at a gain £10m of very long term bonds, reinvesting the money in externally managed pooled funds. In addition there were timing differences between receiving and spending of Covid grants. The average rate of return (0.5%) was lower than at 31 March 2020, but with the benefit of higher rates for fixed investments made prior to the pandemic helping to offset returns at or close to 0% for many investments across the market. The County Council compared favourably with the other local authorities included in the benchmarking exercise across all metrics.

Externally managed pooled funds

38. In 2019 the County Council agreed to increase the amount of its cash balances earmarked for investments targeting higher yields of around 4% to £235m. This allocation was recently increased to £250m as part of the Capital and Investment Strategy for 2021/22 and the approach to investing this allocation was most recently set out in the Treasury Management Strategy Statement for 2021/22.
39. Approximately £205m of this allocation has now been invested, with the remaining balance earmarked. The total includes £10.4m invested on behalf of the Thames Basin Heaths Joint Strategic Partnership Board (TBH JSPB), where the County Council acts as the administrative body. Any investments made from cash held on behalf of the TBH JSPB are made with the agreement that the TBH JSPB has received its own financial advice and assumes all risks associated with these investments.
40. The CIPFA Code requires the County Council to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest yield. As a result, the County Council's investments targeting higher yields have been made from its most stable balances and with the intention that they will be held for at least the medium term. This means that the initial costs of any investment and any periods of falling capital values can be overcome and mitigates the risk of having to sell an asset for liquidity purposes, helping to ensure the long-term security of the County Council's investments.
41. The County Council's investments in pooled funds fell considerably in value when the coronavirus pandemic hit world markets but have since recovered well. These investments are now worth marginally more in aggregate than the initial sums invested, as shown in Table 6, demonstrating the importance of taking a longer term approach and being able to ride out periods of market volatility, ensuring the County Council is not a forced seller at the bottom of the market. The table also shows the County Council's investments in fixed deposits, which include long term loans to other local authorities and as part of

the Manydown programme.

Table 6 – Higher yielding investments – market value performance	Amount invested*	Market value at 31/03/21	Gain/(fall) in capital value	
			Since purchase	2020/21
	£m	£m	£m	£m
Pooled property funds	75.0	75.0	0.0	0.2
Pooled equity funds	50.0	49.5	(0.5)	12.0
Pooled multi-asset funds	48.0	48.7	0.7	1.3
Total pooled funds	173.0	173.2	0.2	13.5
Fixed deposits**	21.7	21.7	0.0	0.0
Total higher yielding	194.7	194.9	0.2	13.5

* excludes £10.4m invested on behalf of Thames Basin Heaths JSPB

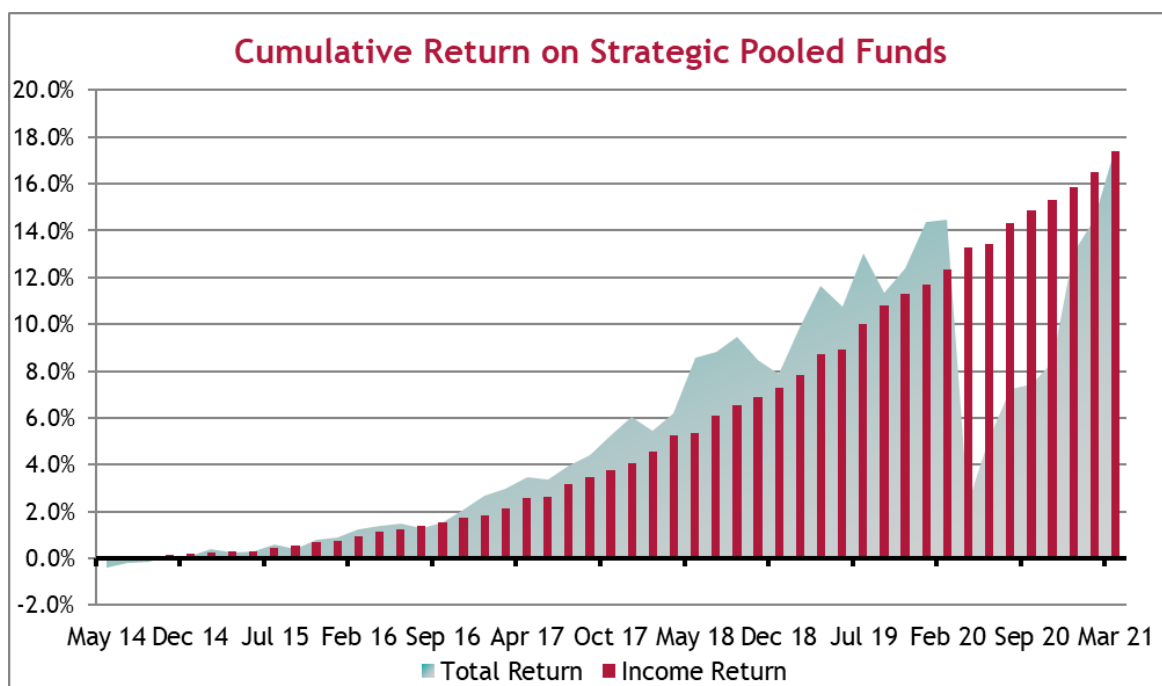
42. The County Council's investments in pooled funds target long-term price stability and regular revenue income and bring significant benefits to the revenue budget. As shown in Table 7 the annualised income returns have averaged 4.41% pa (per annum) since purchase against the higher yielding strategy target of 4% pa, contributing to a total return of 17.5%.

Table 7 – Higher yielding investments – income and total returns since purchase	Annualised income return	Total return
	%	%
Pooled property funds	4.16	20.0
Pooled equity funds	5.02	18.4
Pooled multi-asset funds	4.19	12.6
Total pooled funds	4.41	17.5

Note: excludes the performance related to £10.4m invested on behalf of Thames Basin Heaths JSPB

43. Following advice from Arlingclose, the County Council made prudent income forecasts for 2020/21 to reflect the impact of the pandemic and the challenging market conditions being faced by the investment managers of its pooled funds, identifying that any shortfall at the end of the year to budgeted income would be met from the Covid-19 financial response package. Actual income returns from pooled fund investments were more positive than this prudent forecast resulting in income of £7.1m, which was about 10% lower than in 2019/20. This is compared with the 25% to 30% reduction that could reasonably have been anticipated given the pandemic's impact on property rental income, company dividends and bond yields.

44. The County Council's pooled fund investments continue to deliver income returns far in excess of what could be generated from cash investments and in line with the County Council's agreed objective of targeting income of 4% pa from its higher yielding strategy.
45. The cumulative total return from the County Council's investments in pooled equity, property and multi-asset funds since purchase is shown in the following graph. This highlights that the County Council has benefited from strong and steady income returns over time and the way that capital values have recovered since March 2020.



Note: the graph above excludes the performance related to £10.4m invested on behalf of Thames Basin Heaths JSPB

46. The County Council is aware of the risks involved with investing in pooled funds that hold underlying investments in bonds, equities, property and other financial instruments. As a result, when the County Council began to specifically target higher returns from a proportion of its investments, it also established an Investment Risk Reserve to mitigate the risk of an irrecoverable fall in the value of these investments. The balance held in this reserve is currently approximately £5m and it is proposed to increase this to £6.25m. This equates to 2.5 % of the total earmark of £250m (in line with the recommendation to hold reserves of 2.5% for the general fund balance).
47. In addition to the risk of realising a capital loss, the IFRS 9 accounting standard that was introduced in 2018/19 means that annual movements in the capital values of investments need to be reflected in the revenue account on an annual

basis, although a five year statutory override was put in place for local authorities that exempts them from complying with this requirement.

48. Pooled fund investments have no defined maturity date but are available for withdrawal after a notice period and their performance and continued suitability in meeting the County Council's investment objectives is monitored regularly and discussed with Arlingclose.

Financial Implications

49. The outturn for debt interest paid in 2020/21 was £13.0m against a budgeted £13.2m on an average debt portfolio of £267.4m.
50. The outturn for investment income received in 2020/21 was £13.17m. Excluding the £2.9m gain made by the County Council from the sale of bonds from its portfolio of investments targeting higher yields the investment income was £10.23m on an average investment portfolio of £485m giving a yield of 2.11%. By comparison, investment income received in 2019/20 was £13.4m on an average portfolio of £617m with a yield of 2.17%.

Non-Treasury Investments

51. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the County Council as well as other non-financial assets which the Council holds primarily for financial return. This is replicated in Ministry of Housing, Communities & Local Government's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
52. This could include loans made to Hampshire based businesses or the direct purchase of land or property and such loans and investments will be subject to the County Council's normal approval process for revenue and capital expenditure and need not comply with the treasury management strategy.
53. The County Council's existing non-treasury investments are listed in Table 8.

Table 8 – Non-treasury investments	31/03/21	31/03/21
	Asset value	Rate
	£m	%
Loans to Hampshire based business	9.5	4.00
Joint venture recruitment agency	0.2	5.00
Total	9.7	4.02

Compliance Report

54. The County Council confirms compliance of all treasury management activities undertaken during 2020/21 with the CIPFA Code of Practice and the County Council's approved Treasury Management Strategy.
55. Compliance with the authorised limit and operational boundary for external debt, is demonstrated in Table 9.

Table 9 – Debt limits	2020/21 Maximum	31/03/21 Actual	2020/21 Operational Boundary	2020/21 Authorised Limit	Complied?
	£m	£m	£m	£m	
Borrowing	279	258	730	800	✓
PFI and Finance Leases	150	141	150	180	✓
Total debt	429	399	880	980	✓

Treasury Management Indicators

56. The County Council measures and manages its exposures to treasury management risks using the following indicators.

Interest rate exposures

57. The following indicator shows the sensitivity of the County Council's current investments and borrowing to a change in interest rates.

Table 10 – Interest rate risk indicator	31/03/21 Actual	Impact of +/-1% interest rate change
Sums subject to variable interest rates		
Investment	£262m	+/- £2.6m
Borrowing	£2m	+/-£0.0m

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

Maturity structure of borrowing

58. This indicator is set to control the County Council's exposure to refinancing risk. The upper and lower limits show the maximum and minimum maturity

exposure to fixed rate borrowing as agreed in the Treasury Management Strategy Statement.

Table 11 – Refinancing rate risk indicator	31/03/21 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	3%	50%	0%	✓
12 months and within 24 months	3%	50%	0%	✓
24 months and within 5 years	11%	50%	0%	✓
5 years and within 10 years	21%	75%	0%	✓
10 years and within 20 years	52%	75%	0%	✓
20 years and within 30 years	9%	75%	0%	✓
30 years and above	0%	100%	0%	✓

59. The County Council holds £20m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the County Council has the option to either accept the new rate or to repay the loan at no additional cost. If not repaid before maturity, these loans have an average duration to maturity of 13 years (minimum 6 years; maximum 24 years).

Principal sums invested for periods longer than a year

60. The purpose of this indicator is to control the County Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 12 – Price risk indicator	2020/21	2021/22	2022/23
Actual principal invested beyond year end	£260m	£215m	£205m
Limit on principal invested beyond year end	£340m	£330m	£330m
Complied?	✓	✓	✓

61. The table includes investments in strategic pooled funds of £183m as although these can usually be redeemed at short notice, the County Council intends to hold these investments for at least the medium-term.

Other

CIPFA consultations

62. In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These follow the

Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. These are principles-based consultations and will be followed by more specific proposals later in the year.

63. In the Prudential Code the key area being addressed is the statement that "local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed". Other proposed changes include the sustainability of capital expenditure in accordance with an authority's corporate objectives, such as recognising climate, diversity and innovation, commercial investment being proportionate to budgets, expanding the capital strategy section on commercial activities, replacing the "gross debt and the CFR" with the liability benchmark as a graphical prudential indicator.
64. Proposed changes to the Treasury Management Code include requiring job specifications and "knowledge and skills" schedules for treasury management roles to be included in the Treasury Management Practices (TMP) document and formally reviewed, a specific treasury management committee for MiFID II professional clients and a new TMP 13 on Environmental, Social and Governance Risk Management.

IFRS 16

65. CIPFA/LASAAC has proposed delaying the implementation of the new IFRS 16 Leases accounting standard for a further year to 2022/23.

Capital Spending and Financing 2020/21

Introduction

1. This Appendix reports that:
 - capital schemes costing £235.2m were started during 2020/21 from the approved capital programme for the year of £359.4
 - this left £99.7m for named projects not started by 31 March 2021 which will be carried forward to 2021/22, subject to Cabinet's approval
 - capital payments of £214.1m were incurred in 2020/21 and this can be financed within available resources
 - it is proposed that, under the Prudential Code for Capital Finance, new prudential borrowing of £28.5m is used in 2020/21 to fund previously approved schemes.
 - repayments of prudential borrowing from capital receipts and other sources total £18.7m in 2020/21
 - £3.6m of resources will be drawn down from the capital reserve in 2020/21 for use in funding payments incurred in 2020/21
 - capital receipts of £3.9m were achieved from the sale of assets in 2020/21.

