

# Public Document Pack



## NOTICE OF MEETING

<b>Meeting</b>	Cabinet
<b>Date and Time</b>	Tuesday, 13th December, 2022 at 10.30 am
<b>Place</b>	Ashburton Hall, Ell Court, The Castle, Winchester
<b>Enquiries to</b>	members.services@hants.gov.uk

Carolyn Williamson FCPFA  
Chief Executive  
The Castle, Winchester SO23 8UJ

## FILMING AND BROADCAST NOTIFICATION

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## AGENDA

### 1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

### 2. DECLARATIONS OF INTEREST

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

### 3. MINUTES OF PREVIOUS MEETING (Pages 5 - 18)

To confirm the minutes of the previous meeting

**4. CHAIRMAN'S ANNOUNCEMENTS**

To receive any announcements the Chairman may wish to make.

**5. DEPUTATIONS**

To receive any deputations notified under Standing Order 12.

**6. FINANCIAL UPDATE AND BUDGET SETTING AND PROVISIONAL CASH LIMITS 2023/24** (Pages 19 - 54)

To consider a report of the Director of Corporate Operations regarding the financial position and Budget Setting and Provisional Cash Limits for 2023/24.

**7. DRIVING TOWARDS ECONOMIC STRENGTH** (Pages 55 - 88)

To consider a report of the Chief Executive regarding working towards economic strength for Hampshire.

**8. ECONOMIC STRATEGY** (Pages 89 - 110)

To consider a report of the Director of Economy, Transport and Environment providing an update on the Economic Development Strategy Consultation.

**9. STRATEGIC ASSET MANAGEMENT PLAN** (Pages 111 - 126)

To consider a report of the Director of Culture, Communities and Business Services the new 5-year Strategic Asset Management Plan for the County Council's estate.

**10. ANNUAL SAFEGUARDING REPORT - CHILDREN'S SERVICES 2021-22** (Pages 127 - 144)

To consider the annual safeguarding report from the Director of Children's Services.

**11. ANNUAL SAFEGUARDING REPORT - ADULTS' HEALTH AND CARE 2021-22** (Pages 145 - 158)

To consider the annual safeguarding report from the Director of Adults' Health and Care

**12. HAMPSHIRE COMMUNITY SAFETY STRATEGY GROUP** (Pages 159 - 166)

To consider the annual Community Safety Group report from the Director of Adults' Health and Care

**13. ANNUAL PREVENT REPORT (Pages 167 - 176)**

To consider the annual PREVENT report from the Director of Adults' Health and Care

**ABOUT THIS AGENDA:**

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

**ABOUT THIS MEETING:**

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

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

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# Agenda Item 3

AT A MEETING of the Cabinet of HAMPSHIRE COUNTY COUNCIL held at the Castle, Winchester on Tuesday, 18th October, 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, Penman and Withers.

## 78. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillor North.

## 79. **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.

## 80. **MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 19 July were reviewed and agreed.

## 81. **CHAIRMAN'S ANNOUNCEMENTS**

On behalf of Cabinet and the County Council, the Chairman congratulated Councillor North on the birth of her son.

The Chairman highlighted the recent success of Hampshire's fostering team in increasing enquiries from potential foster families. He also drew Cabinet's attention to events relating to Black History Month and World Menopause Day.

**82. DEPUTATIONS**

No requests to make a deputation had been received on this occasion.

**83. DRIVING TOWARDS ECONOMIC STRENGTH**

Cabinet considered a report of the Chief Executive regarding working towards economic strength post COVID, whilst recognising the significant impact of the war in Ukraine and the cost-of-living crisis.

In introduction, it was noted that the County Council's focus was now firmly on driving the economy forward. Local and national challenges were outlined and the next steps towards a Hampshire County Deal set out, with reference to the appended Prospectus.

Cabinet welcomed the report and with regards to the County Deal questioned whether anything could be drawn from other bids relating to either the scale of Hampshire or governance models. It was heard that Hampshire had economic and demographic features similar to other County Deal areas and noted that there was an unwillingness to sub-divide Counties. It was also confirmed that Deals did not involve re-organisation or unitarisation, but had a focus on devolution on the basis of the three levels established by Government. With regard to how a Deal might help with the current cost of living crisis, Cabinet recognised that devolution was a key mechanism to drive local economic growth, including skills as well as to align economic and green ambitions.

Officers were thanked for their work on the County Deal and the recommendations in the report were considered and agreed. A decision record is attached to these minutes.

**84. DRAFT HAMPSHIRE MINERALS & WASTE PLAN PARTIAL UPDATE**

Cabinet considered a report of the Director of Economy, Transport and Environment providing an overview of the Hampshire Minerals & Waste Plan: Partial Update - Draft Plan including what changes have been made, why these have occurred and what this means for Hampshire.

It was noted that authority was sought to begin the first stage of consultation on the update to the minerals and waste plan. This would allow legislative change to be adopted along with updated requirements. The timetable for consultation had been extended slightly, but this wasn't expected to impact on the overall completion point.

Cabinet noted that the update was being undertaken in conjunction with partner authorities. It was recognised that some communities would have a particular interest and everyone was encouraged to respond to the consultation, including those who were supportive of proposals. It was heard that the consultation would be promoted on the basis of guidance in the legislation, but the County Council was happy to support anyone who wanted to engage.

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

**85. DEPUTATIONS TO THE PENSION FUND PANEL AND BOARD**

Cabinet considered a report of the Chief Executive regarding proposed amendments to the rules regarding deputations to the Pension Fund Panel and Board and its sub-committees.

Noting that the proposal would enable Hampshire Pension Fund members living outside of Hampshire to make a deputation at the Pension Fund Panel should they wish to, the recommendations in the report were considered and agreed. A decision record is attached to these minutes.

**86. CORPORATE RISK MANAGEMENT**

Cabinet considered a report of the Director of Culture, Communities and Business Services regarding risk management arrangements and the Risk Management Strategy 2022-2025.

The report, including the risk management framework was introduced and Cabinet noted the longer term strategy being adopted by the risk management board; how the framework had become organisationally embedded; action within DMTs and CMT on current and emerging risk and a recent audit outcome demonstrating improved management of risk. Members welcomed the positive directions of travel and recognised the progress that had been made.

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

**Exclusion of Press and Public**

RESOLVED:

That the public be excluded from the meeting during the following item of business, as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this item there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the exempt report.

**87. CORPORATE STRATEGIC RISK REGISTER ANNUAL REPORT (EXEMPT)**

Cabinet considered an exempt report of the Director of Culture, Communities and Business Services regarding the Corporate Strategic Risk Register.

The contents of the County Council's corporate Risk Register, and the robust arrangements in place to manage these risks were noted. A decision record is attached to these minutes.

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Chairman,



## HAMPSHIRE COUNTY COUNCIL

### Executive Decision Record

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	18 October 2022
<b>Title:</b>	Working Towards Economic Recovery
<b>Report From:</b>	Chief Executive

**Contact name:** Carolyn Williamson, Chief Executive

**Tel:** 01962 845252

**Email:** [carolyn.williamson@hants.gov.uk](mailto: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 drive towards economic strength in Hampshire, including the consolidation of regeneration and growth partnerships, and integration of the LEP's going forward.
- 1.2 Endorses the County Council's continued ambition and commitment to engage with Government 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.

#### 2. Reasons for the decision:

- 2.1 To provide Cabinet with an analysis of the economic impact and outlines those issues that the County Council continues to use its scale and influence to contribute to the county's and sub-region's economic recovery going forward.

#### 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:**

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18 October 2022

Chairman of Cabinet  
Councillor Rob Humby



**Approved by:**

**Date:**

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18 October 2022

Chairman of Cabinet  
Councillor Rob Humby

# HAMPSHIRE COUNTY COUNCIL

## Executive Decision Record

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	18 October 2022
<b>Title:</b>	Deputations to the Pension Fund Panel and Board
<b>Report From:</b>	Chief Executive

**Contact name:** Paul Hodgson

**Tel:** **Email:** [paul.hodgson@hants.gov.uk](mailto:paul.hodgson@hants.gov.uk)

### **1. The decision:**

Cabinet:

- 1.1 Recommends the changes to the County Council's Standing Orders and Terms of Reference of the Pension Fund Panel and Board, set out at Appendices 1 and 2 respectively, for approval by the County Council.

### **2. Reasons for the decision:**

- 2.1 To recommend to the County Council proposed changes to the Constitution in order to allow deputations to be received at the Pension Fund Panel and Board and its sub-committees from Hampshire Pension Fund scheme members who are not local government electors in the County Council's area

### **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:**

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18 October 2022

Chairman of Cabinet  
Councillor Rob Humby

# HAMPSHIRE COUNTY COUNCIL

## Executive Decision Record

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	18 October 2022
<b>Title:</b>	Corporate Risk Management
<b>Report From:</b>	Director of Culture, Communities and Business Services

**Contact name:** Patrick Blogg

**Tel:** 0370 779 1968

**Email:** patrick.blogg@hants.gov.uk

### 1. The decision:

- 1.1 That Cabinet notes the content of this report, the risk management arrangements in place across the County Council and approves the Corporate Risk Management Strategy 2022-2025.

### 2. Reasons for the decision:

- 2.1 To recognise the robust processes and approaches across the organisation that enable effective risk management. It identifies the key areas of focus, including active management of significant strategic and operational risks, robust governance structures in place and staff engagement around good practice approaches to risk management.
- 2.2 The Corporate Risk Management Board with direct reporting into the Corporate Management Team, provides a robust organisation-wide lead for risk by driving the Risk Management Strategy and other initiatives forward, and improving the risk culture within departments.

### 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:**

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**Chairman of Cabinet  
Councillor Rob Humby**

**18 October 2022**



# HAMPSHIRE COUNTY COUNCIL

## Executive Decision Record

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	18 October 2022
<b>Title:</b>	Corporate Strategic Risk Register Annual Report (Confidential)
<b>Report From:</b>	Director of Culture, Communities and Business Services
(Summary of an Exempt Decision)	

**Contact name:** Patrick Blogg

**Tel:** 0370 779 1968      **Email:** patrick.blogg@hants.gov.uk

**1. The decision:**

- 1.1 That Cabinet notes the contents of the County Council's corporate Risk Register set out in this report, and the robust arrangements in place to manage these risks.

**2. Reasons for the decision:**

- 2.1 This report seeks to outline the key corporate strategic risks held on the corporate Risk Register system, and to highlight the robust processes and approaches across the organisation that enable effective risk management of these risks.
- 2.2 This report also notes the key department risks held on the corporate Risk Register system.

**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:**

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**Chairman of Cabinet  
Councillor Rob Humby**

**18 October 2022**

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	13 December 2022
<b>Title:</b>	Financial Update and Budget Setting and Provisional Cash Limits 2023/24
<b>Report From:</b>	Chief Finance Officer and Director of Corporate Operations

**Contact name:** Rob Carr – Chief Finance Officer and Director of Corporate Operations

**Tel:** 0370 779 2467      **Email:** [Rob.Carr@hants.gov.uk](mailto:Rob.Carr@hants.gov.uk)

#### Section A: Purpose of this Report

The purpose of this report is to:

1. Provide an update to Cabinet and County Council on the in-year financial position as at the end of September, including the transformation programmes (Transformation to 2019 and to 2021) and Savings Programme to 2023.
2. Set out the process and framework for setting the 2023/24 budget.
3. Consider the financial impact of the Autumn Statement, announced by the Government on 17 November, and to consider the Council's overall financial prospects.
4. Present the inflationary and other unavoidable pressures that have been identified to date as part of the preparatory work for the 2023/24 budget.

#### Section B: Recommendations

**It is recommended that Cabinet:**

5. Notes the latest financial position for the current year as at the end of September.
6. Notes the increasing cost pressures building across both Adults, Health and Care and Children's Services Departments.

7. Approves the principle of adding any corporate contingency underspend in 2022/23 to the Budget Bridging Reserve (BBR) to enable a balanced budget to be set for 2023/24.
8. Notes the announcement by Government of an Autumn Statement and the impact on the County Council's financial planning, set out in Section E.
9. Notes the current spend on the Government funded Homes for Ukraine scheme, approves the latest initiatives to support guests and hosts as outlined in paras 41 and 42 and delegates authority to the Director of Corporate Operations in consultation with the Leader and Chief Executive to approve other spend to be met from the current or any future grant funding allocated by the Government.
10. Approves the provisional revenue cash limits for 2023/24 set out in Appendix 2, including the specific additions highlighted in paragraph 51.
11. Delegates to the Director of Corporate Operations the decision for early payment of employer and employee pension contributions if considered financially advantageous.
12. Delegates authority to the Director of Corporate Operations to allocate additional permanent revenue funding for inflationary pressures in 2023/24 up to a value of £10m, to be funded from contingencies as required.
13. Approves the capital guideline amounts for the next three years set out in paragraph 106.
14. Approves the transfer of the remaining balance from the previously approved capital inflation funding to a new Capital Inflation Risk Reserve.
15. Approves, subject to the relevant Executive Member decisions, the addition to the capital programme for 2022/23 of Phase 1 of the Titchfield Haven National Nature Reserve scheme at a cost of £0.775m to be funded from capital receipts from the disposal of assets at the site, subject to the receipt by the County Council of the open market value at the site.

### **Section C: Executive Summary**

16. This report is the standard pre-budget setting report that comes to Cabinet each December and would normally mainly be concerned with setting revenue cash limits and capital guidelines and looking at the prospects for the budget for the next financial year.
17. This is not the case this year as we are dealing with a wide range of different issues that must be factored into the budget setting for next year, together with understanding the consequences of an Autumn Statement that seeks to address the economic turmoil and hyper inflationary position. It is therefore difficult to provide an executive summary that covers all of the detail in this report.

18. In headline terms therefore, the key issues to draw to Cabinet's attention are:
- Pay and price inflation are well above the levels that had been allowed for in previous forecasts and have impacted in both the current and future financial years.
  - We continue to see significant growth and pressures across a range of services that need to be taken into account, most notably Younger Adults, Children's Social Worker Capacity and Home to School Transport.
  - We are reviewing Red rated savings across the Transformation to 2021 (Tt2021) and Savings Programme 2023 (SP23) to determine whether there are any undeliverable savings that need to be factored into the longer term forecasts.
  - The Autumn Statement provided additional funding for social care and the ability to increase council tax up to 5% which have had a helpful impact on the 2023/24 budget setting position.
  - Increases in business rate income and investment income as a result of high inflation and interest rates has also provided additional resources for next financial year.
  - The gross budget deficit in 2023/24 is £98.8m even after allowing for the full £80m SP23 savings but there are potential net funding improvements of £47.6m reducing the overall gap next year to £51.2m.
  - We cannot provide an updated forecast for 2025/26 until we receive the provisional local government finance settlement and the aim is to bring all of the different strands of work together as part of the budget setting process in February.
19. Alongside the budget information, this report also provides an update on the Homes for Ukraine scheme and spend and puts forward proposals for capital expenditure associated with the Titchfield Haven Nature Reserve.

#### **Section D: Contextual Information**

20. In July 2022, Cabinet received a report updating on the development of the next Medium Term Financial Strategy against a potential budget gap of £180m to £200m to 2025/26. At this point, there were several unknowns which impacted not only the medium term position, but also the budget setting for 2023/24:
- Corporate Management Team (CMT) were undertaking a high level assessment of the extent to which the County Council could close a gap of that value through its own actions.
  - Further assessments of the longer term impact of inflationary pressures being felt in the current year.

- Prospects for the provisional local government finance settlement, which in July were relatively positive around a potential new two year settlement and changes to the funding system.
21. This clearly pre-dates the financial crisis that has hit the country, with a deep and extended recession being expected, no Fair Funding Review, no new two year deal for local government and new taxation measures being announced in the Autumn Statement.
  22. Since that time, the County Council's future financial prospects have also worsened with additional pressures arising in children's social worker capacity, Home to School Transport, Younger Adults and the longer term impacts of inflationary increases.
  23. The impact of the fiscal plan is discussed in more detail in the next section and work continues to be undertaken by CMT to examine the extent to which the County Council can close the budget deficit through its own actions. We await the provisional local government finance settlement in December, which is unlikely to be announced at the point these papers are published.
  24. Significant lobbying activity has taken place with Government to highlight the financial position we face, most notably some work with Kent County Council which saw a joint letter from the respective Leaders being submitted to the Prime Minister, the Chancellor and the Secretary of State for the Department of Levelling Up, Housing and Communities (DLUHC) ahead of the Autumn Statement.
  25. The plan at this stage therefore is to report to Cabinet and County Council in February on budget setting for 2023/24 and to provide a full update at that time on the medium term financial position and outline what the strategy is going forward.

## **Section E: Autumn Statement**

26. The Government announced the 2022 Autumn Statement on 17 November. Prior to the announcement, with inflation running at a 41 year high of 11.1%, and the Bank of England Base Rate (3%) also at its highest since 2008, the budget deficit was estimated to be approximately £55bn. The Chancellor had indicated that £20bn would be met through tax rises and the remaining £35bn through spending cuts.
27. Prior to the Autumn Statement, the Leader of the Council sent a joint letter with the Leader of Kent County Council, highlighting the challenges facing the sector as a whole and calling for fundamental changes to the way in which local Government, and in particular social care services, are funded.
28. Whilst there was some mis-reporting in the press, the letter received significant national attention and has helped highlight the pressures in the sector and may have had an influence in the final detail of the Autumn statement, which

targeted resources to Adult Social Care, despite the difficult national financial outlook and the potential for public spending reductions.

29. Against this backdrop, Local Government funding fared better than expected, due largely to the additional spending commitments on social care and increased Council Tax flexibilities. The Statement provides an additional £2.8bn in 2023/24 and £4.7bn in 2024/25 for social care, however this assumes that local authorities will increase Council Tax by the maximum permitted level of 2.99% plus a further 2% for the social care precept. The extended Council Tax flexibilities will remain in place until 2027/28 and could generate an additional £14m - £15m per year for the Council, or around £45m by 2025/26.
30. The Statement also included grant funding for social care in 2023/24 and 2024/25, comprising ringfenced support for hospital discharges, and further un-ringfenced funding to meet the costs of both adults and children's care packages. Of the funding announced for 2023/24, £600m will be distributed through the Better Care Fund and £400m through extending the existing Adult Social Care Discharge Fund, both of which are shared between local authorities and the NHS.
31. £1.3bn will be distributed through the general Social Care Grant and is repurposed funding previously earmarked for the implementation of the Adult Social Care charging reforms, which have been delayed until October 2025. The Council welcomes the additional general funding for social care; however, it is currently not clear how the Government intends to replace the redirected funding to enable Councils to deliver the charging reforms as planned in future years. Whilst the delays give the Government and the Sector more time to fully assess and address the implications of the reforms, it does mean that many families facing financial hardship due to care costs will need to wait longer for a solution.
32. The Local Government Finance Settlement, expected to be announced on 21 December, will confirm the local authority allocations of the additional social care funding, although a 'policy paper' has also been promised in early December which may give greater certainty over the allocation methodology. However, if the grant is distributed on the same basis as the existing Social Care Grant, Hampshire County Council would receive around £20m in 2023/24, but it is possible that the distribution is changed again to favour those with lower tax bases, so a prudent figure of £15m is included in the forecasts in this report for now.
33. Government has confirmed that funding provided to Councils through the 2022/23 settlement to meet the cost of increased employer national insurance contributions will be removed from the 2023/24 settlement following the reversal of the policy. This is expected to reduce Hampshire's allocation of the Services Grant by around £2m on an ongoing basis. The remaining funding provided through the Services Grant in 2022/23 is expected to remain within the 2023/24 settlement, however it is not currently known how this funding will be allocated and therefore whether the Council will continue to receive a share of the funding. This report assumes that all Services Grant will be lost.

34. The Statement announced a £13.6 billion business rates support package, including freezing the Business Rates multipliers for 2023/24, a more generous Retail, Hospitality and Leisure relief, and capping bill increases for businesses as a result of the upcoming revaluation. From 1 April 2023, the revaluation will update rateable values for non-domestic properties in England and the multiplier in line with evidence from April 2021. Local authorities will be fully compensated for any loss of income as a result of these business rates measures.
35. An increase in the National Living Wage (NLW) was announced from £9.50 per hour in 2022/23, to £10.42 per hour from April 2023 in line with the Government's plan for the NLW to reach two thirds of median earnings by 2024. This represents a pay increase of 9.7% for those on the lowest incomes. The local government pay award takes account of movements in the NLW and it should be noted that further increases on this scale could result in a significant additional pressure for the 2023/24 pay award. The local government pay award for 2024/25 is unlikely to be agreed prior to the increase in the NLW implemented in April 2024. Therefore, in order to ensure that Councils are paying at least the minimum wage in April 2024, the 2023/24 pay award must take account of the expected increase in the NLW for 2024.
36. The future outlook for local government funding beyond the current Spending Review period to 2024/25 remains challenging. As part of the package of fiscal consolidation measures, the Government announced that departmental resource spending will grow at just 1% per year in real terms from 2025/26. This is significantly lower than the 9.4% per year real terms increase provided for local government through the 2021 Spending Review, albeit the value has since been reduced in real terms due to higher inflation. It is therefore likely that demand and inflationary-related increases in the cost of providing services will continue to outstrip the additional funding available to the Council over the medium term, despite the announced increases to the Council Tax referendum threshold.

## **Section F: Homes for Ukraine**

37. Following Russia's invasion of the Ukraine, the Government acted quickly to put a resettlement programme in place and to allocate £10,500 of funding per person to Upper Tier councils to enable them, along with District Council partners, to put a range of support in place for the Ukrainian refugees (guests), together with separate monthly funding to compensate those people that are hosting families in their homes or in vacant accommodation.
38. Given the need to put arrangements in place quickly and to respond to needs and requests as they have arisen, much of the early expenditure was approved under urgent decision making powers or relates to requirements specified by the Government. Early spend in accordance with requirements of the scheme includes:
  - Pre-arrival and initial arrival activity (host checks, DBS checks, accommodation inspections etc.)



- The Government agreed £200 per guest welcome payment.
  - Setting up the administrative and payment arrangements for the Government determined £350 per month for hosts.
  - Creating a project team and officer network to support guests in the early months after their arrival and develop community integration plans (County and Districts).
  - Practical considerations such as bus passes, holiday activities, translation and driver familiarisation training.
39. Hampshire has been very successful in ensuring payments are made quickly to hosts and is one of the best in the country for making these payments at scale. After the Summer in response to the growing cost of living crisis, an urgent decision was made to grant additional funding of £200 per month over the winter period to hosts to cope with additional energy costs that they are facing.
40. More recently, a number of queries have been received from Councillors asking if additional payments for the Christmas period will be made. In order to ensure that these payments can be expedited in good time for Christmas a further urgent decision was taken in line with financial regulations to make payments of £200 per guest and £250 per host. Funding has also been allocated to carry out the six month checks required by Government, although some of these are being undertaken by District Council's as highlighted below.
41. The County Council holds regular meetings with District Council officers to review what future needs the guests may have and approval is sought in this report to agree an allocation of grant funding to District Councils to implement the following :
- **Private landlord scheme** – funding is to support the scheme with regards to rental deposits, advance rent, incentives and other costs to incentivise landlords to house Ukrainian families. As approximately 20% of families have moved on to date, the proposal is to provide an allocation per district based on £5,000 per family for 20% of families but this will be paid based on actual usage.
  - **Community Integration (£1,000 per guest)** – further funding for continued community integration including transport costs, Christmas respite, events, translation & general support.
  - **6 month visits** – Following input from districts who have carried out their own 6 month visits we are proposing an allocation of £400 per visit to cover their associated costs.
42. For the County Council, we have been considering what wider long term support needs to be put in place and approval is sought in this report to agree short term funding for the remainder of this year to facilitate:

- **Ethnic Minority and Traveller Achievement Service** – Additional support including extra Bilingual Assistants & interpreters - £285,000 (this covers the 2023/24 financial year)
  - **IT Equipment** - Provide funding for schools to purchase laptops for children - £200 per child.
  - **Libraries** – provide additional community integration & support through the Library Service - £123,000
  - **Local Children’s Partnerships (LCP)** – To provide funding to the Partnerships to support families (£15,000 per LCP – total of £165,000)
  - **Children’s Social Care Services** - Supporting unaccompanied minors, potential transfers to foster carers, increased capacity in Family Support Services and the Children’s Enquiry Team and additional posts in the Independent Reviewing Service to meet the additional activity (£485,000 in the current year to be reviewed in February based on actual activity).
  - **Learning Interventions** – To provide a range of learning interventions for children and adults including support to FE colleges, Outdoor Learning activities, language and employment support. A total sum of £509,000 will be provided for these activities.
43. Other services which are required due to our statutory responsibilities include providing home to school transport for Ukrainian children who meet the statutory criteria, providing 2, 3 and 4 year old funding, statutory assessments and provision of social care for children & adults where they meet the criteria. These will be approved through the usual service mechanisms but the costs will be recorded against the Government Grant.
44. The allocation of funding under the grant is more complex than previous grant streams (e.g. Covid) as some is allocated as a lump sum, some of it is per host or per family and a large proportion is allocated per guest. Furthermore, many of the figures highlighted above are calculated using projected guests (which is currently 3,706) but payments will only be made based on the actual number of guests (currently standing at 2,567).
45. Detailed monitoring of the current and projected spend is being undertaken by Finance Officers in conjunction with Children’s Services and the spend detailed above is well within the projected grant allocations we will receive even after allowing for a significant contingency for future requirements. The Government is set to make an announcement on future years funding for the Homes for Ukraine Scheme, but this is yet to be confirmed.
46. In order to be able to respond in good time to future requests for funding, this report requests delegated authority for the Director of Corporate Operations to agree spend from the current (or future) grant allocations in consultation with the Leader and the Chief Executive. Where it is practical and timely to make decisions through Cabinet this will be the preferred route, but in any event all expenditure will be reported to Cabinet in due course.

## **Section G: 2022/23 Business as Usual Financial Monitoring**

47. In overall terms, despite the financial challenges across many services, most Departments are reporting a balanced position in-year due to early achievement of SP23 savings and draws on corporate contingency funding, which have offset significant growth and inflationary pressures. The exception to this is in Adults' Health and Care, which is explained in more detail later in this section. These pressures reflect the impact of inflation and increased activity across both our own services, and those delivered by our partners and providers (transport and care providers in particular). This is resulting in numerous requests for additional funding for existing services.

### **Inflation Impact**

48. Many of the ongoing pressures are detailed elsewhere in this report and therefore this section concentrates on the calls that have been made against the inflation underwrite that was put in place at County Council in September.

49. Whilst the expectation was that many of these increases could be temporary, the reality is that most of them are being baked into future costs that need to be taken into account in our projections. Temporary approvals that have been made under the delegated powers are:

- Increased mileage rate for parents who take their children to school as an alternative to more expensive home to school transport provision (£75k).
- Increased rates for some domiciliary care providers following a re-tender exercise (£625k).

50. In some service areas, such as individual home to school transport contracts or care for younger and older adults, the service arrangements are much more bespoke and therefore individual negotiations take place all the time as part of business as usual activity and have therefore not been considered under the previous delegation. In some cases, providers look to hand back uneconomic contracts and it is in the County Council's interest to renegotiate these directly with the provider rather than go out to tender in what is an inflationary market and given that the timing delay causes disruption to service provision.

51. For the most part it is anticipated that these increases are likely to be baked into future service costs and the impact in key service areas has been:

- Home to school transport – The service is expected to overspend by £7m this financial year and inflation funding of £4.5m has been agreed to help offset this. A total of £6.9m has been added to the budget for next year representing the continuation of the 2022/23 spend, normal inflationary and growth pressures for next year and the need to increase the senior resources in the Home to School Transport Team which will see a net increase of 6 FTE at a cost of £375,000.
- Younger Adults – whilst providers are experiencing general inflationary pressure for energy and food, the major cost pressure is driven by staff pay and the sector wide shortage of care workers meaning that providers are

having to use higher cost agency staff. A total of up to £1.4m to be allocated over three tranches has been agreed, which will have a significant full year impact as highlighted below.

- Waste contract – The Council's Waste PFI contract includes an annual indexed uplift based on October RPI. An inflationary uplift of 6% was forecast during the 2022/23 budget preparation process, however October RPI has been confirmed as 14.2%. The part year impact of the increase required for the current year, which takes effect in January, is around £1m and the ongoing impact has been provided for within the departmental cash limit for 2023/24.
52. Given the on-going impact of these inflationary pressures that essentially have re-set the base cost for these services, the financial impact will be considered as part of future budget setting. To support that approach in the short term, it is proposed to transfer any balance of the inflation underwrite allocation to the BBR.

### **Adults' Social Care**

53. The Adult Social Care financial position, with respect to purchased care packages for 2022/23 has continued to be challenging. Demand led services at the scale of both Younger and Older Adults are always volatile which makes it difficult to forecast with any certainty, and the impact when there is movement can be considerable, particularly in the next full financial year. For 2022/23 it was forecast that the department would experience a pressure on care packages of £35m, rising to £45m in 2023/24.
54. The position has been monitored throughout the year and up to month 6 had broadly been in line with those forecast assumptions overall, albeit with the Older Adults pressure being less than forecast and the Younger Adults pressure being greater. From month 6 onwards, the Older Adults forecast pressure has continued to increase up to the level previously assumed and marginally beyond, largely caused by a greater than expected increase in client numbers and a persistent increase in the average rate paid for care purchased, due to cost of living changes, as well as a significant increase in the use of Live In Care as an alternative to Residential care. Younger Adults in the same timeframe has also increased, giving rise to the current position where this original pressure of £35m is being exceeded by around £7m.
55. Most recently there has been an additional pressure in Younger Adults due to the need to renegotiate uplifts for specific packages of care for vulnerable clients with those providers that are feeling the effect of the current economic climate. This has increased the forecast by £1.4m in year and will have the full year effect in 2023/24 of £2.6m.
56. Excluding these uplifts, there has been a further worsening of the position in Younger Adults by £3.2m. The underlying reason for this cost increase has been both an increase in the average cost for new packages and a steady

surge in clients that had not previously been known about. Invariably these have also been high cost placements, costing in excess of £4,000 - £5,000 a week. Since June the number of Learning Disability clients in receipt of a care package costing over £3,000 per week has risen by over 10. Furthermore, the resurgence of Day Care for younger Adults has led to an increase in forecast spend since the half year mark, however where providers are still experiencing some vacant sessions, this is also leading to the individual prices needing to remain higher than pre-covid levels. The £3.2m is likely to increase to £5-6m full year effect in 2023/24.

