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AT A MEETING of the Cabinet of HAMPSHIRE COUNTY COUNCIL held at the Castle, Winchester on Tuesday, 19th July, 2022

Chairman:

* Councillor Rob Humby

* Councillor Roz Chadd
Councillor Nick Adams-King
Councillor Liz Fairhurst
Councillor Steve Forster

* Councillor Edward Heron
* Councillor Kirsty North
* Councillor Russell Oppenheimer
* Councillor Jan Warwick

Also present with the agreement of the Chairman: Councillors Carpenter, Glen, Hayre and Withers

65. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Adams-King, Fairhurst and Forster.

66. **DECLARATIONS OF INTEREST**

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

67. **MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 21 June 2022 were reviewed and agreed.

68. **CHAIRMAN'S ANNOUNCEMENTS**

With reference to the national political uncertainty nationally following the resignation of the Prime Minister, the Chairman confirmed that the County Council was ready to engage with new Ministers when changes to Cabinet appointments had been confirmed.

The County Council's recent success in achieving a national parking award and being shortlisted for three LGC awards was recognised, as was the success of

Emily Roberts, who had secured £3.5m in grant funding and over £20m in investment. On behalf of the Cabinet, the Chairman offered thanks to everyone involved in each of these areas.

69. DEPUTATIONS

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

70. WORKING TOWARDS ECONOMIC RECOVERY

Cabinet considered a report of the Chief Executive regarding the County Council's continuing recovery activities resulting from the COVID-19 pandemic.

The regular update report was introduced with particular reference to the position of proposals for a County Deal. It was confirmed that the completed prospectus would form a starting point for discussion with Government, however this dialogue would now not begin until the new Prime Minister had been appointed and confirmed their Cabinet. Other Authorities in a similar position to Hampshire were similarly pausing their programmes.

Cabinet welcomed the pragmatic approach to the County Deal and the detailed report. In the context of increasing inflationary pressures on residents, the importance of working with partners to improve economic productivity and output was recognised.

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

71. 2021/22 - END OF YEAR FINANCIAL REPORT

Cabinet considered a report of the Director of Corporate Operations regarding the 2021/22 End of Year Financial report.

With reference to the report, it was highlighted that the covid grants from government had been fully used and also supplemented with the County Council's own resources. Progress on achieving the SP23 targets was good and there was a significant overall underspend. Balances were strong, however these would be essential to tackle future financial pressure.

Cabinet welcomed the report, noting that the current return on investment was much lower than inflation, meaning that the County Council's spending power was being eroded and additional funding may be needed for capital programmes. Pressures on areas such as social care meant that these services were not sustainable under their current delivery model and further change would be required. It was confirmed that a large proportion of the reserves were set aside for the capital programme and the remainder would be needed to underpin the strategy to 2025/26.

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

72. DEVELOPING A MEDIUM TERM FINANCIAL STRATEGY

Cabinet considered a report of the Director of Corporate Operations regarding the medium term financial strategy.

In introduction it was noted that the County Council was facing a financial perfect storm consisting of inflation and wage pressures, flat government funding and unfunded social care reforms, which could combine to a £200million deficit. An inflation underwrite would be put in place to support the capital programme and consideration may need to be given to the use of reserves to meet the gap. It was confirmed that a meeting with MPs had been arranged in September to highlight the issues and to push for both a two year financial settlement and greater information on social care reforms.

Cabinet acknowledged the potential difficulty of the position, noting that early awareness and action would give greater flexibility. Cabinet also highlighted Hampshire's willingness to be more accountable for its own performance and to have greater autonomy in decision making as it was currently constrained by a funding model that gave little control over income and demand.

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

73. SOCIAL CARE FUNDING REFORMS INCLUDING FAIR COST OF CARE

Cabinet considered a report of the Director of Adults' Health and Care regarding social care funding reforms and the fair cost of care.