Capital Programme for 2020/21

2. Table 1 below shows that 65.4% of the Capital Programme for 2020/21 was started in the year.

Table 1 - Capital Schemes Committed in 2020/21

	£'000	%
Approved value of the Capital Programme for 2020/21	359,458	100.0
Schemes committed in 2020/21	235,221	65.4
Balance of Cash Limit at 31 March 2021	124,237	34.6
Schemes for which approval to carry forward to 2021/22 is now requested	99,747	27.8
Schemes previously approved for carry forward	24,490	6.8
Total Cash Limit to be Carried Forward to 2021/22	124,237	34.6

3. An analysis by service of the figures in Table 1 is included in Annex 1.

Carry Forward of Schemes not Committed by 31 March 2021

4. The approval of Cabinet is required for proposals to carry forward schemes not started at 31 March 2021. The total value of such schemes is £99.7m. This excludes £0.9m of Adults, £8.4m of Children's Services and £15.2m of Culture, Communities and Business Services schemes for which approval to carry forward to 2021/22 has previously been given during 2020/21. These amounts are largely committed against named projects.
5. As Table 2 shows, the value of the 2020/21 programme committed in the year, at £235.2m, is higher than the level achieved in 2019/20 of £217.4m. Steady progress is being made given the significant size of the overall Capital Programme.

Table 2 – Percentage of Capital Programme Committed

	2019/20	2020/21
	£m	£m
Value of Projects		
- Committed	217.4	235.2
- Carried forward	157.2	124.2
Total Programme	374.6	359.4
Percentage Committed	58.1%	65.4%

6. Individually, most of the schemes and provisions to be carried forward are relatively small amounts. The larger schemes include:
 - Adults with Disability – Accommodation Strategy (£3.8m) – A capital grants programme has been approved and is progressing
 - Extra care housing transformation (£3.1m) – the remaining projects within this programme are being considered
 - Improvements in SEND resource provision for Hampshire SEND pupils – Plans have been approved and are progressing (£4.6m)
 - Improvements to Schools (£5.7m) and Children's Services contingency provision to cover future projects and pressures on the capital programme (£4.2m)
 - Structural maintenance of roads and bridges – Future projects planned which are linked to the outcome of funding bids (£20.1m)
 - LED replacement programme (£3.2m) – Plans are progressing
 - Decarbonisation projects, Countywide (£29.3m) – schemes are progressing

- Strategic Land purchases (£15.0m) – Provision required to enable quick action should advantageous land appear in the market.

Capital Expenditure and Financing 2020/21

- Total expenditure actually incurred in 2020/21, arising from the Capital Programme for 2020/21 and earlier years, was £214.1m. This is £22.1m or 9.3% lower than the revised estimate for 2020/21. The timing of capital expenditure flows between financial years is often difficult to predict. The delays in committing a fair proportion of the Capital Programme for 2020/21, as shown in Table 2, will have reduced the level of payments in the year.
- An analysis of the expenditure of £214.1m by service and type is included in Annex 2.
- The proposed method of financing this expenditure is summarised in Table 3:

Table 3 – Capital Financing 2020/21

Funding	Adjusted Revised Estimate £'000	Actuals £'000	Variation £'000
Prudential borrowing			
- for capital schemes	40,994	28,462	(12,532)
- repayments of specific schemes	(7,256)	(18,725)	(11,469)
Government capital grants	139,699	118,315	(21,384)
Contributions from developers and outside agencies	34,350	64,389	30,039
Capital receipts	92	3,970	3,878
Revenue contributions			
- general corporate provision	9,935	12,915	2,980
Total Capital Resources	217,814	209,326	(8,488)
Transfers from /(to) reserves			
- planned use of capital reserve to fund payments	18,322	3,633	(14,689)
- Revenue reserves	0	1,114	1,114
Total funding for payments in 2020/21	236,136	214,073	(22,063)

- In addition to this spend, during 2020/21, the Enterprise M3 Local Enterprise Partnership (LEP) invested £37.6m in Capital projects within the M3 corridor.

This spend is included in the annual accounts, as the Council is the Accountable Body for the LEP.

Borrowing

11. Since 1 April 2004, local authorities have been permitted to borrow for capital purposes without specific approval from the Government, provided their actions meet the requirements of the Prudential Code for Capital Finance introduced by the Local Government Act 2003. This is known as 'prudential borrowing'. It does not attract any support from the Government towards the repayment and interest costs, which fall wholly on the County Council's own resources.
12. Cabinet agreed criteria for the use of prudential borrowing in November 2003, with revisions in February 2006. Since then, its use has been agreed for a number of capital schemes, primarily on an invest-to-save basis. It is proposed that a total of £28.4m is borrowed in 2020/21 for these schemes, in accordance with the approved criteria.
13. Prudential borrowing of £18.7m has been repaid in 2020/21 from the use of capital receipts, developer and other contributions.
14. The Prudential Code includes a number of indicators intended to illustrate whether local authorities are acting prudently. The County Council's latest position on these prudential indicators following the 2020/21 outturn is summarised in Appendix 2. It shows that the County Council continues to be in full compliance with the requirements of the Code.

Capital receipts

15. Capital receipts from the sale of land and property in 2020/21 were £4.0m in total. This has been used to fund capital expenditure in the year.
16. Services' proposed shares of capital receipts in 2020/21 are summarised in Annex 3. The County Council's policy allows services to retain 25% of capital receipts from the sale of their assets, with up to 100% for approved rationalisation schemes.
17. In line with this policy, services are entitled to £1.2m of the £4.0m received in 2020/21. Cabinet has previously approved the addition of most of this amount to services' capital programmes, leaving a total of £113k for which approval is now required for allocation to services, as set out in Annex 3.

Analysis of Capital Programme 2020/21 and Requests by Services to Carry Forward Capital Schemes to 2021/22

	(1)	(2)	(3)	(4)	Total Cash Limit Carried Forward to 2021/22 (Columns 3+4)
	Approved Value of Programme	Schemes Committed in 2020/21	Schemes for Which Approval to Carry Forward is Requested	Schemes Already Approved for Carry Forward	
	£'000	£'000	£'000	£'000	£'000
Adults' Services	26,231	18,196	7,180	855	8,035
Children's Services	76,064	51,812	15,875	8,377	24,252
Economy, Transport and Environment	131,307	105,399	25,908	0	25,908
Culture, Communities and Business Services	125,856	59,814	50,784	15,258	66,042
Total	359,458	235,221	99,747	24,490	124,237
	100.0%	65.4%	27.8%	6.8%	34.6%

The amounts to be carried forward are largely committed against named projects

Summary of Capital Expenditure in 2020/21**Analysis by Service**

	£'000	%
Adults' Services	18,638	8.7
Children's Services	56,877	26.5
Economy, Transport and Environment	104,177	48.7
Culture, Communities and Business Services	34,381	16.1
	214,073	100.0

Analysis by Type of Expenditure

	£'000	%
Land	1,597	0.7
Construction work	152,179	71.1
Fees and salaries	28,329	13.2
Furniture, equipment and vehicles	6,998	3.3
Grants	14,970	7.0
Pooled Property Fund	10,000	4.7
	214,073	100.0

Analysis of Capital Receipts 2020/21

	Capital Receipts	Costs of Sales	Shares from in/out and Other Schemes		25% Share of Qualifying Receipts Now Due to Services
	£'000	£'000	Previously Added to Programme	Now Available to be Added to Programme	£'000
Adults' Services	345	6	345	0	0
Children's Services	0	0	0	0	0
Economy, Transport and Environment	375	0	0	25	88
Culture, Communities and Business Services	3,250	8	723	0	0
	3,970	14	1,068	25	88
Total Now to be Added to Services' Programmes				113	

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COUNCIL MEETING, 22 JULY 2021

REPORT OF THE

Cabinet

PART I

1. *SERVING HAMPSHIRE STRATEGIC PLAN 2021-2025 AND CORPORATE PERFORMANCE MANAGEMENT FRAMEWORK*

- 1.1. At its meeting of 13 July 2021, Cabinet considered a report setting out the new Strategic Plan for 2021-2025, and its accompanying Corporate Performance Management Framework.
- 1.2. The County Council's Strategic Plan is a four-year document which sets out the main outcomes that it seeks to achieve for Hampshire, as well as several key priorities. The Strategic Plan is supported by the corporate Performance Management Framework, which is reported to the Corporate Management Team (CMT) on a quarterly basis, and six-monthly to Cabinet.
- 1.3. The current Strategic Plan comes to an end this year, and there are a number of significant issues for local government which will come to the fore during the period of the next Strategic Plan. These include recovery and restoration in Hampshire following the COVID-19 pandemic, an unprecedented financial context, increasing pressure on social care, and the response to climate change.
- 1.4. The revised Strategic Plan comprises four strategic aims, each supported by a set of key priorities, and eight principles for 'the way we work'. These are set out in the Cabinet report.
- 1.5. Accompanying the proposed new Strategic Plan is the corporate Performance Management Framework, which provides a mechanism to demonstrate progress achieved against the Strategic Plan and has been revised to take account of new strategic priorities.
- 1.6. Cabinet welcomed the new Serving Hampshire Strategic Plan 2021-2025 and agreed the recommendation to Council that it be approved with minor amendments to emphasise the connection between Plan and the Hampshire Story. Cabinet also resolved to approve the Corporate Performance Management Framework.

The full report to Cabinet can be found at the following link and an updated version is attached as an Annex to this report:

[Cabinet 13th July, 2021](#)

RECOMMENDATION

- a. With reference to the report annexed to this Council report, Council is recommended to approve the Serving Hampshire Strategic Plan for 2021 – 2025.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	13 th July 2021
Title:	<i>Serving Hampshire</i> Strategic Plan 2021-2025 and Corporate Performance Management Framework
Report From:	Chief Executive

Contact name: Antonia Perkins

Tel: 0370 779 7390

Email: antonia.perkins@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to seek approval of the new Strategic Plan for 2021-2025, and its accompanying Corporate Performance Management Framework.

Recommendation(s)

2. That Cabinet approve the Corporate Performance Management Framework.
3. That Cabinet recommend to the County Council approval of the *Serving Hampshire* Strategic Plan for 2021 – 2025.

Executive Summary

4. This paper sets out the proposed revised Strategic Plan: *Serving Hampshire* 2021-2025. The Strategic Plan comprises four strategic aims, each supported by a set of key priorities, and eight principles for 'the way we work'.
5. Accompanying the proposed new Strategic Plan is the corporate Performance Management Framework, which provides a mechanism to demonstrate progress achieved against the Strategic Plan and has been revised to take account of new strategic priorities.

Contextual information

6. The County Council's Strategic Plan is a four-year document which sets out the main outcomes that it seeks to achieve for Hampshire, as well as several key priorities. The Strategic Plan is supported by the corporate Performance Management Framework, which is reported to the Corporate Management Team (CMT) on a quarterly basis, and six-monthly to Cabinet.
7. The Serving Hampshire Strategic Plan provides the overarching framework for the County Council and its services and is intended to guide decision-making to ensure that Hampshire taxpayers' money is targeted where it is needed most, and where it can make the most impact. The Strategic Plan is informed, and underpinned, by various, more detailed departmental plans, including: The Children's and Young People's Plan, Adults' Health and Care Service's vision, the Public Health Strategy, the Climate Change Strategy, and the COVID-19 Recovery Plan. The Strategic Plan covers the period of 2021-2025, reflecting the term of office for the new administration.
8. The current Strategic Plan comes to an end this year, and there are a number of significant issues for local government which will come to the fore during the period of the next Strategic Plan. These include recovery and restoration in Hampshire following the COVID-19 pandemic, an unprecedented financial context, increasing pressure on social care, the proposed new Planning system, and the response to climate change - amongst others. Therefore, it is important that the County Council takes these into account when shaping its strategic direction over the medium term.
9. A comprehensive exercise to review the current Strategic Plan was undertaken to develop and influence the proposed document (attached at appendix one):
 - Review of departments' business plans and other key documents which underpin the Strategic Plan to understand principal areas of focus for services;
 - Inclusion of strategic priorities identified by the Hampshire 2050 Commission of Inquiry, as well as a strong link to the Hampshire Story – the Hampshire brand developed to encourage economic development and a key recommendation from the Commission;
 - Analysis of feedback from residents via surveys and consultation exercises over the past four years, with key themes highlighted;
 - Identification of priorities for national bodies such as the NHS, County Council Network (CCN) and the Local Government Association (LGA).

10. It is recognised that the COVID-19 pandemic has exacerbated and highlighted the impact of health and social inequality. Therefore, the proposed Strategic Plan places a strong emphasis on advancing social equality in Hampshire. Further commentary on the main issues facing the County Council in the next five years, which will be addressed by the Strategic Plan, are set out in the overview in appendix one.

Serving Hampshire – Strategic Plan 2021 – 2025

11. The Strategic Plan sets out four strategic aims, each supported by a set of key priorities. The four strategic aims are intended to guide the County Council in prioritising its resources, whilst also reflecting the breadth of the County Council's responsibilities.

12. The proposed Strategic Plan retains the existing four strategic outcomes from the current Strategic Plan, as they remain the principle focus for the County Council's work. These are:

- **Outcome one:** Hampshire maintains strong and sustainable economic growth and prosperity;
- **Outcome two:** People in Hampshire live safe, healthy, and independent lives;
- **Outcome three:** People in Hampshire enjoy a rich and diverse environment; and
- **Outcome four:** People in Hampshire enjoy being part of strong, inclusive communities.

13. Beneath these priorities sits a new set of objectives for the County Council, aligned with its medium-term priorities and designed to focus work on the key areas of importance for the County Council. These are also set out in appendix one.

Commentary on the Strategic Plan

Outcome 1: Hampshire maintains strong and sustainable economic growth and prosperity

14. The first strategic aim relates to Hampshire's future economic growth and prosperity - this is of strategic importance because Hampshire's economic success underpins a number of other positive outcomes for Hampshire's residents and communities.