57. In addition to the above, in any year there is always a slight time lag between packages of care being agreed and them being entered onto the system. During the current year there have been further complications with the discharge arrangements with Health, completing the Fair Cost of Care exercise and the constant renegotiation as a result of inflationary pressures. As part of the detailed budget preparation work, total levels and trends of care packages are analysed and this has identified a higher number of packages in this year than previously forecast. This has further exacerbated the situation in year and will also feed into a full year impact for 2023/24.
58. As part of budget preparation, an assessment is also made of clients that are in transition and who will become the responsibility of the department within 2023/24. In line with both the ever increasing number of clients and increasing complexity, the growth funding available for this cohort in 2023/24 will be exceeded. The planned growth funding was not set to accommodate the current and increasing rate of new clients, nor the average cost as it is now, due to the increased cost of living. This pressure is currently being assessed but could be as high as an additional £5m in 2023/24.
59. The overall impact of the pressures highlighted for Younger Adults could be £13m - 16m for 2023/24, but this will be confirmed when reported to Cabinet in February.

### **Other factors**

60. The 2022/23 budget for interest income on cash balances held by the Council was based on a forecast average return of around 1.6%. Actual cash balances are currently higher than expected following strong financial performance in 2021/22, and average interest rates for the year are forecast at around 2.2% and are expected to increase further in 2023/24. Additional interest income and other savings in borrowing costs total nearly £15m in-year, and it is proposed that this is transferred to the BBR. Forward projections for additional interest income will be factored into the revised MTFs position, however it should be noted that these carry a degree of risk and interest income will not provide a permanent contribution to the budget gap as interest rates stabilise and eventually fall back in future years.

## **Section H: Transformation to 2019 and 2021**

61. It is now anticipated that all remaining Tt2019 savings will be delivered by the end of this financial year and therefore reporting on this programme can cease at that time. This is a very positive position given the complexity and delays caused by the pandemic.
62. For Tt2021, as part of the financial planning for the update of the MTFS in February next year, CMT have been asked to look closely at any current Red rated savings to determine whether these are truly deliverable in the future or whether they ought to be included as an additional pressure for the medium term forecast to 2025/26. There are currently £9.4m of savings that are rated as Red and all of these relate to Adults or Children's social care proposals.
63. The need to review these savings more closely reflects the fact that economic and market conditions have changed significantly in a number of the key areas where savings are still to be made, and it may no longer be possible to achieve the same level of savings as a result. If this turns out to be the case, it is important that this is reflected in our forecasts when we report next February.

## **Section I: Savings Programme to 2023**

64. Early achievement of SP23 totals £21m and departments are currently on track to deliver £71m of the planned £80m savings by 2023/24, with the balance planned to be delivered by 2024/25. A similar exercise to the one highlighted for Tt2021 has also been put in place for this programme.
65. A Red risk rating has been flagged for savings totalling £10.2m, of which £6.9m relates to the Older Adults Programme. Although work is ongoing to achieve the savings as forecasted, led by the Financial Improvement and Transformation Board which has reprioritised efforts on the highest impact activity, there remain significant potential pressures that could put at risk the delivery of savings or the ability to evidence delivery of savings against current targets.
66. Robust plans are in place to deliver the majority of remaining savings for Children's Services, however, there remain concerns over £1.9m of Home to School Transport savings, given the significant fuel and wage inflation in this sector which is already creating a significant overspend as outlined below.

## **Section J: Unavoidable Pressures and Future Investment Priorities**

67. As part of the December financial report it is normal to consider any unavoidable pressures that need to be built into base budgets, typically these will have already been taken into account in determining the future budget

gaps, together with any potential investment priorities, which may be entirely discretionary or have an element of choice around them.

68. The following paragraphs set out the key issues which will need to be considered as part of the Budget Setting for 2023/24 and beyond and some of the unavoidable pressures have already been built into the provisional cash limits outlined in this report.

## **Unavoidable Pressures**

69. **Children's Social Workers** – Through its transforming social care programme, the County Council has been very successful in keeping the number of children in care relatively stable over recent years, which is against the national trend. Despite this, the number of referrals coming to the Council continues to rise and the combined caseload of children looked after, children in need and children with child protection plans has increased by 66% in the last 12 years.
70. Around 5 years ago, the County Council invested in additional social worker capacity to ensure that individual caseloads averaged no more than 20 per social worker in line with the maximum recommended by Ofsted. During and following the pandemic, in order to cope with the additional throughput of referrals and caseload, resources of around £10m per annum were added to the budget funded from Covid grant.
71. Even with this additional funding, average caseloads are currently standing at around 23 per social worker and when the temporary funding ends, the loss of social worker capacity would mean this would increase to 28 per social worker. This is clearly not a position that the County Council can sustain and would significantly increase the risk in the system. Therefore, in order to achieve an average caseload of 20, it is proposed that additional funding of £9.7m is added to the budget in 2023/24 rising to an anticipated £13.6m by 2025/26 which has been taken into account in the medium term forecasting and will be reviewed in light of actual experience. Given the scale of this additional investment, a separate paper outlining the importance of addressing pressure in this service area is attached at Appendix 1.
72. **Home to School Transport (HtST)** – Costs within HtST have continued to rise within Hampshire, driven mainly by increasing numbers of children with Special Educational Needs that require transport, but also due to difficulties in the market with a shortage of providers / drivers, particularly since Covid. Significant work has been undertaken as part of successive transformation and savings programmes, which has helped to manage costs, but as outlined above, current market conditions around fuel and workforce costs mean that producing new savings is highly unlikely.
73. Furthermore, many providers are handing back contracts as they cannot continue to provide services at the prices agreed. Forecasts for future growth in numbers of children needing transport together with predicted price increases,

mean that future funding requirements are well above what had previously been allowed for in the MTFS.

74. As outlined above, additional funding has been added to the budget this year and next to cope with the initial pressures in this area including additional senior staffing for the HtST team, but beyond this separate additional funding will need to be retained in contingencies for next year and built into the MTFS that will be reported in February. At this stage it is difficult to predict accurately what future additional costs may be, but for planning purposes a further sum of £7.6m has been allowed by 2025/26.
75. **Miscellaneous IT Pressures** – Members will be aware of the annual growth and price pressures that we face in a range of services most notably social care, waste disposal and highways. Information Technology is a particularly complex area as it is constantly changing, new technologies (and threats) emerge, certain technologies get cheaper and some can be decommissioned altogether.
76. Reductions in the cost of technology over the past 10 years have been used to meet significant savings targets for the Department and have therefore not been available to offset the cost of new pressures or requirements. The approach has therefore been adopted to review these items on a periodic basis and to make incremental increases to the budget as required.
77. This report seeks further funding of £760,000 from 2023/24 onwards (any part year impacts are being met from early delivery of savings) and will support the following key areas:
  - **Cyber Security** – By far one of the biggest threats that the County Council faces with new tactics constantly being employed by cyber criminals and high profile cases of ransomware crippling large organisations for months at a time. The County Council invested heavily in this area last year, but further enhancements are required to ‘stay ahead of the curve’ and increase our resilience where appropriate. New investment includes:
    - Replacing the security monitoring service for our data centres and expanding the scope of the service to more areas.
    - Increasing the number of filtering and security layers in the new Hampshire Public Services Network (HPSN3).
    - Replacing the current geo-blocking protection (limiting access from outside the European Economic Area) with an enhanced ‘Bot Protection’ service.
    - Additional licensing for ‘Spear Phishing’ protection for Councillors, senior officers and key staff considered to be at risk of being targeted.
  - Increasing the number of sites having access to HPSN3 and upgrading the quality of some network lines to deal with increased activity post Covid.



- Microsoft Licensing Costs – There is the potential for a 10% to 15% increase in this area for which some additional provision needs to be made.
78. Where costs are already known, these will be added to cash limits for next year, with other funding remaining in contingencies until it is drawn down once accurate costings are known.
79. **Local Government Pay Award** – A flat rate pay award of £1,925 was put forward by employers and has now been accepted by two out of the three unions, which means it will be implemented from the December pay date, backdated to April 2022. Whilst the weighting towards lower paid staff is welcomed, given the current cost of living crisis, the flat rate award is equivalent to an overall increase of 6.4% (higher if trading units are included) which is well above the 2.5% allowed for in our forecasts. This adds an additional £12m to our ongoing costs from this year and this has been reflected in the 2023/24 cash limits in this report.
80. **Energy Costs** – Whilst additional provision for energy costs was provided for in the 2022/23 budget, this was on the basis that this would be a temporary issue and market prices would start to stabilise. This has clearly not been the case and whilst the County Council has been successful in forward buying energy at competitive rates compared to the current market, this is still some £4m above what is built into base budgets. Due to the continued volatility of energy prices, a one-off inflationary provision of £4m will be included within central contingencies and the requirement for a permanent increase will be reassessed during the 2024/25 budget setting process.
81. **Impact of legislative changes on contract costs** – As reported to Cabinet in December 2021, legislation restricting the use of rebated (red) Diesel was introduced in April 2022, increasing costs for the Council's suppliers. The council has sought to work with providers to manage pressures as far as possible within existing provisions for inflationary uplifts. However, the Council's Highways contractor is reporting an additional ongoing pressure of £455k, which will be added to the highway maintenance budget to maintain existing levels of service provision. A provision was set aside for this purpose as part of the 2022/23 MTFs and will be added to the 2023/24 provisional cash limit for Universal Services.
82. **Coroner's Service** – Since 2019, post mortem requests to the Coroners Service have increased by 23% and the number of complex or uncertified referrals has also grown, resulting in an increase in inquests opened of almost 50%. In 2020, three previously separate Coroner's jurisdictions merged, and a new senior coroner was appointed. This has resulted in more scrutiny and investigation being expected per referral, leading to increased use of mortuaries. This has led to shortages in mortuary capacity, resulting in multiple transportations of individuals by contracted funeral directors, also leading to increased costs. The total ongoing impact of these changes is expected to be £578k and this will be reflected in the 2023/24 provisional cash limit for Universal Services.

83. **Inflation Underwrite** – General inflation is forecast to average around 7.5% in 2023/24, with a potential overall impact on non-pay spend in excess of £50m. Price increases on this scale, if realised, would significantly exceed the funding envelope set aside for inflationary pressures and add further to the budget gap. Due to the volatility of inflation forecasts and variable impacts across non-pay budgets, a minimum level of inflation has been allocated to departments to provide a realistic baseline for budget setting, whilst keeping funding to affordable levels. It is therefore prudent to earmark an additional sum within corporate contingencies, as per the current year, to meet any significant unfunded departmental pressures on an exceptions basis. Delegated authority is sought in this report for additional inflation allocations to be granted to services on a case by case basis up to a value of £10m.

### **Future Investment Priorities**

84. Given the County Council's current financial projections, no recurring funding can be added to the budget unless it is considered to be absolutely unavoidable. There are therefore no specific investment priorities to report, but there are a number of emerging unavoidable pressures in Children's Services which are not yet built into forward forecasts as they may be impacted by future legislative change following the two reviews into children's social care carried out by the Government earlier in 2022.
85. At this time, one off funding is being utilised to meet these pressures but a longer term solution is required pending the actions taken as a result of the reviews and the proposed changes to special educational needs system stemming from the governments SEN green paper.

### **Section K: Overall Budget 2023/24 and Medium Term Financial Position**

86. It is not possible at this stage to fully update the Medium Term Forecast as we do not have details of the provisional local government finance settlement and allocations for 2025/26 and beyond have not been released, given that they fall into the next Government Spending Review period. Furthermore, as mentioned above we are reviewing the outstanding savings programmes to consider whether any of these are undeliverable in the longer term and could therefore impact on the forecast to 2025/26. A full update will be provided in February but at this stage, given the potential for higher increases in council tax and additional social care grant, it is anticipated that the position will be better than previously reported.
87. However, we are able to update the position for 2023/24 based on the announcements in the Autumn Statement and these are detailed below:
- **Council Tax** - The approved Medium Term Financial Strategy (MTFS) assumes that the Council will increase Council Tax by the maximum permissible, which until recently was 2.99% in each year to 2025/26. This included a 1.99% increase in the core Council tax precept and a 1%

increase for the Adult Social Care (ASC) Precept. The Council is now able to levy an ASC Precept of up to 2% and a core Council tax increase of up to 2.99%. The Council's approved strategy is to increase Council tax in line with the revised thresholds, and the table below sets out the impact of these changes on the Council Tax for a Band D property. If County Council agrees the 4.99% increase this would yield an extra £14.8m in income and the figures in this report assume this level of increase.

	2023/24	2024/25	2025/26
Opening Band D Council Tax	£1,390.86	£1,460.25	£1,533.15
Increase in Band D Council Tax per MTFs (2.99%)	£41.58	£43.65	£45.90
Additional increase in Band D Council Tax to new threshold (4.99%)	£27.81	£29.25	£30.60
Total Band D Council Tax	£1,460.25	£1,533.15	£1,609.65

The total weekly increase for a Band D property in 2023/24 would be £1.33, however it should be highlighted that 52% of all properties in Hampshire are in Bands A to C and will pay a lesser increase. It should also be noted that Hampshire currently has the lowest Band D Council Tax of any County Council.

- **Business Rates** - Local authorities receive indexed linked increases to business rates income in line with RPI as set out in the Local Government Finance Act. The September 2022 RPI was 12.6% and if this was applied to our retained business rates and top up grant from the Government this would yield an extra £16m next year after allowing for the downturn in the economy.

Decisions taken by the government to freeze the business rates multiplier or provide additional mandatory business rates reliefs are fully funded through Section 31 grants and the Government has confirmed this will be the case for the additional reliefs granted next year and the freezing of the uniform business rate announced in the Autumn Statement.

- **Social Care Funding** – Detailed grant allocations and the distribution methodology have yet to be announced but based on previous grant allocations, the County Council could expect to see receive an additional £15- £20m next year, depending on the distribution methodology. Whilst this funding and the extra social care precept are welcomed, they still do not offset all of the growth and inflationary pressures across Adults' Social Care, particularly after taking into account the additional growth identified as part of the budget preparation process.

88. In addition to these announcements the County Council has also been taking account of other changes in central budgets, in particular the impact of higher

interest rates on investment income for this year and next. It is anticipated that we will receive an additional £10m this year (which will go into the BBR) and £10m next year, which will help to balance the budget but will not necessarily be available for the medium term position to 2025/26 depending on economic conditions.

89. Taking all of this into account, together with the growth pressures and inflation highlighted earlier in the report, the forecast deficit for 2023/24 now stands at £51.2m, although this may be impacted by the provisional settlement expected to be released on 21 December.

	<b>2023/24</b> <b>(£m)</b>
<b>February 2022 Council Budget Gap</b>	<b>48.4</b>
<b><i>Additional pressures</i></b>	
Home to School Transport	7.9
Children’s Social Workers	9.7
Younger Adults pressures (including inflation)	16.0
Permanent inflation underwrite	10.0
Energy inflation	4.0
Other inflation and pressures	2.8
<b>New Gross Budget Gap</b>	<b>98.8</b>
<b><i>Financing</i></b>	
Business rates and Top up indexation	(16.0)
Reduction in Services Grant (worst case)	8.2
Additional Social Care Grant (mid-case)	(15.0)
Additional Council tax @ 4.99%	(14.8)
Interest on cash balances	(10.0)
<b>New Net Budget Gap</b>	<b>51.2</b>

90. The table shows that before funding issues are taken into account, the County Council was facing a deficit of nearly £100m next year **after** taking account of £80m of SP23 savings, highlighting the significant inflationary and growth pressures that have arisen even since February of this year.
91. The Budget Bridging Reserve is expected to contain at least £65m by the end of this year, including the contributions outlined in this report, and therefore provides sufficient headroom to balance the budget next year. However, this will leave little funding to contribute to bridging the gap in 2024/25, so the County Council will need to consider options for using other reserves to close the gap, if it is to continue its normal two year cycle for closing budget deficits.
92. As mentioned above, it is not possible at this stage to provide an accurate forecast for the 2025/26 position until the provisional local government settlement is released. Even at that point, we will not have any information about what might happen in 2025/26 as that is the beginning of a new Spending Review period. An update on the forecast will therefore be provided

in February together with the proposed plan on how to address the gap, but in the meantime, we will continue to lobby Government and our MPs on the financial situation that the sector faces and press for fundamental changes in the way in which local government is funded going forward.

## **Section L: Provisional Cash Limits 2023/24**

93. Provisional cash limits are set to enable departments to prepare their detailed budgets for the next financial year. For 2023/24, following the restructure of Departments into 5 Directorates, Finance staff have been working to realign budgets to fit with this new structure. The cash limits in this report reflect those changes, albeit further work will be undertaken to refine these figures prior to the start of the next financial year.
94. These cash limits take account of changes in the base budget, for example as a result of grant changes or transfers between departments, approved growth and inflation for the year. For 2023/24 they also include the reduction of £80m approved as part of the SP2023 Programme.
95. Inflation allowances are given each year for pay and price increases and the provisional cash limits detailed in this report include allowances for price inflation and the impact of the 2022/23 pay award. An allowance for the 2023/24 pay award will be held in corporate contingencies and allocated to Directorate budgets when the agreed pay award is known.
96. The calculation of the provisional cash limits is shown in detail in Appendix 2 and demonstrates all too clearly the pressures we face next year with over £203m of base changes, inflation, pressures and growth added since 2022/23. The figure for Schools will be updated once the provisional settlement is known, but for now, the 2023/24 position has been updated taking into account forecast changes, such as increases in respect of the pupil premium and other grant related changes.
97. Funding previously approved to meet growth in demand-driven services has also been allocated and is reflected in the provisional cash limits, with the exception of inflation on energy budgets, the general inflation underwrite (to be allocated on an exceptions basis), the provision for the 2023/24 pay award, and funding for children's agency staffing, as this pressure can vary across the year.
98. The cash limits include additional funding to cover the full impact of inflation at forecast levels where the Council is contractually committed to increase payments to suppliers in line with general inflation. However, for adults and children's social care budgets and other non-pay spend, a base level of inflation has been included within the cash limit which reflects the limit of affordability within the current MTFs, and a corporate inflation underwrite will be held to meet the cost of any additional increases that may be required. The

base inflation allocation on non-pay expenditure is some £12.8m higher than the inflation allocated for 2022/23. The additional underwrite of £10m is factored into the Council's budget gap, so will only be called upon in exceptional circumstances where there are significant implications for service delivery.

99. Additionally, the 2023/24 cash limits include £5.7m of income inflation which increases departmental targets for income generation through increasing existing fees and charges in line with cost increases where it is possible to do so. A general increase of 3% has been assumed for budgeting purposes, however fees and charges will be reviewed on a case by case basis and in some areas could increase by a higher level to allow the council to continue to provide discretionary services on a cost neutral basis. The Revenue Budget Reports to Executive Members and Select Committees in January will include a full list of the Council's proposed fees and charges for each portfolio area for 2023/24.
100. Chief Officers, with Executive Members will be developing their detailed budgets within these provisional guidelines, subject to their approval, so that the Leader and Cabinet can make the final budget recommendations for 2023/24 at the meeting in February 2023.

### **Section M: Capital Investment**

101. The County Council has continued to maintain its capital programme throughout the period of austerity. Despite the challenging financial environment, actual capital expenditure has averaged around £233m per annum over the last 5 years.
102. There are a number of ways that capital expenditure can be funded. A large proportion of the programme is typically funded from external sources, predominantly capital grants and contributions from other bodies, including developers. These sources accounted for about 79% of capital expenditure in 2021/22. Capital receipts secured through the sale of assets owned by the County Council are also used to fund expenditure, although capital receipts can vary significantly from year to year and each asset can of course only be sold once. Capital receipts accounted for about 5% of the capital programme funding in 2021/22.
103. The remaining expenditure (about 16% in 2021/22) is funded through the County Council's own local resources, comprising prudential borrowing, contributions from the revenue budget, and the use of reserves. Reserves can only be spent once, and prudential borrowing creates a future pressure on the revenue budget through interest and repayment of principal (Minimum Revenue Provision) costs. Similarly, pressures on the revenue budget limit the extent to which planned revenue contributions can be used as a source of funding. Despite these pressures, the revenue funded capital guidelines have remained

broadly unchanged over recent years at around £13m to £16m per annum. These guidelines have not been increased to allow for inflation over this period.

104. The July 2022 report to Cabinet on developing a Medium-Term Financial Strategy noted that the approved capital programme only includes the very highest priority schemes funded from local resources in addition to those attracting external funding. The report explained that the Corporate Management Team had recently reviewed capital investment priorities and identified three key themes and recommended actions. The actions agreed by Cabinet (and County Council where appropriate) are as set out below:

Theme	Agreed action
The significant inflationary pressure on capital allocations and especially on approved projects currently out to tender and in progress	Creation of inflation contingency of £15m to underwrite the cost of inflation on individual schemes where it cannot be met from approved budgets
The need for a realistic assessment of the annual cost of managing the condition of our highway network, associated infrastructure and built estate, including health and safety and regulatory compliance and life cycle replacement costs	Increase in capital guidelines of £6.75m and £6.8m respectively for 2023/24 and 2024/25 to be funded by prudential borrowing, with detailed proposals to be reported through Executive Members and included in the capital programme presented to Cabinet and County Council in February 2023
Some significant stand alone capital investment priorities	Further consideration of these priorities delayed until further work concluded on the overall MTFS

105. Calls against the inflation contingency are outlined in more detail later in this report and the current position of the stand alone investment priorities is largely unchanged given the on-going uncertainty of the MTFS. However, work is progressing to review the options to ensure appropriate suitability and condition of the County Council's in house residential and nursing provision for older adults. Given the increasing pressures of demand, complexity of need and price pressures in the market, a revised business case is being developed covering a range of investment options over a phased timescale and the resulting proposals, if considered affordable within the MTFS will be reported in due course.

### **Cash limit guidelines**

106. The amounts set out above to meet health and safety and regulatory compliance and life cycle replacement costs have been added to the brought

forward capital guidelines for 2023/24 and 2024/25. There are no other proposed changes to the baseline guidelines brought forward from 2022/23. This results in provisional locally resourced capital cash limit guidelines for each directorate as shown below:

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adults' Health and Care	481	481	481
Children's Services	100	100	100
Universal Services	23,238	23,288	16,488
<b>Total</b>	<b>23,819</b>	<b>23,869</b>	<b>17,069</b>
 <u>Funded by</u>			
Direct revenue contributions	13,669	13,669	13,669
Prudential borrowing	10,150	10,200	3,400
<b>Total</b>	<b>23,819</b>	<b>23,869</b>	<b>17,069</b>

107. The prudential borrowing figures included above include the annual allocation of £3.4m for vehicles to be purchased by Hampshire Transport Management where costs are recovered through charges to the revenue budget plus the additional allocations for health and safety and regulatory compliance and life cycle replacement costs set out above.
108. It should be noted that elements within the capital guidelines may need to be moved between directorates depending upon the finalisation of the organisational restructure, however the bottom-line total allocation will not change. For the purposes of preparing and approving a capital programme, any capital allocations relating to directorates without separate capital programme reports will be included within Universal Services, however the approval to spend in line with the County Council's financial regulation thresholds will be taken through the relevant Executive Members. This will predominantly affect the advantageous land programme (Hampshire 2050) and potentially any major IT capital investment (Corporate Operations).
109. Cabinet is requested to approve these provisional guidelines to allow directorates to prepare their detailed capital programmes for approval as part of the budget setting process in January and February.

### **Inflation contingency**

110. During periods of low inflation, the impact of inflation can be absorbed within project scope and design. However, with more significant inflationary pressure being faced within the construction sector as a result of economic conditions and supply chain constraints, this is less likely to be the case. An inflation contingency of £15m to underwrite the cost of inflation on individual schemes where it cannot be met from approved budgets was therefore agreed by Cabinet and County Council. Calls on this contingency will be considered on a scheme-by-scheme basis.



111. To date, capital project managers have been successful in managing inflationary pressures through a combination of actions including seeking additional external funding, re-prioritising and/or delaying projects, reducing scope and/or changing the specification of projects. However, this has proved to be extremely difficult in cases where a formal funding agreement has been signed for a scheme but where contracts had not been let, or contain provision for additional cost recovery by the contractors, and the funding bodies are unwilling to agree to additional costs or reduced works. Currently, there has been one call against the inflation underwrite funding approved by the Director of Corporate Operations in consultation with the Chief Executive and the Leader of the Council.
112. The A326 (South) project is part of the ETE capital programme and provides improvements to the operation of a number of junctions along the main A326 corridor, supporting the new development at Fawley Waterside by early delivery of junction improvements and additional capacity, as well as additional benefits for walking and cycling. Delaying the scheme has been considered but would impact full benefit realisation given the scheme is running alongside the wider development taking place in the area. Delaying the scheme could also result in lost funding and/or further cost increases. Just over half of the approximately £2m inflationary pressure has been mitigated through other means, however it has been agreed there is no viable alternative to using £0.95m of the inflation contingency to support this scheme.
113. For some schemes negotiations continue to take place with contractors to look at options for re-engineering the designs in order to remain within existing approved estimates, but this is not always possible, funding bodies may not agree to reduced works with more limited outcomes, or may not be able to consider additional funding for particular projects within their wider programmes, and there could be future impacts (e.g. maintenance liabilities or loss of 'in-combination' benefits on other schemes) as a consequence of changing schemes without full re-appraisals which are not yet known.
114. In addition, there are a number of schemes in the Programme that are part funded by Government grant, Homes England or LEP funding and as part of the funding agreements that the County Council as scheme sponsor is required to sign, we have to agree to meet any cost overruns on the project. All of these agreements were signed during a stable period of inflation, but the current economic volatility increases the risk that we will have cost overruns on these schemes as was the case with the A326 outlined above.
115. Therefore, whilst there has been limited draw down on the contingency funding to date, officers have undertaken a review of approved capital schemes and have identified a number of projects which are subject to funding agreements, and where costs are known to have increased as a result of inflation. Therefore, while more work is needed to clarify the detailed costs, and to identify those which are a result of inflation rather than other factors, we believe that across the Environment and Transport and the Property Capital Programmes, we could face further cost over runs of up to £10m over the next few years. It is therefore recommended that until further unavoidable

inflationary pressures are identified, that the remaining funding is transferred to a new Capital Inflation Risk Reserve, which can also provide mitigation against any future schemes that the County Council may wish to bid for and which would be subject to formal scheme funding agreements and therefore carry liabilities for cost overruns, as this still represents good value for money if external funding can be secured to meet infrastructure challenges and support economic growth and environmental benefit realisation across the county.

### **Revisions to the 2022/23 programme**

116. The figures in paragraph 106 above represent the 'locally resourced' allocations to the Capital Programme, which supplement other capital resources that fund the overall programme, such as developers' contributions, capital receipts and Government grant as well as prudential borrowing for specific schemes.
117. A revised capital programme for the current financial year will be presented to Cabinet in February alongside the forward capital programme. However there is one scheme to be considered by the Executive Member for Policy and Resources and Economic Development on 8 December 2022 for which a change to the approved programme is requested as part of this report. Further detail is set out below.
118. The County Council has undertaken a period of public engagement and staff consultation on proposals to safeguard the future of Titchfield Haven National Nature Reserve. The proposals identify the potential disposal of two assets, covering Haven Cottage, which has already been declared as surplus to service requirements and listed on the market, and Haven House, currently the main visitor centre for the nature reserve. It is proposed that capital receipts from these disposals will be retained for re-investment in the nature reserve to enhance how visitors access the special habitats and wildlife and ensure the County Council meets its statutory obligations in managing this internationally important site.
119. Phase 1 of the implementation programme will include the improvement of the current yard, a new staff and volunteer welfare building and accessible toilet facilities for customers alongside urgent works to a bridge and the most dilapidated hides that are currently closed to the public. Haven House is currently the work base for the Titchfield Haven team, therefore new quarters will need to be available when the building is sold. Given this dependency, subject to the relevant Executive Member decisions, Cabinet is requested to approve adding Phase 1 of the scheme to the capital programme for 2022/23 at a value of £0.775m to be funded by capital receipts. Any revenue costs associated with the change proposals cannot be funded from the capital receipt and will be funded from within existing directorate revenue resources.

## **Section N – Consultation, Equalities and Climate Change Impact**

120. 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.
121. This report deals with the provisional revenue and capital budget guidelines for services to enable detailed budget preparation to progress for 2023/24. This is the interim year of the two year financial planning cycle when no new savings proposals are being considered. Therefore, no consultation or Equality Impact Assessments are required.
122. 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.
123. This report deals with the provisional revenue and capital budget guidelines for services to enable detailed budget preparation to progress for 2023/24. Climate change impact assessments for individual services and projects will be undertaken as part of the approval to spend process. There are no further climate change impacts as part of this report which is concerned with setting the process and framework for budget preparation.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
Medium Term Financial Strategy Update and Savings Programme to 2023 Savings Proposals <a href="https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=163&amp;MId=7737">https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=163&amp;MId=7737</a>	Cabinet – 12 October 2021 County Council – 4 November 2021
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>
<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<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	

## **EQUALITIES IMPACT ASSESSMENT:**

### **124. 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.

### **125. Equalities Impact Assessment:**

Equality objectives are not considered to be adversely impacted by the proposals in this report but the County Council's budget and the services that it provides are delivered in a way that ensures that any impact on equalities issues are fully taken into account.