With reference to the report the three areas of reform were set out along with the timescales for introducing the changes. It was noted that detailed guidance was still awaited but a number of trailblazer Authorities had already implemented the reforms and particular attention was being paid to the impact on the two Authorities most similar to Hampshire. The high number of self-funders in Hampshire meant that there was concern about assessment pressures and costs, for which there was unlikely to be sufficient additional funding to support and it was unclear without the guidance as to the impact of staggering access.

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

74. SERVING HAMPSHIRE - 2021/22 YEAR-END PERFORMANCE REPORT

Cabinet considered a report of the Director of HR, OD, Communications and Engagement regarding the County Council's performance in the context of the Serving Hampshire Strategic Plan for 2021-2025.

The report was introduced and examples were highlighted of strong performance against key strategic objectives, including apprenticeships, recycling and the resettlement of refugees. Other areas were also drawn to Cabinet's attention, including areas of risk, climate change and complaints to the ombudsman.

Cabinet welcomed the ongoing high performance of the Authority particularly in the context of the economic situation and the impact covid.

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

75. ECONOMIC STRATEGY

Cabinet considered a report of the Director of Economy, Transport and Environment to outline the first draft of the Economic Strategy.

It was highlighted that the strategy took forward the economic objectives of the Hampshire 2050 commission and as such focussed on long-term direction of travel and vision. The input and agreement from partners was needed and therefore delegated authority was sought for final approval.

Cabinet welcomed the strategy, recognised the importance of joining with partners and praised the central focus on a place for people to live, work and play.

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

76. LOCAL ENTERPRISE PARTNERSHIPS (LEP) INTEGRATION

<With regard to this item, Councillors Chadd and Heron declared a personal interest by virtue of being members of the Enterprise M3 LEP and the Solent LEP respectively.>

Cabinet considered a report of the Director of Economy, Transport and Environment to update the Cabinet on the current Central Government guidance for Local Enterprise Partnership (LEP) integration into Upper Tier authorities as part of Devolution Deals and to present a number of options for the actions required.

With reference to the report, the current position was set out and it was confirmed that delivery plans for integration had been submitted but were subject to potential devolution via the County Deal. Proposals for business engagement were being worked on and discussions with neighbouring areas continued. Cabinet welcomed the report and recognised that integration would build on the foundations of the LEPs' achievements to date.

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

77. HAMPSHIRE COUNTY COUNCIL CLIMATE CHANGE INITIATIVES – PROGRESS REPORT

Cabinet considered a report of the Director of Culture, Communities and Business Services providing a progress update surrounding delivery of the

programme of climate change initiatives relating to the operational activities of the County Council.

The background and positive progress of the climate change pilot initiatives were detailed with reference to the report. A number of examples were highlighted included a project at the Hamble Country Park, the use of vegetable oil for the vehicle fleet and funding to facilitate others to deliver projects. Work in schools to engage with children and to promote plant based menus was also highlighted.

Members welcomed the update and acknowledged that these were small scale pilots but nonetheless represented a positive and dynamic approach that could assist with identifying where bigger wins might be available. In this context it was agreed that future updates would include an indication of carbon savings.

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

Chairman,

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HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	19 July 2022
Title:	Working Towards Economic Recovery
Report From:	Chief Executive

Contact name: Carolyn Williamson, Chief Executive

Tel: 01962 845252

Email: carolyn.williamson@hants.gov.uk

1. The decision:

Cabinet:

- 1.1 Notes the analysis of the economic impact and issues highlighted which emphasises that the County Council continues to use its scale and influence to contribute to economic recovery in Hampshire, including the consolidation of regeneration and growth partnerships, going forward.
- 1.2 Endorses the County Council's continued ambition and commitment for a Pan-Hampshire County Deal, recognising the significant opportunity for a Deal to enable the County Council's economic ambition, catalyse significant investment and benefit the lives of residents and communities.
- 1.3 Earmarks a sum of £100,000 from Corporate Services Cost of Change to support the future development of potential devolution arrangements and the full establishment of Regeneration and Growth Partnerships.
- 1.4 Notes the continued COVID recovery work across the Departments, commends the exceptional commitment of all staff in ensuring the County Council continues to perform at a high level for the benefit of residents of all Hampshire and wider partners.