15. The new priority areas for the first outcome closely reflect the *Hampshire 2050 Commission of Inquiry's* recommendations and the significant body of

evidence developed by the Commission - as well as the need to promote Hampshire's economic recovery from the pandemic in a sustainable way. There is also a focus on exploiting Hampshire's strengths around innovation, research, and knowledge sectors - this is alongside the development of a skills agenda which is inclusive and supports the matching of people with skills that support the right type of economic growth for Hampshire.

Outcome 2: People in Hampshire live safe, healthy, and independent lives

16. The second strategic aim is about supporting people to live safe, healthy, and independent lives by focusing the County Council's resources where they are needed most. It also prioritises work to enable residents to stay well, both physically and mentally, enabling people to do more for themselves.
17. The County Council's ongoing commitment to capitalising on technological innovation to deliver services is also amplified in the proposed priority areas for outcome two. This is expressed as an opportunity across the organisation, for all its services.

Outcome 3: Hampshire enjoys a rich and diverse environment

18. The third strategic outcome provides a strong alignment to the County Council's key corporate programmes relating to climate change and place shaping – the review of the Strategic Plan for 2021-2025 now provides the opportunity to ensure these areas of work are overtly embedded in the County Council's strategic vision.
19. Reference is also made in the proposed new Strategic Plan to striving for *Environmental Net Gain*, defined by the Ministry for Housing, Communities and Local Government as the aim to reduce pressure on and achieve overall improvements in natural capital, ecosystem services and the benefits they deliver for people and nature.

Outcome 4: Hampshire enjoys strong, inclusive communities

20. This strategic aim is about recognising the resources, skills and strengths that exist in local communities and that, when utilised, can help reduce the demand and dependency on County Council services. With the support of family, friends, volunteers and carers, the majority of people are able to live full and independent lives. In this way, residents and communities become more resilient, doing more for themselves, and less reliant on County Council services. This enables more resources to be targeted where they are needed most.

21. This current review of the Strategic Plan has sought to further strengthen the County Council's essential partnership with the voluntary, community and social enterprise (VCSE), as well as its commitment to tackling health and social inequalities. Both sustaining the positive relationship with the VCSE in Hampshire, and the need to advance social equality are two issues which will be key to the county's recovery from the COVID-19 pandemic. The review of the Strategic Plan in 2021 provides a timely opportunity to ensure that a strategic focus is maintained on these two matters.

'The way we work' principles

22. The Strategic Plan also includes eight principles for 'the way we work', which signal the approach the County Council will take in delivering the four strategic aims. These eight principles represent the Collective Wisdom design principles for an external audience and are closely aligned.

23. All eight ways of working underpin an overarching ambition to put residents at the heart of everything the County Council does. This means engaging, involving, and informing residents in understanding issues and developing solutions. This will support the County Council to ensure its resources are targeted and responsive to people's needs, thereby aiding efficiency and helping to increase customer satisfaction.

24. These principles also signal the County Council's intention to continue to develop additional accessible, efficient online services – part of its work to enable people to do more for themselves - and reducing dependency on more costly, council services.

25. The importance of working with partners is also recognised within these principles. The County Council's place-shaping role is delivered in partnership with individuals, community and voluntary sector groups and a plethora of other public and private sector organisations – all seeking to serve the same population.

26. The County Council's approach will continue to be characterised by a relentless focus on maximising efficiency and using Hampshire taxpayers' money wisely to provide good value for money. This recognises the County Council's role as the representative body in Hampshire, elected to steward the county well for future generations.

27. The Strategic Plan also recognises the importance of delivering services in ways that value people's differences and treat people fairly. This means empowering residents and employees to fulfil their potential, including by supporting positive emotional and mental health and wellbeing.

28. Finally, the ways of working highlight the County Council's intention to always keep improving. The County Council remains one of the top performing councils in the country – a significant achievement in view of the volume of change and spending reductions that the Authority has had to absorb, combined with the challenges of the COVID-19 pandemic. Over the next four years, Officers and Members will continue to act in the interests of Hampshire, seeking to find innovative, more efficient ways of working and to maximise value for Hampshire residents.

Review of the corporate Performance Management Framework (PMF)

29. Alongside the County Council's Strategic Plan sits the corporate Performance Management Framework. The PMF offers assurance to Cabinet and CMT against the delivery of the Strategic Plan, and provides evidence that the County Council 'knows itself' as an organisation and is aware of its areas of strengths, as well as opportunities for improvement.

30. It includes a range of performance measures which are regularly monitored by departments, demonstrating measurable progress against the priorities in the Strategic Plan. In addition to this, independent, external validation of the County Council's performance is also captured and reported to Cabinet - this is achieved through recording the County Council's performance against a range of accreditations and certifications. Furthermore, corporate performance reports to Cabinet provide narrative against the County Council's progress against its Inclusion, Diversity and Wellbeing work programme, and the annual Local Government and Social Care Ombudsman determinations.

31. Currently, the corporate performance cycle as per the PMF is on a quarterly, exception basis to CMT. A half yearly and then annual performance report is presented to Cabinet, which also provides information on external validations and significant achievements relating to the Strategic Plan priorities.

Proposed changes to the PMF

32. The refresh of the County Council's Strategic Plan provides the opportunity to review the existing PMF to ensure it continues to be a fit-for-purpose vehicle to monitor its delivery.

33. The new PMF, described below, retains and amplifies key elements of the existing framework, whilst also introducing several new aspects for consideration, including a new Director's performance assessment and the incorporation of the performance monitoring of significant corporate programmes, such as the *Hampshire 2050 Commission of Inquiry* recommendations, and the *Climate Change Strategy*. These will supplement

the PMF and provide CMT and Cabinet with additional assurance as well as a more rounded view of the County Council's performance.

34. The new PMF will be implemented for the start of 2021/22 for CMT's quarterly corporate performance reporting, and in the half-year performance reporting to Cabinet towards the end of 2021.

Retained elements of existing PMF

35. *Performance measures:* A revised set of measures reflect a more streamlined and focussed approach and have been proposed by departments as the key measures of their work.
36. *External validation:* The biannual corporate performance reports to Cabinet currently include an appendix which sets out all external accreditations and certifications that services hold during the relevant time period for the report. This section will be retained in the new PMF and amplified in future corporate performance reports as a key source of independent assurance for Members regarding the County Council's performance.
37. *County Council achievements:* Services' key achievements for the performance report's relevant time period are also included as an appendix for Cabinet, with significant items highlighted in the covering report. This would be retained in the new PMF.
38. *Narrative on Inclusion, Diversity and Wellbeing:* A stronger and more overt focus on fairness and equality has been woven into the new Strategic Plan, and the performance reports to Cabinet will continue to include a narrative section on progress against the County Council's Inclusion, Diversity and Wellbeing work programme.
39. *Local Government and Social Care Ombudsman determinations:* The annual summary of LGSCO determinations will continue to be included within the annual corporate performance report to Cabinet.

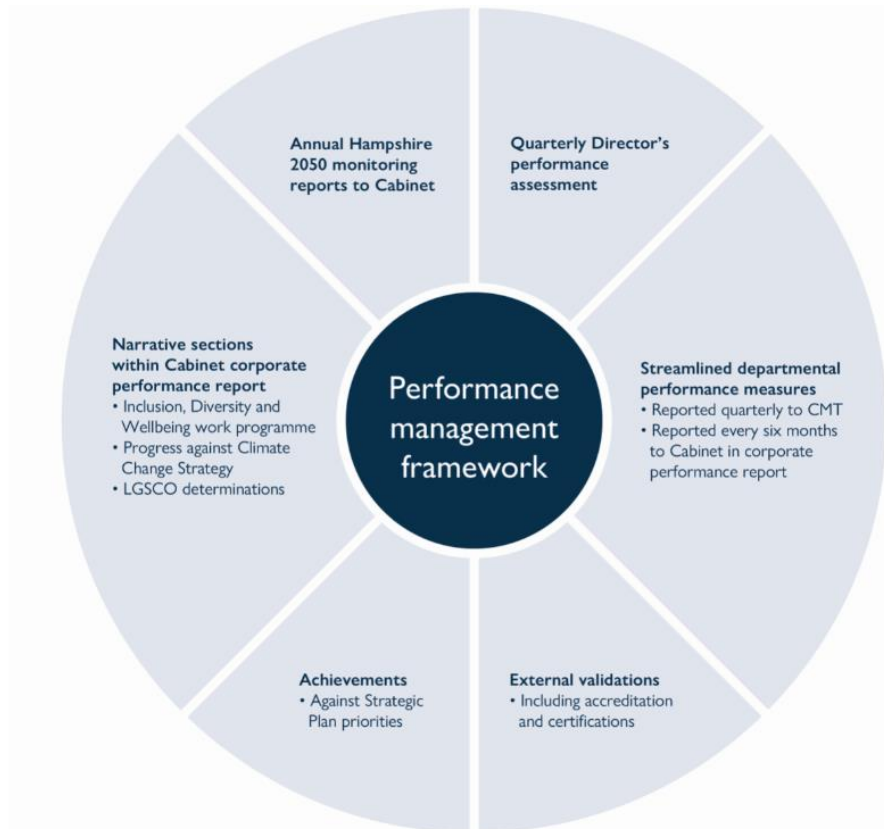
New, additional elements to be included in the PMF

40. *Narrative on Climate Change Strategy:* The first proposed additional element to the new PMF is the inclusion of a short narrative section on progress against the Climate Change Strategy in the annual corporate performance report to Cabinet. As this programme of work requires the involvement of a number of partners, and indicators relating to carbon measures are not available on a frequent basis, an annual, activity-based narrative is proposed as the most appropriate way of integrating this key work programme into the PMF. This narrative will cross-reference to the existing reporting mechanisms

for the *Climate Change Strategy* and provide sign posting as far as possible to avoid the duplication of work.

41. *Hampshire 2050 Commission of Inquiry recommendations*: The second additional element is the incorporation of the annual *Hampshire 2050* monitoring report into the wider PMF, to enable Cabinet to have a full view of some of the wider outcomes the County Council wishes to achieve via the Strategic Plan, but do not lend themselves to a direct measure of the County Council's performance.
42. *Director's performance assessment*: A further, qualitative layer of self-assessed assurance will be added to the PMF via a regular Director's performance assessment. This provides an opportunity to highlight performance risks and challenges to Cabinet and CMT and will be undertaken by departments. Directors will also be asked to provide narrative around the department's performance levels, incorporating a focus on residents' needs, and staff engagement.
43. Figure one below summarises the elements described above which will comprise the new corporate PMF.

Figure one



44. Figure two below sets out the proposed reporting cycle of the different PMF elements.

Figure two

Proposed reporting of draft corporate performance management framework

Annual corporate performance report to Cabinet (and Policy & Resources Select Committee)	Streamlined departmental performance measures set
	Narrative sections within Cabinet report: <ul style="list-style-type: none"> • Inclusion, Diversity and Wellbeing work programme • Progress against Climate Change Strategy • LGSCO determinations
	External validations
	Achievements
	Director's performance assessment
	Signpost to annual Hampshire 2050 reporting
Six-monthly corporate performance report to Cabinet (and Policy & Resources Select Committee)	Streamlined departmental performance measures set
	Narrative sections within Cabinet report <ul style="list-style-type: none"> • Inclusion, Diversity and Wellbeing • Progress against Climate Change Strategy
	External validations
	Achievements
	Director's performance assessment
Quarterly corporate performance measure reporting to CMT	Streamlined departmental performance measures set
	Director's performance assessment

Climate Change Impact Assessment

45. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience impacts of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects,

policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

46. The carbon mitigation tool and/or climate change adaptation tool was not applicable because this report relates to the County Council's overarching Strategic Plan rather than any specific interventions. It is expected that these tools will be applied to any relevant projects which support the delivery of the Strategic Plan outcomes.

Conclusions

47. The proposed new Strategic Plan for 2021-2025 sets out the ambitions and priorities for Hampshire County Council for the term of the new Administration. It reflects the significant challenges facing the County Council during this period, and where it will focus its efforts to ensure resources are targeted where they are most needed.
48. Delivery of the Strategic Plan will be monitored and reported to Cabinet and the CMT through the corporate PMF, which will provide assurance through several different elements to provide a holistic view of the County Council's performance and progress.

REQUIRED CORPORATE AND 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

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

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

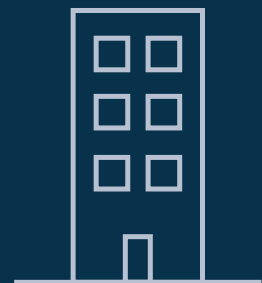
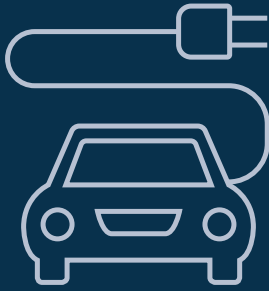
- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share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

2. Equalities Impact Assessment:

3. The Serving Hampshire Strategic Plan is intended to provide a framework for the County Council's business which supports positive outcomes for all Hampshire residents, including groups with protected characteristics. It will have either a positive or neutral impact on all protected groups.
4. The Strategic Plan has a particular emphasis on prioritising the needs of Hampshire's most vulnerable residents and specifically states that the County Council will work to ensure fair access to services and advance social equality in Hampshire.