## **Children's Social Worker Capacity**

### **Introduction and Context**

- 1 It is well evidenced that manageable social worker caseloads afford better opportunities for undertaking more effective assessments and the delivery of more meaningful interventions. Social worker caseloads, particularly in front line teams within Hampshire Children's Services, are higher than those of many other local authorities. Ofsted is clear in its view that higher caseloads can compromise the quality of activity undertaken with children, young people and their families and lead to poor outcomes and increased re-referrals. Ofsted also provides a steer that caseloads should average no more than 20 children.
- 2 The recent Independent Review of Children's Social Care has restated this position and is clear that social workers need to spend more time with the children and families they support. Currently, our average caseload is 23, this is with the additional workers and teams funded through the Covid investment. It is also important to note that the caseloads of some individuals are considerably higher, due to the mix of experience in teams. For example, some experienced social workers will have much higher individual caseloads as Graduate Trainees (GT) in the team cannot hold Child Protection and require protected caseloads. Should the additional staff from Covid investment not be in place the average caseload would increase to 28.4 in the Child Assessment and Safeguarding Teams (CAST) and 28 in the Children in Care Teams (CIC).
- 3 Due to the anticipated increase in demand because of the pandemic there was an investment of c£10m Covid funding for additional social workers during this period which ends March 2023. As with many societal crises, including high-profile child deaths, an increase in demand is evidenced and a reduction thereafter not forthcoming. The demand at the front door of our service and then progressing into the CAST teams is unprecedented and not waning. Whilst we will evidence an increase in demand over the past, since 31 March 2020 contacts have increased 18% and total referrals to the Multi Agency Safeguarding Hub (MASH) by over 30%.
- 4 Should the Covid funding cease at the end of March 2023 the service would not be able to continue to function safely, caseloads would increase by at least 11%, and our ability to maintain a safe and responsive service for our children and families would be compromised.
- 5 This paper acknowledges that prior to the Covid investment in 2020 there was a previous investment in Social Workers, and this did for a period have a positive impact on caseloads. The transformation in children's social care has also had a significant positive impact on numbers of children in care and child protection numbers, and despite the significant rise in demand these levels have largely been maintained, due to the embedment of new ways of working with children on a longer-term basis. However, despite the previous additional investment of £6.5m in 2017, we are back in the same high position

in terms of caseloads, due to the increase in demand. As the table below shows, contacts have increased by over 50% since that investment and referrals, which require a social work assessment of some sort, by 69% over the same time period.

Contact and Referrals	2017-18	2018-19	2019-20	2020-21	2021-22
Number of initial contacts	106,010	117,188	125,413	126,153	153,033
Number of referrals	35,953	40,014	44,434	48,826	60,761

- 6 This paper also acknowledges the national recruitment and retention challenge of qualified children’s social workers. Our Graduate Trainee (GT) programme has seen significant previous success, but this is predicated upon having the right balance of staff and experience who are able to manage the increase in demand and hold cases appropriate to their level of experience. This paper recognises the need to consider alternative methods of training and recruitment through the apprenticeship scheme. Additional management capacity is required to support apprenticeships safely and appropriately in the workforce with the aim that those individuals, as with the GT scheme, will become our future workforce.
- 7 In addition, the paper recognises the ongoing need to try to keep children safely at home through friends and family care. We have developed a new Family Connections Service which was launched in September 2021, although it remains understaffed. The Independent Review of Children’s Social Care strongly endorses that friends and family care (also known as Kinship Care), offers the opportunity to focus more flexibly in this area. Therefore, we have evidenced how the team is currently spending money on independent social workers and agency workers to meet the demand in this service, which is less cost effective than base budget establishment. This indicates that an increase in the establishment is required to achieve our ongoing aim to keep more children safely at home, while significantly lowering cost.
- 8 This paper recommends that the additional social worker capacity that was created due to the pandemic is a continued permanent requirement. It will acknowledge that the Independent Review of Children’s Social Care does give us future opportunities to consider more cost-effective operating models, with staff who are not qualified social workers to be a greater part of the workforce, and we will maximise these opportunities when they arise.

## **Social Worker Investment**

### **Context**

- 9 Children's social workers, particularly those on the front line, deal with some of the most disadvantaged, at risk and vulnerable children and families in our society. Social workers intervene with families to help them create the change needed to reduce risks to children and ensure that they receive the support and intervention they require, thus building resilience within individuals and families, thereby not requiring high-cost specialist social work services. As such, there is a need to ensure that caseloads are manageable so that social workers have the time to deliver quality interventions.
- 10 We have seen a significant further rise in demand across social work services. Since 31 March 2020 contacts have increased 18% and total referrals to MASH by in excess of 30%. This is increasing the caseloads of our social workers and they are now at the point where they are higher than Ofsted would consider manageable.
- 11 Ofsted describe what they consider to be manageable caseloads as between 15 and 20 and consider there is a direct correlation between the average caseload of a social worker and the quality of social work practice offered. The current average caseload for social workers is 23, this average includes staff who are only able to take a much reduced caseload such as newly qualified social workers and those on our GT programme.

### **Rationale**

- 12 The rationale for an investment in social workers is based on the following imperatives.
- 13 **The practice imperative** – Ofsted has argued that higher caseloads can directly impact on the ability of social workers to form meaningful relationships with children and families and can negatively impact upon achieving good outcomes for them. In the main, lower, and more manageable caseloads will support staff to develop better relationships with the children and families with whom they work. They will have more time to complete robust, timely assessments and deliver an enhanced quality of social work support and intervention. Social workers will be able to plan better, rather than dealing with a disproportionate number of crises/reactive situations, some of which might have been avoided if they had more time to do their job well.
- 14 **The financial imperative** – The cost of agency social workers is a significant burden on the Council. Social work agency expenditure has increased from £4.4million (£5.0 million for all of the Children & Families branch) in 2017/18 to £14.3million including additional Covid related agency forecast for 2022/23 (£17.7million for all of the Children & Families branch), although these costs



are partially offset against social worker vacancy underspends. High cost in this context does not always equate to high quality as the quality of agency social workers can be variable.

- 15 In March 2018 Hampshire had 1,484 looked after children and young people with a further 109 UASC. This has risen to 1,605 by June 2022, plus 132 Unaccompanied Asylum Seeking Children (UASC). The costs of looked after child placements are met by Hampshire Children's Services. On average, these placement costs have increased from £42,700 in 2017/18 to a forecast £55,800 for 2022/23. The 2017/18 spend for looked after children was £63million compared with £116million forecast for 2022/23 including additional Covid pressures. Other associated costs such as adoption allowances and care leavers cost an additional £11million in 2017/18 and are forecast at £21million for 2022/23.
- 16 Whilst it is the case that Hampshire Children's Services will always support any child or young person who needs to be looked after, it is essential both for their wellbeing and for our budget, that we only bring into care those who really need such an intervention and that they stay as looked after children only for as long as is absolutely necessary. When caseloads are higher than manageable, social workers often do not have the time to explore alternative options for children and young people. Thus, some children and young people who do not need such an intervention can become looked after by Children's Services.
- 17 Furthermore, when caseloads are higher than manageable, social workers sometimes do not have the time to regularly review whether a looked after child should be reunified with their parents/wider family or community. It is important that costs associated with looked after children are appropriately driven downwards, based on sound assessment and rigorous planning and intervention. A large proportion (59%) of Children's Services £36million T19 and T21 savings (circa £21million), have been delivered or are on track to be delivered by reducing the rise of children in care. It is essential that social workers have the capacity to effect long lasting and meaningful change in order to keep children at home or to assist them in exiting the care system more quickly. This continues to require social work time and capacity.
- 18 **The staffing imperative** – In January 2020, Social Work England commissioned YouGov to conduct a quantitative and qualitative research study on perceptions of social work in England. The survey found:
- Two-fifths (39%) of social workers expect to leave the profession within the next 5 years, with children and family social workers the most likely to plan to leave.

- The most common reason for people to leave social work is the high workload (39%), followed by poor health (32%) and poor work life balance (29%).
- Some social workers leave the profession to go to in alternative third sector roles or go freelance in social / health care.
- Within the survey social workers also commented on stress levels

*“Workload expectations are a problem... That means doing less deep work and doing more superficial work – temporary solutions that work on that day rather than time sensitive intervention.” (Experienced social worker)”*

*“Hard to get work life balance. There is a pressure to do a number of visits, it is not focused on quality... You cannot get work done in set hours and it is hard to use toil.” (Newly qualified social worker)”*

These views are also reflected in comments expressed in exit interviews undertaken in HCC between April 2021 and January 2022:

*“Time pressures, workload expectations – to keep up with demands you have to sacrifice your own wellbeing by working overtime, this causes immense amount of stress no matter how supportive your team are. I feel like something has to change as I am not the only one who feels like this.” (HCC social worker)*

*“Managing anxiety and stress levels.” (HCC Social Worker)*

*“Feeling undervalued and overworked.” (HCC Social Worker)*

*“The amount of work that has to be covered by a TM. My diary is full of supervisions and meetings. This does not take into account any emails, HR, IBC, staff issues, case discussions etc. Even with the support of the peripatetic TM, I cannot be the manager I would love to be.” (HCC Team Manager)*

- 19 As caseloads are such a key factor known to affect work/life balance, if Hampshire Children’s Services is to recruit and then retain a good cohort of permanent social work employees, we need to ensure that caseloads are manageable.



**The reputational imperative** - Hampshire Children's Services was previously judged good for many years, culminating in an outstanding Ofsted rating in 2019, and has an excellent national reputation as a result. Hampshire was one of the original seven authorities chosen by the DfE to be a 'Partner in Practice' (PiP) in 2016, with the aim of piloting new and transformative ways of working in order to improve children's social work across the country. Following this, Hampshire is now a Sector Led Improvement Partner (SLIP) with the DfE, and as such is responsible for supporting children's social care improvement regionally, nationally, and internationally. If caseloads are not addressed at this stage, Hampshire's Ofsted rating could well be adversely impacted and our status as a national leader in improvement support would be compromised.

### **Investment**

- 20 The proposals to increase Children and Families staff, and achieve an average caseload of 20, are estimated at £244,000 part year costs in 2022/23 for Family Connections and Apprenticeships, with all teams in scope estimated to cost £9.699million in 2023/24. Three-year growth forecasts increase to an estimated £13.574million in 2025/2026. The costing of in scope teams includes pay costs (salaries, on costs, assumed £1,925 annual 2022/23 pay increase, allowances and the 2021/2022 uplifted market supplements, where appropriate), staff travel and IT. Administrative support for social workers is included.
- 21 The costing assumes £900 for IT per additional FTE. This is a standard costing for a hybrid laptop and a mobile device (one off and on-going charges) and any additional software charges.

**PROVISIONAL CASH LIMITS – 2023/24**

<b>Directorate</b>	<b>2022/23 Cash Limit £'000</b>	<b>Base Changes £'000</b>	<b>Inflation, Growth &amp; Pressures £'000</b>	<b>SP2023 Savings £'000</b>	<b>2023/24 Cash Limit £'000</b>
Adults' Health and Care	445,112	19,320	83,669	(40,556)	507,545
Children's – Schools	1,007,261	(5,431)	0	0	1,001,830
Children's – Non Schools	256,488	30,591	47,637	(21,473)	313,243
Corporate Operations	41,217	(1,709)	2,647	(3,585)	38,570
People & Organisation	12,893	3,642	902	(1,003)	16,434
Universal Services	144,658	3,222	16,823	(12,941)	151,762
Hampshire 2050	9,531	(489)	2,341	(442)	10,941
<b>Total</b>	<b>1,917,160</b>	<b>49,146</b>	<b>154,019</b>	<b>(80,000)</b>	<b>2,040,325</b>

**Notes:**Base Changes

- 2022/23 Social Care Grant contribution to Adult's and Children's SP2023 savings targets (£14m)
- Extension of the Household Support Fund Grant announced in the Autumn Statement (£14.2m)
- Additional grant funding for Unaccompanied Asylum Seeking Young Children (£9.0m)
- 2021/22 local government pay award (£6.3m)

Inflation, Growth & Pressures

- 2023/24 non-pay inflation (£34.3m)
- Children's Services pressures, including growth and inflation funding for Home to School Transport (£4.5m), growth in Children Looked After (£20m) and Children's Social Workers (£9.7m)
- Adult Social Care growth funding at current MTFs level (£58.5m)
- 2022/23 local government pay award (£20.6m)

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## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	13 December 2022
<b>Title:</b>	Driving Towards Economic Strength
<b>Report From:</b>	Chief Executive

**Contact name:** Carolyn Williamson, Chief Executive

**Tel:** 01962 845252

**Email:** [carolyn.williamson@hants.gov.uk](mailto:carolyn.williamson@hants.gov.uk)

#### **Purpose of this Report**

1. As can be seen in the report the economic cycle is now predicted to enter a very challenging downturn, with the Bank of England now forecasting a much longer recession which they suggest may have already started and could last until mid-2024. This would make it the longest recession since records began. The focus for this and future reports is working towards economic strength for Hampshire.
2. The Cabinet Agenda also includes two further significant economic development related items, the final sign off for the Hampshire Economic Strategy and a report recommending approval of a five-year Strategic Asset Management Plan for the County Council which is intended to further support economic growth in Hampshire.

#### **Recommendations**

It is recommended that Cabinet:

3. Note the potential impacts of the forecast prolonged Economic Recession and confirm that supporting the Hampshire Economy remains a top priority for the County Council, including continuing to invest in infrastructure and support businesses, during an extremely challenging time in which unemployment is expected to rise, business failures increase and living standards are expected to fall nationally.
4. Note the analysis of the economic impact and issues highlighted which emphasises that the County Council continues to use its scale and influence to drive towards long term economic strength in Hampshire, including bringing forward a new Economic Strategy, promoting devolution through the continued promotion to Government of a Pan-Hampshire County Deal, the consolidation

of regeneration and growth partnerships, and integration of the LEP's going forward alongside a new Strategic Asset Management Plan and a major capital investment programme to support business and the economy .

5. Continues to endorse the County Council's continued ambition and commitment to engage with Government 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.

### **Executive Summary**

6. The most recent data from official sources and business and consumer surveys suggest that the economy has already entered a recession. This is expected to be the longest recession since records began but relatively shallow recession according to the Bank of England. Hampshire's above average household incomes, a tight labour market and its exports should cushion the impact of the recession to some degree, but the impact is going to be uneven across Hampshire with some areas more resilient to the impact of the downturn than other.
7. To increase its competitiveness and ensure sustainable rates of economic growth that would lead to increases in wages, living standards and economic prosperity over the medium-to-long term Hampshire will need to address some major challenges associated with shrinking labour supply, dwindling investment and sluggish and uneven productivity growth.
8. This report provides an analysis of the economic impact and outlines those issues that the County Council continues to use its scale and influence to contribute to economic recovery going forward.
9. The Leadership restructure being implemented from January 2023 will ensure a new focus on our Hampshire 2050 vision. Working towards that vision the Pan-Hampshire County Deal is now with Government and the County Council stands ready to negotiate a Deal. The next item on the agenda sees a new Economic Strategy being launched with the following item introducing a new Strategic Asset Management Plan. Moving forward will see progression with the Regeneration and Growth Partnerships initiative which was approved by Cabinet in February 2022 and will streamline, and better co-ordinate initiatives aimed at supporting local economic growth and physical regeneration of town centres and other economically important areas and the integration work continue regarding the LEP's.
10. The report outlines the position on economic recovery and action taken alongside the continued development of the opportunities that arise from the devolution of powers, resources and funding through a County Deal, and the potentially significant contribution a Deal could make to both economic recovery, but also the longer-term economic ambition for our area. A County Deal prospectus has now been formally shared with Government following



Cabinet in October and the County Council now stands ready to negotiate a Deal with Government. As with all negotiations, any final proposal will be considered in line with the County Council's governance requirements.

### **The current economic challenge and our response**

11. Hampshire's economy contracted by 9.3% in 2020 faster than both the regional and national average according to a preliminary official estimate. The recent downward revisions to the UK estimate by the Office for National Statistics (ONS) suggests that the worst recession in living memory was even deeper than previously thought and that the economy is still smaller than its pre-pandemic size.
12. The recovery was strong in 2021, and the economy did better in the second calendar quarter of 2022 than previously thought. However, the tailwinds from the reopening of the economy have now faded, having been overtaken by the headwinds of rising geopolitical tensions, sky rocketing energy prices and inflation, supply delays, labour shortages and an increasingly gloomy outlook for the economy.
13. In its most recent Monetary Policy Report (November 2022) the Bank of England expects the UK economy to be in a technical recession (two consecutive quarters of negative growth) by the end of this calendar year. GDP is expected to contract by around 0.75% in the second half of 2022 followed by further falls throughout 2023 and in the first half of 2024. The Bank's central projection for calendar year growth points to a 1.5% contraction in 2023 followed by a 0.25% contraction in 2024. The Bank has projected the longest recession since records began but the recession is expected to be shallow. The recovery that is expected to take place from the second half of 2024 is expected to be sluggish.
14. The impact of the last two recessions on Hampshire was mixed if compared to the national average. Hampshire was more resilient during the 2008/9 recession but the impact of the pandemic in 2020 was greater than the UK average. Since households are expected to rein-in on discretionary expenditure Hampshire's accommodation & food and arts & entertainment, the sectors that have not fully recovered from the pandemic, are likely to be affected the most. The same is true of local authorities that are heavily dependent on discretionary consumer-facing service activities.
15. The Bank's expectation of a UK wide recession in the second half of 2022 is corroborated by the most recent evidence from official data and business surveys. For example, the official growth estimates from ONS suggest that the economy contracted by 0.3% in the three months to August. Local estimates from ONS are not available but our preliminary estimates suggest that Hampshire's (Hampshire & Isle of Wight) economy contracted by about -0.3%, comparable to the UK average.
16. Timelier data from surveys of purchasing managers (PMI) suggests that business activity in the region was broadly flat in September but since the PMI survey excludes retail, a sector which continues to weigh on economic growth

it is likely that business activity contracted in September. The volume of new orders, a leading indicator of growth in the region fell in September and the overall level of business activity in the UK in October fell to the lowest level since the financial crisis of 2008/9, if lockdowns are excluded.

17. Consumer surveys and retail sales are equally downbeat. For example, consumer confidence in September fell to the lowest level since records began in 1974 as consumers struggle with a cost-of-living crisis driven by rapidly rising food prices, utility bills and mortgage payments. The weakness in consumer sentiments is reflected in another sharp fall in retail sales in September. Retail sales volumes in the third quarter fell by 1.2% and 5.1% since January.
18. October saw a 27% rise in utility bills due to the increase in the Ofgem price cap. The Ofgem energy cap was due to increase further but superseded by the Energy Price Guarantee (EPG) introduced by the former Prime Minister Liz Truss. The new Government will honour that commitment but the guarantee of no further rises in utility bills for households has been shortened from October 2024 to April 2023. The new Chancellor Jeremy Hunt has announced a Treasury-led review into how the Government supports energy bills beyond April next year.
19. Some 841,000 Hampshire households (588,000 of which are in the County Area) stand to benefit from the freeze of domestic gas and electricity prices. This policy is expected to save the average household at least £1,000 a year based on current energy prices from October but households across Hampshire will still face energy bills that are about double what they were last winter. Nevertheless, they will be little more than half of what they would have been without the guarantee.
20. As stated in 'A Green Economic Recovery for Hampshire', a key element of Hampshire's strategy is the retrofit of privately owned housing. This would improve energy efficiency of our housing stock and lower household bills, but this requires significant resources and time to implement. In the near term it was necessary for government to intervene.
21. Household disposable incomes across Hampshire stood at just 4.5% above the UK average in 2020 but with significant variation within Hampshire. For example, Central and North Hampshire have per head household incomes of around a fifth above the national average, but Portsmouth and Southampton are around a fifth below the national average, the lowest gross household incomes of all 64 local authority districts/UAs in the South East. Gosport and the Isle of Wight are ranked the 4th and the 6th lowest in the region in terms of household incomes.
22. The hit to household incomes from energy prices will remain significant even after the introduction of the Energy Price Guarantee. The Bank of England expects household incomes to fall by about 0.25% this year and -1.5% in 2023. A fall of this magnitude over two years for a typical Hampshire household would imply a reduction of around £600 in real (inflation adjusted) terms.

23. Relatively high household savings rate (7.6% of GDP in the second quarter) imply that household spending should not fall as far as household incomes. In particular, higher-income households are likely to be less affected by the energy price shock and to have the highest savings. The Bank of England survey (Bank/NMG survey) suggests that these households were more likely to be maintaining, or even increasing, spending volumes.
24. Rising interest rates represent another headwind to consumer spending and growth in Hampshire but the latest signals from the Bank of England suggest that the rates are expected to peak at around 4% instead of 5% and that they could start falling later next year.
25. Household debt relative to income is much lower than during the 2008/9 global financial crisis which implies that over the short-term households might be in a better position to withstand higher rates than in the past but house prices in Hampshire will come under strain this year and in 2023 which will in turn weigh on consumer sentiment and household spending.
26. As at the time of writing there was no evidence of a slowdown in house price inflation in Hampshire. For example, the monthly growth in August was faster than the national average but there was evidence of a slowdown in transactions in Hampshire, down 6.5% in June and faster than the South East average.
27. Timely national data from Nationwide and Halifax suggests that house prices fell in October and that a house price correction may be underway. The consensus of independent forecasts is for a relatively modest correction in house prices in the UK in 2023. For example, HSBC expects average UK house prices to fall by 7.5% outside London, Lloyds Banking Group expects a fall of around 7.9% but its worst-case scenario assumes a fall of almost 18%. Capital Economics expects house prices to fall between 10% and 15%.
28. Mortgages rates have already increased to between 5% and 6% by the end of October and this will dampen demand for residential property in Hampshire which will in turn affect residential investment. Residential investment is sensitive to interest rate rises and as such more cyclical and prone to greater falls than consumer spending.
29. Residential investment in the UK fell by 20% in the second quarter of 2022 according to CBRE, a global real estate advisor with Capital Economics expecting residential investment to decline by about 30%. The fall in residential investment would further constrain the supply of housing in Hampshire and affect housing affordability over the medium-to-long term. According to HM Land Registry the average price of a property in the Hampshire County Council area was close to a third above the England average.
30. Total demand for commercial floorspace (commercial take-up) in Hampshire & Isle of Wight rebounded in the second quarter of this year with take-up increasing by about 65% over the quarter to 978,452 sq. ft. There was growth in the three main markets with strong demand for industry space in the second quarter.

31. Anecdotal intelligence from Hampshire points to the low supply of new office stock and strong demand for sub 5,000 sq. ft offices. Recent trends in industrial and logistics also point to strong demand fuelled by ecommerce. Recent significant occupier transactions in Hampshire include Tech Data (51,764 sq. ft) in Basingstoke, Lloyds Register EMEA (20,000 sq. ft) and Greentech Plastics (46,556 sq. ft) in Eastleigh, and ParcelJet Technology Limited (71,797 sq. ft) in Gosport.
32. The cost-of-living crisis and the sharp slowdown in business activity will affect demand for all commercial property sectors in Hampshire, but consumer-facing sectors such as hotels & leisure are particularly exposed. Structural change is likely to weigh on the office markets over the short-to-medium term.
33. Business intelligence from Hampshire's Economic Development team suggests that Hampshire continues to receive a steady flow of inward investment enquiries from DIT, but business investment is just as cyclical as residential investment and as such this is unlikely to last. Business investment is expected to fall sharply over the next 12 months as higher costs and interest rates reduce corporate profits, but the fall is likely to be smaller than residential investment.
34. Falling demand and spiralling business costs could lead to a sharp increase in business failures among micro businesses (businesses with between 0 and 9 employees). The most exposed businesses are likely to be businesses that depend on discretionary spending - independent pubs, chains that charge low prices, independent coffee shops and small retail outlets. In 2021 Hampshire had 10,655 micro enterprises (6,330 of which were in the County area), in retail and food & beverages sector which represents about 1 in 8 of all enterprises in Hampshire.
35. The effect of soaring cost pressures and in particular energy bills could mean many Hampshire businesses become uneconomical to operate and this would be felt across Hampshire and especially in rural villages and small towns. Anecdotal evidence suggests that trading conditions remain difficult for tourism and hospitality operators in Hampshire with reports of reduced opening hours and increased risk of permanent closures.
36. Visitor attractions, particularly in rural locations, may decide to completely close over the winter if they are unable to remain profitable given this is their quietest period. There are estimated to be around 41,700 'direct' hospitality and tourism jobs in Hampshire, potentially rising to 96,900 jobs when industries associated with tourism are taken as a whole.
37. Faced with the prospect of a large number of businesses failing due to the sharp increases in utility bills the Truss government introduced an 'Energy Bill Relief Scheme' for businesses on 8 September. This policy has been retained by the new Chancellor Jeremy Hunt. Some 81,900 Hampshire businesses (62,000 of which are in the County area) will benefit from the energy freeze for at least six months.

38. The cost of the 'Energy Price Guarantee' this financial year is expected to be about £31bn with £29bn set aside to cover the cost of the 'Energy Bill Relief Scheme'. The government spent almost £100 billion in total on the Coronavirus Job Retention Scheme for furloughed employees and associated support for the self-employed (SEISS) over 18 months during the pandemic.
39. To accelerate domestic energy supply, the previous administration was going to launch a new oil and gas licensing round and lift the moratorium on fracking for shale gas. The ban on fracking in England has been reinstated by the new government.
40. On 3 September 2022 Rural England Prosperity Fund (REPF) was launched. Rural businesses such as farms, wedding venues and pubs will benefit from up to £110 million of funding available through the fund. The funding is aimed at projects that will boost productivity and create rural job opportunities. The fund is integrated into the UK Shared Prosperity Fund (UKSPF), and it succeeded EU funding from the LEADER and Growth Programme that were part of the Rural Development Programme for England.
41. The fund allocations are for the financial years 2023-2024 and 2024-2025 with indicative allocations for eligible local authorities suggesting that Hampshire & Isle of Wight could receive just about £3.26 million, of which £2.7 million would be allocated to the five eligible Hampshire County area districts (Basingstoke and Deane, East Hampshire, New Forest, Test Valley and Winchester).
42. The new Chancellor has reversed scrapping the proposed cut in corporation tax from April next year (from 25% to 19%) and the cancellation of the scheduled cut to the Annual Investment Allowance (the amount of spending on plant and machinery that businesses can deduct from their taxable profits) that were introduced by the previous administration.
43. The Truss government's plan was to set up new Investment Zones across the country which would benefit from special treatment for tax, regulation and local governance. Working in partnership with Hampshire's local authorities and Local Enterprise Partnerships (LEPs) on 14 October 2022 the County Council submitted the EOI for two investment zones in Hampshire - Whitehill & Bordon Investment Zone and Daedalus & Welborne Investment Zone. The plans for the investment zones appear to be on hold following the change of government with press reports that the new administration is considering scrapping the investment zones plan as well as the proposed Infrastructure and Planning Bill.
44. The previous Truss government was committed to accelerate some infrastructure projects in Hampshire such as the M27 junction 8, A2047 Portsmouth Safer Road Scheme and A3025 Southampton Safer Road Scheme. With Jeremy Hunt's budget now delayed to 17 November, there is now even greater uncertainty as to whether there will be appropriate funding to carry out the acceleration of infrastructure projects in Hampshire.
45. Higher energy, material, transportation, and wage costs for businesses imply that Hampshire businesses have been forced to pass on rising costs to

consumers. The Consumer Prices Index (CPI) rose by 10.1% in the 12 months to September 2022 but the introduction of the EPG for consumers and businesses alongside growing signs of easing in business costs and global inflationary pressures imply that inflation is now expected to peak at between 11% and 12% later this year according to the Bank of England.

46. The tightness of the labour market in Hampshire means that wages will remain a source of inflationary pressure. Preliminary HMRC data showed that median PAYE pay in Hampshire continues to increase as it reached 6.8% in September. The ending of the EPG scheme in April 2023 and the 'second-round effects' from businesses passing their energy costs onto consumers will feed into higher price and wage expectations this year and in 2023. This is expected to keep inflation at around 9.5% in the second quarter of next year after which inflation is expected to come down sharply, to 5.2% by the end of the calendar year and just 1.2% by the middle of 2024.
47. Hampshire is the most export intensive county in England according to Oxford Economics, a consultancy and Hampshire's net trade should benefit from the weakening in domestic demand (imports) and recovery in external demand from some of its largest trading partners such the United States. Thus, net trade should to some degree limit the extent of the downturn in Hampshire.
48. The main downside risks to exports are found in the possible collapse of external demand from Hampshire's main European trading partners (Germany and France) or deterioration in post-Brexit trading arrangements, like scraping the Northern Ireland Protocol, a key part of the post-Brexit withdrawal agreement between the UK and the EU, a move likely to prompt retaliation from the EU.
49. The collapse in demand from the EU would have a greater impact on exports demand from Central Hampshire and the Isle of Wight than for example on North Hampshire and South Hampshire. The least exposed area to EU trade is Southampton but total exports from Southampton are modest, several times smaller than in Portsmouth and below the Isle of Wight. As such the external (trade) sector is likely to provide limited support to Southampton's economy.
50. In 2022 we have seen a sharp currency depreciation against the US dollar which could restore the competitiveness of Hampshire's exports. This could boost sales and improve net trade with services benefiting more than goods exporters. The global supply chain in production can be so lengthy that Hampshire might contribute only a portion of the total goods value at a lower exchange rate. The downside of depreciation is the increase in the cost of imported goods that would further fuel inflation.
51. Anecdotal intelligence suggests that weak sterling against the dollar is leading to an increase in visits to the UK from the United States, but whilst this is Hampshire's most important overseas market by value annually (£50m) it is still dwarfed by domestic overnight tourism (£500m).
52. Hampshire has one of the tightest labour markets in the country characterised by high economic activity and employment rates and low unemployment rates

but there are significant disparities within Hampshire. The latest official and survey data points to a slowdown in labour demand and employment growth but Hampshire's labour market continues to defy expectations of a sharp slowdown.