2. Reasons for the decision:

- 2.1 To provide Cabinet with an update on the progress on economic recovery, now the Covid-19 pandemic is moving into a 'learning to live with Covid-19' phase, particularly with respect to the County Deal.

3 Other options considered and rejected:

- 3.1 None

4 Conflicts of interest:

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

4.2 Conflicts of interest declared by other Executive Members consulted: None

5 Dispensation granted by the Conduct Advisory Panel: None

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

7 Statement from the decision maker:

Approved by:

Date:

19 July 2022

Chairman of Cabinet
Councillor Rob Humby

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	19 July 2022
Title:	2021/22 – End of Year Financial Report
Report From:	Director of Corporate Operations

Contact name: Rob Carr, Director of Corporate Operations

Tel: 01962 847400

Email: rob.Carr@hants.gov.uk

1. The decision:

That Cabinet:

- 1.1 Notes the year end position in respect of Covid-19 costs and losses as outlined in Section D.
- 1.2 Notes the use of £25.0m of contingencies as part of the Covid Financial Response package as previously agreed by County Council.
- 1.3 Notes the progress towards delivering the outstanding Tt2019 and Tt2021 savings and delivery of SP2023 savings set out in Section E.
- 1.4 Notes the outturn position set out in Section F.
- 1.5 Approves the allocation of unspent central budgets of £13.8m for the specific purposes set out in section G.
- 1.6 Approves the increase of service capital programme cash limits for 2022/23 to reflect the carry forward of capital programme schemes totalling £116.638m and shares of capital receipts totalling £1.395m as set out in Appendix 3.
- 1.7 Approves the addition to the CCBS capital programme of £1.4m to fund a scheme to create new meetings rooms within the EII Court complex to be funded from Covid recovery funding (paragraph 112).
- 1.8 Endorses the urgent officer decision made by the Director of Corporate Operations in line with the County Council's financial regulations to allocate an additional £1.485m of SCA funding to the Warblington School project within the CCBS capital programme giving an updated scheme value of £3.489m (paragraph 111).

Recommends to the County Council that:

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

2. Reasons for the decision:

2.1 To provide Cabinet with a summary of the 2021/22 final accounts, setting out the variance against the revenue budget for service departments and non-service budgets and explaining the reasons for the variances. It agree recommendations for the use of budget underspends including transfers to earmarked reserves.

2.22. The report also covers capital expenditure and funding for 2021/22, revisions to the 2022/23 capital programme and reports on treasury management activity for the year ended 31 March 2022.

3 Other options considered and rejected:

3.1 None

4 Conflicts of interest:

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

4.2 Conflicts of interest declared by other Executive Members consulted: None

5 Dispensation granted by the Conduct Advisory Panel: None

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

7 Statement from the decision maker:

Approved by: ----- Chairman of Cabinet Councillor Rob Humby	Date: 19 July 2022
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HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	19 July 2022
Title:	Developing a Medium Term Financial Strategy
Report From:	Director of Corporate Operations

Contact name: Rob Carr, Director of Corporate Operations

Tel: 01962 847400

Email: rob.Carr@hants.gov.uk

1. The decision:

That Cabinet:

- 1.1 Notes the continued decline in the County Council's financial position to 2025/26.
- 1.2 Notes the current progress towards the development of a Medium Term Financial Strategy that will be further reported to Cabinet and County Council as part of the 2023/24 budget setting process.
- 1.3 Delegates authority to the Director of Corporate Operations in consultation with the Chief Executive and the Leader of the Council to allocate one off funding for inflationary pressures in the current year up to a value of £25m, to be funded from contingencies and the Budget Bridging Reserve as required.

Recommends to the County Council that:

- 1.4 An inflation underwrite of up to £15m be put in place for the current capital programme and that approval of allocations from this sum are delegated to the Director of Corporate Operations in consultation with the Chief Executive and the Leader of the Council.
- 1.5 The capital guidelines for 2023/24 and 2024/25 be increased by £6.75m and £6.8m respectively to meet the unavoidable capital priorities outlined in Section I, to be funded from prudential borrowing, the revenue consequences of which will be factored into the budget setting process for 2023/24.