Serving Hampshire's residents

Strategic Plan 2021 – 2025



Hampshire County Council is the third largest shire council in the country, delivering the majority of Hampshire's public services, to almost 1.4 million residents (excluding people living in the Southampton and Portsmouth unitary council areas). We are responsible for around 80% of all spend on council services in Hampshire, amounting to £2.1 billion a year.

Along with many other public sector organisations, local government has faced significant financial pressures over the past decade. Over half a billion pounds has been removed from the County Council's budget since 2008, due to ongoing reductions in central government funding, increasing costs and a steadily rising demand for our vital services such as social care for vulnerable children and adults. This reduction in our budget has been achieved whilst also sustaining some of the highest performing public services in the country – the result of sound financial stewardship alongside an ongoing focus on delivering good public services to Hampshire residents.

We know that the next four years, covered by this Strategic Plan, will be even more financially challenging – not least because of the direct impact of the COVID-19 pandemic on public finances. During this crisis period, significant additional costs were incurred, including the extra resource required for ensuring that the most vulnerable people in Hampshire were supported.

None of us have been left unaffected by the COVID-19 pandemic – which represents a defining period of our history. Our priority will remain to keep Hampshire residents safe and do all we can to help our communities and the local economy to 'build back better'.

We want to ensure that we work with our partners to take the opportunity to rethink and reshape how we deliver public services for the future – not only to build a more resilient Hampshire, but also to take robust action to promote a green/sustainable? economy.

The findings of the Hampshire 2050 Commission – an examination of compelling and thought-provoking evidence presented by experts, academics, residents, businesses and Hampshire's young people – identified the most important and complex challenge we must face if we are to ensure quality of life for future generations in Hampshire is adapting to and mitigating the impact of a changing climate, whilst also meeting the current needs of Hampshire's population. The County Council's ability to address this challenge will also be significantly influenced and impacted by the regime changing proposals for the planning system in England, set out in the Government's 'Planning for the Future' White Paper.

With a challenge of this scale, the County Council must work collaboratively with its partners, and not least the voluntary sector, supporting the sector to thrive within Hampshire in order for us to to successfully deliver the far reaching and complex outcomes of the Commission.

The four outcomes below reflect these challenges and form the County Council's Strategic Plan. The Plan will guide all of our work for the next four years.

Outcome one: Hampshire maintains strong and resilient economic growth and prosperity

Our priorities are:

- Promoting a **green economic recovery across Hampshire**,
- Ensuring Hampshire has the right conditions for economic innovation to flourish
- Enhancing our competitiveness as an **international gateway and globally connected economy**
- Maximising **opportunities for employment and inclusion** by equipping people with the right skills to support, and benefit from, economic growth
- Promoting **Hampshire's assets and opportunities** as an excellent place to work, visit, live and do business

Outcome two: People in Hampshire live safe, healthy and independent lives

Our priorities are:

- Enabling all children and young people to **have the best possible start in life**
- Secure high achievement for all children and young people, especially those from more vulnerable groups
- Helping people to **stay well** and look after their physical and mental health, whilst maintaining their independence
- Ensuring services meet the **eligible, statutory needs** of our residents and that people are cared for in the right place, for the right time and at an appropriate cost
- Working with partners to keep our communities safe, particularly children and vulnerable adults
- Ensuring that everyone has **fair access** to services, opportunities and life chances, and supporting those groups in our communities who have been disproportionately affected by COVID-19
- Embracing **opportunities offered by technology** to enhance public services, social care and connectivity; that complement rather than compromise human relationships and quality of life

Outcome three: People in Hampshire enjoy a rich and diverse environment

Our priorities are:

- Working towards securing **carbon neutrality for Hampshire** by 2050, and becoming resilient to a two degree rise in temperature – leading and collaborating on climate change action, ensuring climate change is embedded into everything we do
- Maintaining and enhancing Hampshire's **unique natural and built environment** and striving for Environmental Net Gain across both
- Protecting Hampshire's breadth of **character and heritage** and valuing both rural and urban communities
- Planning and delivering low carbon **infrastructure** that meets business need and promoting a sustainable and more resilient transport network
- Leading on opportunities to **shape places** across the County that enhance communities and environments – facilitating partners and people to come together with common vision and purpose

Outcome four: People in Hampshire enjoy being part of strong, inclusive, resilient communities

Our priorities are:

- Advancing **social equality** in Hampshire by tackling health and social inequalities, improving equity of educational achievement, and creating opportunity for all residents
- Enabling communities to be **more resilient and connected**
- Promoting the **development of communities** that support and uphold equity, diversity and sustainability
- Supporting, and working in partnership with a thriving and diverse **Voluntary and Community Sector** and body of volunteers
- Upholding our commitment to the **Armed Forces Covenant** – removing potential disadvantage for Armed Forces families and veterans, and supporting a successful transition into civilian life

The way we work

We will keep Hampshire's residents at the heart of everything we do. We will:

- be accountable and transparent in all that we do;
- use taxpayers' money wisely;
- work closely with our partners;
- engage, inform and involve residents;
- develop accessible and efficient online services;
- exploit digital innovation to deliver effective and efficient services;
- enable people to do more for themselves;
- respond flexibly to people's needs;
- value people's differences;
- treat people fairly;
- keep improving.

COUNCIL MEETING, 22 JULY 2021

REPORT OF THE
Conduct Advisory Panel
PART I

1. AMENDMENT TO THE CODE OF CONDUCT FOR MEMBERS

- 1.1 In 2018, the Committee on Standards in Public Life (CSPL) carried out a review of the standards framework established by the Act. One of the CSPL recommendations arising from that review was directed at the Local Government Association (LGA) and concerned the creation of an updated model code of conduct which can be adapted by local authorities.
- 1.2 At its meeting on 24 October 2019, the Conduct Advisory Panel considered the CSPL's best practice recommendations. The Panel agreed that, once the LGA model code of conduct had been published, the County Council's Code of Conduct for Members should be reviewed to take account of the new model provisions and to adopt the CSPL's best practice recommendations 1 and 2 to:
1. include prohibitions on bullying and harassment which should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition
 2. include provisions in their code of conduct requiring councillors to comply with any formal standards investigation and prohibiting trivial or malicious allegations by councillors.
- 1.3 At its meeting on 23 June 2021, the Conduct Advisory Panel considered and agreed for recommendation to full Council, proposed amendments to the County Council's Code of Conduct for Members to take account of the CPSL's best practice recommendations set out above. The full report is attached.

RECOMMENDATION

That the County Council approves the revised Code of Conduct for Members as contained in Appendix 1 of the attached report.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Conduct Advisory Panel
Date:	23 June 2021
Title:	Amendment to the Code of Conduct for Members
Report From:	Head of Law and Governance and Monitoring Officer

Contact name: Barbara Beardwell

Tel: 03707 793751

Email: barbara.beardwell@hants.gov.uk

1. Executive Summary

1.1 The purpose of this report is to update the Conduct Advisory Panel on the review of the County Council's Code of Conduct for Members following the publication of the Local Government Association's Model Councillor Code of Conduct 2020 and to seek the Panel's agreement to recommend the proposed amendments to the Code of Conduct for Members to the County Council for approval.

2. Contextual information

2.1 Part 7 of the Localism Act 2011 (the Act), Sections 26-37 introduced revised arrangements in respect of the Code of Conduct for Members. Subject to certain requirements, including the duty to adopt a code dealing with the conduct that is expected of Members and voting Co-opted Members when they are acting in that capacity, local authorities have the discretion to determine what may be included in their codes of conduct according to their own needs and resources.

2.2 By virtue of Part 1, Chapter 9, Paragraph 1.3.1 of the Constitution, the Conduct Advisory Panel has been delegated the role of advising the County Council on the adoption or revision of the Members' Code of Conduct under the Act.

2.3 In 2018, the Committee on Standards in Public Life (CSPL) undertook a review of the standards framework established by the Act. The CSPL review concluded with 26 recommendations for improvement being made to Government and other bodies, in addition to 15 areas of best practice directed at local authorities. One of the CSPL recommendations was directed at the

Local Government Association (LGA) and concerned the creation of an updated model code of conduct which can be adapted by local authorities.

- 2.4 At its meeting on 24 October 2019, the Conduct Advisory Panel considered the CSPL's 15 best practice recommendations.
- 2.5 The Panel agreed that, once the LGA model code of conduct had been published, the County Council's Code of Conduct for Members should be reviewed to take account of the new model provisions and to adopt the CSPL's best practice recommendations 1 and 2, as follows:
1. Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.
 2. Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation, and prohibiting trivial or malicious allegations by councillors.
- 2.6 In respect of best practice recommendation 2, it was considered that the existing obligations within the County Council's Code of Conduct for Members were sufficient for the purpose of requiring councillors to comply with any formal standards investigation but that there should be included a reference to trivial and malicious allegations by councillors in order to be consistent with the CSPL's best practice.
- 2.7 The Panel further agreed that, following the review, the revised Code of Conduct be presented to the Panel for approval and recommendation to the County Council.
- 2.8 In December 2020, the LGA published its Model Councillor Code of Conduct 2020 (Model Code) which can be accessed via:
- [Model Councillor Code of Conduct 2020 \(local.gov.uk\)](https://www.local.gov.uk/model-councillor-code-of-conduct-2020)
- 2.9 In the interests of promoting consistency for shared members, a consultation exercise has been undertaken with Southampton and Portsmouth City Councils and the Hampshire District and Borough Councils to identify whether other local authorities will be revising their codes of conduct to adopt the provisions of the Model Code. The consultation also included comparator County Councils and national park authorities.
- 2.10 Only one authority indicated that they may seek to adopt the Model Code. The consensus from the consultation was that most authorities will not be adopting the Model Code at this time on the basis that it does not add material value to existing codes of conduct which, in many cases, have already been recently updated to implement best practice recommendations of the CSPL. There is also a recognition that there is likely to be the need for a further review if the Government accepts any of the CSPL's recommendations requiring legislative change, such as in relation to sanctions for breaches of the code of conduct.

3. Proposed Amendments to the Code of Conduct for Members

- 3.1 A review of the County Council's Code of Conduct for Members has been undertaken by Officers taking account of the Model Code and the consultation responses received from other authorities in Hampshire and beyond.
- 3.2 It is not proposed that the Conduct Advisory Panel should recommend to the County Council the adoption of the Model Code. This is primarily because the format of the Model Code is significantly different to the County Council's Code of Conduct for Members but does not add new content of material value. In addition, there would be potential for confusion for Members as other Hampshire authorities are retaining their existing codes of conduct. Finally, there is potential for further significant changes if the Government amends the Act to adopt recommendations made by the CSPL.
- 3.3 However, in order to address the CSPL's best practice recommendation 1, it is proposed that the Code of Conduct for Members be amended to include an express prohibition on bullying and harassment and that the definition and examples of bullying and harassment included within the Model Code be incorporated into the Code of Conduct for Members. The revised Code of Conduct, incorporating these amendments, is attached at Appendix 1.
- 3.4 With regard to the CSPL's best practice 2, it is noteworthy that the Model Code does not include provision expressly prohibiting councillors from making trivial or malicious allegations.
- 3.5 If the Conduct Advisory Panel is minded to recommend to the County Council the incorporation of the Model Code's definition of bullying, this includes malicious behaviour. It is considered that, taken together with the existing provisions contained within the Code of Conduct for Members that require Members to value their colleagues and Officers of the County Council and engage with them in an appropriate manner, and to treat all people with respect and propriety, this is sufficient to be consistent with the CSPL's best practice. It is therefore not proposed to make any additional amendment to the Code of Conduct for Members to incorporate express reference to trivial or malicious allegations by councillors.
- 3.6 Finally, although the Code of Conduct for Members currently imposes obligations to comply with legislation, policies and procedures, and to treat others with respect, it is proposed that it would be appropriate to recommend to the County Council the addition of an express reference to the need to have due regard to the County Council's equality duties. The revised Code of Conduct, attached at Appendix 1, includes some suggested additional wording addressing this.

4. Recommendation

- 4.1 It is recommended that the Conduct Advisory Panel approve for recommendation to the County Council the revised Code of Conduct for Members as contained in Appendix 1 of this report.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because of the requirements of the Localism Act 2011, and for the good governance of the County Council.

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Conduct Advisory Panel – Report on Local Government Ethical Standards And Members' Code Of Conduct: (Public Pack)Agenda Document for Conduct Advisory Panel, 24/10/2019 14:00 (hants.gov.uk)	24 October 2019
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
Localism Act	2011
Relevant Authorities (Disclosable Pecuniary Interests) Regulations	2012

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	

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Part 4

Codes and protocols

Appendix A – Code of Conduct for Members

Part 1: General Provisions and Interpretation

1. Introduction

This Code of Conduct is adopted by the County Council pursuant to its statutory duty to promote and maintain high standards of conduct by Members and Co-opted Members of the County Council. This Code applies to all Members and Co-opted Members of the County Council.

This Code is based on and is consistent with the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership as referred to in the Localism Act 2011.

In the interests of transparency and openness, and in accordance with the requirements of the Localism Act 2011, a copy of the Register of Members' Interests is published on the County Council's website, and is available for public inspection at the County Council's offices at all reasonable hours.

2. Scope

This Code applies to all Members and Co-opted Members of the County Council when acting in their official capacity, or when giving the impression that they are acting as a representative of the County Council.

Where a Member or Co-opted Member is a member of more than one local authority, but acting on behalf of the County Council, such Member or Co-opted Member is, for the avoidance of doubt, bound by this Code of Conduct.