53. For example, growth in PAYE employment has eased on an annual basis and only slightly on a monthly basis. The monthly payroll still increased by 1,800 employees in September (0.2%) to a new record high of 900,400. The latest data suggests that the number of online job postings in Hampshire not adjusted for seasonal factors remained broadly unchanged in September, following a large (revised downwards) fall in August. In the South East the number of online job postings fell by -2.4% and nationally the number of job vacancies registered the fourth consecutive fall in September.
54. Unemployment on the broader headline (survey-based) measure in Hampshire stands at 3.9%, comparable to the England average. In the County area unemployment stands at just 3.3% and comparable to the South East average. Unemployment decreased on the broad measure in the year to June 2022 and on the narrower, administrative measure unemployment and youth unemployment remained unchanged at 2.8% and 3.2% respectively in September and below the regional average.
55. In a typical recession unemployment rate starts to increase before the economy enters recession. For example, during the financial crisis of 2008/9 unemployment in Hampshire increased from 4.1% in 2007 peaking at 6.5% in 2010. There is no evidence in the latest data that would suggest that unemployment is rising but sharp downturns in economic activity in Hampshire and elsewhere in the UK tend to be accompanied by increases in unemployment.
56. It is tempting to conclude that history is about to repeat itself, but it is possible that we may see a 'soft landing' in the labour market i.e., unemployment not increasing by that much. The tight labour market in Hampshire implies that businesses have struggled to fill their vacant positions and thus may be reluctant to lay off staff providing the downturn is relatively short. However, the latest national forecasts from the Bank of England point to a sharp increase in unemployment in the UK. The Bank expects unemployment to increase from 3.5% in the three months to August 2022 to 6.5% in 2025.
57. Some groups are more exposed to the downturn than others. People employed in discretionary consumer facing services, such as Hampshire's large accommodation & food or non-food retail are more exposed. These are primarily the young people and to a lesser degree the elderly. Self-employment has not recovered from the impact of the pandemic and due to its dependency on discretionary spending self-employed are more exposed to the impact of the downturn than employees.
58. Hampshire is facing some substantial challenges over the medium-to-long term. It has seen a slow recovery in the size of its labour force since the pandemic and over the longer-term labour supply could constrain economic growth in Hampshire. The weakness in labour supply in Hampshire has been

caused by slower population growth driven by ageing and lower migration (Brexit and the pandemic).

59. Between 2011 and 2021 Hampshire's (Hampshire & the Isle of Wight) population increased by 5.3%, slower than the England average (6.6%). The composition of Hampshire's population has changed with strong growth in the older population and sluggish growth in the working age population.
60. The latest population projections suggest that in the County area the working age population could peak in 2024 and begin to decline from 2025 onwards. The increase in state pension age might soften the impact by increasing working age, but it will not offset the long-term trend.
61. The older population in the County area is forecast to grow over the long term, with those aged 65 or over increasing by over 60,000 by 2030, and by over 111,000 by 2043. Around 1 in 10 residents were aged 75 or over in 2021 but potentially rising to 1 in 8 by 2030 and to 1 in 6 by 2043. Strong growth in the older population will lead to a sharp increase in demand for care that is already heavily constrained.
62. The fall in real incomes driven by the cost-of-living crisis implies that some people in Hampshire have been forced back into the labour market. For example, economic inactivity in Hampshire decreased by 9,000 in the year to June 2022. The fall in Hampshire was greater than in the South East or the UK. Despite the recent decrease in economic inactivity, we are unlikely to see a strong rebound since the pool of available labour is smaller in Hampshire than elsewhere.
63. Hampshire businesses have struggled to fill their vacant positions in several sectors such as accommodation & food and health & social care. A mismatch between demand for care-workers and its supply in Hampshire is on the increase. For example, the County area had around 3,400 unique job postings in August 2022, up by 49% on the previous August and 122% higher compared to pre-pandemic (Feb 2020) level.
64. The most recent regional data suggests that there was a decrease in the number of filled posts in adult social care sector in recent months with the decrease being higher in care homes than in domiciliary care. The high vacancy rates in the sector suggest that there are recruitment and retention difficulties for the sector with employers not being able to find and recruit the staff they need.
65. The sector used to be heavily reliant on the EU workers with 1 in 8 of all workers in the sector having an EU nationality as at 2020/21. However, the supply has been constrained by the pandemic and Brexit. The new immigration rules that came into place on 1 January 2021 effectively makes it less straightforward for people to come into the UK to take up care worker roles (people can still arrive to take up some regulated professional roles).
66. With this route of labour supply no longer available for front line workers, employers are increasingly dependent on constrained supply from the



domestic labour market. The Adult Social Care White Paper announced in December 2021 sets out a 10-year vision for social care based on three principles: choice, control, and support to lead independent lives; access to outstanding and tailored care and support; and fair and accessible care.

67. The social care sector is thus struggling under multiple pressures, including the challenges of an ageing population and staff recruitment and retention issues. One of the policies that could help with staff retention will be the introduction of a brand-new Care Certificate qualification, ending the need for care workers to repeat this training when they move roles. The government will fund more than 100,000 training places for new care workers to complete this new qualification. Apprenticeship training will receive up to £3,000 per head, the maximum amount government will fund.
68. The previous administration's policy was to allocate £1.7bn to improve social care in England from 2022-25, in addition to £3.6bn to reform the funding system announced in September 2021. This included £500m to improve the training, qualifications, and recognition of the social care workforce announced in April. At least £70m will go on helping councils improve services.
69. The long-term funding issue of the health & social care remains one of the biggest challenges faced by local government. The Health and Social Care Levy was effectively introduced via a 1.25 percentage point rise in National Insurance Contributions (NICs) that took effect from April 2022. The new administration has confirmed that it will proceed with the scrapping of the rise from 6 November and that it will continue with the abolition of the Health and Social Care Levy as planned by the previous administration.
70. At the time of writing, it is not clear whether new funding will be made available for health and social care or whether funding will be made available to a new £500 million Adult Social Care Discharge Fund announced on 22 September to support the discharge of hospital patients into their own homes or community settings.
71. As stated by Paul Krugman, Nobel laureate in economics, "productivity isn't everything, but in the long run, it's almost everything". Productivity is the main driver of competitiveness, growth, and the living standards over the long-term. Given that Hampshire's workforce is expected to shrink over the medium-term its productivity will have to increase to maintain and raise the living standards of its residents.
72. Productivity levels in Hampshire relative to the national average have increased from 5% above the average in 2004 to 10% above the average by 2020 but Hampshire is far less productive than Berkshire and Hampshire has also lost ground relative to its major competitors outside the UK.
73. There are substantial differences in productivity levels within Hampshire. For example, with labour productivity (output per hour worked) of around 54% above the national average North Hampshire is the most productive sub-area outside London and the third most productive area in the country after Tower Hamlets and Campden & City of London. On the other hand, labour

productivity on the Isle of Wight is about 15% below the national average with even relatively prosperous Central Hampshire having productivity levels below the national average. Portsmouth also stands below the average while Southampton has been losing ground relative to the national average.

74. Business response to the pandemic and the rise in geopolitical tensions has seen a steady rise in 'nearshoring'. Nearshoring, or producing items closer to home, has seen an uptick due to the supply chain delays caused by the pandemic, Brexit and the rise in geopolitical tensions. Through the Solent Freeport and other locations Hampshire should benefit from this new trend but to remain competitive Hampshire needs investment in transport, commercial property, and the skills of its population as well as energy security.
75. As shown by the Six Capitals Framework that underpins the forthcoming Hampshire Economic Strategy, Hampshire will need investment in physical capital, human (skills) capital and knowledge capital, the three capitals that are the main drivers of productivity. Hampshire will also need to grow its institutional, social and natural capitals.
76. To maintain the economic prosperity of Hampshire residents and competitiveness of its business environment Hampshire will need energy security at reasonable prices. The new Chancellor Jeremy Hunt has announced a Treasury-led review into how the Government supports energy bills beyond April next year.
77. The new government will no longer be proceeding with a cut to the basic rate of income tax to 19% from April 2023, a cut to dividend tax rates, a cut to the 45% tax rate, the introduction of the new VAT-free shopping scheme for non-UK visitors and a freeze on alcohol duty rates, the fiscal measures introduced by the previous administration.
78. Fiscal tightening by the new administration could raise around £32 billion every year which alongside the intervention by the Bank of England has helped to calm the financial markets. In the Autumn Statement on 17 November the Chancellor will most likely further underline his fiscal restraint by introducing new policies that will be aimed at closing the £50bn fiscal hole left over from retention of the energy price guarantees, the weaker economy and higher debt interest payments.
79. The impact on the economy in Hampshire will depend on the balance between tax rises and spending cuts and their timing with spending cuts having larger downward impact on economic growth than tax rises. The new Chancellor has indicated that departmental cash spending plans that run to 2024-25 will be left unchanged, which amounts to a cut in real (inflation adjusted) terms and this measure will squeeze public services provided by the County Council.
80. The short-term economic recovery action planning continues to be undertaken by the County Council. The County Council understands that the recovery from Covid has been uneven at local level and that the sharp slowdown in economic activity that is currently underway is equally going to be unevenly distributed across Hampshire. It is in these difficult times that the County Council cannot

afford any complacency and working with its partners will have to deal with its own diminishing resources to support its most vulnerable people and communities and continue to provide wider public services.

81. This places greater emphasis on place-based strategies and major regeneration initiatives, including breathing new life into our towns, city centres and high streets. The Council seeks to work on a collaborative basis with individual local authorities to develop bespoke place-based strategies and initiatives for faster recovery from Covid and the stronger development and growth of Hampshire.
82. It is proposed that the foundation for this collaborative approach would be a stronger focus on co-production and co-delivery and a governance model that would involve senior politicians and senior officers representing the County Council on strategic governance on delivery arrangements.
83. Regardless of the underlying realities of 'levelling up' and the scale and scope of poverty and deprivation that continues to prevail in some of Hampshire's towns, cities and estates, it will increasingly be down to fiscal freedoms and flexibilities to enable places like Hampshire to leverage its economy to both fund its future and reduce demand on highly complex and complicated public services, especially those targeted on vulnerable communities as well the day to day universal services everyone relies on whether it is to get to work, succeed at school, or care for children and the elderly.
84. Businesses will only invest here if they have confidence in the investment framework, that infrastructure will be built, that the skilled workforce will be accessible, flexible and in place, that their homes will be affordable and their schools, colleges, universities, places of leisure, culture, and sport, will thrive.
85. Replicating this model across all Local Authorities that share our aspirations for a collaborative approach to place-based initiatives through the development of local regeneration and growth partnerships and that are able to demonstrate how to accelerate economic recovery, is an emergent opportunity. This approach will bring consistency and coherence and allow for deeper insight into prioritisation as well as secure good practice and recovery from Covid. More detail is provided in the forthcoming March Cabinet Report.
86. The wider pan-Hampshire area is a major net contributor to the exchequer, and it is essential that it continues to make substantial regional and national contribution to economic growth and public finances. However, to optimise it Hampshire needs a full recognition by Government. This is why, as set out in this report, the County Council is continuing to push for a bold and ambitious County Deal. It is only by altering the relationship and strength of the collaboration with Central Government that a new transformational Deal for Hampshire residents, communities and businesses can be secured. This is why the County Council is so actively supporting the pan-Hampshire area in putting a credible offer to Government for such a Deal.

87. *Economic Intelligence Dashboard* (Annex 1) produced in late-October contains additional information on the current economic trends and business intelligence (the most up to date at the time of writing).

### **County Deal**

88. As has been previously reported, a County Deal has the potential to both strengthen economic recovery across Hampshire and deliver major strategic economic initiatives enabling the future economic potential of the region. This would be achieved through securing substantial new functions, powers, and resources to enhance place-based leadership at regional, sub-regional and local levels for the benefit of local residents, including leveraging significant investment funding from Government and the private sector.
89. In November 2021, a Statement of Common Ground, was agreed by all Leaders, setting out the ambition to explore opportunities for a potential County Deal. It was agreed by:

Hampshire County Council – Cllr Keith Mans  
Basingstoke and Deane Borough Council – Cllr Ken Rhatigan  
Bournemouth Christchurch and Poole Council – Cllr Drew Mellor  
East Hampshire District Council – Cllr Richard Millard  
Eastleigh Borough Council – Cllr Keith House  
Fareham Borough Council – Cllr Seán Woodward  
Gosport Borough Council – Cllr Graham Burgess  
Hart District Council – Cllr David Neighbour  
Havant Borough Council – Cllr Alex Rennie  
Isle of Wight Council – Cllr Lora Peacey-Wilcox  
New Forest District Council – Cllr Edward Heron  
Portsmouth City Council – Cllr Gerald Vernon-Jackson  
Rushmoor Borough Council – Cllr David Clifford  
Southampton City Council – Cllr Dan Fitzhenry  
Test Valley Borough Council – Cllr Phil North  
Winchester City Council – Cllr Lucille Thompson

90. In December 2021, a draft County Deal prospectus was endorsed by Cabinet. Using an independent Functional Economic Market Assessment (FEMA), this evidenced a clear functional socio-economic geography of the Pan-Hampshire region and its strong economic foundation as a net contributor to the UK economy. The draft prospectus outlined a range of opportunities and associated strategic proposals that would have a measurable positive impact on the lives of residents and would form the basis for further discussions with stakeholders and Government.
91. In February 2022, the much-awaited government White Paper, *Levelling Up the United Kingdom*, was published. This set out an ambition to extend, deepen and simplify devolution across the country, and commits to establishing a new model of Combined Authority that would enable devolution deals to be agreed by County Councils and/or Unitary Councils, encouraging collaboration where relevant with District Councils.

92. Within the White Paper the Government announced 9 Wave 1 areas which are being negotiated first. These are:
- Cornwall;
  - Derby and Derbyshire;
  - Devon, Plymouth and Torbay;
  - Durham;
  - Hull and East Yorkshire;
  - Leicestershire;
  - Norfolk;
  - Nottinghamshire and Nottingham; and
  - Suffolk.
93. The White Paper also set out the governance framework for devolution against a range of potential functions, with Level 3 being the most powerful and Level 1 being the least powerful but noting that there will be scope to negotiate further powers, on a case-by-case basis, and an opportunity to adopt innovative local proposals to address specific challenges and opportunities.
- **Level 3:** A single institution or County Council with a directly elected Mayor (DEM), across a Functional Economic Area (FEA) or whole county area.
  - **Level 2:** A single institution or county council without a DEM, across a FEA or whole county area.
  - **Level 1:** Local authorities working together across a FEA or whole county area e.g., through a joint committee.
94. Although no potential Deals in the South East were immediately progressed in the Wave 1 pilots, there has continued to be an active dialogue and engagement with officials and Ministers. These meetings strongly encouraged the continued work and development of the proposals outlined in the draft prospectus shared with Cabinet in December. This was mirrored by Cabinet endorsing the continuation of the work and direction of travel for a Hampshire County Deal at its meetings in February and March 2022, including the development of aligned Regeneration and Growth Partnerships at a District Council level.
95. In March 2022, a final round of collaborative workshops was completed with Partners, building on the initial collaborative work performed in November and December 2021 and importantly finalising the scope of opportunities to explore and form the basis of starting any negotiation with Government in the context of the now published White Paper. The draft December prospectus for change has therefore now been updated to reflect this and was shared with Cabinet in October 2022 and also formally with the Secretary of State for Levelling Up Housing and Communities.
96. In April 2022, the 5 County / Unitary Leaders met with the Parliamentary Under Secretary of State as a continuation of the collective engagement with Government. This meeting was extremely constructive, and the Minister was

complementary of the emerging ambition of the proposals and the professionalism of the work that has been performed so far. The Minister clarified that County Deals are expected to include whole County areas and was not aware of any Deal that would split a County between two or more separate Deals. As expected, and in accordance with the White Paper, the Minister was clear that with the level of ambition in the Pan-Hampshire proposal, there would be new governance requirements including a requirement for some form of Directly Elected Leader.

97. In May 2022, the Levelling Up and Regeneration Bill was published, setting out further clarity on the expected governance of a County Deal through a Combined County Authority (CCA). Key points of clarity in the Bill are:

- a. There cannot be 2 or more CCA's across a single County Area.
- b. The previous language of a "Mayor" will not be prescribed.
- c. Public Consultation would be required as part of finalising proposals for a CCA.
- d. The Secretary of State may make regulations establishing a CCA for an area only if:
  - o The Secretary of State considers that to do so is likely to improve the economic, social, and environmental well-being of some or all of the people who live or work in the area.
  - o The Secretary of State considers that to do so is appropriate having regard to the need:
    - o To secure effective and convenient local government, and
    - o To reflect the identities and interests of local communities
  - o The Secretary of State is satisfied that the proposal will achieve the stated purpose of establishing a CCA.
  - o The constituent councils' consent, and
  - o Any public consultation required has been carried out.

98. During the summer period, two Wave 1 Deals have now been successfully negotiated, demonstrating the continuing pace, commitment and focus of the devolution agenda in Government:

- York and North Yorkshire;
- East Midlands (Derby, Derbyshire, Nottingham and Nottinghamshire).

These Deals, operating at significant economic regional scale, include substantial devolved powers and funding under the future Governance of newly formed Combined Authorities. Both Deals include:

- Significant new investment funding (proportionally commensurate with Pan Hampshire's proposed £1.14bn ask of Government);
- Devolution of Adult Education functions and the core Adult Education Budget;
- Powers to establish Development Corporations and strategic partnerships with Homes England;
- New transport powers including bus franchising and new integrated transport settlements;

- New net zero capital investment.
99. Following a period of political uncertainty over the summer, including the appointments of 2 new Prime Ministers and Cabinets, during which engagement with Government was paused, the County Council now stands ready to formally engage with Government to negotiate a devolution Deal. The latest County Deal prospectus was shared at October Cabinet and has now been formally shared with Government in a letter to the Secretary of State for Levelling Up Housing and Communities.
100. The prospectus sets out four areas of priority aligned to the Levelling Up missions under the Governance of a newly created Combined Authority.
- Supporting Sector Growth and Skills
  - Place Strategy
  - Net Zero and Net Environmental Gain
  - Integrated and Sustainable Transport.
101. These ambitions would be unlocked through devolution of specific new powers, alongside a commitment to develop a multi-billion-pound revolving investment fund with Government, leveraging significant investment from business and importantly securing the retention of Business Rates to catalyse, incentivise and re-invest in further economic development.
102. The prospectus highlights that decisions on the detail of governance arrangements will be taken in due course during a negotiation itself, but importantly references a series of important governance principles that have been developed collaboratively and in accordance with Statement of Common Ground. Any governance would therefore need to build on existing place-based partnerships and will ensure important sub-regional geographies across the region are included in the structure of the Deal. The County Council is also committed to working constructively with District Councils, maintaining a principle that devolution is not Local Government reorganisation and therefore each organisation's current sovereign statutory powers across the 2-tier system is respected and those organisations who choose to engage are appropriately represented at the table.

### **Hampshire Economic Strategy**

103. The Cabinet agenda for this meeting includes a report recommending approval of the Hampshire Economic Strategy, following a consultation exercise on the draft strategy, which was undertaken following Cabinet approval in July 2022. The Economic Strategy forms the critical strategic framework for economic development in the context of the Hampshire 2050 over-arching vision, and will be a crucial reference point for the prioritisation of economic development activity and initiatives and the management and support for future growth, including areas such as skills and infrastructure, as well as inward investment, business support, regeneration and growth initiatives and development opportunities.

## **HCC's Strategic Asset Management Plan**

104. The Cabinet agenda also includes a report recommending the approval of a new 5-year Strategic Asset Management Plan (SAMP) for the County Council's property and land assets.
105. The County Council has a good record of enabling development of its strategic land holdings to meet the demand for new housing in Hampshire. However, it is recognised that there are broader opportunities to support, enable and contribute to economic regeneration and growth through the County Council's assets, particularly in our town centres.
106. This ambition to use the County Council's assets to stimulate and support economic regeneration and growth and contribute to the shaping of Hampshire as a place, is reflected in the new SAMP. Specific opportunities will be explored and taken forward as part of the Hampshire 2050 agenda, within the framework of the Economic Strategy and in consultation with District Councils through the Regeneration and Growth Partnerships.

## **Growth and Regeneration Partnerships**

107. The County Council Cabinet approved a new approach to partnership working on growth and regeneration across Hampshire at its meeting in March 2022. The aims of the new approach will streamline, and better co-ordinate initiatives aimed at supporting local economic growth and physical regeneration of town centres and other economically important areas. It was intended to promote effective partnership working through mutually established bi-lateral arrangements with Districts and Boroughs, and with neighbouring Unitary Authorities where desired. The intention was to establish a mutual understanding of local growth and regeneration priorities and to help co-ordinate work at all stages from high level plans and strategies through to project delivery, whilst recognising and respecting the different and sovereign roles of the partner organisations. The County Council would clearly also be expected to maintain an overall Hampshire wide perspective, ensuring appropriate strategic interdependencies are effectively overseen and maintaining the focus on the place-based ambitions set out in the of Hampshire 2050 vision and the more recently developed Hampshire Economic Strategy.
108. In order to inform the detailed development of this approach, work was commissioned from independent consultants, who were tasked with mapping existing engagement and partnership bodies, and also, drawing on best practice nationally, to advise on design principles for effective future arrangements in Hampshire. The consultants interviewed 10 District Councils and 2 Unitary Authorities as part of their commission, and their feedback has helped to inform the emerging conclusions of the work. Following further engagement with partners, it is intended to bring a further report forward with recommendations on approach to be adopted. These initial findings are summarised in Annex B, developing the principles of how the County Council can more effectively interact on placed based strategic priorities and ensure



better internal join up under the leadership of the newly appointed Director of 2050.

109. The initial findings have now been shared with Partners, and activity will be taken forward in early 2023 to begin developing specific bi-lateral arrangements for individual areas.

### **LEP Integration**

110. On 31 March 2022, a joint letter was issued by the Parliamentary Under Secretaries of State for the Departments of Levelling Up, Housing and Communities and for Business, Energy and Industrial Strategy outlining guidance to Local Enterprise Partnerships (LEP) integration. The letter was addressed to LEP Chairs, Combined Authority Mayors and the Mayor of London. Along with the Levelling Up White Paper this letter concluded the LEP review undertaken by Government.
111. It was acknowledged by Government that LEPs have played and continue to play a valuable role in supporting local economic growth from their inception in 2011. LEPs have brought businesses, education, and local government together, delivered large capital investment schemes, provided vital support to businesses during COVID-19, hosted impactful programmes on behalf of government departments and developed economic strategies for their areas. Government has reinforced that it values the contribution LEPs have made and continue to make to their local economies.
112. Central Government has indicated that it will support the integration of LEP functions and roles into the institutions that sit at Levels 2 and 3 of the devolution framework as set out in the Levelling Up White Paper 2021. These Levels 2 and 3 bodies are single institutions such as a (Mayoral) Combined Authority ((M)CA), a county council and a unitary authority or another County Council across a functional economic area with (Level 3) a directly elected mayor or without a directly elected mayor (Level 2). The guidance is now determining that LEP functions and roles will be integrated into institutions with devolved powers for the purpose of hosting a County Deal.
113. The letter and guidance outlines that where devolution deals are set to be negotiated, the integration of LEP functions, roles and boundaries will be considered as part of those negotiations. LEPs are asked to support local leaders, where requested, in embedding a private sector perspective into that conversation. Once a future devolution deal is agreed and implemented, or where an institution progresses to at least Level 2 of the devolution framework, LEP functions and roles will then be integrated.
114. Where no devolution deal is in place, LEPs will be maintained until a devolution deal is agreed, subject to future funding decisions via the annual business case route. In these circumstances it will be important to maintain current engagement arrangements. Where a devolution deal geography cuts across a current LEP geography (as could potentially happen with Enterprise M3 LEP)

Government has indicated that they will engage with local partners and consider the best outcome for local businesses on a case-by-case basis guided by local preferences. It is also very clear that democratically accountable local leaders will lead the integration of LEP functions and roles into their respective institutions, working jointly with LEPs and, where necessary, other local stakeholders.

115. The future role of individual LEPs will differ depending on local circumstances and the status of devolution locally. With regard to the two LEPs in the Hampshire area namely Enterprise M3 and Solent, this is extremely evident. With Enterprise M3, its boundaries including Hampshire and Surrey will mean that its integration will need to reflect the devolution timescales within both counties. For Solent, a pan-Hampshire devolution geography is simpler, but the emergence of the Solent Freeport and its Government backed governance may have a distinct impact.

With this context of national government guidance, the County Council took the decision to:

- continue to engage with neighbouring areas concerning their devolution ambitions and programmes in the context of LEP integration;
- progress the ongoing discussions with the two LEPs in the Hampshire area, regarding their short-term business case submissions to Government and their proposals in light of the revised Government guidance for LEP integration;
- prepare the ground for a pan-Hampshire LEP Integration Plan for January 2023, subject to progressing devolution negotiations with Central Government and;
- explore the opportunities for the development of a Member-led Hampshire Business Engagement Forum; a revision of the Place Leadership Group to integrate into the Forum; and
- promote greater collaboration on Economic Development activities across the economic geographies covered by the existing LEPs.

## **Conclusion**

116. The County Council is clearly and significantly focussed upon driving towards economic strength for Hampshire. This includes the adoption of a new Economic Strategy, the development of an ambitious County Deal prospectus as a negotiating position with Government to secure devolution as well as the ongoing development of Regeneration and Growth Partnerships and the integration of the LEPs moving forward, coupled with the introduction of a new Strategic Asset Management Strategy.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

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:

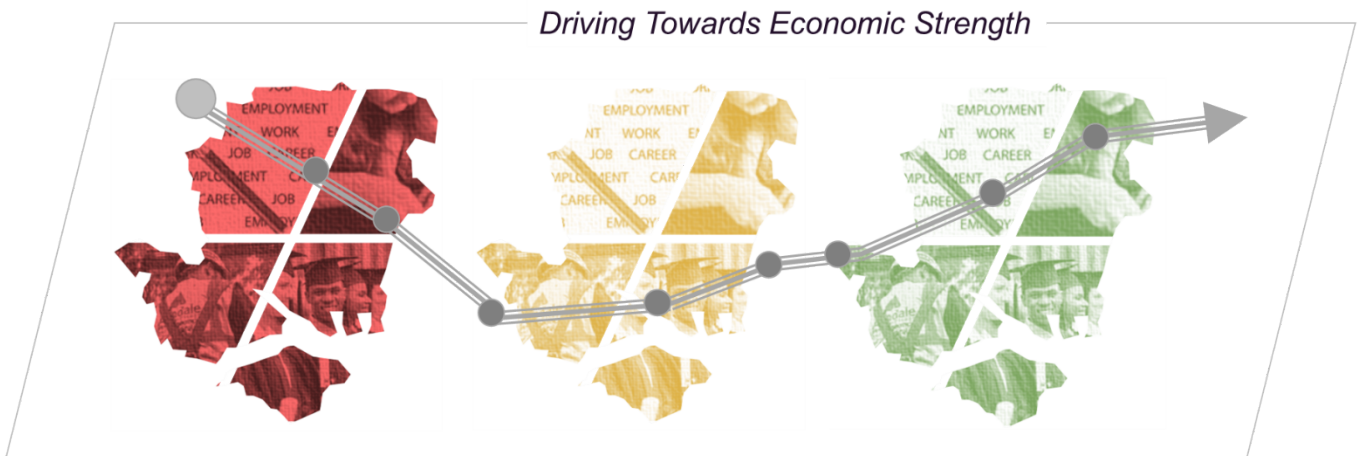
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion 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:**

(a) No equality impacts have been identified arising from this Report



## Hampshire Monthly Intelligence Dashboard

October 2022

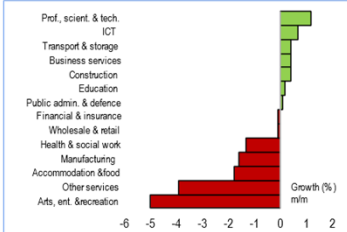
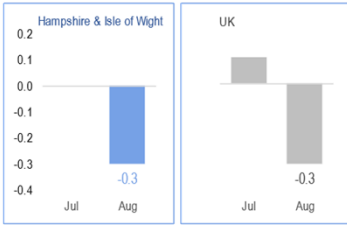
Hampshire County Council  
Economy, Transport and Environment



### Contents

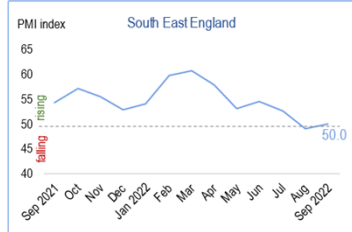
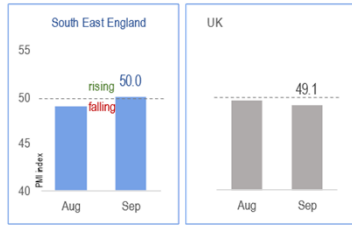
Theme	Indicators	
Business Activity	<ul style="list-style-type: none"> <li>Economic Growth</li> <li>Business Activity</li> <li>Business Prices</li> <li>Inflation</li> </ul>	Page 1
Jobs and Earnings	<ul style="list-style-type: none"> <li>PAYE Employees</li> <li>PAYE Earnings</li> <li>Labour Demand</li> <li>Demand by Occupation</li> </ul>	Page 2
Unemployment	<ul style="list-style-type: none"> <li>Claimant Unemployment</li> <li>Local Claimants</li> <li>Youth Unemployment</li> <li>Local Young Claimants</li> </ul>	Page 3
Sentiment and Investment	<ul style="list-style-type: none"> <li>Business Investment</li> <li>Retail Sales</li> <li>Consumer Confidence</li> <li>House Sales</li> </ul>	Page 4

## Economic Growth



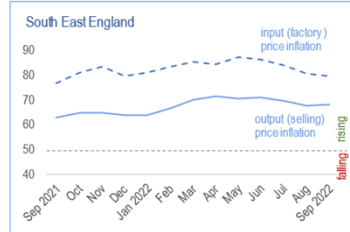
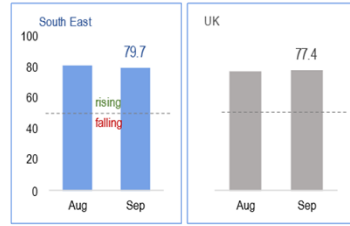
- Hampshire & Isle of Wight economy is estimated to have contracted in August on the back of no growth (revised downwards) in July.
- The contraction in GVA was driven by manufacturing and households reining in spending. Knowledge intensive services like ICT and professional & scientific expanded.