2. Reasons for the decision:

- 2.1 To consider the current progress towards developing a Medium Term Financial Strategy (MTFS) to 2025/26 against a challenging backdrop of public finances.

3 Other options considered and rejected:

- 3.1 None

4 Conflicts of interest:

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

4.2 Conflicts of interest declared by other Executive Members consulted: None

5 Dispensation granted by the Conduct Advisory Panel: None

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

7 Statement from the decision maker:

Approved by:

Date:

19 July 2022

Chairman of Cabinet
Councillor Rob Humby

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	19 July 2022
Title:	Social Care Reform including Fair Cost of Care
Report From:	Director of Adults' Health and Care

Contact name: Graham Allen

Tel: 0370 779 5574

Email: graham.allen@hants.gov.uk

1. The decision:

1.1 Cabinet acknowledges the direction of travel and intention of the SCR. However, to achieve this in a sustainable and appropriate way Cabinet is asked to support and endorse the following as a priority for the consideration of Government:

- Adequate funding to match the scale of the challenge and fully fund the increase in costs to local authorities, as a new burden.
- Investment in national recruitment and workforce development campaign for local authorities and providers to address long term workforce challenges across the sector. Including support for local innovation to ease workforce pressures over the long term.
- A staggered reform implementation or consideration of deferring wider reforms to the health and care system.
- Publication, as soon as possible, of clear guidance on how those currently in receipt of services will transition into the new system, including how means testing and top-ups should be applied.
- A clear public facing communications campaign to manage expectations and help residents to understand the implications of reform, including how much cost they will be liable for
- Regional bodies to provide detailed information on infrastructure and technology solutions.
- Publication of details on how the local authority equivalent cost should be calculated for self-funder Independent Personal Budgets.

2. Reasons for the decision:

2.1 This report covers all aspects of the Social Care Reforms (SCR) and their financial impact on the County Council with a key focus on the 'Fair Cost of Care' (FCC) element of the SCR due to the urgency of this work over the summer period and the immediate financial impact.

2.2 The County Council is seeking for Cabinet to recognise the impact of the Social Care Reform. These impacts, that are estimated to be greater than SP23 and some of the previous whole-Council savings programmes, greater than the assumed benefits of Local Government Re-organisation in Hampshire and impacts that are not currently factored into the estimated budget gap of between £180m and £200m.

3 Other options considered and rejected:

3.1 None

4. Conflicts of interest:

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

4.2 Conflicts of interest declared by other Executive Members consulted: None

5 Dispensation granted by the Conduct Advisory Panel: None

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

7 Statement from the decision maker:

Approved by:	Date:
-----	19 July 2022
Chairman of Cabinet Councillor Rob Humby	

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	19 July 2022
Title:	<i>Serving Hampshire – 2021/22 year-end performance report</i>
Report From:	Director HR, OD, Communications and Engagement

Contact name: Stephanie Randall, Deputy Director HR, OD, Communications and Engagement

Tel: 0370 779 1776

Tel: 0370 779 1776

1. The decision:

1.1 That Cabinet:

- notes the County Council's performance for 2021/22;
- notes progress to advance inclusion and diversity;
- notes progress against the Council's Climate Change Strategy and Action Plan 2020-2025; and,
- notes the determinations of the Local Government and Social Care Ombudsman (LGSCO) in 2021-22, and the assessment decisions contained in the LGSCO 2020-21 report letter.

2. Reasons for the decision:

2.1. To maintain strategic oversight of the County Council's performance during 2021/22 against the Serving Hampshire Strategic Plan for 2021-2025, including;

- ongoing work and achievements to advance inclusion and diversity
- progress against the Council's Climate Change Strategy and Action Plan 2020-2025; and
- an overview of Local Government and Social Care Ombudsman (LGSCO) Determinations in 2021/22, and assessment decisions contained in the LGSCO 2020-21 annual report letter.