3. General obligations of Members and Co-opted Members

As a Member of Hampshire County Council, your conduct will address the principles of the Code of Conduct by:

- 3.1 Representing the needs of residents, and putting their interests first.
- 3.2 Dealing with representations or enquiries from residents, members of communities within the administrative area of Hampshire County Council and visitors fairly, appropriately and impartially.
- 3.3 Not allowing other pressures, including the financial interests of yourself or others connected to you, to deter you from pursuing constituents' casework, the interests of the County Council's area, or the good governance of the County Council in a proper manner.
- 3.4 Exercising independent judgement and not compromising your position by placing yourself under obligations to outside individuals or organisations who might seek to influence the way you perform your duties.
- 3.5 Listening to the interests of all parties, including relevant advice from statutory and other professional officers of the County Council, taking all relevant information into consideration, remaining objective and making decisions on merit.
- 3.6 Being accountable for your decisions and co-operating when scrutinised internally and externally.
- 3.7 Contributing to making the County Council's decision-making processes as open and transparent as possible.
- 3.8 Restricting access to information when the wider public interest, the County Council's Constitution, or the law requires it.
- 3.9 Behaving in accordance with all the County Council's legal obligations, the County Council's policies, protocols and procedures, and having due regard to the County Council's equality duties in the performance of your duties as a Member of the County Council.
- 3.10 Ensuring that when using or authorising the use by others of the resources of the County Council that such resources are not used improperly for political purposes.
- 3.11 Having regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986 or otherwise.
- 3.12 Not knowingly doing anything which might cause the County Council to breach any legislation.

- 3.13 Valuing your colleagues and Officers of the County Council and engaging with them in an appropriate manner.
- 3.14 Always treating all people and organisations with respect and propriety **and not bullying or harassing any person¹**.
- 3.15 Providing leadership through behaving in accordance with these principles.

Part 2: Disclosable Pecuniary Interests

1. Introduction

A disclosable pecuniary interest is an interest falling within the Schedule set out at Paragraph 3 below of:

- 1.1 Yourself; or
- 1.2 Your spouse or civil partner, or someone you are living with as if you were husband and wife or civil partners, where you are aware that that other person has the interest.

2. Interpretation

In the Schedule set out at Paragraph 3 below, the following words or expressions mean as follows:

- 2.1 'the Act' means the Localism Act 2011;
- 2.2 'body in which the relevant person has a beneficial interest' means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;
- 2.3 'director' includes a member of the committee of management of an industrial and provident society;
- 2.4 'land' excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone

¹ The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.
The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

or jointly with another) to occupy the land or to receive income;

- 2.5 'M' means a member of a relevant authority;
- 2.6 'member' includes a co-opted member;
- 2.7 'relevant authority' means Hampshire County Council of which M is a member;
- 2.8 'relevant period' means the period of 12 months ending with the day on which M gives a notification for the purposes of Section 30(1) or Section 31(7), as the case may be, of the Act;
- 2.9 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 (2000 c. 8) and other securities of any description, other than money deposited with a building society.

3. Schedule of Disclosable Pecuniary Interests

Subject	Prescribed description
Employment, office, trade profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992 (1992 c. 52).</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority:</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to M's knowledge):</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	Any beneficial interest in securities of a body where:

	<p>(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either:</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>
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Part 3: Registration and Disclosure of Disclosable Pecuniary Interests

1. Obligations

- 1.1 You must, within 28 days of taking office as a Member or Co-opted Member of the County Council, notify the County Council's Monitoring Officer of any disclosable pecuniary interests as defined by regulations made by the Secretary of State (as set out at Part 2 of this Code), where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners.
- 1.2 You must also, within 28 days of becoming aware of any new disclosable pecuniary interest, or change thereto, notify the County Council's Monitoring Officer of such new or changed interest.
- 1.3 If you have a disclosable pecuniary interest included on the Register of Members' Interests, you must disclose this interest at any meeting of the County Council, its Committees or the Executive at which you are present and participating in the business. Such interest should be disclosed at the commencement of consideration of the business or when the interest becomes apparent. You do not need to disclose details of the interest itself.
- 1.4 If a disclosable pecuniary interest has not been entered onto the County Council's Register of Interests, then you must also disclose the interest to any meeting of the County Council, its Committees or the Executive at which you are present where you have such an interest in any matter being considered. Such interest should be disclosed at the commencement of consideration of the business or

when the interest becomes apparent. Following disclosure of a disclosable pecuniary interest not on the County Council's Register or the subject of pending notification, you must notify the Monitoring Officer of such interest within 28 days, beginning with the date of disclosure.

- 1.5 Unless a dispensation has been granted by the County Council, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a disclosable pecuniary interest. You must as soon as it becomes apparent that you have such an interest (save for in circumstances set out at Paragraph 1.6 below) withdraw from the chamber or room where the meeting considering the business is being held, and must not seek improperly to influence a decision about that business. If acting as a single Executive Member you may not take any further steps in relation to the matter other than for the purpose of arranging for the matter to be dealt with otherwise than by yourself.
- 1.6 Without prejudice to Paragraph 1.5 above where you have a disclosable pecuniary interest in any business of the County Council (including any meeting of a Select Overview and Scrutiny Committee of the County Council) you may, notwithstanding such disclosable pecuniary interest, attend such meeting for the purpose of making representations, answering questions or giving evidence relating to such business, provided members of the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

Part 4: Registration of Gifts and Hospitality

You must, within 28 days of receipt, notify the County Council's Monitoring Officer of any gift or hospitality you receive, if such gift or hospitality has an estimated value of at least £50.

Part 5: Registration and Disclosure of Personal Interests

1. Without prejudice to requirements contained at Part 3 of this Code in respect of the Registration and Disclosure of Pecuniary Interests, you may in addition notify the County Council's Monitoring Officer of any Personal Interests you consider it appropriate to be entered on the Register of Members' Interests.
2. You have a "personal interest" in an item of business where it relates to or is likely to affect any of the following bodies of which you are a member: a public or charitable body, any body to which you have been appointed by the authority, any political party, trade union or other body one of whose

principal purposes is to influence public opinion or policy.

3. You also have a “personal interest” in an item of business where a decision in relation to it might reasonably be regarded as affecting the well being or financial position of yourself, a member of your family or person with whom you have a close association, more than other council tax payers, ratepayers or inhabitants of the authority’s area.
4. You shall disclose a “personal interest” at a meeting of the County Council, its Committees or the Executive, where you consider that interest to be relevant to an item of business being considered at that meeting. The disclosure shall be made at the commencement of the meeting, or when the interest becomes apparent, and shall be recorded in the minutes of the meeting.
5. Disclosure of a personal interest does not affect your ability to participate in discussion or vote on the relevant item, provided it is not also a disclosable pecuniary interest. If you consider, having taken advice in appropriate circumstances, you should not participate in the business being considered, you should leave the chamber or room where the business is being considered, after exercising any right to speak which a member of the public would have.

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COUNCIL MEETING, 22 JULY 2021

REPORT OF THE
Conduct Advisory Panel
PART I

1. LOCALISM ACT 2011 – APPOINTMENT OF INDEPENDENT PERSONS

- 1.1 By virtue of Section 28 (7) of the Localism Act the County Council is required to appoint at least one Independent Person, whose views must be sought and taken into account before any decision is made on any allegation which the County Council has decided to investigate, and whose views may be sought by the County Council in relation to an allegation in any other circumstances, or by a Member or Co-opted Member of the County Council against whom an allegation has been made. In addition, pursuant to the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015, in the case of the proposed dismissal of the Head of Paid Services, Chief Financial officer or the Monitoring Officer, the County Council is required to appoint a Panel comprised of at least two Independent Persons whose views are required to be taken into account before dismissal of one of these Officers.
- 1.2 The Localism Act requires that any vacancy for an Independent Person must be advertised and that there should be a formal recruitment process. Approval of the appointment of an Independent Person is required to be done by full Council.
- 1.3 The County Council at its meeting on 17 May 2012 delegated authority to the Conduct Advisory Panel to assist in the recruitment of an Independent Person and to make recommendations to the County Council on any such appointment.
- 1.4 The term of office of existing Independent Persons will shortly expire. Members of the Conduct Advisory Panel therefore considered short-listed applicants for the position of Independent Person on 23 and 25 June 2021, following the placing of advertisements inviting interested persons with relevant backgrounds to come forward.
- 1.5 After full and detailed consideration, the Conduct Advisory Panel considered that two appointments be made: Mr Michael Cronin and Mr Peter Moore both of whom have considerable experience as Independent Members for Hampshire County Council and for other local authorities.
- 1.6 The County Council's Members' Allowances Scheme makes provision for a basic allowance in the sum of £723 per annum plus expenses.
- 1.7 The term of office for these appointments will expire on 31 July 2025.

RECOMMENDATION

That the County Council approve the appointment of Mr Michael Cronin and Mr Peter Moore as Independent Persons for a four-year period of office expiring on 31 July 2025.

COUNCIL MEETING, 22 July 2021

REPORT OF THE
**HAMPSHIRE & ISLE OF WIGHT
FIRE and RESCUE AUTHORITY**
PART II

1. CHAIRMAN'S REPORT

- 1.1. On 15 June 2021, the Hampshire and Isle of Wight Fire and Rescue Authority (H&IWFRA) had its first Annual General Meeting as a Combined Fire Authority. New Members on the Authority were welcomed from Southampton City Council, Isle of Wight Council and Hampshire County Council and appointments were made to various roles and sub committees of the Full Authority.
- 1.2. Members also received an update on work being done following Phase 1 of the Grenfell Tower Inquiry as well as an end of year performance update.
- 1.3. Further details can be found at the following link:
[HIWFRA – 15 June 2021 Papers](#)

COUNCILLOR RHYDIAN VAUGHAN
Chairman of Hampshire & Isle of Wight Fire and Rescue Authority

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COUNCIL MEETING, 22 JULY 2021

REPORT OF THE
Chief Executive
PART II

1. CHANGES IN RESPONSIBILITY FOR EXECUTIVE FUNCTIONS

- 1.1. Responsibility for Executive functions is set out in Part 2, Chapter 3 of the Constitution. Part 1, Chapter 11, paragraph 1.6 provides that the Leader appoints members of the Cabinet and that responsibility for Executive Functions may be varied by the Leader at any time.
- 1.2. Part 1, Chapter 17, Paragraph 1.3 of the Constitution requires that changes to the Constitution consequential upon the allocation of responsibility for Executive Functions, as determined by the Leader, be reported to Cabinet and then to County Council.
- 1.3. On 13 July 2021 Cabinet considered a report notifying Cabinet of the allocation determined by the Leader of Executive Responsibilities in the 2021 Administration.
- 1.4. The report also advised Cabinet of the appointment of two Assistants to the Executive: Assistant to the Executive - Children's Services and Assistant to the Executive - Adult Services and Public Health.
- 1.5. Appendix 1 to the Cabinet report contains a revised Part 2 Chapter 3 of the Constitution, setting out details of the revised Executive Portfolios, and the two new Assistant to the Executive posts.
- 1.6. The Cabinet report and appendix can be found at the following links:

[Constitutional Matters](#)

[Appendix - Executive Functions July 2021](#)

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Part 2: Chapter 3

Executive Functions

1. Responsibility for Executive Functions

1.1 The following table sets out the allocation of responsibilities within the Executive. The portfolios are expressed in broad terms and may be varied, as provided for in the Executive Procedure Rules set out in Part 3 Chapter 2 of this Constitution.

1.2 The principles of responsibility are as follows:

1.2.1 unless a function, power or responsibility is specifically reserved to the County Council or a Committee of the County Council, the Executive is authorised to exercise the function or power.

1.2.2 the Executive collectively will be responsible for those decisions falling appropriately to it.

1.2.3 all decisions will be recorded.

1.2.4 if a decision is made by an individual Member of the Executive, this will be stated openly and clearly.

1.2.5 the Executive or individual Members of the Executive will normally be making Key Decisions, as defined at Part 3, Chapter 2, Paragraph 3 of this Constitution, or decisions which are significant (even though they may not be Key Decisions).