## Business Activity



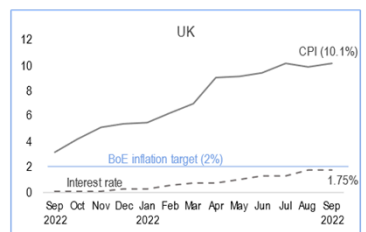
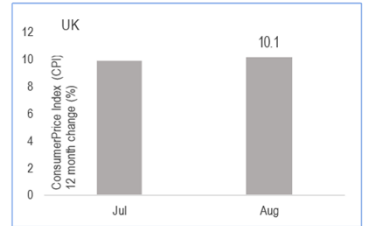
- Survey evidence suggests business activity was broadly flat in the region in September, slightly better than the national average. The PMI survey excludes retail, a sector which will continue to weigh on growth.
- The volume of new orders, a leading indicator of economic growth, fell for the first time since February 2021.

## Business Prices



- Business prices remain elevated, but there are signs that business costs are beginning to ease. The rate of input price inflation faced by region's businesses eased in September to nine month low, but costs in the region are above the UK average.
- Higher commodity, energy, transport and metal costs behind the increase.

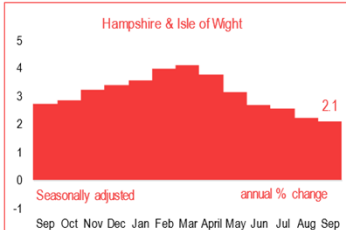
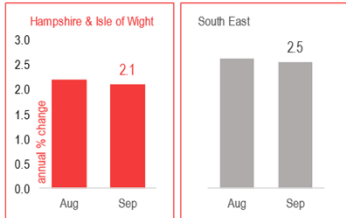
## Inflation



- Inflation edged higher to 10.1% in September, the month that can be used to inflation index state pensions and benefits. Core inflation rose from 6.3% to a new high of 6.5%.
- Recent market turmoil and inflation means BoE widely expected to raise rates on 3 November, possibly by a full one percentage point to 3.25%.

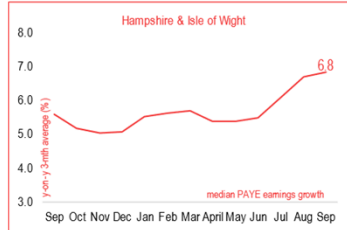
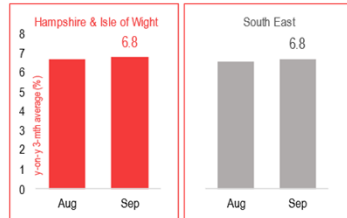
# Jobs and Earnings

## PAYE Employees



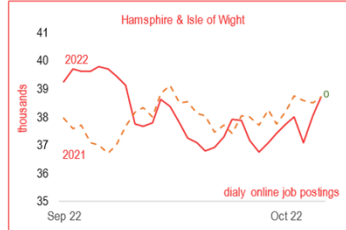
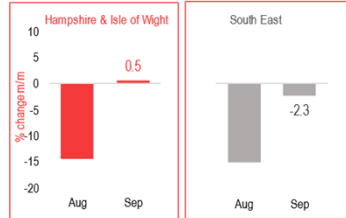
- PAYE employment in Hampshire and the Isle of Wight continues to rise, hitting a new record high of 900,400 payrolled employees in September.
- Growth on revised monthly payrolled employment was 0.2% (+1,800 employees). Annual growth slowed marginally to 2.1% (Sept) from 2.2% in the previous month, lower than SE.

## PAYE Earnings



- Early payroll estimate for Hampshire & Isle of Wight indicates an increase in median monthly PAYE earnings of 6.8% in the quarter to Sept against the same period a year ago. Growth in median nominal pay was faster than August's 6.7%.
- Real earnings (adjusted for inflation) continue to be eroded by price rises.

## Labour Demand



- Hiring intentions (the number of online job postings) in Hampshire & Isle of Wight saw (seasonal) demand broadly unchanged (+0.5%) in September, following a large (revised downwards) fall in August.
- Despite vacancies slowing the data continues to point to a tight labour market in Hampshire in September.

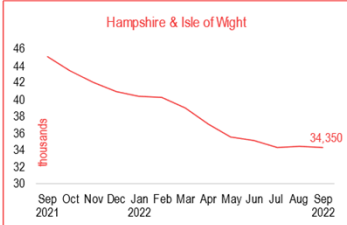
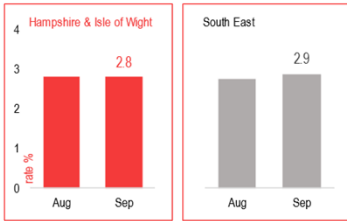
## Demand by Occupation

Unique jobs postings by Occupation (SOC)	Sep	% of total
Care Workers and Home Carers	2,352	6.1
Programmers & Software Development Professionals	2,350	6.1
Other Administrative Occupations n.e.c.	2,085	5.4
Customer Service Occupations n.e.c.	1,914	5.0
Sales Related Occupations n.e.c.	1,854	4.8
Nurses	1,516	3.9
Kitchen and Catering Assistants	1,477	3.8
IT Business Analysts, Architects & Systems Designers	1,116	2.9
Human Resources and Industrial Relations Officers	1,017	2.6
Cleaners and Domestic	1,002	2.6

Unique jobs postings by Occupation (SOC)	Jul	% of total
Care Workers and Home Carers	3,208	7.2
Other Administrative Occupations n.e.c.	2,516	5.7
Nurses	2,480	5.6
Sales Related Occupations n.e.c.	2,179	4.9
Customer Service Occupations n.e.c.	2,085	4.7
Programmers & Software Development Professionals	1,981	4.5
Kitchen and Catering Assistants	1,828	4.1
Chefs	1,178	2.6
Cleaners and Domestic	1,178	2.6
Human Resources and Industrial Relations Officers	1,147	2.6

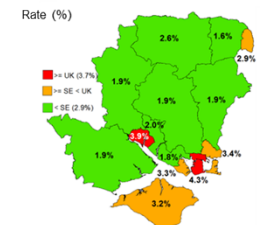
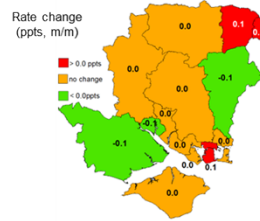
- Top in-demand jobs in Hampshire & Isle of Wight were in care while nursing demand eased.
- There was growth in IT, and businesses services (admin, sales and customer services).
- The top five in-demand specialized skills were in business (finance, auditing, marketing, performance).

## Claimant Unemployment



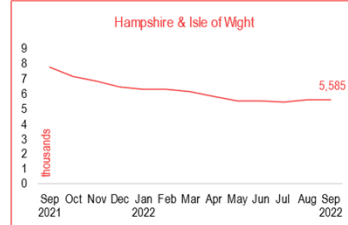
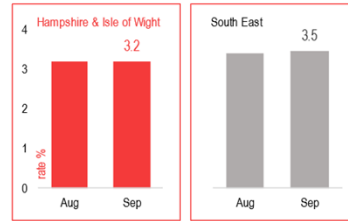
- Working age unemployed claimant counts in Hampshire & Isle of Wight (not adjusted for seasonal factors) decreased by 165 to 34,350, with decreases mostly in 25-49 age group.
- The unemployed claimant count rate was unchanged at 2.8% in Sept. The claimant count remains 34% higher than pre-pandemic levels.

## Local Claimants



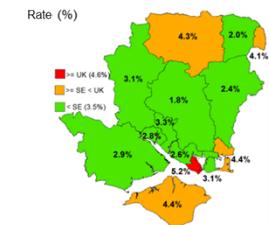
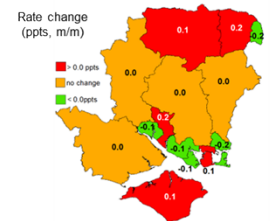
- Just over half of the 14 local authorities in Hampshire & Isle of Wight saw no monthly change in their claimant count rates; three saw an increase, and three a decrease.
- Around a half of the total decrease in claimants was in Southampton (-155). The two cities had rates above UK average in September.

## Youth Unemployment



- The number of young unemployed claimants aged 18-24-year-olds in Hampshire & Isle of Wight increased by 20 to 5,585 in September.
- The youth claimant unemployment rate was unchanged at 3.2% in September. The Hampshire rates was below both the South East (3.5%) and UK (4.6%) averages.

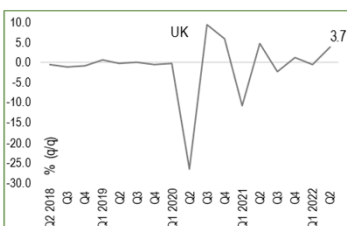
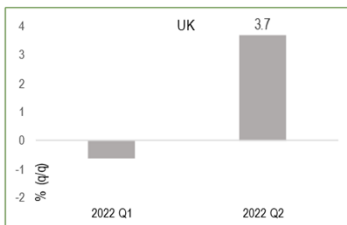
## Local Young Claimants



- The picture is mixed for Hampshire & Isle of Wight, with similar numbers of districts with a decrease (5 districts), increase (5 districts), or no change in their monthly rates (4 districts).
- Almost all Hampshire & Isle of Wight districts were below the South East and UK rates, while only Gosport (5.2%) is above the UK rate.

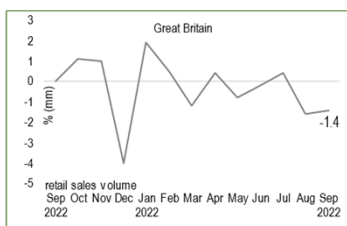
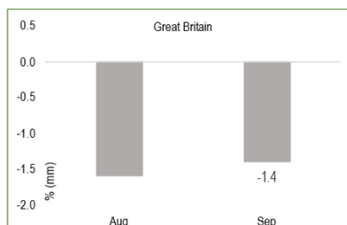
# Sentiment and Investment

## Business Investment



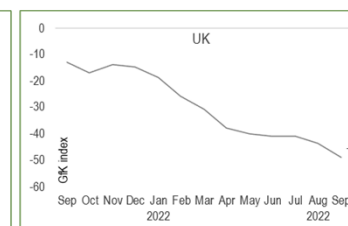
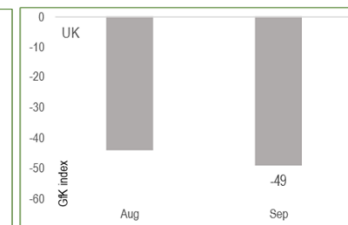
- Business investment increased in the second quarter but business sentiment remains historically weak.
- Investment intentions positive in Q3 2022, but eased due to uncertainty about the economic outlook, rising costs and softer demand. High materials costs also continue to be a factor in delaying investment plans.

## Retail Sales



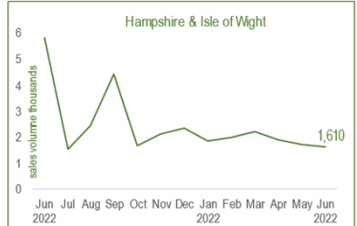
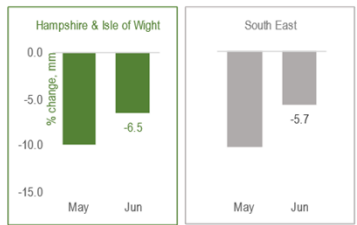
- Rising prices are weighing heavily on household incomes and spending with retail sales volumes down by 1.2% in Q3 and 5.1% since January.
- Retail sales fell by 1.4% in September, in part due to stores being closed for the State Funeral. Spending in food stores fell again, the 9<sup>th</sup> fall in 10 months.

## Consumer Confidence



- UK consumer confidence tumbles to new low of -49 in September, the worst overall Index score since records began in 1974 as consumers struggle with cost-of-living crisis driven by rapidly rising food prices, utility bills and mortgage payments.
- Rising concerns about personal finances and economic outlook.

## House Sales



- House sales in Hampshire & Isle of Wight decreased by 6.5% in June, registering around 1,610 sales, 26% below pre-pandemic levels.
- Timelier data has UK property price growth flattening. Further cooling is expected as cost-of-living, the rise in interest rates, and cost of borrowing dampens buyer demand.

#### How to read 'traffic lights':



Refers to decline or growth relative to the previous period (GVA, PMI business activity and business prices indicators, job postings, business investment, retail and house sales).

In the case of inflation, PAYE employment & earnings and consumer sentiment it refers to the direction of travel relative to the previous period.

For claimant count unemployment indicators the change refers to the rate not the level. For example, a decrease in youth unemployment would see a downward green arrow.



Little or no change on previous period.

\* The local estimate is preliminary and it needs to be treated with a high degree of caution since it is based on the sectoral mix of Hampshire and the Isle of Wight and the national sectoral impacts.

#### Sources:

The primary data sources are the Office for National Statistics (ONS) and HMRC, while additional data comes from several commercial sources such as S&P Global, Lightcast, CBI, BCC, HM Land Registry and the Bank of England.

Monthly/Quarterly data for Business Activity, Jobs & Earnings, Unemployment and Sentiment & Investment.

In the case of several monthly indicators, the South East is used as a proxy geography for Hampshire.

Estimates of payrolled employees and their pay from HMRC Pay As You Earn (PAYE) Real Time Information are preliminary but seasonally adjusted. Employment figures differ from the ONS Labour Force Survey (LFS) data. Median pay figures differ from the ONS estimates, and are based on gross PAYE earnings which do not cover other sources of income, such as self-employment.

For further information on Hampshire's labour market see Quarterly Labour Market Updates and Monthly Ward Claimant Count Reports available at:

<https://www.hants.gov.uk/business/ebis/reports>

This publication is produced by the Economic and Business Intelligence Service (EBIS), Hampshire County Council



# Local Regeneration and Growth Partnerships with Hampshire County Council



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## A New Approach

19<sup>th</sup> October 2022

# We have been through 3 stages in the development of a new approach for Local Regeneration and Growth Partnerships across Hampshire

## I. Discovery

We have conducted a series of interviews (c 20) with representatives from the Districts, Boroughs, Unitaries and Directorates involved in the Regeneration and Growth Partnerships activity, in order to better understand the current ways of working and existing relationships.

### I:I interviews were conducted with the following individuals:

- Stuart Jarvis
- Gary Westbrook
- Richard Kenny
- Frank Baxter / Dominic McGrath
- Laura McCulloch
- Emma Noyce
- Tim Martienssen
- Phillip Walker / Jude Robinson
- Peter Colenutt
- Rebecca Thompson

### Phase 1 interviews included:

- Eastleigh Borough Council
- Test Valley Borough Council
- New Forest District Council
- Winchester City Council
- Basingstoke and Deane Borough Council
- East Hampshire District Council
- Havant Borough Council
- Rushmoor Borough Council

### Phase 2 interviews included:

- Fareham Borough Council
- Hart District Council
- Southampton City Council
- Isle of Wight Council

\*Gosport/Portsmouth failed to respond to set up an interview despite multiple attempts

## 2. Case Study Analysis

Research and gained insights into what four other Councils are doing in this space, outlining what the key lessons learned, how it relates to Hampshire and how it can inform Hampshire's future approach to Local Regeneration and Growth Partnerships.



**Oxfordshire  
County Council**



**North Yorkshire  
County Council**



**Warwickshire  
County Council**



**Lincolnshire  
County Council**

## 3. New Approach

Combining the discovery findings and case study insights to develop a new approach to Local Regeneration and Growth Partnerships across Hampshire. The approach sets out what should be in scope and highlights ways to increase levels of co-production, co-design and co-delivery against the local growth and regeneration strategies.

To ensure the new approach is a sustainable success for both the County Council and District / Borough Councils, we need to create the right conditions, this requires a focus on two core areas:



**Strategic Alignment  
and Prioritisation**



**Operational  
Delivery**

# A Summary of Key Findings from Internal and External Interviews

A high-level summary of the key findings from the current state assessment is outlined below, informed by interviews with officers from the County Council and externally.

## Internal Findings

**Internally within the County Council, regeneration and growth priorities appear to be inconsistent.** This leads to a lack of clear communication on what the collective priorities for the council are and the impact on the ability to allocate resources effectively. There are currently over 80 local regeneration forums with HCC representation.

**Most councils have their own regeneration and cultural strategies,** focused on place-based needs, making it difficult to establish one consistent county wide view. However, Districts and Boroughs are liaising with each other as the strategies are being developed but are not communicating this information back to the county council.

**Meetings generally run on an ad-hoc basis with no set agenda and** it is felt there is limited clarification of officer roles, responsibilities and expected ways of working. Current relationships and communication between the County and across the district and borough council varies, especially surrounding authorisations and planning of engagements, resulting in inconsistencies and often duplication of work.

**Need for more regular senior attendance at key meetings** with clear role allocations, both internally and externally, to ensure required individuals are present and decisions can be made at pace. Representation of LPAs in key meetings is inconsistent across District and Boroughs, with most running on an ad-hoc basis, especially the 106 master planning and education steering group.

## External Findings

**It is perceived by some councils that current arrangements are ad hoc and reactive with the county council,** while others feel that good partnership working is happening but it is contingent on the individuals involved. It was repeatedly stated that they felt the county takes a **paternalistic approach to collaboration** and it demonstrates a “top down” leadership style with “no bottom” input.

**Councils lack clarity on how to appropriately approach the County Council** on regeneration plans, placing a **reliance on pre-existing personal relationships,** limiting proactive interaction.

Generally, **councils do not feel the County listens to their voices or provide them with the rationale to better understand the decisions they make** with regards to regeneration plans, depleting the trust between each party. There is a common perception of a ‘top-down’ approach with councils feeling ‘done to’.

**There is an appetite for the leadership from across the councils to come together and produce a strategic approach** to establish clear roles, responsibilities and goals; enabling greater coordination of efforts for regeneration and growth.

“

*There are good working relationships with CC because of who you know. If you didn't already have those pre-existing relationships, it would be difficult to navigate the landscape and it would take much longer to build relationships*

*The County Council struggle to prioritise where to put resources. There is no strategic approach to delivering growth in the area*

*Ideally, we should enter into a set of collaborations about case, co-design, co-production and have a regular seat at the table within the councils when thinking about strategy and delivery*

*To be more strategically joined up across the County, it's about minimising barriers for issues to occur so we can react quickly and understand how we can make processes and ways of working as simple as possible..*

”

# Key Case Study takeaways to inform the New Approach



Whilst all case studies are looking towards different stages of structural change, each council has experienced and worked to overcome similar challenges regarding ways of working, collaboration and culture, on both an individual county-level and in relation to external, cross-boundary partnerships, which should be considered when creating Hampshire's future approach to sustainable Regeneration and Growth.

## Strategic Overview



All authorities must be aligned to the overarching Regeneration and Growth Strategy, ensuring that area engagement plans maximise resources whilst reflecting both local and county priorities.

## Place Based Focus



Considering the socio-geographic differences across the County, it is essential to recognise a 'one size fits all' approach to Regeneration and Growth is not sustainable. A continuous presence is needed between the County Council and Districts/Boroughs to keep all up-to-date with priorities and bridge the gap between strategic and operational needs.

## Collaborative Governance



Clear and confirmed governance structures are paramount in maintaining fair, transparent and purposeful relationships across the county. Each council should have a direct line of contact with county directorates as well as a consistent approach to maintaining external relationships to ensure residents within each area are exposed to equal opportunities.

## Reaffirmed Responsibilities



Consistent collaboration is key in county-wide movements, therefore, meetings and forums should only run with a designated purpose and agenda. Only required attendees should be present, ideally including a senior member of the council and a CC officer, allowing for strong, fast-paced decision making; minimising additional noise and duplication of conversations/work.

## Community Culture



Transparent and trusting working relationships/culture underpin effective partnerships across a County, encouraging all councils to work together towards a common vision. Alignment of behaviors and embracing a difference of opinion facilitates proactive, challenging conversations whilst opening up honest communication streams.

# An overview of the New Approach to Regeneration & Growth...

To ensure the new approach is a sustainable success for both the County Council and its partners, we need to create the right conditions, this requires a focus on two core areas:

1



## Strategic Alignment & Prioritisation



Changes to current ways of working are needed to address the ongoing strategic and operational challenges across the county. To deliver on Hampshire's regeneration and growth strategy, it is paramount to consider **how** we want to work to encourage the most effective collaboration. The new approach will outline how both the County Council and Councils should work together, differently, to **promote trust** and deliver outcomes.

2



## Operational Delivery



Adjustment to the existing operational delivery model is required to address the noted hierarchical disconnect across the County Council and Councils. Within this, it is important to consider **how** we will manage future decision making, planning and objectives. The new approach will outline how these governance arrangements may look across the County, ensuring all parties are aligned and working towards a shared purpose.

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These two main areas of focus are supported by **three key ways of working** for the new approach:

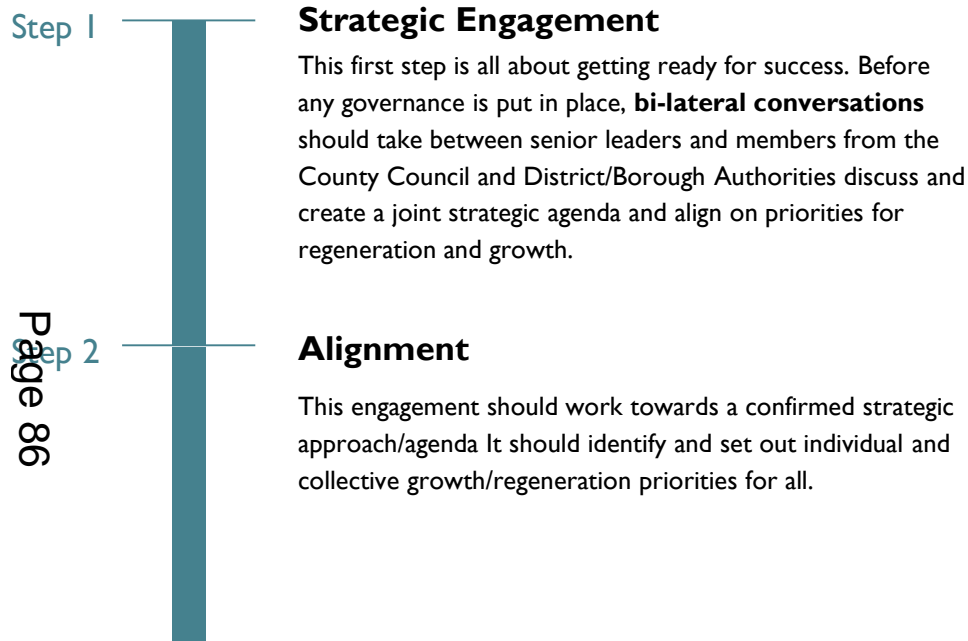
**Creation of joint strategic agenda to regen & growth by aligning councils on their priorities.**

**Creation of re-focused roles to bridge the gap and focus on County-wide regeneration.**

3

**A simplified but effective governance structure creating the conditions to focus on prioritised regeneration & growth.**

Changes to current ways of working are needed to address the ongoing strategic and operational challenges for growth and regeneration across the county. To deliver on Hampshire’s regeneration and growth strategy, it is paramount to consider how we want to work to encourage the most effective collaboration and **reflecting the needs of residents across Hampshire**. The new approach will outline how both the County Council and partners will work together, differently, to promote trust and deliver outcomes.



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What strategic alignment and prioritisation is...

- ✓ Understanding **what is achievable** and required by all organisations to create a vibrant county
- ✓ Making sure the **priorities across authorities are clearly understood and communicated** from senior leadership through to the respective officers
- ✓ Having the **mechanisms in place to achieve what is set out** by the County Council and District Authorities for regeneration and growth

What strategic alignment and prioritisation is **not**...

- × **The County Council setting its own exclusive agenda for regeneration and growth** without providing the District and Borough Authorities with the opportunity to give their input
- × It is not about the **setting the vision for regeneration and growth** but how the priorities will be delivered to achieve the strategic agenda
- × About organising more meetings but **enabling leadership to come together to shape the future of regeneration and growth** across Hampshire in a collaborative way

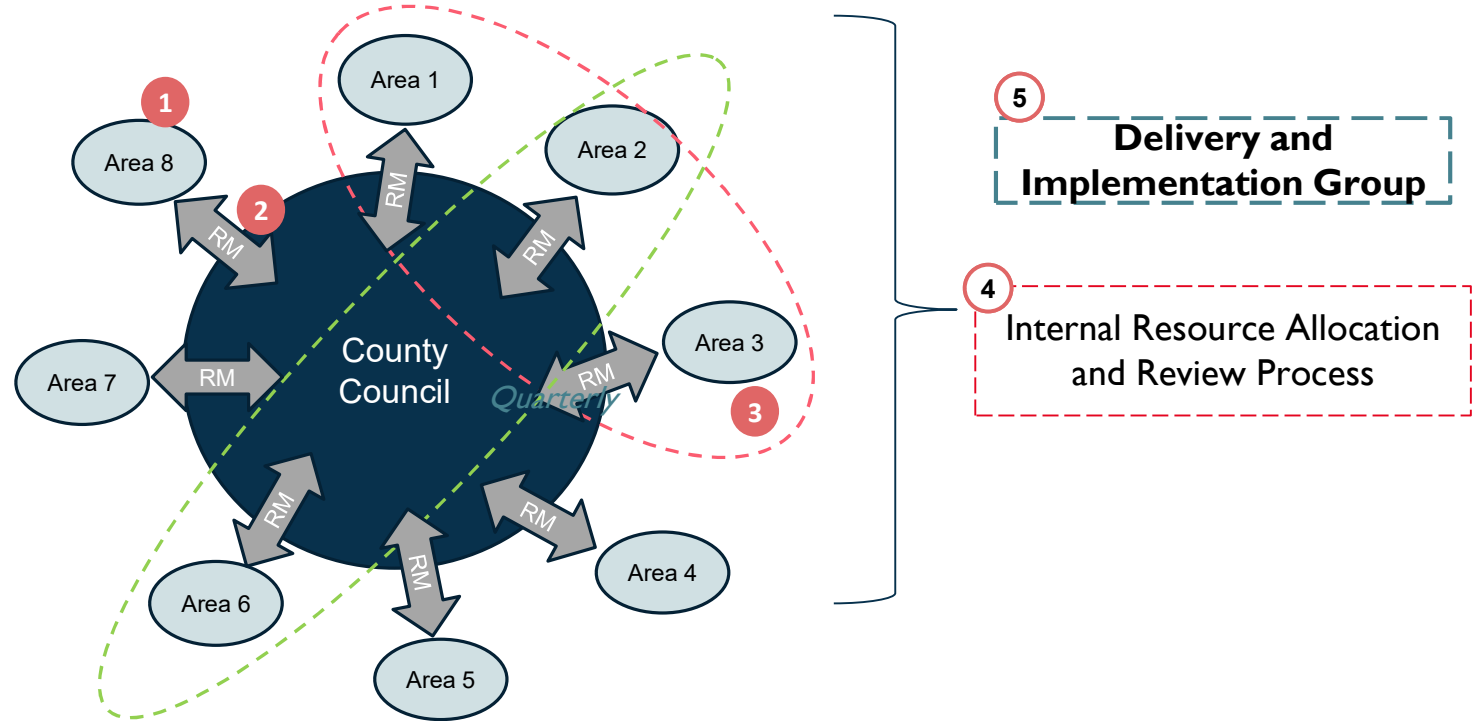
*What are the outcomes of this way of working?*

1. Ensuring that collectively **all organisations involved in the partnership are clear and aligned on the different priorities**, regardless of which Directorate, District or Unitary and how we will collaborate to deliver on this agenda.
1. **We will understand individual and collective priorities which will inform how we will achieve the ambition for growth and regeneration together across Hampshire**. In turn this will enable us to have a consistent collective message when looking **to attract more funding and inward investment for Hampshire**.

# Place Based Co-Delivery - Operational Delivery

In order to enable the **delivery of the joint strategic priorities**, we are proposing that **once bi-lateral arrangements have been established** Councils each work with a Relationship Manager (RM), who will support place-based regeneration whilst acting as an independent contact point between areas and the County Council.

*There will be future opportunities to align individual partnerships to share learning, expertise and manage interdependencies. This may be around aligned geographies and/or thematic priorities.*



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**1 Local Authority** - once the strategic approach has been agreed and communicated through the Strategic Engagement steps, operational delivery will be aligned to each area / partnership. It will be important to consider the different levels of partnerships across the multiple geographical layers and understand where focus is needed to support the ambition for local regeneration and growth.

**2 Relationship Managers (RM)** - Each district/borough has an allocated RM who provides strategic oversight, coordination and continuity for regeneration engagements, bridging the gap between organisations and helping to manage interdependencies.

**3 Working Groups** - The RMs form their own communication network, meeting to discuss place-based working, needs and resources with reference to thematic or place based interdependencies; eliminating a single point of failure. Priority engagements and potential future area engagements are connected to the County Councils internal governance.

**4 Internal Review** - RM connect prioritised engagements with the County Council's internal governance for resource allocation.

**5 Delivery and Implementation** - County Council strategic officers, RMs and relevant delivery lead officers utilise internal governance (e.g. Corporate Infrastructure Group) to discuss ongoing and approved regeneration engagements, checking on progress and strategically aligning work across the broader area.

It is essential that councils utilise technology to connect and share information across the partnership. It was felt by some councils that the use of new and existing technologies has especially in recent months, provided some of the answers for how best to engage across District and Borough Authorities. There is potential to aggregate data and insight to better inform strategic and operational decision-making.

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5. Responses to the strategy consultation demonstrates that stakeholders are positive about the strategy, identifying that the levers are appropriate, and that the interventions are appropriate.
6. However, it is also apparent that the key issues raised, as might be expected, result from the need for further detail and the opportunity to progress joint actions. The consultation document put forward a series of possible interventions for discussion with partners and key stakeholders to develop into action planning and project proposals. This requirement to undertake alignment of interventions across all partners promptly is essential to maintain momentum.