3. Other options considered and rejected:

3.1. None

4. Conflicts of interest:

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

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

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

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

7. Statement from the Decision Maker:

Approved by:

Date:

19 July 2022

**Chairman of Cabinet
Councillor Rob Humby**

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	19 July 2022
Title:	Economic Strategy
Report From:	Director of Economy, Transport and Environment

Contact name: Richard Kenny

Tel: **Email:** Richard.Kenny@hants.gov.uk

1. The decision:

- 1.1. That Cabinet approves the Draft Economic Strategy as interim policy and as a basis for stakeholder and partner engagement.
- 1.2. That Cabinet agrees that a programme of focussed stakeholder and partner engagement and consultation is enacted to help finalise the strategy and to secure policy alignment, shared objectives and agreed actions and final approval.
- 1.3. That authority is delegated to the Leader to approve the Economic Strategy following any changes and updates arising from stakeholder and partner engagement.

2. Reasons for the decision:

- 2.1. The Economic Strategy, following on from the Hampshire 2050 work, sets out an overarching approach to economic development for Hampshire at a time of growing uncertainty, in which the County with its partners will need to assume greater responsibility for economic leadership.
- 2.2. It draws from detailed analysis of the major drivers of change in the local economy, and scenario testing for the coming years, and proposes a range of interventions that deploy levers that are either currently available to the County Council or which could be soon as a result of further devolution. It provides a framework for a range of important initiatives including a County Deal for Pan-Hampshire.
- 2.3. From this initial publication, a programme of engagement will then occur to build an agreed strategy and series of interventions. This will be led and supported by key stakeholders across Hampshire and beyond into wider economic geographies.

3. Other options considered and rejected:

- 3.1. Do minimum – to continue to identify and implement policy and programme interventions in isolation with no overarching economic integration and/or

combined outcome impact with stakeholders. This option would result in the County Council having to develop singular actions that would be more limited and less effective in addressing the required economic interventions.

4. Conflicts of interest:

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

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

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

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

7. Statement from the Decision Maker:

Approved by:

Date:

19 July 2022

**Chairman of Cabinet
Councillor Rob Humby**

3. Other options considered and rejected:

3.1 Do Minimum – To be only reactive to the emergence of the LEP Business Plans in November 2022 without any engagement to shape LEP functions and programmes, and no proactive moves to prepare for future devolution and consequent integration of LEP functions. This option would then rely on the LEPs to reflect any emerging national or Hampshire policy and/or devolution models in their plans going forward. This option was rejected as being not as beneficial.

4. Conflicts of interest:

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

Councillors Chadd and Heron declared a personal interest by virtue of being members of the Enterprise M3 LEP and the Solent LEP respectively.

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

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

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

7. Statement from the Decision Maker:

Approved by:

Date:

19 July 2022

**Chairman of Cabinet
Councillor Rob Humby**

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	19 July 2022
Title:	Hampshire County Council Climate Change Initiatives – Progress Report
Report From:	Director of Culture, Communities and Business Services

Contact name: Chris Dear

Tel: +44 370 779 2605

Email: Christopher.dear@hants.gov.uk

1. The decision:

- 1.1 That Cabinet notes the positive progress in the first year of delivering the internal climate change initiatives programme.

2. Reasons for the decision:

- 2.1 In July 2021, Cabinet approved £1.2m one-off funding for an internal Hampshire County Council (HCC) climate change programme. The programme was developed in order to build on recent successes in reducing carbon emissions and, simultaneously, serve as the catalyst for further sustainable change. The two-year delivery programme culminates at the end of 22/23.

2 Other options considered and rejected:

- 3.1 None

3 Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker: None
4.2. Conflicts of interest declared by other Executive Members consulted: None

4 Dispensation granted by the Conduct Advisory Panel: none.

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

6 Statement from the Decision Maker:

Approved by:

Date:

**Chairman of Cabinet
Councillor Rob Humby**

19 July 2022