Responsible Person	Functions
Leader and Executive Member for Policy and Resources	<p>Leader of the County Council and Chairing and managing the Executive and its work.</p> <p>Overall strategy (including Serving Hampshire - Strategic Plan), policy and co-ordination 'across the board', and the direction and utilisation of resources.</p> <p>Primary department links – Corporate Services, and Culture, Communities and Business Services departments.</p> <p>Service area responsibilities – services within the above departmental remit areas; except where any area has been specifically allocated within the remit</p>

	<p>of another Executive Member.</p> <p>Functional areas – policy; strategic overview; overall performance; budget strategy; and personnel policies, including strategy for pay and remuneration, asset management, and IT services; strategic land matters.</p> <p>Monitoring and developing the sustainability of the natural environment and heritage of rural Hampshire.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with minority parties.</p>
Deputy Leader and Executive Lead Member for Economy, Transport and Environment	<p>Overall direction, strategy, budgets and resources for Economy, Transport and Environment Services (including the Capital Programme), but excluding regulatory matters within the remit of the Regulatory Committee.</p> <p>Primary department links – Economy, Transport and Environment and Culture, Communities and Business Services Departments</p> <p>Service area responsibilities – within the remit of the above departments.</p> <p>Functional areas - Economic Strategy & Recovery Plan; Local Transport Plan; Highway maintenance and Management Plan; Highway Asset Management Plan; Transport for the South East/Solent Transport; Minerals and Waste Local Plan; Joint Municipal Waste Strategy; County Planning Services; Strategic Transport projects (£2Million plus); Local Bus Improvement Plan; Waste and Recycling Infrastructure, Strategic Environment Projects (£1Million plus), Economic Development Programmes and Projects including Tourism, Marketing and Inward Investment, Main Service Contracts and Contract Management/Performance, Highway Safety and Casualty Reduction Policy, Emergency Planning functions pursuant to the Civil Contingencies Act 2004.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with the minority parties.</p>

	<p>NB: This Executive Member is also the County Council's Executive appointment to Project Integra Strategic Board Joint Committee and Solent Transport.</p>
Executive Member for Highways Operations	<p>To assist the Executive Lead Member for Economy, Transport and Environment because of the breadth of the portfolio, by providing additional capacity at Executive level.</p> <p>Primary department link - Economy, Transport and Environment Department.</p> <p>Service area responsibilities – within the remit of the above department.</p> <p>Functional areas - Operation Resilience Annual Programme; Structures Annual Programme; Road Safety Projects and Programme; Road Safety Education; Local Road Safety Partnerships; Street Lighting; Parish Lengthsman Scheme; Parish and District Highways Liaison; Traffic Management Projects and Programmes; On Street Parking and Parking Agencies; Active Travel projects; Local Highways Improvements (<£2Million); Local Subsidised Bus Contracts; Community Transport Schemes and contracts; Local Passenger Transport Infrastructure; Community Transport Local Projects.</p>
Executive Member for Climate Change and Sustainability	<p>To assist the Executive Lead Member for Economy, Transport and Environment because of the breadth of the portfolio, by providing additional capacity at Executive level.</p> <p>Primary department link - Economy, Transport and Environment Department, but with engagement across all departments of the County Council.</p> <p>Service area responsibilities – within the remit of the above department.</p> <p>Functional areas - Environment Strategy; Flood Risk Management Strategy; Local Nature Partnership; Climate Change Action Plan; Bio-diversity/Ecology; Historic Landscape/Gardens; Archaeology; Annual State of the Environment Report; Protected Landscapes Outside National Parks (incl. AONB Management Plans); Local Environment Projects (<£1Million); Local Flood</p>

	<p>Protection/Mitigation Schemes (<£1 Million); Flood and Water Management Act Responsibilities; Environmental Campaigns and Ambassador Role; Climate Change Expert Forum; Local Environmental Partnerships (incl. Fly-Tipping Partnership); Waste Minimisation Programme; Community Waste Minimisation and Recycling Programme and Projects; Local Air Quality Improvement Programme and Projects.</p>
<p>Executive Member for Commercial Strategy, Estates and Property</p>	<p>To assist the Executive Member for Policy and Resources.</p> <p>Primary department links – Corporate Services and Culture, Communities and Business Services Departments.</p> <p>Functional areas – Property Services and Facilities Management (excluding strategic land matters), Commercial strategy, including: Procurement policies and outcomes; Corporate Services and Culture, Communities and Business Services business units and trading arrangements; business and trading arrangements in other departments where relevant; development of income generation policies across the board, energy related matters, rural broadband.</p> <p>Advisory areas – to advise the Executive Member for Policy and Resources on revenue and capital related matters, property matters, and major land policy and disposal matters and programmes; to develop with the Director of Corporate Resources relevant financial plans for approval by the Executive Member for Policy and Resources.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with minority parties.</p> <p>N.B. This Executive Member is also Chairman of the Buildings, Land and Procurement Panel. (BLAPP).</p>
<p>Executive Lead Member for Children’s Services</p>	<p>Designated Lead Member for Children’s Services pursuant to Section 19 of the Children Act 2004 and the Statutory guidance on the roles and responsibilities of the Director of Children’s Services and the Lead Member for Children’s Services (2013).</p>

	<p>Overall strategy and policy for all Children’s matters, i.e. Education, Children and Families pursuant to the requirements of the Children Act 2004. Approval of the Children and Young People’s Plan.</p> <p>Primary departmental links – Children’s Services Department and Adults’ Health and Care.</p> <p>Service area responsibilities – all services within the remit of the above department</p> <p>Functional areas – statutory Social Services functions of the County Council relating to children, and all education functions exercisable by the County Council as Local Education Authority; co-ordination of post 16 skills policies and initiatives.</p> <p>Responsibility for building relationships with businesses in Hampshire in relation to the Corporate Apprenticeship Programme.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with the minority parties.</p> <p>N.B. This Executive Member is also Chairman of the Education Advisory Panel.</p>
Assistant to the Executive – Children’s Services	<p>To support the Executive Lead Member for Children’s Services across the breadth of the portfolio.</p> <p>Primary department links – Children’s Services Department.</p> <p>Assisting the Executive Lead Member for Children’s Services in supporting the delivery of their Executive function, but not to include any Executive Member decisions or other statutory functions.</p> <p>To champion particular the voice of particular service users as required by the Executive Lead Member for Children’s Services</p>
Executive Member for Adult Services and Public Health	<p>Overall strategy and policy for all Adult Social Care and Public Health matters.</p>

	<p>Primary department links – Adults’ Health and Care Department and Children’s Services.</p> <p>Service area responsibilities – all services within the remit of the above department including all duties relating to adult social care including safeguarding, including under (inter alia), the Care Act 2014, the Mental Capacity Act 2005 and the Mental Health Act 1983. Primary responsibility for liaison with the National Health Service.</p> <p>All services within the remit of the County Council’s public health responsibilities pursuant to the National Health Service Act 2006.</p> <p>All duties relating to the County Council’s responsibilities to improve public health.</p> <p>Functional areas – services for population health and wellbeing (Public Health functions), adults, including older people, learning disability, physical disability, mental health and all ancillary services.</p> <p>Development of the County Council’s strategy and policy in relation to public health.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with the minority parties.</p> <p>N.B. This Executive Member is also Chairman of the Health and Wellbeing Board.</p>
<p>Assistant to the Executive – Adult Services and Public Health</p>	<p>To support the Executive Member for Adult Services and Public Health across the breadth of the portfolio.</p> <p>Primary department links – Adults’ Health and Care and Children’s Services Departments.</p> <p>Assisting the Executive Member for Adult Services and Public Health in supporting the delivery of their Executive function, but not to include any Executive Member decisions or other statutory functions.</p>
<p>Executive Member for Performance, Human Resources and Partnerships</p>	<p>Overall strategy for Performance, Human Resources and Partnership matters.</p> <p>Primary Department links – Corporate Services and Culture, Communities and Business Services departments.</p>

	<p>Service area responsibilities – human resources services within the remit of Corporate Services, including strategic workforce development and corporate performance, and otherwise where relevant to the role. Services within Culture, Communities and Business Services relevant to the role.</p> <p>Personnel policy formulation and skills development in relation to the County Council’s directly employed workforce (excluding schools), and review of corporate performance through the Annual Performance Report.</p> <p>Corporate oversight of the County Council’s Grant Management System.</p> <p>Responsibility for the County Council’s relationships with the Voluntary and Community Sector, and other partners.</p> <p>Functions related to the Supporting Troubled Families Programme.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with minority parties.</p> <p>N.B. this Executive Member is also Chairman of EHCC.</p>
Executive Member for Recreation, Heritage and Rural Affairs	<p>Overall strategy for promoting the Hampshire rural estate and partnerships with the focus on rural initiatives, to the benefit of Hampshire.</p> <p>Overall strategy and policy for libraries, museums, archives, arts, outdoor activities and leisure.</p> <p>Primary departmental links – Culture, Communities and Business Services and all departments of the County Council relevant to the responsibilities.</p> <p>Service Area Responsibilities – the Policy Framework for the County Farm Estate, Rural Affairs, Rights of Way and responsibility for the Parish and Town Council Investment Fund and the Rural Affairs Development Fund. Recreation and</p>

	<p>Heritage Services within the Communities and Business Services Department.</p> <p>Functional Areas – development of rural initiatives into the formulation of major policy.</p> <p>Libraries, museums, archives and records, country parks, countryside sites and nature reserves, sport and culture community support, recreation and all ancillary activities, regulatory services, including registration, coroners' services, trading standards, asbestos and scientific services.</p> <p>Developing links with other agencies and other local authorities regarding the development of rural activity. Overall responsibility for the County Council's relationships with Parish, Town and District and Borough Councils.</p> <p>Promoting Hampshire rural interests, countryside estate and partnerships with the focus on rural initiatives, to the benefit of Hampshire.</p> <p>Appointments to relevant outside bodies not on a proportionate basis in consultation with the minority parties.</p>
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COUNCIL MEETING, 22 JULY 2021

ANNUAL REPORT OF THE
Policy and Resources Select Committee
PART II

1. SUMMARY

- 1.1 This report provides an annual update on the work of the following Hampshire County Council Select Committees from April 2020 to March 2021: Children & Young People Select Committee, Culture & Communities Select Committee, Economy Transport & Environment Select Committee and Policy & Resources Select Committee. The work of the Health and Adult Social Care Select Committee is reported elsewhere on this agenda.

2. CHILDREN AND YOUNG PEOPLE SELECT COMMITTEE

- 2.1. **Chairman for this period:** Councillor Kirsty North

- 2.2. **Statutory Duties Undertaken:** None this period.

- 2.3. **Pre-scrutiny of Significant Executive Decisions:**

Proposed Changes to Post 16 Transport Policy Statement 2020

The Select Committee pre-scrutinised the proposed changes to the Post 16 Transport Policy Statement 2020 at its 8 July 2020 meeting. The report also outlined the process followed to establish the Policy Statement. The Committee supported the recommendations to the Executive Lead Member for Children's Services and Young People with an additional recommendation for the Committee to receive an update on the effects of the new Policy within six months.

Proposed Changes to the Short Break Activities Programme and Consultation Outcomes

The Select Committee pre-scrutinised the proposed changes to the Short Break Activities Programme and the outcomes of the public consultation held between March and July 2020 at its 11 November 2020 meeting. Following presentation of the report and ensuing questions, the Select Committee unanimously supported the proposals to the Executive Lead Member for Children's Services and Young People.

- 2.4. **Call-in of Significant Executive Decisions:** None in this period

- 2.5. **Outcomes being monitored:**

The Impact of Changes to Post 16 Transport Policy Statement 2020 for Students Attending Post 16 Provision in the 2020/21 Academic Year
The Select Committee received a six-month update at its 13 January 2021 meeting, following pre-scrutiny of the proposed changes to the Post 16

Transport Policy Statement 2020, approved by the Executive Lead Member for Children's Services and Young People on the 8 July 2020.

2.6. **Referrals:** None in this period

2.7. **Scrutiny of Budgets and Performance:**

Revenue Budget for Children's Services 2021/22

The revenue budget proposals for Children's Services for 2021/22 was pre-scrutinised by the Select Committee at its 13 January 2021 meeting. The Select Committee supported the proposals to the Executive Lead Member for Children's Services and Young People.

Capital Programme for Children's Services 2021/22 – 2023/24

The proposed capital programme for Children's Services for 2021/22 – 2023/24, and the revised capital programme cash limit for 2020/21 was pre-scrutinised by the Select Committee at its 13 January 2021 meeting. The Select Committee unanimously supported the proposals to the Executive Lead Member for Children's Services and Young People.

2.8. **Policy Review:** None this period

2.9. **Questioning and exploring areas of interest and concern:**

The Select Committee received items on the following issues:

- Annual Safeguarding Report for Children's Services 2019-20
- Attainment of Children and Young People in Hampshire Schools 2020
- Autism Assessment Services for Children and Young People
- Child and Adolescent Mental Health Services (CAMHS)
- Covid Response - Children's Services Update
- Childcare Sufficiency Assessment and Covid-19 Impact and Response for the Childcare Sector
- Ethnic Minority and Traveller Achievement Service (EMTAS) Biennial Update
- Special Educational Needs and Disabilities (SEND) 0-25 Reforms Update – SEN Performance and Joint Working

2.10. **Upcoming topics:**

The following topics feature on the Select Committee's Work Programme:

- Annual Safeguarding Report for Children's Services 2020-21
- Attainment of Children and Young People in Hampshire Schools 2021
- Autism Assessment Services for Children and Young People
- Child and Adolescent Mental Health Services (CAMHS)
- Children's Services – an Introduction
- Elective Home Education
- Ethnic Minority and Traveller Achievement Service (EMTAS) Biennial Update

- Fostering Overview
- Savings Programme 2023
- Scrutiny – an Introduction
- Special Educational Needs and Disabilities (SEND) Update
- Youth Offending Service
- Youth Services in Hampshire

3. CULTURE AND COMMUNITIES SELECT COMMITTEE

3.1. **Chairman for this period:** Councillor Anna McNair-Scott

3.2. **Statutory Duties Undertaken:** Not applicable to this committee

3.3. **Pre-scrutiny of Significant Executive Decisions:**

- In March 2021, the Select Committee pre-scrutinised the following matters for consideration by the Executive Member for Recreation, Heritage, Countryside and Rural Affairs:
Winchester Discovery Centre - Future Strategy – proposals for a new partnership model between Hampshire Library Service and Hampshire Cultural Trust
Rights of Way Countryside Paths – proposal for funding remedial works to identified priority rights of way and paths to improve their condition and enable their continued use.
County Farms Policy – proposal for a revised County Farms Policy

The Committee supported each of the recommendations to the Executive Member for Recreation, Heritage, Countryside and Rural Affairs.