### **Contextual information**

7. The economic strategy forms a further development of the Hampshire 2050 work, translating the broad economic aspects of this work and the recommendations of the Hampshire 2050 Commission into a policy framework and strategy. This aims to ensure that the economic objectives, contextualised within the wider Hampshire 2050 vision, are fully realised. The strategy also provides the context and framework for further, more focussed economic and related strategies and policies to be developed and implemented as well as setting the framework for devolution, which would be the key mechanism to accelerate wider economic growth and benefit realisation.
8. The central mission of the strategy is to improve productivity to drive growth and improved standards of living. A six capitals approach has been developed in line with current Government thinking to ensure the strategy is not just about increasing GVA/GDP but drives and shapes economic growth for the wider benefit of the people, businesses, institutions, and the environment of Hampshire. In particular the strategy seeks to support improved standards of living and sustainable growth rather than simply focusing only on an expansion of economic output.
9. The geographical scope of the strategy is the Hampshire County Council area, but it is imperative that the strategy also works across multiple scales and speaks to strategic initiatives, operating at different spatial levels. Key is to integrate actions and interventions where possible with the neighbouring areas particularly Southampton; Portsmouth; and the Isle of Wight. It is also important that the strategy frames the County Council's own contribution to the emerging design and development and future negotiation of a devolution arrangement, such as the current proposals for a County Deal.
10. The Strategy essentially seeks to support a place-based economic lens to enhance place leadership across the Hampshire area. It more specifically identifies the potential policy and operational levers including those that the County Council has direct control of, that can be integrated into service planning and used collaboratively between partners to embed within joint economic interventions.
11. The draft Economic Strategy was approved by the Cabinet on the 19<sup>th</sup> July 2022 as an interim policy and as a basis for stakeholder and partner engagement. A consultation period was formally conducted over four weeks and was undertaken both formally online and informally offline through conversations with partners.

12. Further, HCC (Hampshire County Council) has a strong ambition to prioritise economic growth and regeneration activity and to develop effective and purposeful partnerships across Hampshire. Following Cabinet approval in March 2022 for a new approach to Local Growth and Regeneration Partnerships, HCC commissioned the consultants PwC to undertake a piece of work to review current arrangements and to advise on how to develop effective partnerships across the area.
13. An important part of the PwC review has been to review the existing relationships between HCC and the Districts, Boroughs and Unitaries, and to identify ways to enhance collaborative working arrangements to enable the most efficient and effective ways of working. The development of this new approach for engagement provides single points of contact at the County Council from which to coordinate a multi-faceted approach, drawing broadly from the range of skills and expertise at HCC.
14. It is recognised that regeneration and growth is one contributing aspect to enabling the county council to achieve its strategic Hampshire 2050 ambition. Therefore, this new partnership model and ways of working cannot be delivered in isolation, but success will be achieved through aligning priorities and action planning as outlined in the next steps for the Economic Strategy.

### **Consultation and Proposed Amendments**

15. The consultation of the strategy was undertaken with both internal and external stakeholders as some of the content of the strategy impacts and influences that of other policy areas within the County Council.
16. Twenty-six external responses were received and one internal response from the Skills & Participation team. External organisations included membership organisations, Borough and Districts and private companies. The consultees can be categorised as the following:
  - a. Six Local authorities
  - b. One Local Enterprise Partnership
  - c. Nine businesses
  - d. One university partnership
  - e. Two NHS Trusts
  - f. Two community groups
  - g. Two private citizens
  - h. One Government department
17. Seven questions were asked of the consultees, namely:
  - a. Are the objectives appropriate to create a more dynamic, prosperous, and inclusive economy in Hampshire?
  - b. Have we identified the right models and levers for Hampshire's Economic Strategy?
  - c. What is your view on the proposed interventions?

- d. Would your organisation be prepared to align its activity to help deliver these actions?
- e. Is there anything you do not like about the draft Strategy?
- f. Are there any gaps in the draft Strategy?
- g. Do you have any comments to make about future engagement or where you see your organisation contributing?

#### 18. Key themes across all respondents

- a. There needs to be a broader reflection of the wider economy and the variances cross County, including, but not limited to, Heritage, Culture and digital in both infrastructure needs and the sector.

*“There seems to be little, if anything, on Hampshire’s strong offers in culture, heritage and creative industries. These are important assets and play an important role in a successful innovation ecosystem and regeneration of underperforming places.”* Enterprise M3

- b. Needs to align with national regional and local strategies and policies ensuring not just the Pan-Hampshire area is considered, but the Sub-Hampshire area

*“The council would welcome a more detailed dialogue with the county on the proposed interventions and how we might work together on delivery.*

*We believe it is important for our residents and businesses that both councils work together to align priorities.”* Rushmoor Borough Council

- c. The County Deal needs to be seen in the context of the wider discussions with partners going forward, acknowledging that any impact of a County Deal will support delivery across the area, and through devolved powers and funding, support realisation of better outcomes and greater delivery of the local ambitions developed through the Growth and Regeneration Partnerships

*“it seems that a lot of the levers are reliant on a county deal or some sort of devolved arrangements. This might to delays in delivering some of the ambitions of the strategy and some plans may need to be revisited.”* Basingstoke and Deane Borough Council

- d. The need to acknowledge the skills needed for a future workforce and acknowledge the change in jobs and jobs of the future

*“more about digitalisation in terms of within communities and the business community. There is a vast disconnect between day-to-day digital skills and business needs”* WSX Enterprise

- e. Consider infrastructure improvements in transport and digital as a main driver for growth

*“A bolder / more radical focus on building digital industry / connectivity or knowledge based communities, independent of physical location, would provide a vehicle to support improved collaboration and therefore accelerated growth.*

*Strategically, physical infrastructure will ultimately be less relevant than good quality digital engagement/knowledge/infrastructure.*

*There is no real vision around the technology sector. You would expect much more emphasis on communities of practice, incubator units, technology clusters/hubs etc". TechSolent*

f. The need for targeted, valuable partnerships

*"HCC can look to set an example in many cases but others will need to be engaged, so partnerships, programmes and funding will drive this. It's important that HCC works with people that actually want to change things rather than tick some boxes" Root21*

g. The 6 Capitals were welcomed, however clarity around ensuring they are not mutually exclusive would improve the strategy

*"There is little read across within pillars of the strategy, and interventions are quite siloed, potentially missing the opportunity to have impact beyond the sum of their parts." Hampshire Hospitals NHS Foundations Trust*

19. Business respondents focussed heavily on their sector within their responses. Highlighting the need for improved digital infrastructure and support for start-ups and innovation
20. NHS respondents both requested greater collaboration with the NHS Trusts as not only large employers, but to ensure that their own strategies around skills development and growth and investment are reflected within the strategy. Further the need to identify inequality and support for tackling poverty to support social mobility and create an inclusive Hampshire and the health of the workforce
21. Local Authorities all reflected on the lack of collaboration in developing the strategy, but all wanted to ensure that strategies from across Hampshire were reviewed so that the Hampshire strategy aligned appropriately, and that developments and actions are taken forward collaboratively.
22. Community groups all reflected on the need to consider the climate crisis, and consider the environment to be a golden thread across all interventions
23. Both LEP and membership organisations offer support in delivery of interventions, and highlighting the importance of partnerships and collaborative delivery
24. Skills and Partnerships highlighting that to support social mobility work needs to be undertaken to address the barriers, and supporting the most vulnerable, and that collaboration is key to delivery against all interventions.
25. Specific comments, and detailed feedback on specific areas, like skills for example, will be taken into consideration when drawing up the action plan.
26. Overall, that the strategy was welcomed by partners as well as the opportunity to respond to the consultation.

27. All respondents are keen to ensure partnership working is a core element of the strategy and its delivery.
28. The proposed updates and considerations based on the feedback and review of the draft strategy have either be addressed within the changes proposed to the strategy or taken forward within the action plan, these suggestions are as follows (further detail provided in appendix 2):
- a. To review measurements attributed to capital interventions to ensure they are suitable and meaningful, and that each capital has measurements as currently Social and Institutional Capital are without measurement suggestions.
  - b. To enhance a stronger brand for Hampshire, which can be aligned with the Place Story work and the Hampshire 2050 vision.
  - c. To clarify that Interventions are to complement and work together rather than be exclusively independent.
  - d. Physical capital
    - i. To emphasise the additional strength in the port's infrastructure and the development of a freeport within the Pan-Hampshire area and the impacts of the wider supply chain and employment which this infrastructure creates.
    - ii. Highlight significant areas of inward investment within the County, including that linked with the NHS's new hospitals programme which could see £0.7bn invested within the County.
    - iii. Ensure measurements will be a suitable measure for the suggested interventions
  - e. Natural Capital
    - i. To strengthen the use of the County's coastal assets and their impact on the economy
    - ii. Ensure measurements will be a suitable measure for the suggested interventions
  - f. Human Capital
    - i. To acknowledge the need for lower and middle-income employment opportunities within a balanced economy.
    - ii. To add a further weakness in identifying areas of deprivation in the sub-Hampshire geography as these areas may require more targeted support with regards to skills development and place-based interventions.
    - iii. To include average rental costs under the loss of young people issue to the Hampshire economy to reflect wider housing affordability issues, young people leaving education are more likely to move into a rented property than one which they purchase.

- iv. Identify some of the key employers within the Borough, highlighting for example the NHS as a significant employer both directly and indirectly linked to the demand for skills support.
  - v. Ensure measurements will be a suitable measure for the suggested interventions
- g. Knowledge Capital
- i. To draw out more partnership working with universities especially around innovation and enterprise and to examine if this type of model of innovation and support can be reflected elsewhere in the wider Hampshire area
  - ii. Ensure measurements will be a suitable measure for the suggested interventions
- h. Social Capital
- i. To remove part of the proposed intervention which suggests an asset review to identify gaps in the offer to the visitor economy. With many developments within the visitor economy being market led, any public sector intervention may have limited impact and therefore County Council focus and activity in this area of the economy will be reviewed alongside the outcomes of the Destination Management Organisation (DMO) review undertaken by Government. Once complete, this will provide better understanding of its impacts on the Pan-Hampshire area and how the County Council can most effectively support this sector going forward.
  - ii. To devise and propose measurements attributed to this capital
- i. Institutional Capital
- i. To devise and propose measurements attributed to this capital.

#### 29. Further actions and next steps:

- a. In coordination with key partners and stakeholders to ensure that the Economic Strategy's action plan supports and reflects the policies and strategies of the Pan-Hampshire area.
- b. Develop an action plan, in collaboration with internal and external partners that has both policy and implementation alignment. This plan will establish the lead partners for the interventions
- c. A prioritised programme of focussed interventions will be developed for each Capital. It will ensure that partnerships, delivery ownership and stakeholders are identified to support each intervention which will be reviewed as projects under the interventions are developed and delivered.

### **Climate Change Impact Assessments**

30. 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.

### **Climate Change Adaptation**

15. Insert text with reference to [guidance at the end of the template](#).

### **Carbon Mitigation**

16. Insert text with reference to [guidance at the end of the template](#).



**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u> Insert minutes of July meeting	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<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	

## **EQUALITIES IMPACT ASSESSMENT:**

### **2. 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 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.

### **3. Equalities Impact Assessment:**

- 3.1. Following completion of an Equalities Impact Assessment, it is considered that the proposal will have a neutral impact on groups with protected characteristics. However, as the Strategy is developed further and subsequently implemented, it will address inequalities in Hampshire, not least through measures aimed at alleviating and tackling poverty and deprivation, which is linked to several protected characteristics.



## Appendix 1 – Responses to the consultation

**Do you believe the objectives in the Strategy are appropriate to create a more dynamic, prosperous and inclusive economy for Hampshire?**

*“Overall, we support the Economic Strategy outlined and welcome the interventions and actions identified. Furthermore, the Strategy notes the complexity and interconnectedness of the economy; something which Business South sees first hand through working with its champions. We also support the objectives of maintaining (we would argue improving) our national / global competitiveness. We believe we have much to offer for inward investment; and have worked hard over recent years to firstly understand and then tell the amazing story of what Central South (and Hampshire within it) has to offer to the outside world for inward investment.”*

Business South

*“To an extent the strategy supports growth across multiple scenarios, however there appears to be a lack of ambition or innovation. The strategy reads a little “old world”, with a significant focus on the physical High Street / “office based” working world.”*

Tech Solent

*“We are pleased that the strategy makes explicit and frequent reference to the climate crisis, the need to decarbonise, net zero targets, sustainable growth, natural capital etc. Also, that economic growth is defined to include sustainable growth as a fundamental tenet.”*

Winchester City Council

*“In the main yes, but many other counties might have similar objectives so we need to consider what Hampshire wants to be known for? What is its unique advantage or attraction? Having a menu of things doesn't always help, it needs to clear”*

Root21

## **Have we identified the right models and levers for Hampshire's Economic Strategy?**

*"In part, but they need to be more focussed. We need transport and power (grid) infrastructure and to build up the freeport. Commercial premises will then look after themselves if planning permits it. We need housing of all types and without garden cities and small dispersed additions in all settlements we are never going to get enough. Building housing of itself provides employment and growth so this area is vital as the economy stutters."*

Herriard Estates

*"At a high level, yes, in the detail, there are more opportunities than are mentioned"*

Fflow

*"Yes. It is right to acknowledge in the "Six Capitals" approach the multiple values and their connectiveness that make an economic community successful.*

*The identification of four levers available to HCC to make interventions and achieve these objectives: Assets, Policies, Programmes and Funding, and Partnerships seem reasonable and necessary conditions of success.*

*However, they may not be sufficient given the wholly justified level of ambition and aspiration for Hampshire. Consideration should be given to how HCC and partners might use their collective assets to leverage extra private sector resources into the region."*

Enterprise M3

*"Yes. The "levers" identified allow HCC to develop a coherent set of interventions. Influence and partnership with other organisations will be key."*

Setsquared

*"Overall yes. However, it seems that a lot of the levers are reliant on a county deal or some sort of devolved arrangements. This might to delays in delivering some of the ambitions of the strategy and some plans may need to be revisited."*

Basingstoke and Deane Borough Council

**What is your view on the proposed interventions?**

*“Overall, very positive. Can they all be achieved within the timeframe of the strategy? I feel the Knowledge capital interventions are perhaps rather woolly compared to the specific interventions called for in the other capitals. The range of skills initiatives in Human Capital will be crucial to our economic and environmental success. This must be built through partnership creation. Talking of skills (and hence employment), I also noted little about the opportunities for eco-tourism locally in the Natural Capital interventions.”*

360 integrated PR

*“The interventions are logical based upon the strategy’s framework but at times given that many relate to how HCC services are delivered and assets managed it currently looks more like a HCC Corporate Strategy rather than an economic one for Hampshire. I can understand the reasons why e.g. HCC having direct influence over those services and assets but there are other major service providers and asset owners across the county that can help shape Hampshire’s economy.*

*Perhaps the detailed action plans along with the district based regeneration and growth partnerships that are proposed as next steps will see wider inputs into the strategy being considered and adopted. This will be important for the proposed project pipeline identification and place based regeneration.”*

Gosport Borough Council

*“As a top line initial attempt at setting out interventions then this works, recognising these need to be refined against changing macro drivers and influenced by partnerships. i think these fleshing out more and would suggest 'action groups' led by HCC are formed to bring together private and public sector representatives to refine these. Not a talking shop but focused on evolving the interventions”*

WSX Enterprise

**Is there anything you don’t like about the draft Strategy?**

*“The stated objectives have the potential to deliver. The development of a detailed action plan and a list of agreed interventions will be vital in order to realise the economic potential for the region and in support of the nation’s economy.”*

Associated British Ports

*“It is disappointing that the strategy has not been developed in partnership, with a more open dialogue about the particular challenges and opportunities in the Rushmoor economy. We would welcome the opportunity for a more meaningful conversation on the next steps.”*

Rushmoor Borough Council

*“There could be more exploration of the cross-pollination between pillars. Natural Capital and Human Capital for instance feed one another, the natural assets and capital of Hampshire can be huge drivers in the health and wellbeing of our human capital.*

*How Health is currently framed in the strategy does not include investment in health. The intervention of working with businesses to focus on good health is a good lever, but does not go far enough for the wider population who are not at work (schools, retired, unemployed), nor does it recognise the need to invest in ‘health creation’ with cost-benefit analysis to support.”*

Hampshire Hospitals NHS Foundation Trust

*“The Strategy identifies the need for affordable homes on several occasions. Whilst we support the provision of much needed affordable homes, we would suggest that the need extends far beyond this, to include all types of open market homes, provided in a planned, coordinated and sustainable way. Without these open market homes, the economic strategy is dependent on those with income levels at a level to qualify for affordable homes; when in fact, all types of homes are needed to support and drive the economy, including homes for business leaders, family housing, starter homes, houses, apartments etc, all in a variety of sustainable locations.*

*Construction is identified in the Strategy to become one of the largest sectors, but the Strategy identifies little that would support this important sector. Such support should include having sufficient land with planning permission to build on, a clear route to market, funding support, local sources of skills, supply chains etc.*

*Solutions to some of the biggest challenges facing Hampshire and Central South are not as evident or clear as they could be, eg. how will deprivation be addressed? How will we deal with commuting to / from economic hubs? What is the strategy for delivering the homes needed to support the Freeport and where will they be located? How will we attract / retain skills needed to support economic growth without the homes for them to live in? What infrastructure is needed to support the strategy? How will a carbon free economy be delivered? It is suggested that the Economic Strategy includes solutions to these important issues in order for it to be effective.”*

Business South

### **Are there any gaps in the draft Strategy?**

*“Overall, the strategy covers the areas of focus and priorities I would have expected to see in such a document. As with all strategies, the important part will be its implementation and how well the County Council works in partnership across the patch.*

*Inward investment needs more consideration and a clearer direction on sector development plans.*

*The Physical Capital interventions also aren't ambitious enough. While the strategy acknowledges that there are major issues with the energy efficiency of Hampshire housing stock (p.29) it's proposed intervention describes a retrofit programme only, should there be an opportunity to influence future developments at planning stage as well?”*

Basingstoke and Deane Borough Council

*“Its Pan-Hampshire focus also means that a number of issues at a sub-Hampshire level are missed despite their significance. With regards to transport for example, whilst reference is made to weaknesses in rail connectivity between Hampshire and London there is no mention of the need to improve the train links within Hampshire e.g. between Portsmouth and Southampton.*

*There is also no reference to other connections beyond Hampshire such as those to Brighton and Bournemouth to create a more dynamic south coast economic area.*

*In addition although congestion issues are referenced for Hampshire's strategic road network none are below that level despite having a significant impact on local economies e.g. the congested connections to/from the M27 such as those along the Gosport and Hamble peninsulas, Hayling Island and the New Forest (Brockenhurst).*

*On a more detailed note more emphasis should also be given to Hampshire's built heritage and the opportunities that the re-use of these unused/underutilised assets provide in terms of regeneration and creating a sense of place i.e. not just a constraint on redevelopment.”*

Gosport Borough Council

*“The Strategy identifies the reducing size of the workforce and the need for in-migration as well as talent retention. In a global economy where skills are in short supply, it is essential that living and working environments are provided that will both attract and retain new talent. Without the right homes / living environments in the right place, such talent will continue to be lost elsewhere. The Strategy*



*therefore needs to include interventions for the creation of new communities and places that will be attractive to key identified growth sectors, supported by the marketing of those places, alongside our cities and region.”*

Business South

**Do you have any comments to make about future engagement or where you see your organisation contributing?**

*“As one of a number of anchor organisations across Hampshire and the Isle of Wight, Portsmouth Hospitals would be happy to explore how we may work together on appropriate interventions.”*

Portsmouth Hospitals University NHS Trust

*“Nothing specific, although I am keen to facilitate wide collaboration throughout the county. I may also be in a position to provide local case studies and examples of businesses thriving in alignment with the strategy.”*

360 Intergrated PR

*“We are doing what we can to raise awareness at a local level but in the end it is the policy makers that will make the biggest impact on emissions and safeguarding wildlife and the environment”*

Private Citizen

*“We are working with HM Treasury colleagues on our new hospital programme, we will conduct significant economic modelling as it enters the more complex stages of business case development, and this will provide rich information for the currently missing health elements of the strategy, and we would like to work more closely with HCC here.*

*We would like to invite HCC to be a part of our programme partner group, receiving output from our strategy work and upcoming public consultation.”*

Hampshire Hospitals NHS Foundation Trust

## Appendix 2 - Proposed changes

### Appendix 2

Suggested draft changes, excluding minor changes and typos

#### Pg 3 Executive Summary

1. This strategy sets out ~~an overarching~~ a framework 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. Local ~~Economic Enterprise~~ Partnerships (LEPs)
3. Hampshire is a closely interconnected economic geography as a County and with its neighbouring areas . Across Pan-Hampshire, boundaries for residents and businesses are porous, and in order to deliver economic growth at scale, and deliver better services, it is essential that Hampshire County Council works closely with its neighbours and partners . This Strategy sets out a framework within which Hampshire County Council can collaborate with neighbours and will also support the development of a County Deal for Pan-Hampshire .

#### A framework for Hampshire's development

4. The complexity and interconnectedness of the modern economy has become increasingly apparent over the last five years. A series of events, including ~~the vote to~~ The United Kingdom ~~leaving~~ the European Union, the Covid-19 pandemic, and the Russian war on Ukraine have each revealed connections between commodity markets, population patterns, trade movements and the prices faced by consumers. Increasingly, environmental crises around the world are a reminder of how much economic damage natural disasters can cause

#### Pg 4 ~~Agency and I~~Levers

5. There is a direction of travel towards greater economic decision making at a local level, with devolution and the integration of LEPs, and Pan-Hampshire's own plans for the creation of an Investment Fund as part of a County Deal.

#### Pg 5 Six Capitals

6. We have applied a six capital framework to this Strategy, inspired by the model proposed by Benjamin Mitra-Kahn and Diane Coyle (Bennett Institute, Cambridge), and which has strong links to the six capital approach set out in White Paper on Levelling Up . This model proposes a

wider set of indicators than GDP for measuring wealth . Our framework incorporates physical, natural, human, knowledge, social, and institutional capital. Interventions created under these capitals will not necessarily be exclusive to that capital and will support cross cutting themes of the strategy.

### **Pg 5 Interventions**

7. In each section of the Strategy that considers one of the six capitals a series of possible areas for intervention is set out looking at: how the Council can make better use of its assets to deliver change as well as policies levers which either can or should be used to achieve the strategic objectives. The Strategy identifies programmes and potential funding which will play an important role in relation to each capital and the partnerships important to delivering them-.The interventions proposed here are indicative and high level-. They will be tested and developed further through consultation with partners and the development of a detailed action plan that prioritises, sequences and resources a set of specificthe refined interventions.

### **Pg 5 Next steps**

8. As the immediate next steps, the County Council will now take the Economic Strategy forward in the following ways:
  - discuss the analysis and strategic framework across the Council and with partners

~~ensure that the framework is then reflected in how the County Council and partners take forward LEP integration and County Deal/devolution planning~~

- discuss and agree with partners and District Authorities who will be responsible for taking forward interventions
- develop a detailed action plan and list of agreed interventions, outputs and outcomes

~~discuss and agree with partners and District Authorities who will be responsible for taking forward interventions~~

### **Pg 30 Physical Capital**

9. Comprehensive transport infrastructure, especially roads

Hampshire is a generally well-connected county, particularly by the road network . Most of Hampshire is within ten miles of a motorway . The M3 acts as a major spine bisecting the county, to which a comprehensive network of A roads connect, and the M27 connects the urban area along

the South Coast . Rail coverage is also fairly good, with direct links to London, the South West, and the Midlands . There are some challenges – for example, a rail bottleneck at Woking limits trips along the rail corridor connecting Hampshire to London .

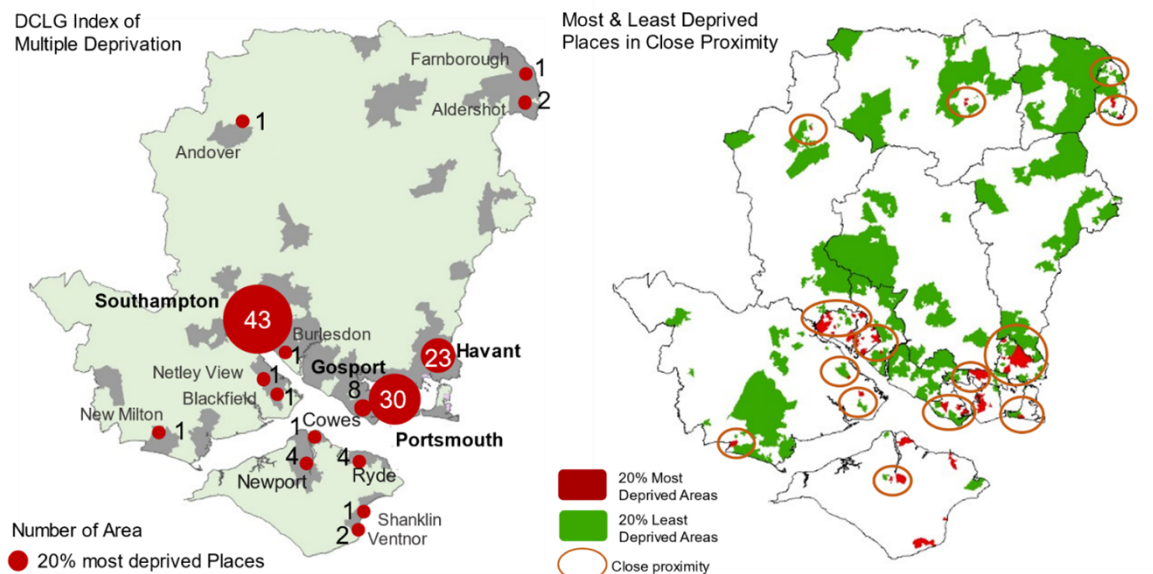
Although transport infrastructure is, broadly, a strength compared to other areas, road congestion is a problem, in part caused by an over dependence on the car for transport . The M27 is particularly bad for delays, though other major roads such as the M3 and A3 see problems as well .

The Pan-Hampshire area is home also to two ports in Portsmouth and Southampton which cater for tourism, commercial and defense movements connected directly to the worlds shipping lanes makes these ports strategic sites within the area for employment and trade.

## **Human Capital**

### 10. Additional Weakness:

Areas of Deprivation; A review of the Vision for Hampshire Deprivation update for 2021, areas of deprivation clearly have an impact on the wider economy and community of Hampshire. Although Hampshire is one of the least deprived areas within England for upper tier authorities (MHCLG2019) there are still pockets of deprivation. Across the Hampshire and Isle of Wight, 125 places fall into Englands 20% most deprived areas of England, with 58% of those are within Southampton and Portsmouth, and within the County council area, the focus is on Havant and Gosport. Deprivation links with morbidity, lack of affordable housing, and skills attainment and social mobility.



*Deprived neighbourhoods in Hampshire & Isle of Wight falling (within the 20% most deprived areas in England)*

**Pg 40**

11. Another challenge facing young people and especially those looking to get on the property ladder is the increase in average house prices in Hampshire . The average house in September 2021 cost £342,426 which was an 8 .4% increase from September 2020, and a 23% increase since September 2016 (Figure 29) . This is almost 10 times higher than the average annual income (£34,756), meaning each year Hampshire is becoming less affordable for young people .

The rental market also impacts on young people's ability to become independent and can restrict employment choices post education.

The average rent within Hampshire in 2022 being £725 per month for a one bedroom property, up from £695 in 2020. Although the rise is lower than that of the purchasing market at 4.2%, £8,000 is a significant percentage of a graduate's salary, regionally earning £25,755 per annum.

12. There is a need to increase progression into Level 4 and 5 learning as well as raise uptake of apprenticeships to raise skills levels to meet the needs of the local labour market; whilst acknowledging that roles for all skill levels exist within the labour market of a balanced economy.

**Pg 49**

13. Work with district councils and other stakeholders to develop overarching tourism and cultural strategies that knit together the different priorities and demands on areas and cater to both local people and visitors . The strong

cultural and natural assets of the county are vital anchors for local and visitor markets . ~~The Council should undertake an asset review to better understand users and identify product gaps . This should be used to inform and underpin the tourism and cultural strategies with priorities and a programme for activities and investment.~~ Consideration should also be given to the promotion of Hampshire as a place to generate inward investment, sustainable growth and tourism . A review of the Destination Management Organisation review 2022 conducted by DCMS will need to be undertaken to understand the impacts on the Pan-Hampshire area in delivery of tourism services.

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker</b>	Cabinet
<b>Date:</b>	13 December 2022
<b>Title:</b>	Strategic Asset Management Plan 2023 to 2028
<b>Report From:</b>	Director of Culture, Communities and Business Services

**Contact name:** Rebecca Thompson

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#### Purpose of this Report

1. The purpose of this report is to bring forward a new 5-year Strategic Asset Management Plan (SAMP) for the County Council's estate for approval by Cabinet.
2. This report sets out the context and drivers for the SAMP, its structure and the key themes that will provide direction to the management of the County Council's property assets through a set of strategic actions, with the SAMP itself provided at Appendix 1.

#### Recommendation

3. That Cabinet approves the Hampshire County Council Strategic Asset Management Plan 2023 to 2028 at Appendix 1.

#### Executive Summary

4. The SAMP is a key enabler of the County Council's corporate strategy to ensure that the County Council's large and diverse estate continues to meet corporate priorities and objectives.
5. The objective of the SAMP 2023 to 2028 is to provide a strategic framework for decision making based on a clear set of principles and mechanisms through which the future use of land and property assets will be considered, together with a high-level action plan to enable the effective management and re-shaping of the estate.

6. The vision and objectives identified in the SAMP reflect the role that land and property assets can play in achieving the strategic priorities of the County Council. This includes enabling and contributing to economic regeneration and growth in Hampshire, in line with the Hampshire 2050 strategy, as well as enabling the further transformation of County Council services and maximising the financial return from assets in the context of the significant financial challenges the County Council faces to 2025.