- Library Service Transformation and Strategy to 2025
 In July 2021, the Select Committee pre-scrutinised proposals for the Library Service Transformation and Strategy to 2025. The Committee supported the recommendations proposed and added a further recommendation for consideration by the Executive Member for Recreation and Heritage.

3.4. **Call-in of Significant Executive Decisions:** None in this period

3.5. **Referrals:** None in this period

3.6. **Scrutiny of Budgets and Performance:**

2021/22 Revenue Budget proposals

At the January 2021 meeting, the Select Committee pre-scrutinised the 2021/22 budget proposals for Recreation, Heritage, Countryside and Rural Affairs services. Following debate, the Select Committee supported the proposals to the Executive Member for Recreation, Heritage, Countryside and Rural Affairs.

3.7. **Policy Review:** None in this period

- 3.8. **Questioning and exploring areas of interest and concern:** The Committee received items on the following issues:
- Hampshire Cultural Trust update on recent operations throughout the Covid-19 pandemic
 - Country Parks update/impact of Covid-19
 - CCBS Climate Change - Natural Environment Workstream

4. ECONOMY TRANSPORT AND ENVIRONMENT SELECT COMMITTEE

4.1. **Chairman for this period:** Councillor Russell Oppenheimer

4.2. Reviews undertaken / outcomes being monitored:

- Planning White Paper (October 2020) - The Select Committee received a presentation on the Planning White Paper, which proposed fundamental reforms to the planning system.
- Flood Defence and Mitigation Strategy (January 2021) - The Select Committee received a presentation regarding the new flood and water management strategy along with information from the Environment Agency on areas and work being tackled across Hampshire.

4.3. Questioning and exploring areas of interest and concern:

The Committee received items on the following issues:

- Covid-19 Economic Recovery (July 2020 and October 2020) - The Select Committee received a presentation on the impacts of the pandemic on the economy of Hampshire and plans for recovery.
- Active Travel (October 2020 and January 2021) - The Select Committee received a presentation on the 'pop-up' schemes in place across the County as well as a 'school streets' scheme as discussed at Full Council in September 2021.

4.4. Pre-scrutiny of Significant Executive Decisions:

- Transport for South East (TfSE) Strategy (July 2020) – The Select Committee received a report, regarding TfSE proposals to Government to establish a statutory sub national transport body for the South East. Following debate, the Select Committee supported the recommendations being made to Cabinet.
- Recycling and Single Materials Recovery Facility Update (July 2020) - The Select Committee received a report that detailed work undertaken through the Hampshire Waste Partnership programme and the recently introduced Environment Bill and how it would impact waste management in Hampshire. Following debate, the Select Committee supported the proposals to the Executive Member for Economy, Transport and Environment.

4.5. **Call-in of Significant Executive Decisions:** None in this period

4.6. **Scrutiny of Budgets and Performance:**

ETE Proposed Capital Programme 2021/22, 2022/23 and 2023/24.

At the January 2021 meeting the Select Committee pre-scrutinised the 2021/22 budget proposals for the Economy, Transport and Environment Department. Following the debate, the Select Committee supported the proposals to the Executive Member for Economy, Transport and Environment.

2021/22 Revenue Budget Report for Economy, Transport and Environment.

At the January 2021 meeting the Select Committee pre-scrutinised 2021/21 budget proposals for the Economy, Transport and Environment Department. Following the debate, the Select Committee supported the proposals to the Executive Member for Economy, Transport and Environment.

4.7. **Policy Review:**

Climate Change Action Plan (January 2021)

The Select Committee received a presentation on work being taken towards climate change and target areas, along with tools in development as part of the decision-making process. The Environment Agency were also in attendance to answer questions relating the flooding aspects of climate change.

5. **POLICY AND RESOURCES SELECT COMMITTEE**

5.1. **Chairman for this period:** Councillor Jonathan Glen

5.2. **Statutory Duties Undertaken:**

Crime and Disorder

This Select Committee has the remit to cover the statutory duty to scrutinise Crime and Disorder issues as per the Police and Justice Act 2006 (However, this does not cover the Police and Crime Commissioner, who is held to account by the Police and Crime Panel). In November 2020, the Select Committee received an update on the Hampshire Community Safety Strategy Group and how it was addressing Hampshire's community safety priorities.

5.3. **Pre-scrutiny of Significant Executive Decisions:** None in this period.

5.4. **Call-in of Significant Executive Decisions:** None this period

5.5. **Referrals:** None this period

5.6. **Scrutiny of Budgets and Performance:**

Serving Hampshire – 2019/20 Performance Report

In June 2020, the Select Committee considered the 'Serving Hampshire' 2019/20 Annual Corporate Performance Report.

Medium-Term Financial Report

In September 2020, the Select Committee received an update on the medium-term financial prospects for the County Council to 2022/23, in particular in view of the impact of the Covid-19 pandemic.

Revenue Budgets for Corporate Services and Culture, Communities and Business Services for 2020/21 and the Proposed Capital Programme for Culture, Communities and Business Services for 2021/22 to 2023/24

At the January 2021 meeting the Select Committee pre-scrutinised the proposed Revenue Budgets for Corporate Services and Culture, Communities and Business Services for 2020/21 and the proposed Capital Programme for Culture, Communities and Business Services for 2021/22 to 2023/24. Following debate, the Select Committee supported the proposals to the Executive Member for Policy and Resources and the Executive Member for Commercial Strategy, Human Resources and Performance respectively.

5.7. **Questioning and exploring areas of interest and concern:**

- Covid 19 Financial Impact – June 2020
- Climate Change Strategy and Action Plan update - September 2020
- Presentations from Local Enterprise Partnerships (Solent LEP and EM3 LEP – November 2020)
- Economic Recovery Update and Measures – November 2020
- Broadband update and Presentations with Openreach – March 2021

5.8. **Management of the Scrutiny Function/Oversight of Other Scrutiny**

Committees: The Policy & Resources Select Committee has a remit to manage the work taking place across the scrutiny function. This year this was achieved through receiving a summary of activity taking place through the other Select Committees at each meeting.

5.9. **Upcoming topics:** The following topics feature on the Select Committee's Work Programme:

- New draft Serving Hampshire Strategic Plan
- IT Update
- Work of Hampshire Community Safety Strategy Group

6. **CONCLUSION**

6.1 Since the period to which this report relates, membership of the Select Committees has changed. Tribute is paid to all Members who played such an important scrutiny role through the Select Committees over the 2020/21 year.

COUNCILLOR JONATHAN GLEN
Chairman, Policy and Resources Select Committee

COUNCIL MEETING, 22 JULY 2021

REPORT OF THE
Health and Adult Social Care Select Committee
PART II

1. SUMMARY AND LEGISLATIVE CONTEXT

- 1.1. This report provides an update on the work of Hampshire County Council's Health and Adult Social Care Select Committee from April 2020 to March 2021.
- 1.2. For 2020-21, the Health and Adult Social Care Select Committee held the Local Government statutory responsibility for health scrutiny powers. These powers are intended to ensure that decisions about health services are taken with due regard to the people affected. The legislative framework within which the Committee functioned in this year allowed Members to consider any aspect of health that affects the population of Hampshire. It also placed very specific duties on the NHS with regard to consultation, information and responses to any recommendations made by the Committee.
- 1.3. The Committee was a statutory consultee on any potential substantial change being considered by the NHS, and had the power to refer contested decisions about health services to the Secretary of State for Health or to Monitor for Foundation Trusts.
- 1.4. In accordance with the Constitution of Hampshire County Council, the Health and Adult Social Care Select Committee also focuses on how the County Council is contributing to delivering the Wellbeing agenda for adults' social care; promoting independence and quality of life for older people; healthy and safe families; Public Health; the integration of Health and Care services and relevant financial management.

2. WORK OF THE COMMITTEE

- 2.1 The annual report of the Health and Adult Social Care Select Committee is appended to this report. The Chairman of the Committee for the time period this report relates to was Councillor Roger Huxstep.

COUNCILLOR BILL WITHERS

Chairman, Health and Adult Social Care Select Committee

Scrutiny Annual Report: April 2020 to March 2021

Select Committee: Health and Adult Social Care

Report of Chairman: Councillor Bill Withers on behalf of previous Chairman Councillor Roger Huxstep

1. In-depth or Light Touch Reviews undertaken / outcomes being monitored:

No Working Groups were active or follow ups received in this period.

2. Statutory Duties Undertaken: Scrutiny of Proposals to Develop or Vary Health Services in Hampshire:

a) 'Hampshire Together': Modernising our Hospitals and Health Services Programme - Hampshire Hospitals NHS Foundation Trust

At its July 2020 meeting, the Committee heard from Hampshire Hospitals NHS Foundation Trust and commissioners regarding funding received under the government's Health Infrastructure Plan for investment in health infrastructure. The Committee learned that the Trust's hospitals require significant maintenance to bring them up to standard, and that difficult decisions would need to be made about what services would be provided where, to ensure sustainability and high quality care in the future. The Trust had been awarded seed funding to develop a strategic outline case for use of the capital funding available.

At the Committee's November 2020 meeting the Trust and commissioners presented their initial proposals for use of the funding, following an options appraisal process. A short list of options were under consideration. The options included building a new hospital near junction 7 of the M3, or building on land adjacent to the current hospital in Basingstoke. The Committee concluded that the proposals represent a substantial change to health services. As Southampton City Council had also reached this view, there was a requirement to form a Joint Scrutiny Committee to scrutinise the proposals. The HASC supported a Terms of Reference for a Joint Committee that was agreed by the County Council at its meeting in early December 2020.

The Joint Committee, made up of 7 Hampshire County Councillors and 1 Councillor from Southampton City Council, met in December 2020 and March 2021 as the Trust had initially planned to go out to public consultation on their plans in Spring 2021. The Joint Committee had the opportunity to comment on the planned approach to the consultation. Following feedback from the national assurance process, the consultation is on hold pending further work on the financial implications of the options under consideration. The Joint Committee will be re-convened in 2021 when a revised timetable for the consultation becomes clear.

b) Building Better Emergency Care Programme - Portsmouth Hospitals Trust

In July 2020 the Committee heard that Portsmouth Hospitals Trust had been awarded funding under Sustainability and Transformation Partnership capital allocations to develop the Emergency Department (ED) at the Queen Alexandra Hospital in Portsmouth. The existing ED layout was not designed for the number of patients the Trust now sees.

The Committee received an update at their November 2020 meeting that the outline business case had been approved and designs were being progressed. A preferred site had been identified to build a new Emergency Department on an existing car park on site. The topic remains on the work programme for further update in 2021.

c) Integrated Primary Care Access Service Update: Fareham and Gosport and South Eastern Hampshire CCGs and Southern Hampshire Primary Care Alliance

The Committee had previously scrutinised plans for integrated primary care access services across Fareham, Gosport and South East Hampshire. In September 2020 the Committee received a written update including how the pandemic had affected access to GP services. It was reported that the current model would run until the contract expires in March 2021 and commissioners would be developing a longer term model. A further update was received in March 2021, at which time the Committee heard that the current contract would be extended for a further year due to the pandemic. The topic remains on the work programme for a future update prior to expiry of the contract in April 2022.

d) Proposed Closure of Willow Ward: Southern Health NHS Foundation Trust

In September 2020, the Committee were notified that Southern Health NHS Foundation Trust planned to close a ward used for treating adults with a learning disability whose behaviour is challenging. Members heard that there had been a reduction in demand for these beds and it was proposed to provide care for these individuals in future through a community based service. The Committee supported the closure as in the interest of service users and the local health system.

e) Out-of-Area Mental Health Placements: Southern Health NHS Foundation Trust

In September 2020 the Committee received an update from Southern Health NHS Foundation Trust regarding use of out of area mental health beds, a topic the Committee had previously scrutinised. Members welcomed the progress the Trust had made in reducing use of out of area beds. It was however noted that the Trust was still placing patients in beds contracted from private providers within Hampshire. A further update was received in January 2021, when it was reported that the Trust would be increasing its in house bed capacity with a new 10 bed female Psychiatric Intensive

Care Unit at Antelope House in Southampton, and a new 18 bed female acute mental health ward at Parklands Hospital in Basingstoke, due to open later in 2021. Members welcomed this development.

f) Orthopaedic Trauma Transformation Update: Hampshire Hospitals NHS Foundation Trust and West Hampshire CCG

The Committee had previously scrutinised plans by the Trust to centralise trauma services to Basingstoke and North Hampshire Hospital. An update was received in September 2020. It was reported that the next phase of the trauma and orthopaedic services transformation programme had been disrupted by the impact of the Covid-19 pandemic. A further update was received in March 2021. The topic remains on the work programme for a future update.

g) Becton Centre Closure: Southern Health NHS Foundation Trust

At the January 2021 meeting the Committee was notified of the intention by Southern Health NHS Foundation Trust to move the services and teams based at the Becton Centre in New Milton to other locations and close the building. The Committee supported the proposal on the evidence that the building was no longer fit for purpose and the change did not involve any reduction to services.

h) Whitehill & Bordon Health and Wellbeing Hub update: Hampshire and Isle of Wight Partnership of Clinical Commissioning Groups

At the March 2021 meeting the Committee received an update on the development of a health and wellbeing hub for the Whitehill and Bordon area. It was reported that there remained a financial viability gap which was being worked through. The topic remains on the work programme for a future update.

i) Andover Hospital Minor Injuries Unit – Update: Hampshire Hospitals NHS Foundation Trust and West Hampshire CCG

The Committee have been monitoring the Andover Minor Injuries Unit for some time as the Trust have had difficulty staffing the Unit for the commissioned hours. In September 2020 a written update was received, reporting that the Unit had been closed temporarily in April 2020 due to the pandemic but was re-opening from October 2020. The Trust is continuing to work on a sustainable model of urgent care within Andover and the topic remains on the work programme for a future update to the Committee.