### **Contextual information**

7. Hampshire County Council (HCC) owns a substantial property estate, held primarily for the delivery of frontline public services, but also more generally to support the County Council's corporate priorities.
8. The County Council's assets are diverse and include schools, day centres, libraries and museums, children's homes, residential and nursing care homes, waste recycling facilities, country parks, rural landholdings, and operational farms. The County Council also owns and occupies offices, workshops, depots and storage accommodation, leases other commercial property to businesses and rural holdings to farmers and has responsibility for a wide range of heritage assets including listed buildings and Scheduled Monuments.
9. While the estate continues to evolve to meet the County Council's needs, the following statistics provide an illustration of the scale of the County Council's estate in 2022:
  - 1,716 sites
  - 10,068 building units
  - 1,755,589 sqm total floor area
  - 8,790 hectares of land
  - £5.3m annual rental income
  - £3.2m annual rental outgoings
  - £3.5 billion total book value for land and building assets
  - c.£50m annual capital and revenue repair and maintenance budgets
10. The purpose of a strategic asset management plan is to align asset requirements and the management of the County Council's estate with organisational objectives and priorities. The County Council has published two previous SAMPs in 2011 and 2015 which captured, in some detail, asset strategy responses to specific corporate and operational service objectives and priorities.



11. Within the current context of financial and economic uncertainty, the impact of the pandemic and continuing fast pace of change, there is a greater benefit from a SAMP that seeks to establish a strategic framework for management of the estate and guiding principles for the development of specific asset strategies as and when required.

### **Progress against the current Strategic Asset Management Plan**

12. The County Council's current SAMP identifies several service specific priorities to enable and support the transformation of the County Council's services. Good progress has been made on many of these, including the delivery of new and repurposed assets to address the needs of children in care, new school places, younger adults with disabilities, extra care housing for older adults and improved visitor facilities across our Country Parks.
13. The current SAMP also highlights the County Council's programme of strategic land development sites and a need for investment and acquisition to replace this land. Significant progress has been made on the promotion and development of a number of strategic sites and a £10m provisional capital allocation for strategic land purchase was identified in 2019. However there continue to be challenges to securing acquisition opportunities.
14. A number of broader corporate themes are identified in the current SAMP which remain relevant, including:
  - The potential benefits of a more centralised 'corporate landlord' model for the management of non-school assets. This approach has been successfully applied to the County Council's corporate office accommodation but not yet to other building portfolios within the County Council's estate.
  - The condition liabilities across the estate. This remains a significant challenge, due to the age of many assets and ongoing funding constraints.
  - The impacts of climate change as a growing priority. Positive steps have been taken to improve energy performance and reduce operational carbon emissions across the estate. However, the scale of adaptation required to achieve net zero by 2050 and increase the resilience of the built estate is significant.
  - The benefits of developing a more a co-ordinated asset management system. This continues to be a key priority to enable evidence-based decision making and drive efficiencies in the management and maintenance of the estate.

## Strategic Asset Management Plan 2023 to 2028

15. In developing the SAMP for 2023 to 2028, the ambition is to create a high level post-pandemic vision for the County Council's estate that reflects strategic and operational corporate priorities and to establish a framework of principles for effective asset management and asset decisions relating to the investment, operation, maintenance, and disposal of assets.
16. The SAMP provides an umbrella for more detailed asset strategies, policies and procedures, which inform decision making and the ongoing management of individual assets and the wider the estate. The SAMP aligns with other County Council strategies including those for Economic Development, Commerciality and Climate Change.
17. The SAMP is intentionally high level and structured in four parts:
  - **Vision** – what the County Council wants the future to look like
  - **Principles** – what needs to inform decision making
  - **Objectives** – what the County Council aims to achieve over the period of the plan
  - **Actions** – the key actions the County Council will take.

### Drivers for change

18. The development of the SAMP has considered a range of national, local and organisational drivers for change that impact on the County Council's own use of its estate and the wider potential of its assets. Key drivers for change include:
  - Changing demand for public services arising from demographic change
  - Changes to ways of working and service delivery arising from the Covid-19 pandemic
  - The County Council's current and forecast financial position
  - The local and national economic context
  - Advances in digital technology
  - The condition of the County Council's estate
  - Climate change
  - Emerging building and construction industry legislation, particularly following the Grenfell Tower fire.

19. The development of the SAMP has also considered the current asset management arrangements for the County Council's estate and examples of the opportunities and decisions arising from existing assets.

### **Key themes**

20. Several key themes, which relate to wider corporate priorities, are reflected in the SAMP. These are set out below.
21. ***That our land and property assets are a corporate resource and asset management and decision making need to take account of corporate priorities alongside service priorities.*** This recognises that decisions based solely on the needs of the service or department occupying an asset may not achieve the best outcomes for the County Council as a whole and that better decision making is enabled through a joined up approach.
22. ***A desire to explore commercial opportunities from assets, including through acquisition, with a change in the organisational risk appetite and an agile approach, to achieve commercial advantage.*** While it is recognised that assets do not provide a solution to the County Council's financial position, there is an opportunity to proactively consider a range of commercial opportunities to realise a financial return from assets in addition to existing commercial arrangements such as third party leases, wayleaves, and commercial warehousing.
23. ***A desire to use assets to stimulate and support economic regeneration and growth and contribute to the shaping of Hampshire as a place, through enabling cultural, commercial and employment opportunities as well as housing development.*** Through its strategic land programme the County Council has a good record of enabling development to meet the demand for new housing in Hampshire. It is recognised that there are broader opportunities to support, enable and contribute to economic regeneration and growth through the County Council's assets, particularly in our town centres.
24. ***Recognition of the need to rationalise the operational estate to reduce costs and liabilities and realise a financial return from the disposal of surplus assets.*** Rationalisation of the office estate continued through the Covid pandemic, primarily through the release of leased buildings. With new ways of working now established, there are opportunities to further streamline the estate through a reduction in office accommodation and co-location of customer facing services in shared buildings. This will not only provide savings in operational costs but also reduce future liabilities arising from inflation, condition and climate change.

25. ***That the competing demands and pressures on our assets require a robust but balanced approach to business case development that enables evaluation of social, financial and economic value.*** A structured business case approach facilitates evidence based identification and evaluation of a range of impacts and benefits, providing a sound basis for decision making and risk management in an often complex context.
26. ***Providing early visibility and engagement on emerging asset opportunities and decisions, so that these can be shaped with the Corporate Management Team (CMT) and Cabinet.*** A collaborative and iterative approach to shaping asset strategies creates space for wider input and constructive challenge with collective ownership of the outcomes and any associated risks.
27. ***The use of external, private sector agents and consultants, alongside internal expertise, to test, challenge and validate asset proposals.*** Building on existing consultancy arrangements, this approach will help ensure that all options are explored, supported by appropriate market data and evidence.
28. ***The need for an improved understanding of the condition liability across the estate and a risk-based approach to prioritising limited funding to meet health and safety, statutory compliance and critical business continuity needs.*** The County Council operates an effective regime of condition and risk based maintenance that targets the highest priorities across the estate. Establishing a more holistic understanding of condition liability will inform future investment planning and operational asset management.
29. ***The importance of good asset data and systems to support an evidence based approach to decision making and to inform and optimise management and maintenance of the estate.*** The continued development of a consolidated asset management system is essential to providing high quality asset intelligence that improves the understanding of the County Council's estate.

### **Implementing the SAMP**

30. SAMP 2023 to 2028 identifies strategic actions that will contribute towards achieving the vision. Many of these actions build on activities that are already in train. However the new SAMP also represents a change to the County Council's current approach to managing its estate, with an increased focus on evidence based decision making aligned to corporate priorities. This change will require both cultural and process shift, as well as a change in the pace and scale of some existing programmes of work, to realise the desired outcomes.

31. The following priority activities have been identified against the strategic actions in the SAMP:

- Establishing appropriate corporate governance for asset related programmes and decisions.
- Undertaking a review of the current HCC model of managing assets to determine whether there are benefits to a more centralised approach (Corporate Landlord Model).
- Establishing a strategy for the rationalisation of the Winchester office estate and creating the capacity to extend the rationalisation programme across the area offices and community facing buildings.
- Working with economic development colleagues and partners, within the context of the Hampshire 2050 strategy and local regeneration and growth partnerships, to identify and develop further opportunities for HCC assets to play a role in place shaping, economic growth and regeneration in Hampshire.
- Exploring the commercial opportunities that could be realised from existing assets.
- Developing and testing a balanced business case approach and broad range of commercial delivery models by bringing forward existing surplus asset and discreet development opportunities for early discussion.
- Developing portfolio level asset strategies to address the asset needs arising from changes to operational service models.

## **Finance**

32. The SAMP 2023 to 2028 provides a framework for the effective management of the County Council's estate, which is delivered through existing resources. As such, there are no direct financial implications from the approval of the SAMP.

33. The Action Plan contained in the SAMP sets out the high level actions required to deliver the SAMP. Where additional resources or investment is required to deliver these actions and associated outcomes, or in relation to a specific asset decision or programme of work, a business case will be developed for consideration by the County Council at the appropriate time.

## **Consultation and Equalities**

34. In developing the SAMP for 2023 to 2028, consultation has been carried out with CMT and Cabinet Members. Through this consultation, the opportunity to

use County Council assets to realise positive social and economic benefits for the place and people of Hampshire, in line with the Hampshire 2050 strategy, has been identified as a key priority for the County Council and is reflected in the SAMP.

35. The SAMP provides a framework for management and decision making of the County Council's estate rather than determining the specific actions to be taken for individual assets or building portfolios. Where relevant, wider consultation and specific equality impact assessments will be undertaken in relation to particular projects, programmes and decisions, as these are brought forward.

### **Climate Change Impact Assessment**

36. 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.
37. The carbon mitigation tool and climate change adaptation tools employed by the County Council were considered and deemed not applicable on this occasion because the decision relates to a strategic plan rather than a specific asset decision, project or programme of work. A climate change strategy for the built estate has been developed and forms part of the wider portfolio of strategies and policies that come under the umbrella of the SAMP and inform asset decisions and the ongoing management of the County Council's estate.

### **Conclusions**

38. It is important that the County Council has a clear strategy framework within which it manages its land and building assets effectively, in support of corporate priorities.
39. The SAMP for the period 2023 to 2028 provides a vision, principles, objectives and action plan that reflect the County Council's strategic and operational priorities in relation to its assets.
40. The adoption and implementation of the new SAMP will provide the basis for a coherent approach to the ongoing adaptation, management and rationalisation of the estate to meet the operational needs of the County Council and deliver a financial return from assets. The SAMP will also support

the County Council's ambition to use its assets to contribute to the shaping of Hampshire as a place and support economic regeneration and growth, in line with the Hampshire 2050 strategy.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<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	



## **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:**

No equality impacts have been identified arising from this report as it does not identify specific actions to be taken for individual assets or building portfolios.

# **Hampshire County Council**

## **Strategic Asset Management Plan**

### **2023 to 2028**

#### **Introduction**

The County Council owns and operates a large and complex land and property estate, comprising 1,716 sites, 10,068 building units, 1,755,589 sqm total floor area and 8,790 hectares of land with a total asset value of £2.8 billion.

Most of the County Council's estate is used for operational purposes, enabling the delivery of public services to the people of Hampshire. The County Council also has several strategic landholdings and a small portfolio of commercial assets which provide a financial return to the organisation.

The continued pressure on local government finances, together with other factors including climate change, new legislation, technological advances, demographic changes and new ways of working arising from the Covid-19 pandemic, are influencing how we deliver services and how we use our assets to support and enable this.

Our assets also play an important role in shaping Hampshire as a place, with further opportunities to contribute to its economic regeneration and growth, aligned to the Hampshire 2050 strategy.

This strategic asset management plan (SAMP), which covers a 5-year period from 2023 to 2028, provides a strategic framework for the management of the County Council's estate. Through a clear vision, principles, objectives and action plan, the SAMP provides the basis for a coherent approach to ensuring that our land and assets continue to respond and contribute to meeting the County Council's strategic and operational objectives and priorities.

**Vision** *(what we want the future to look like):*

- Property is planned and managed as a **corporate resource** for the people of Hampshire.
- We **operate and maintain property** effectively, efficiently, and sustainably.
- The size of **the estate is reduced** to fit what we need.
- Optimal **financial return and commercial opportunities** from the rationalisation and disposal of surplus land and buildings is achieved.
- Our land and buildings are used to **stimulate development and economic growth** in line with the Economic Strategy.
- **Collaborative working**, both across the authority and with partners, is promoted to provide benefit for service delivery whilst securing efficiencies and value for money.

**Principles** *(what needs to inform our decision making):*

- **Early engagement** and shaping of opportunities with Members.
- Set out a **clear plan and vision** to drive change.
- Ensure the **strategy is sufficiently flexible** to take account of future drivers of change.
- Use our asset base in the best way to **support economic regeneration and growth**.
- **Clear identification** of the property that is required to meet corporate and operational objectives, policies, plans and strategies.
- Achieve a **balanced approach**, considering the competing demands and pressures on our assets, when considering asset retention, investment, disposal or acquisition.
- Achieve **commercial advantage** in a competitive market.
- Ensure that, to meet service objectives and community needs, we have **the right assets** in the right location, in good condition and efficiently managed.

## **Objectives** *(what we aim to achieve):*

- **Establish a corporate framework** for the management of all our property assets and have a robust governance structure in place providing direction and transparency of the management of the County Council's estate.
- Further **develop the corporate landlord** model to ensure a strategic approach in respect of the County Council's land and property assets to enable the portfolio to be managed as a whole, rather than considering assets in isolation.
- **Support longer term regeneration and growth** by preparing business cases for retaining, acquiring, or disposing of assets ensuring best consideration is achieved and, where relevant, community and social value is taken into consideration.
- **Take an evidence-based approach**, provide accurate data for informed decision-making, invest in up-to-date property information, benchmarking and analytics.
- **Rationalise our operational estate**, achieving reduction through co-location, new ways of working and maintenance optimisation.

## **Action Plan** *(what we will do):*

### **Invest**

- Develop strong sustainable business case models for alternative / additional asset uses.
- Acquire assets with strong commercial development opportunity and exploit for financial return, where supported by a robust business case.
- Develop operational facilities to meet public infrastructure demands.
- Create future strategic development opportunities through strategic planning.

### **Maintain**

- Further develop the asset management system to inform and optimise maintenance planning, prioritisation, and lifecycle cost plans.
- Prioritise maintenance for high operational risk property to be retained for the longer term.
- Review effectiveness of maintenance delivery.

**Operate**

- Further develop the corporate landlord model for the operational management of assets.
- Challenge occupation and utilisation of assets linked to new ways of working.
- Seek external funding to reduce carbon emissions and energy costs.

**Dispose**

- Promote appropriate land assets as strategic development sites.
- Identify and dispose of strategic sites where multiple benefits can be achieved.
- Rationalise and reduce the overall size of the County Council's built estate, starting with office accommodation.

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## HAMPSHIRE COUNTY COUNCIL

### Report

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	13 December 2022
<b>Title:</b>	Annual Safeguarding Report - Children's Services 2021-22
<b>Report From:</b>	Director of Children's Services

**Contact name:** Stuart Ashley

**Tel:** 01962 846370

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#### **Purpose of this Report**

1. The purpose of this report is to provide an annual update to Cabinet on safeguarding children activity within Children's Services during 2021/22.

#### **Recommendation(s)**

2. That Cabinet notes the positive progress and continued consistently high performance with regards to safeguarding children in Hampshire.
3. That Cabinet note the commitment of a wide range of Children's Services officers in achieving this level of performance.
4. That Cabinet receives further updates on safeguarding on an annual basis.

#### **Executive Summary**

5. This report seeks to identify key national developments, summarises performance and activity levels, and details a number of key local developments and future priorities. The report mainly uses data from the financial year 2021/22 but supplements this with more recent data where it is useful to do so.
6. The report provides assurance that whilst demand for children's social care services continues to increase year on year, the response to the safeguarding of vulnerable children is both robust and timely. New and emerging risks to children are identified and addressed collaboratively with partners and the

wider transformation of children's social care will deliver a modern social work service fit for the future challenges over the next decade.

### **Contextual information**

7. Cabinet will recall the Inspection of Local Authority Children's Services (ILACS) that, local authorities are subject to standard and short inspections depending on their previous Ofsted judgement. Inspections since the introduction of the ILACS:
  - 7.1. **November 2018** - Hampshire was subject to a focused visit, inspecting children subject to a child protection plan, including the quality and impact of pre-proceedings intervention under the Public Law Outline (PLO). Hampshire had received a very positive letter from Ofsted following this visit.
  - 7.2. **April and May 2019** - Hampshire was subject to a full ILACS inspection. Report to Council dated 15 July refers to this inspection. This inspection judged Hampshire to be outstanding overall and across the other three areas of judgement.
  - 7.3. **November 2021** – Hampshire volunteered to pilot a new Joint Targeted Area Inspection (JTAI). The focus of this inspection was multi agency Safeguarding arrangements across all partners, working from initial contact through to a CIN/CP decision. The inspection involved inspectors from Ofsted, CQC (Care Quality Commission) and HMICFRS (Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services). The partnership received a very positive outcome letter following this visit.
8. It is worth noting that each of these inspections were rooted in safeguarding and have fully tested Hampshire's safeguarding practice, alongside testing the front door process within the Multi Agency Safeguarding Hub (MASH).

### **Finance**

9. There are no financial recommendations in this report although the issue of the continued rise in cost (price) of placements for children in care in the independent sector, is a key pressure for the County Council.

### **National Developments**

#### **10. The Independent Review of Children's Social Care**

- 10.1. This national review and its final recommendations are presented as a once in a generation opportunity for radical change. The Review calls on government to be ambitious for children and to play a more active role in creating the conditions for success, both in the design and delivery of services and for children's rights and outcomes.



- 10.2. The Review itself recognises the context within which children's services operate, the impact of poverty and wider policy decisions on families and consequently on social care e.g. welfare, immigration, drugs, CAMHS and domestic abuse, both on children's lives and the need for help and support in communities. The report reiterates the importance of strong universal services. The report follows a child's journey through the system and puts forward a series of recommendations for reform.
- 10.3. There is a greater emphasis on family help, which is a combination of early help and lower level children's social care cases. The review suggests that an expert child practitioner (qualified social worker) supervises the work of multi-disciplinary teams, allowing case holding by practitioners that are not qualified social workers.
- 10.4. The Care Review recommends that a National Reform Board and a national data and technology taskforce are required to oversee the overall reform programme plus the technical specifics of national data and case management reforms. The Director of Children's Services is a member of what is now termed the National Implementation Board in his role as President of the Association of Directors of Children's Services. A comprehensive financial analysis and case for new investment is put forward in the report, with £2.6bn of new funding called for to support the proposed transformation. In time, a focus on family support should result in savings and shift the profile of spend from reactive, acute services to early intervention and support (care population could be reduced by 30,000 over the coming years). The report makes numerous references to 'keeping more children safely at home' which is a reference point that we have been working to for several years in Hampshire.

## **11. Covid-19**

- 11.1. The last two years has seen unprecedented disruption to the lives and well-being of children with the arrival of the first global pandemic since 1918. March 2020 saw the country head into a full lockdown, with schools and offices closed and social distancing introduced in order to slow down community transmission. Throughout this Children's Services were cognisant of the need to keep children, particularly vulnerable children, and their families safe and where appropriate, attending school.
- 11.2. However, although Covid-19 may no longer be a visible impact in daily lives, the long-term impact remains. In terms of numbers there has been an increase in demand that has yet to return to pre pandemic levels and we may be experiencing the 'new normal'. Contacts have increased by 18% and total referrals to MASH by 39%. In addition there is evidence of an increase in the complexity of cases related to childhood anxiety, child and family/adult mental health issues as well as domestic abuse and neglect.

## **12. Homes for Ukrainians**

- 12.1. Our district Family Support Service (FSS) teams have taken the lead on supporting Ukrainian refugees and their host families across Hampshire.

Whilst the data does not feature heavily in this report as it focuses mainly on the financial year 2021-22 there are currently almost 2500 Ukrainian refugees being supported in Hampshire.

- 12.2. The processes are now well embedded with the majority of the 'teething issues' ironed out.
- 12.3. Support groups are being run in most districts with FSS teams taking the lead on some of these or working alongside existing support groups.
- 12.4. The government has now opened the scheme to unaccompanied minors (i.e. children who are travelling without or not joining a parent or legal guardian). The scheme is in its infancy, so it is difficult to comment on numbers or the implementation of the scheme. All unaccompanied minors will receive a social work assessment and ongoing social work support, comparable with Private Fostering regulations, as per the government guidance. Numbers at this stage are low, with three arrangements approved as of 9 September 2022.

### **13. Child exploitation**

- 13.1. There are clear links between child exploitation and those children who are trafficked and/or that go missing. The term 'exploitation' includes the following risk areas: child sexual exploitation (CSE), online exploitation, criminal (CCE) exploitation including County Lines, drug related harm, knife crime and serious violence; as well as other forms of exploitation that involve coercion and control such as radicalisation and extremism; forced marriage, female genital mutilation. Child exploitation work remains a major challenge.
- 13.2. The Hampshire, Isle of Wight, Portsmouth & Southampton (HIPS) Child Exploitation Group is a strategic multi- agency group, covering the HIPS areas. The group developed the HIPS Child Exploitation Strategy, which sets out how all agencies will work together to ensure the most effective and coordinated response to identify and protect children at risk of exploitation both within and across the HIPS Local Safeguarding Children Partnership (LSCP) areas.
- 13.3. A HIPS Operational Child Exploitation Group provides strong operational links and dissemination routes in and out of the strategic group, and links into Hampshire district led Missing Exploited and Trafficked (MET) operational sub groups. These ensure the identification, support, safeguarding and diversion of children who are at risk of, or being exploited within Hampshire's districts.
- 13.4. The latest available data for children who go missing in Hampshire, be that from home or for those in care, shows a continued improving position. Fewer children are going missing and when they do, there is a robust and effective response from children's social care and Hampshire Constabulary. Hampshire have employed two specialist workers (based in Willow) who monitor missing children on a daily and weekly basis and work with district teams to ensure appropriate safeguards are in place to prevent repeat occurrences. This is an important area of work and one that Ofsted gives significant scrutiny to.

13.5. County lines and local drug peer networks remain an increasing concern for Hampshire Children’s Services and all agencies concerned with children in the area. All agencies and professionals contribute to tackling this form of exploitation, with more specialist work being undertaken by the pan-Hampshire Police Missing team and the Hampshire Children’s Services specialist Willow team - a multi-agency team consisting of specialist social workers, health professionals and St Giles Trust workers, working closely with Hampshire Constabulary to protect the highest risk children. Together with Hampshire Constabulary there is a coordinated deployment of these specialist resources to identify networks, ensuring the safeguarding of the most vulnerable children and the disruption of county line activity.

### Performance and Activity Levels

14. Workloads, as evidenced in contacts, referrals and safeguarding activity, continue to be high with 10,558 cases open to Children’s Social Care as at the end of June. The table below sets out the trends over the last four years including the source of referrals received via the Multi Agency Safeguarding Hub (MASH).

### 15. Contacts and referrals

15.1. The total number of contacts as at 31 March 2022 (153,033) is 21% higher than the total received at 31 March 2021 (126,153). This is indicative of the continuing pressures across the child protection system which is reflected nationally. With schools reopened, education has retaken its traditional position as highest referrer at 26.82%, with police in second highest referrer position (24.99%). These percentages have remained fairly consistent over the last three years. Note, as indicated by \* in the table, the source of the referral is collated only for those referrals that require assessment hence the numerical discrepancy

Contact and Referrals	2017-18		2018-19		2019-20		2020-21		2021-22	
	Denom	Value	Denom	Value	Denom	Value	Denom	Value	Denom	Value
<b>Number of initial contacts</b>		106010		117188		125413		126153		153033
<b>Number of referrals</b>		35953		40014		44434		48826		60761
<b>Referral source*: Individual</b>	1908	11.50%	1906	10.40%	2303	11.39%	2484	11.41%	2694	9.67%
<b>Education</b>	3862	23.30%	4432	24.10%	5007	24.76%	4230	19.43%	7468	26.82%
<b>Health Services</b>	2251	13.60%	3063	16.60%	3656	18.08%	4259	19.57%	5101	18.32%
<b>Housing</b>	174	1.00%	188	1.00%	248	1.23%	181	0.83%	255	0.92%
<b>Local Authority Services</b>	1704	10.30%	1661	9.00%	1600	7.91%	1856	8.53%	1980	7.11%

<b>Police</b>	4265	25.70%	4559	24.80%	4585	22.68%	5803	26.66%	6958	24.99%
<b>Other legal agency</b>	388	2.30%	593	3.20%	696	3.44%	884	4.06%	1087	3.90%
<b>Other</b>	1194	7.20%	1248	6.80%	1262	6.24%	1166	5.36%	1418	5.09%
<b>Anonymous</b>	384	2.30%	495	2.70%	531	2.63%	643	2.95%	633	2.27%
<b>Unknown</b>	466	2.80%	263	1.40%	332	1.64%	2	0.01%	2	0.01%
<b>Not recorded</b>	0	0.00%	0	0.00%	0	0.00%	258	1.19%	252	0.90%

## 16. Section 47 (child protection) investigations and assessments

<b>Section 47 and Assessments</b>	<b>2017-18</b>		<b>2018-19</b>		<b>2019-20</b>		<b>2020-21</b>		<b>2021-22</b>	
<b>% of S47 going to conference</b>	3926	44.90 %	4317	40.60 %	5035	31.40 %	6048	28.01 %	7948	20.55 %
<b>Assessment Timeliness</b>	1849 6	87.90 %	1800 3	90.90 %	1971 2	92.61 %	1592 4	95.30 %	2118 8	95.90 %

16.1. With regards to assessments, as can be seen in the table above, the percentage of child protection investigations (section 47 investigations) which progress to an initial child protection conference over a year, has reduced slightly in comparison to 2020-21 although the number of investigations has increased. We remain satisfied with the consistent application of thresholds both within MASH and in districts teams which has been endorsed by the positive inspection by Ofsted less than a year ago. We are confident through our quality assurance and performance work that cases requiring an Initial Child Protection Conference (ICPC) are appropriately progressed.

16.2. The timeliness of completing a Child and Family Assessment (C&FA) since their introduction in 2014-15, is a very positive picture given the large number of assessments undertaken over the last year. This has not fallen from the high 80s for the last three years and is higher than the majority of other local authorities in the region.

## 17. Child Protection Plans (CPP)

<b>Child Protection Plans (CPP) and visits</b>	<b>2017-18</b>		<b>2018-19</b>		<b>2019-20</b>		<b>2020-21</b>		<b>2021-22</b>	
<b>No of children on CPP</b>		1293		1097		938		1000		1022

<b>New CPP in the Year %: Neglect</b>	1080	70.40%	950	64.40%	824	61.36%	747	66.16%	697	50.22%
<b>Physical</b>	122	7.90%	100	6.80%	91	6.78%	72	6.38%	75	5.40%
<b>Sexual</b>	65	4.20%	75	5.10%	50	3.72%	29	2.57%	36	2.59%
<b>Emotions</b>	268	17.50%	351	23.80%	378	28.15%	281	24.89%	360	25.94%
<b>New CPP in Year Rate Per 10,000 : Neglect</b>	1080	38.4	950	32.9	824	28.7	747	25.8	775	26.4
<b>Physical</b>	122	4.3	100	3.5	91	3.2	72	2.5	75	2.6
<b>Sexual</b>	65	2.3	75	2.6	50	1.7	29	1	36	1.2
<b>Emotional</b>	268	9.5	351	12.1	378	13.2	281	9.7	360	12.2
<b>CPPs ending after 2 or more years</b>	108	7.20%	78	4.40%	59	3.90%	41	2.90%	33	2.40%
<b>Current CPs lasting 2 or more years</b>	28	2.20%	35	3.20%	15	1.60%	7	0.70%	16	1.57%
<b>Children requiring a repeat CPP</b>	352	23.00%	317	21.50%	321	23.90%	371	32.86%	303	21.80%

17.1. As detailed above, work within the child protection planning process remains robust with numbers showing a decline from the end of March 2017, but an increase more recently due to the Covid pandemic. The previous positive reduction was considered to be as a result of more effective interventions with children and families at the Child in Need level, meaning less cases are escalated to a child protection plan because risks are addressed earlier. The increase is as a result of additional pressures on families as a result of Covid 19 due to the withdrawal of some services and leading to an increase in the complexity of cases.