3. Scrutiny of Issues relating to the Planning, Provision or Operation of Health Services:

a) Care Quality Commission (CQC) Inspection Outcome and Monitoring: Hampshire Hospitals NHS Foundation Trust

In September 2020 the Committee considered the report from a Care Quality Commission inspection of services provided by Hampshire Hospitals NHS Foundation Trust published in April 2020. Members welcomed that the Trust's overall rating was 'Good', an improvement on the 'Requires Improvement' rating from the previous inspection in 2018.

b) Clinical Commissioning Group Reform

In September 2020 the Committee were notified of the intention of six Clinical Commissioning Groups covering the Hampshire area to merge in April 2021. Members were disappointed that Portsmouth City Clinical Commissioning Group and North East Hampshire and Farnham Clinical Commissioning Group would not form part of the new arrangement. A further update was received in March 2021, and it was noted that the government had published a White Paper regarding plans for further join up between health and care services in Integrated Care Systems (ICS). The Committee requested a further update later in 2021 on the development of a Hampshire and Isle of Wight ICS.

c) NHS 111 First

At the November 2020 meeting the Committee were briefed on the local implementation of a national programme 'NHS 111 First' encouraging patients to ring 111 for advice on whether to attend an Emergency Department (ED), and then staff would book them an appointment at the ED. This approach was designed to help manage attendance at Accident and Emergency during the pandemic. The support to 111 had been increased to reflect the increased demand on this service during the pandemic. This topic remains on the work programme for review in 2021.

4. Pre-scrutiny of Significant Executive Decisions:

None in this period.

5. Call-In of Significant Executive Decisions:

There were no Call-Ins of any executive decisions in this period.

6. Referrals:

No topics were referred to the HASC for consideration in this period.

7. Scrutiny of Budgets and Performance:

a) Revenue Budget for Public Health for 2021/22:

The Committee reviewed the revenue budget for Public Health in January 2021 and resolved to support the recommendations being proposed to the Executive Member for Public Health.

b) Revenue Budget for Adults' Health and Care for 2021/22 and Capital Programme for Adults' Health and Care for 2021/22 to 2023/24:

The Committee reviewed the revenue and capital budgets for the Adults' Health and Care Department in January 2021 and resolved to support the recommendations being proposed to the Executive Member for Adult Social Care and Health.

8. Policy Review:

No policy reviews were undertaken during this period.

9. Questioning and exploring areas of interest and concern:

Covid-19

The Committee has maintained an overview over the past year of the response in Hampshire to the Covid-19 pandemic by health and care system partners. Starting at the July 2020 meeting, the Committee received an update at each meeting from NHS Commissioners and provider Trusts, the Director of Public Health, and the Director of Adults Health and Care. These updates covered: the impact on hospitals; the vaccination programme; the impact on waiting times for planned care; the impact on care homes and other social care services; infection rates and testing; support to the clinically extremely vulnerable and those shielding.

The following topics were also considered:

- Southern Health NHS Foundation Trust Estates Update (November 2020)
- Adult Safeguarding Annual Report (October 2020)
- NHS 111 Performance (March 2021)
- Health and Social Care System Resilience during Covid-19 (March 2021)
- Clarence Unit Woodcot Lodge Discharge to Assess service (March 2021)

10. Upcoming topics:

The following topics feature on the Select Committee's Work Programme

- Adult Safeguarding
- Public Health Policies

- Scrutiny of the Health and Wellbeing Board
- Budget Scrutiny
- Care Quality Commission inspections of NHS Trusts serving the population of Hampshire
- Hampshire and Isle of Wight Sustainability and Transformation Partnership and Long-Term Plan
- Temporary Service Closures and Planned Changes
- Updates on planned changes to health services previously considered
- Covid-19 vaccination programme and service recovery

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COUNCIL MEETING, 22 JULY 2021

REPORT OF THE
Leader/Cabinet
PART II

1. HCC CLIMATE CHANGE INITIATIVES

- 1.1. At its meeting on 13 July Cabinet approved a spend of £1.2 million for a programme of climate change neutrality and risk mitigation activities relating to the operational activities of the County Council.
- 1.2. The Council declared a Climate Emergency in June 2019 and committed to achieving net carbon neutrality. Corporately a Climate Change programme was established to deliver on the county-wide target of carbon emissions reduction to net zero and resilience to a 2°C temperature rise by 2050.
- 1.3. The proposals are a combination of pilot projects, acceleration of existing schemes, a community offer and a strong educational focus. They are designed to enhance the Council's leadership on climate change by accelerating and demonstrating the County Council's own practice and intentions.

2. SERVING HAMPSHIRE – 2020/21 YEAR END PERFORMANCE REPORT

- 2.1 On the 13 July Cabinet also received the *Serving Hampshire – 2020/21 Year End Performance Report*. It was resolved to note the County Council's high performance and acknowledge and thank staff for their contribution to achieving this outcome in an exceptionally difficult year. Progress to advance inclusion and diversity was noted as set out in the report. Cabinet also noted the determinations of the Local Government and Social Care Ombudsman (LGSCO) in 2020-21, and the assessment decisions contained in the LGSCO Report 2019-20 report. The determination of the LGSCO released on 20 May 2021 was considered and noted.

Further details can be found at the link below:

[Cabinet, 13th July, 2021](#)

COUNCILLOR KEITH MANS
Leader and Chairman of Cabinet

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COUNCIL MEETING, 22 JULY 2021

REPORT OF THE
Executive Lead Member for Children's Services
PART II

1. HOLIDAY ACTIVITY AND FOOD (HAF) GRANT RECOMMENDATIONS SUMMER 2021

- 1.1. On the 8 June 2021, the Executive Lead Member for Children's Services approved the award of HAF Summer grants to organisations up to a total value of £2,061,286.60. The Executive Lead Member for Children's Services also delegated approval to the Director of Children's Services to approve the reallocation of any HAF remaining or underspent funds to organisations delivering services that meet the criteria of the grant in consultation with the Executive Lead Member.
- 1.2. On 8 November 2020, the Government announced that the HAF programme, which has provided healthy food and enriching activities to disadvantaged children since 2018, would be expanded across the whole of England in 2021. Grant allocations and requirements were published by the Department for Education on 8 February 2021. Between 2 May and 15 May 2021, the County Council invited grant applications from organisations able to provide holiday activity and food schemes during the 2021 Summer holidays.
- 1.3 The desired outcomes of the programme are to encourage children and young people to:
 - eat more healthily over the school holidays.
 - be more active during the school holidays.
 - take part in engaging and enriching activities which support the development of resilience, character, and wellbeing along with their wider education attainment.
 - be safe and not to be socially isolated.
 - have greater knowledge of health nutrition.
 - be more engaged with school and other local services.

2. UPDATED SCHOOL TERM AND HOLIDAY DATES FOR 2021/22

- 2.1 On the 7 July 2021, the Executive Lead Member for Children's Services approved updated school term and holiday dates for the school year 2021/22, taking into consideration discussions that had taken place with primary, secondary and special schools, and the majority view of 22 July 2022 as an additional holiday day.
- 2.2 As a result of the Government announcement that there would be an additional Bank Holiday in June 2022 to mark Her Majesty The Queen's Platinum Jubilee, a change in legislation was required to enable a reduction in the usual school year length from 195 days to 194 days. The published 2021-22 School Year and Holidays pattern required removal of 1 day so that

teachers could also benefit from the additional holiday because the additional Bank Holiday would fall within the already allocated Whitsun holiday period.

3. COVID LOCAL SUPPORT GRANTS JUNE 2021 – SEPTEMBER 2021

- 3.1 On the 7 July 2021, the Executive Lead Member for Children’s Services approved a number of decisions in relation to distributing £2,728,189.85 in Covid related funding from the Department for Work and Pensions (DWP) under the Covid Local Support Grant scheme.
- 3.2 On 21 June 2021, the Government announced an extension to the COVID grant support for vulnerable families. A further £160 million of support has been made available to local authorities to support those most in need across England with the cost of food, energy and water bills and other associated costs.
- 3.3 The conditions of the COVID Local Support Grant are the same as those that applied to the Covid Winter grant:
 - at least 80% of the total funding will be ring-fenced to support families with children, with up to 20% of the total funding allocated for other types of households, including individuals.
 - at least 80% of the total funding will be ring-fenced to provide support with food, energy and water bills (including sewerage), with up to 20% made available for other essential items.
- 3.4 Following Hampshire County Council’s successful connect4communities programme, funded by the DWP Covid Winter Grant, there is evidence of successful engagement with the community and voluntary sector as well as education settings. Allocation of funding would replicate some of the initiatives previously funded by the Covid Winter Grant and supported further by the Covid Local Support Grant issued between April and June 2021. This approach will allow rapid distribution of funding to those that can make best use of it, targeted towards families who are eligible for free school meals and supported by evidence of successful outcomes between December 2020 and June 2021.

Further details can be found at the links below:

[Executive Lead Member for Children's Services Decision Day - 8 June 2021](#)

[Executive Lead Member for Children's Services Decision Day - 7 July 2021](#)

COUNCILLOR ROZ CHADD
Executive Lead Member for Children’s Services

COUNCIL MEETING, 22 July 2021

REPORT OF THE
Executive Member for Adult Services and Public Health
PART II

1. SERIOUS VIOLENCE REDUCTION GRANT

- 1.1. On 16 March 2021, the then Executive Member for Public Health granted approval to provide a grant to No Limits to the value of £36,744 from a budget for Violence Reduction received from the Home Office via the Office for the Police and Crime Commissioner for Hampshire for 2020/21.
- 1.2. The grant funding was a residual amount that had been uncommitted due to delays in other work due to the impact of the pandemic. The grant funding was awarded to No Limits to expand an existing project running at University Hospital Southampton, to extend it to Winchester and Basingstoke Hospitals.
- 1.3. The project that has been funded uses the 'Reachable/Teachable Moments' approach to engage with young people at moments when they are considering changing their lives and withdrawing from violent or risky behaviour. Specialised youth workers are based at hospital emergency departments and intervening with young people often in mental health / addiction crisis and/or exposure to violence. There is strong evidence that successfully embedding youth workers within the Emergency Department team provides opportunities for a public health approach to complex 'youth problems' or adversity-related injury e.g. violence, drug and alcohol addiction and mental health concerns. A range of positive outcomes are being demonstrated from the existing project.

2. NEW INPATIENT DETOXIFICATION UNIT

- 2.1. On 8 June 2021 the Executive Member for Adult Services and Public Health granted approval to award a grant of £1,220,837 to Midlands Partnership NHS Foundation Trust to develop a new inpatient medically managed drug / alcohol detoxification unit in Fareham.
- 2.2. The funding for this grant derives from additional funding provided to local authorities by Public Health England to enhance drug treatment. Hampshire County Council has formed a Consortium of 20 local authorities in the central south coast area, to pool allocations in order to fund a new inpatient facility.
- 2.3. The nearest specialist unit for Hampshire residents is currently in Kent or Bristol. Awarding this funding to create a facility in Fareham improves options for patients in Hampshire and other local authorities in the south central area. The funding is being awarded to Midlands Partnership NHS Foundation Trust as this organisation has the capacity to develop a specialist unit in a short period of time. The unit is intended to become operational from September 2021 as the funding from Public Health England is currently only for the 2021/22 year.

3. GETTING GOING AGAIN GRANT SCHEME

- 3.1. On 11 June 2021 the Executive Member for Adult Services and Public Health granted approval to establish a grant scheme known as the Getting Going Again (GGA) Fund, with a total value of £950,000. The intention of the scheme is to provide one-off funding for innovative local projects or initiatives which are designed to support people, specifically those who have been classed as Clinically Vulnerable or Clinically Extremely Vulnerable, to recover from the past year and focus on the future.
- 3.2. The Getting Going Again Fund seeks to build on the co-operation that took place during the pandemic, particularly between the County Council, the Borough and District Councils and the local Council for Voluntary Services Organisations, representing local voluntary groups and organisations, to support the development of sustainable solutions to help people recover from the impacts of the pandemic.
- 3.3. In order to ensure that grants are awarded in a timely way, delegated authority to award grants from the Getting Going Again Fund was given to the Director of Adults' Health and Care in consultation with the Executive Member following receipt of bids. It is planned that the funding awards be managed to be equitable across Hampshire based on the number of people classed as clinically extremely vulnerable living in each district area.

Further details can be found at the links below:

[Agenda for Executive Member for Public Health Decision Day on Tuesday, 16th March, 2021, 3.00 pm | About the Council | Hampshire County Council \(hants.gov.uk\)](#)

[Agenda for Executive Member for Adult Services and Public Health Decision Day on Tuesday, 8th June, 2021, 11.00 am | About the Council | Hampshire County Council \(hants.gov.uk\)](#)

[Agenda for Executive Member for Adult Services and Public Health Decision Day on Friday, 11th June, 2021, 4.00 pm | About the Council | Hampshire County Council \(hants.gov.uk\)](#)

COUNCILLOR LIZ FAIRHURST
Executive Member for Adult Services and Public Health