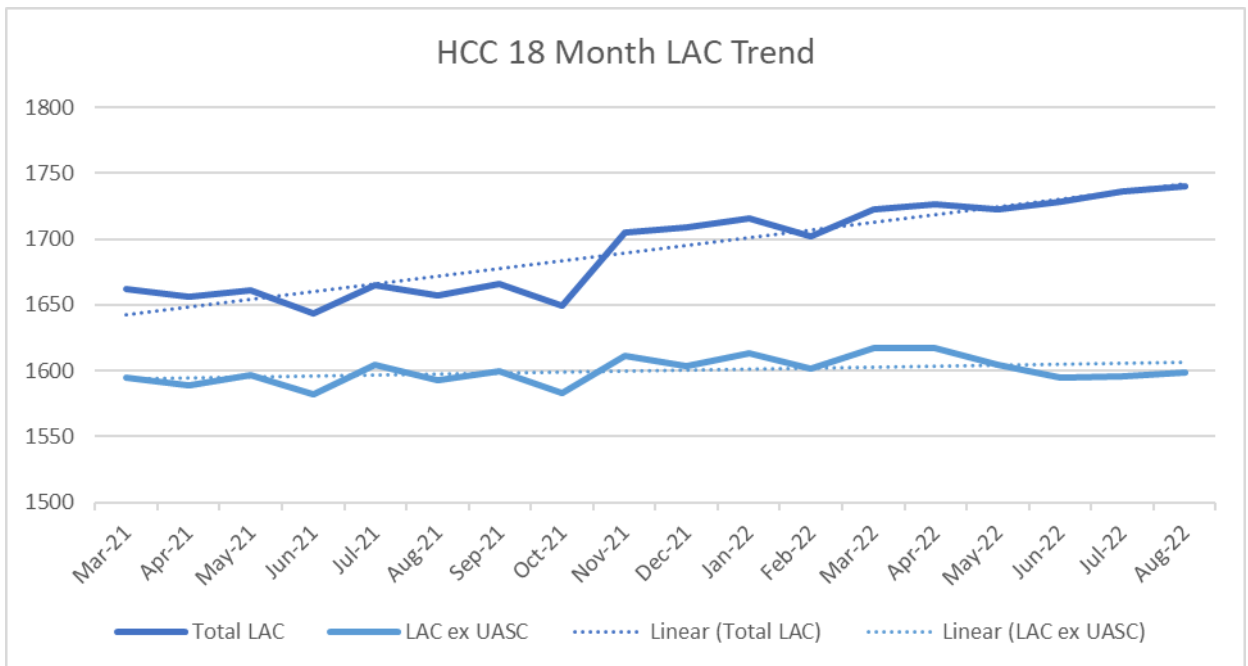
17.2. The number of children subject to a plan for neglect remains in the 50-70 percent (although a word of caution in that categorisation between neglect and emotional abuse can be variable, and neglect while present may not be the main presenting factor). Hampshire Safeguarding Children Partnership (HSCP) launched its Neglect Strategy in October 2016 and again in 2021, and this continues to help professionals better identify neglect.

17.3. A low percentage of child protection plans are lasting beyond two years (which is good as it indicates proactive work) and relatively few require a repeat plan within two years. The number of timely visits made within the required dates remains a significant strength of the service and reinforces that children are being seen and kept safe.

18. Full Time Children Looked After (CLA)

Full Time Children Looked After (CLA)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
No of full time CLA	1339	1305	1440	1592	1664	1602	1656	1725

18.1. With regards to children in care, the number has increased by 69 (4%) over the last 12 months, however this increase is due to an increase in Unaccompanied Asylum Seeking Children (UASC) numbers with 1,591 CLA if we exclude UASC. UASC now make up 8% of the total cohort, whereas 18 months ago in March 2021 they were around 4% of the cohort. It should be noted that the ability to keep children safely at home through high quality social work practice has meant that the underlying trend of CLA has remained broadly static.



18.2. The financial cost of CLA is significantly affecting the financial challenges the Council is facing.

	Apr - Jun 2019	Jul-Sep 2019	Oct - Dec 2019	Jan - Mar 2020	Apr - Jun 2020	Jul-Sep 2020	Oct - Dec 2020	Jan - Mar 2021	Apr - Jun 2021	Jul-Sep 2021	Oct - Dec 2021	Jan - Mar 2022	Apr - Jun 2022
Entering full time care	135	155	121	159	158	166	152	157	156	155	192	136	165

Leaving full time care	161	153	148	166	107	136	184	139	176	134	147	113	150
Net increase	-26	2	-27	-7	51	30	-32	18	-20	21	45	23	15
Of those new UASC	7	8	3	13	0	20	4	7	3	7	46	18	41

18.3. It should be noted that there is of course significant churn throughout the year of the children in care population. Nationally the picture of demand continues to outstrip the supply of placements for children in care, and the costs of placements are rising significantly. The increasing complexity of the children coming into the care system has meant additional costs associated with their placements. There is no doubt that the paucity of mental health services for some children has led to them coming into the care system. The costs (or more accurately, the price) of those placements continue to rise year on year. Significant work is carried out by our Placement Commissioning team (such as working through framework contracts and contract specification) to ensure that Hampshire achieves the best value that it can in what is an 'overheated' market.

## 19. Hampshire UASC Arrivals

19.1. As at 30 June 2022 the total number of UASC (under 18 years) looked after by Hampshire is 134. (Nb the figure now stands at over 160)

UASC Arrivals	Apr - Jun 2019	Jul-Sep 2019	Oct - Dec 2019	Jan - Mar 2020	Apr - Jun 2020	Jul-Sep 2020	Oct - Dec 2020	Jan - Mar 2021	Apr - Jun 2021	Jul-Sep 2021	Oct - Dec 2021	Jan - Mar 2022	Apr - Jun 2022
Quarterly Data	7	8	3	13	0	18	4	7	3	7	46	18	41

UASC Care Leavers	Apr - Jun 2019	Jul-Sep 2019	Oct - Dec 2019	Jan - Mar 2020	Apr - Jun 2020	Jul-Sep 2020	Oct - Dec 2020	Jan - Mar 2021	Apr - Jun 2021	Jul-Sep 2021	Oct - Dec 2021	Jan - Mar 2022	Apr - Jun 2022
Period End	328	329	327	334	335	341	347	363	365	369	402	417	423

- 19.2. The table above shows the number of UASC Care Leavers at each period end. There has been a 209% increase in the number of UASC care leavers since June 2017 (137), which is to be expected given the age demographic of UASC arrivals with an average age of 17 years.
- 19.3. Since July 2016, Hampshire has been accepting children through the National Transfer Scheme (NTS). Hampshire have always been proactive in the NTS scheme and have previously been supportive with the closure of the Calais camp and more recently with the large influx of children arriving through Dover. Between August and October 2020 Hampshire took children direct from the Port of Dover as Kent County Council were unable to support more arrivals. The scheme became Mandatory in April 2021 and Hampshire has continued to be proactive in receiving children through this scheme. Through the NTS it is expected that each Local Authority will care for a number of UASC equivalent to 0.1% of the child population. For Hampshire this is 285 UASC. Not counted in these figures are the support that Hampshire is required to give to former UASC who are now care leavers. For Hampshire, because we have been on a traditional route (i.e. M3, A34) our figures are now over 350 young people being supported in this way which creates an additional financial strain as this element of support is not fully funded by government.
- 19.4. The majority of the children are placed in independent fostering agency (IFA) placements and a significant number are placed outside of Hampshire, in order that we can better meet their cultural and individual needs. The age range is from 11 years old and the significant majority are males. They will need to be looked after by the local authority until they reach 18 years and will then have care leaver status with continuing support from the local authority until they are 25 years of age. Whilst the Home Office provide set funding for UASC, an Association of Directors of Children's Services report evidenced that the funding only covers 50% of the actual costs to the local authority. It should also be noted that around 30% of UASC will not be given leave to remain in the UK and as such will have 'no recourse to public funds' requiring the local authority to entirely fund all of their living costs until they reach 25 years of age.
- 19.5. Given the rise in activity in respect of UASC it has been agreed that a specialist UASC team will be set up, specifically to support UASC and former care leaver UASC in Hampshire.

## **Consultation and Equalities**

20. There is no adverse impact on equalities and no consultation is required.

## **Other Key Issues**

21. **Recruitment and retention**



- 21.1. The recruitment and retention of social workers continues to be a key issue. This is a national problem which is particularly acute in the South East region.
- 21.2. The retention of children's social workers is a significant challenge for Hampshire as it is all local authorities and can undermine the work being undertaken to bring new staff into the service. In the last 12 months, turnover amongst children's social workers increased from 13.5% to 20.6%. This challenge is shared by other local authorities and reflects changes in the wider recruitment market following the pandemic.
- 21.3. The Independent Review of Children's Social Care has afforded us the opportunity to consider the employment and use of alternatively qualified professionals to support children and families. We are currently commencing the planning of two pilot schemes in Hampshire to consider the roles of differently qualified case-holding professionals in our statutory teams and historically we have had some success in recruiting differently qualified professionals, as evidenced with the Intensive Workers. This change would increase the capacity of our Qualified Social Workers.
- 21.4. There is a proactive recruitment strategy in place which utilises a positive partnership with Community Care, through regular national and local marketing targeted campaigns and advertisements. This is alongside events such as Social Work in the South, and Community Care Live.
- 21.5. We are focussing on direct recruitment of graduates from universities to our highly regarded newly qualified social worker programme, utilising the National Step Up to Social Work Programme and over the last three years have successfully supported staff through the Social Work Apprentice programme, with the first cohort graduating in August 2022. When this scheme began it was fairly unique, but most local authorities now offer similar schemes, which means it is now more difficult to recruit to cohorts.
- 21.6. Given the challenges in recruitment and retention, there is a need to be more ambitious in growing our own social workers. There is a range of highly skilled and experienced differently qualified workers currently employed within the department. It is our intention to support a greater number of these individuals through the apprentice scheme, increasing our current yearly intake of 10 to 32 for this financial year.
- 21.7. The Department is also working on the recruitment of 25 overseas social workers during this financial year, primarily from South Africa and Zimbabwe. There are plans to form a longer-term relationship with overseas universities in order to promote HCC and ensure that we become the first choice for overseas graduates.





## **22. Transforming Social Care (TSC) in Hampshire**

- 22.1. The Transforming Social Care Programme continues at pace to deliver innovative whole system change and continuous improvement to our social work practice. The 2020 and 2021 Annual Safeguarding Report gave an overview of Phase 1 and Phase 2 projects.

## 22.2. Phase 3 projects being delivered during 2022 include:




### What we're delivering in Phase 3



Project	Objective	Outcomes / Impact
<b>Family Connections Service</b>  SDQs 	Implement the 'Family Connections Service' as a central team to carry out the assessment of connected carers and SGO.  Implement a support package for Special Guardians.  Review the way in which SDQs are carried out. With the aim of making them easy to use, meaningful and lead to impactful interventions.	<ul style="list-style-type: none"> <li>• More children placed with Family and Friends carers outside of the care system.</li> <li>• Eight tasks have been identified split into initial tasks and longer term projects focusing on improving the completion rate, embedding within planning both health and social care and increased awareness and training in the process.</li> </ul>
<b>PEPs – Education &amp; Social Care</b> 	To plan and implement improvements to the PEP processes, forms and systems to ensure the end-to-end process is efficient and effective, meets the statutory requirements and ultimately supports our CYP to attain highly.	<ul style="list-style-type: none"> <li>• Improved efficiency and effectiveness of the PEP process.</li> <li>• Improved knowledge of PEP quality and child progression</li> <li>• Improved staff satisfaction.</li> <li>• Enable the CYP known to social care to attain highly and where needed provision will be adapted to enable them to succeed.</li> </ul>
<b>Virtual School &amp; College – Education &amp; Social Care</b> 	Virtual School (and Virtual College) review to identify potential service delivery improvements, highlight any gaps in service provision, ensure that services are delivered as per the statutory duty and are effective, timely and efficient.  To ensure VS can meet their statutory responsibility for monitoring, promoting and improving the educational experiences and outcomes of our looked after (and previously looked after) children and to meet the new requirements due to the extended duties to provide strategic oversight of the education of all pupils with a social worker.	<ul style="list-style-type: none"> <li>• CYP known to social care will be supported to attain highly, and where needed provision will be adapted to enable them to succeed.</li> <li>• Improved placement stability through increased school attendance, enabled by appropriate education provision.</li> <li>• Improved cross-branch collaboration and raised profile of Virtual School.</li> <li>• Service is fit for purpose and meets statutory obligations.</li> </ul>

### What we're delivering in Phase 3



Project	Objective	Outcomes / Impact
<b>Residential – Education &amp; Social Care</b> 	To identify improvements to ensure CYP in Residential settings are obtaining the routine, structure and support they require to attain highly and where needed provision will be adapted to enable them to succeed.	<ul style="list-style-type: none"> <li>• Improved educational outcomes for children in Residential settings.</li> <li>• Education provision is aligned to the Residential Strategy.</li> </ul>
<b>Resilience in Schools – Education &amp; Social Care</b> 	To ensure there is C&F representation at the relevant forums to contribute to the outcomes of the cross branch Early Help programme and the Hampshire Education in Schools Survey action plan, with the overall aim of ensuring that education settings have the relevant skills and resilience to support/refer/signpost appropriately.	<ul style="list-style-type: none"> <li>• C&amp;F support the actions that are put in place to help ensure teachers and other professionals in education settings have the relevant skills and resilience to support children and/or refer and signpost appropriately.</li> </ul>
<b>Creating Capacity /Family Help pilot</b> 	New roles in CAST teams to increase resilience and optimise the skills and experience of differently qualified workers.  Pilot 'family help model' as recommended in the care review, to achieve local, multiagency support, at the right time for children and families.	<ul style="list-style-type: none"> <li>• Reduce social worker caseloads increasing the time social workers have to support children and families and achieve sustained change.</li> <li>• Reduce handovers and maintain relationships with children and families, which will decrease re-referrals.</li> <li>• Children and families are supported at the right time, by the right person, in the right place.</li> </ul>

## **23. Youth Offending Service**

23.1. During the last year Hampshire Youth Offending Team (HYOT) has continued to deliver youth justice and youth crime prevention to the children of Hampshire.

23.2. Progress against last year's plan is as follows:

- a) Improving assessments including understanding children's diverse needs and taking a trauma informed approach.
- b) Implement the improvements identified following the National Standards Self-Assessment. In particular, the work done with children who are experiencing a transition.
- c) Reducing the number of first-time entrants to the criminal justice system by working together with the other Hampshire YOTs and Hampshire Police to develop a youth diversion programme.

24. The Priorities for 2022/23 include:

- a) To develop understanding of disproportionality in Hampshire Youth Offending Team and to implement the findings of the HMIP black boys thematic inspection
- b) To improve the participation of children in the service delivery
- c) To continue to develop practice in relation to the assessment of risk of harm
- d) Developing a strategic response to children excluded from school.

## **25. Sector Led Improvement**

25.1. Hampshire has been a Partner in Practice (PiP) with the Department for Education since 2016, and as such, has provided for several years social work improvement support and advice to other local authorities across the region and nationally. This improvement work under PiP came to an end in March 2021 when Hampshire, jointly with the Isle of Wight, was successful in bidding to deliver improvement support in the DfE's newly established Sector Led Improvement Programme (SLIP). This began in July 2021 and we have indicative funding initially for three years until 2024, for Hampshire and the Isle of Wight to deliver over a thousand days of support to other children's services per year. Our SLIP work over this past year has supported improvement in several authorities including Buckinghamshire, West Sussex, Southampton, Bournemouth, Christchurch and Poole (BCP), Reading and Solihull.

25.2. In addition to the SLIP work, Hampshire has continued to work with the Foreign, Commonwealth and Development Office (FCDO) to undertake some specific social work improvement support with the British Overseas Territories. Currently this work is ongoing with St Helena, Ascension Island and Tristan da Cunha. Furthermore, this year, Hampshire has consolidated its position as the regional facilitator of DfE funded improvement packages in the south east. Hampshire leads this work under the South East Regional

Improvement and Innovation Alliance. Our regional work under this programme currently includes Wokingham, Medway and Reading.

- 25.3. Members can be assured that, even with the work of the Director of Children's Services and his senior managers in the above authorities, there is no detriment to the oversight and management of Hampshire Children's Services, as evidenced by our most recent Ofsted inspection report. Hampshire receives full financial recovery for Sector Led improvement from the DfE or FCDO. A small central team of social work managers has been established with the funding to further support capacity in this area and ensure that the work in Hampshire maintains due focus. As with all work undertaken in other authorities, there is always positive learning gained to further improve services in Hampshire. These benefits to Hampshire are significant and enable both staff and services in Hampshire to be continuously developed. Ofsted commented that, 'Leaders recognise the benefits that come from being an improvement partner, not only in creating income, but also in the learning that is gained from other local authorities and from keeping its own staff stimulated and stretched.'

### **Future Challenges and Operational Priorities**

26. The future challenges and priorities can be summarised as follows (this is not an exhaustive list and the history of this type of work is that new priorities will continue to emerge in much the same as child exploitation and county lines):
- 26.1. The full long-term impact of the pandemic is not yet known. Children's social care have seen a sustained increase in referrals over the last 2 years of over 30% compared to pre-pandemic levels. It is not yet known how long that will continue but experience shows us this might now be the new normal level of demand going forward. At this stage the increase in demand has not led to a similar increase in the numbers of children coming into care due to the effective practice of our front-line staff.
- 26.2. The costs associated with the placements for looked after children will continue to be a significant pressure for the County Council. Significant additional corporate funding has already been given to the department, but as demand increases and the supply of placements comes under further pressure, inevitably costs will rise. Our Modernising Placements Programme aims to increase our numbers of Hampshire County Council foster carers, thereby reducing costs in the longer term.
- 26.3. It should be noted that the challenges faced within the placement market are significant. There are well acknowledged shortfalls in available beds both within the secure welfare estate and in Tier 4 psychiatric provision which compound the issue for social care. In terms of residential provision, demand is outstripping current supply which is resulting in escalating pricing and providers able to select from a multitude of referrals for each available bed, with a local provider referencing over 100 referrals per available bed. The Competitions and Market Authority report identifies the inflated profit margins within external placement suppliers. Hampshire is fortunate to have in house

provision, which regularly supports the most hard to place young people but the placements issue remains a significant challenge.

- 26.4. It is essential that our transformation work continues at pace to keep more children at home, where it is safe and appropriate to do so. Transforming children's social care will deliver a modern social work service fit for the future challenges over the next decade. Where children do come into care, our Modernising Placements Programme, will ensure children have the right placement to meet their needs.
- 26.5. Child exploitation, in all its forms, continues to be an increasing area of work, particularly the 'County Lines' issues. Although Hampshire is well placed to meet these challenges, it is important that we remain vigilant and responsive, working in tandem with partners to protect children.
- 26.6. The recruitment and retention of social workers will continue to need to be addressed.

### **Climate Change Impact Assessment**

27. 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.
28. **Climate Change Adaptation and Mitigation.** The carbon mitigation and climate change adaptation tools were not applicable because this report is to provide details of Children's Services safeguarding activity and does not recommend changes or require any decisions which would have any climate change considerations. However, this does link to other strategic priorities as listed in the relevant section at the end of the document. Children's Services are aware of the importance of climate change and plan for this in new projects.
29. **Carbon Mitigation.** The carbon mitigation and climate change adaptation tools were not applicable because this report is to provide details of the contribution of Children's Services safeguarding activity and does not recommend changes or require any decisions which would have any climate change considerations. This report is not relevant as above. Children's Services regularly feedback to the Corporate Climate Change Action Plan.

### **Conclusions**

30. Throughout 2021/22 there continued to be a highly effective strategic response to the safeguarding of vulnerable children and a robust operational response. This is despite the challenges presented by Covid-19, including an increase in demand, and tested via external validation from the Ofsted inspection in November 2021.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<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	

## **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.



## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	13 December 2022
<b>Title:</b>	Annual Safeguarding Report – Adults’ Health and Care 2021-22
<b>Report From:</b>	Director of Adults’ Health and Care and Deputy Chief Executive

**Contact name:** Jess Hutchinson, Principal Social Worker and Assistant Director, Younger Adults  
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#### Report purpose

1. The purpose of this report is to provide an annual update in respect of the local authority statutory duty to safeguard vulnerable adults.

#### Recommendations

2. **It is recommended that Cabinet:**
  - Notes the positive progress and strong performance of the Department to keep adults at risk safe from abuse and/or neglect, whilst acknowledging ongoing risks to fulfilling statutory safeguarding duties.
  - Notes the commitment of a wide range of Adults’ Health and Care staff, and wider partner agencies, to delivering robust safeguarding arrangements in Hampshire.
  - Notes the contribution of the Hampshire Safeguarding Adults Board (HSAB) to safeguarding strategy, assurance, and the development of policy across the four local authority areas of Hampshire, Portsmouth, Southampton, and the Isle of Wight.

#### Executive Summary

3. This report provides an update on the work of the Adults’ Health and Care Department, and of the Hampshire Safeguarding Adults’ Board respectively, to safeguard vulnerable adults.
4. The Department has undertaken an extensive programme of safeguarding practice improvement which has served to increase the number of safeguarding concerns raised with the Department and recorded Section 42

Enquiries, this sees Hampshire within the same parameters of similar sized county areas. Safeguarding practice has also been further strengthened through an enhanced training offer, introduction of the Senior Social Worker role, development of a new Safeguarding Adult Quality Assurance Framework and a new data dashboard to enable trends to be identified, highlighting opportunities for preventative action.

5. Improvement actions have also been implemented in response to key learning from Safeguarding Adult Reviews. These included piloting the introduction of a new service offer using Enhanced Support Workers to engage people where there are safeguarding concerns relating to self-neglect and homelessness, introducing a new Risk Assessment and Risk Escalation panel, and delivering an improved way of working within the Multi-agency Safeguarding Hub.
6. The Department has continued to work with wider partners to undertake Large Scale Safeguarding Enquiries, with seven opened by the Department in the 12 months to September 2022.
7. The Department has continued to work closely with Health partners to plan for the Government's introduction of Liberty Protection Safeguards, which is due to replace the current Deprivation of Liberty Safeguards scheme.
8. The Client Affairs Service continues to operate an effective service to its 1,000 clients and deliver services on behalf of Southampton City Council.
9. In keeping with the County Council's Modern Slavery Statement, the Department has continued to progress actions to raise awareness of modern slavery, including through the rollout of training to staff and updated guidance.
10. The Domestic Abuse Partnership commenced work to develop a domestic abuse needs assessment to inform a revised strategy from 2023.
11. In line with its statutory duty under The Care Act, the HSAB published its [2021-22 Annual Report](#) setting out key areas of progress and achievements against its 2019-20 Business Plan. The Board also ran a series of development days engaging a breadth of stakeholders to co-produce a revised set of [Strategic Priorities](#). The HASB also responded to growth in the number of Safeguarding Adult Review commissions.
12. The HSAB reviewed and updated its Risk Management Framework and is in the process of refreshing its Risk Register. As part of this, the Board continued to scrutinise and oversee the response to The Gosport War Memorial Hospital Inquiry Report and to seek assurance regarding the performance of the South Central Ambulance Service following CQC inspection of the Service's Emergency Operations Centre.

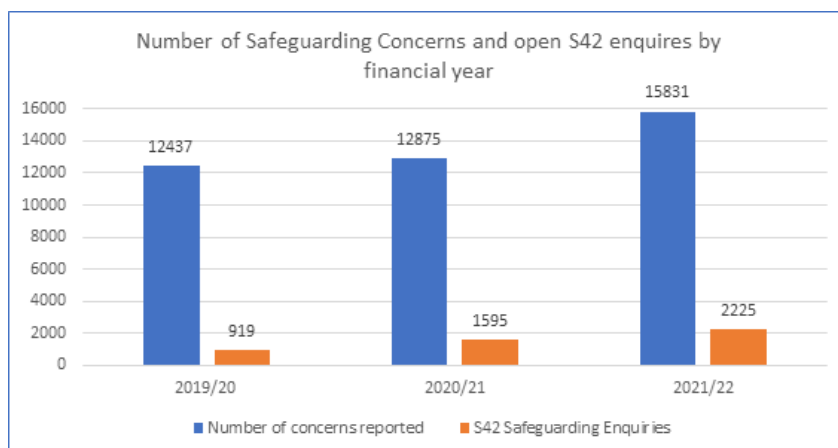
## **Contextual information**

13. This report provides an update on the work of the Adults' Health and Care Department, and of the Hampshire Safeguarding Adults' Board respectively, to safeguard vulnerable adults.
14. The main statutory safeguarding responsibilities for local authorities, Police and the NHS are covered by the Care Act 2014 and subsequent statutory guidance. The Care Act 2014 Statutory Guidance defines safeguarding as 'protecting an adult's right to live in safety, free from abuse and neglect'. A person with care and support needs living in Hampshire who is at risk of, or experiencing, abuse or neglect, and is unable to protect themselves, can access safeguarding support irrespective of their eligibility for services. A safeguarding concern is raised where there is reasonable cause to suspect that an adult who has, or may have, needs for care and support is at risk of, or experiencing, abuse or neglect. Care Act 2014 Section 42 (1) (a) and (b)
15. Statutory responsibility for oversight of Hampshire's local system safeguarding arrangements rests with the Hampshire Safeguarding Adults Board. The main objective of the HSAB is to assure itself that local safeguarding arrangements and partners act to help and protect adults in its area who meet safeguarding criteria. The HSAB achieves this by working closely with wider Adults' and Children's Safeguarding Partnerships.

## **Safeguarding improvement**

16. Under the leadership of the Principal Social Worker, the Strategic Safeguarding Team has undertaken an extensive programme of safeguarding practice improvement to address areas highlighted by data and wider evidence. A key area of focus was on increasing the number of adult safeguarding concerns referred to the local authority, alongside growth in the volume of Section 42 Enquiries. This has seen the total number of Section 42 Enquiries commenced rising to 259 per 100,000 adults in Hampshire (an increase from 84 in 2019-2020). This development enables more concerns to be formally managed and successfully resolved.
17. Actions to increase the level of Section 42 Enquiries included requiring all operational staff to complete appropriate training over the next two years, increased vigour in the recording within the Department's client management system to better reflect the activity undertaken, and practice improvement in response to the findings of Safeguarding Adult Reviews, such as measures to ensure that practitioners apply the Section 42 criteria robustly in the area of self-neglect.
18. The impact of these initiatives is reflected in the data (alongside the re-opening of services following national restrictions and lockdowns in the preceding period). In September 2021, 1,251 safeguarding concerns were received into the Department. In September 2022, there were 1,858 concerns received, which demonstrated an increase of 31%. In this 12-month period, the highest level of monthly safeguarding concerns received was 2,129 in August 2022. Safeguarding concerns were most often received by the Multi Agency Safeguarding Hub (MASH) but some also came directly to hospital

and community teams. The number of recorded Section 42 Enquiries also increased by 283% over the twelve months to September 2022 (from 122 to 467). Again, this increase not only reflects a continued focus on professional practice and wider community awareness, but also a consequence of restrictions easing in our communities and greater identification of concerns as a consequence.



19. The Strategic Safeguarding Team has also worked to continuously improve safeguarding practice through delivering guidance and expert support to practitioners across the breadth of safeguarding practice. This was achieved in part through the introduction of Senior Social Workers; practice leaders who champion excellent social work practice within their teams and the wider organisation, as well as with other professionals. They have the skills and experience to provide practice expertise within their own, more complex, caseloads and to guide, advise and supervise team members. There are currently over 30 Senior Social workers with a Safeguarding specialism. Monthly sessions facilitated by the Safeguarding consultants are in place to support the development of safeguarding practice, create and share sources in order for greater knowledge and insights to be shared within teams.
20. Excellent practice was further supported through the introduction of the Safeguarding Adult Quality Assurance Framework (QAF). This was developed and introduced for all practitioners who undertake practice in relation to Safeguarding Adults. The QAF is an online questionnaire designed to help practitioners, team managers and senior managers identify opportunities for improving the quality of safeguarding adults' practice.
21. Improvement actions were also identified and implemented in response to key system learning from Safeguarding Adult Reviews (SARs). Adults' Health and Care (AHC) took a systematic approach to developing learning from the SARs that have been published since 2020. This included developing a SAR action plan to ensure that all specific learning for AHC individually with partners is progressed and tracked. Four examples of responses taken in response to the SARs are:
  - **Enhanced support worker** – AHC commissioned a six-month pilot with two providers to test a new service offer using Enhanced Support

Workers to engage with individuals where there are safeguarding concerns primarily in relation to self-neglect (which may include hoarding), or the person is at risk of experiencing home loss. These individuals may present with recurring multiple co-morbidities, including Mental Health issues, Autism and / or other disabilities, have undiagnosed health needs, use substances, or have chaotic social circumstances and limited social support networks, and may be people who could be classified as 'hard to reach' or resistant to intervention. The pilot is being undertaken in response to learning from the thematic Self-neglect SAR and the escalating numbers of people AHC are supporting due to self-neglect.

- **Risk Assessment and Risk Escalation panel** – SAR learning highlighted that working with acute or complex risk can be one of the most challenging areas of practice. In response, the Department put in place a Risk Assessment and Escalation Framework which is designed to ensure that practitioners are supported with shared decision-making for the most complex risks, drawing on relevant expertise as needed across the Department.
- **Transformation of the Multi-agency Safeguarding Hub** – the Department implemented a new and improved way of working within MASH with the aim of becoming a centre of excellence for safeguarding practice, with a particular focus in supporting residents with the most complex risks, such as hoarding and self-neglect. Previously all safeguarding contacts were handled by the social care contact centre. Now contacts are channelled through a new Safeguarding Contact Team made up of experienced caseworkers. Their responsibility is to manage all safeguarding contacts and ensure as much detailed and relevant information is gathered, in line with our new processes. The new process focuses on “think safeguarding first” and Making Safeguarding Personal as well as effective risk assessment and use of advocacy.
- Alongside this, a new **Safeguarding Enquiry Team**, consist of the current MASH team with additional Social Workers and senior case workers, manages all complex cases, complete enquiries, and visit and work with community partners to manage safeguarding risks. The new model will deliver high quality and timely safeguarding interventions at the front door, a consistent approach to managing safeguarding concerns, increased and consistent feedback to referrers and vulnerable adults from MASH and an upskilled workforce to manage safeguarding concerns through training.

22. The impact of the Department’s continuous practice improvement model is being tracked and monitored, in part, through a new dashboard that allows relevant data to be appropriately accessed by both operational and strategic staff. This is generating insights in to Safeguarding activity, trends, and potential areas for preventative work.

## **Large Safeguarding Enquiries**

23. The Department's Large Safeguarding Enquiries (LSE) Policy and associated processes are intended to be used in the most serious circumstances where there is a high level of risk and complexity. LSE response is part of the continuum of a whole system's approach to safeguarding activity that may be an appropriate response to safeguarding concerns in a provider setting. Between September 2021 and September 2022, there have been seven LSEs opened by AHC. Five of those opened were in relation to Older Adults providers and two Younger Adult providers. Five of these Enquiries opened in the last six months. LSEs are often complex requiring significant resource from multiple partners. Currently there are two open LSEs, where work continues with the provider to safeguard the individuals within the setting and make improvements. Out of the five LSEs that have closed to the LSE process, two homes have ceased operating, two services have made improvements and are now being monitored through other frameworks and one service has made all the necessary improvements and the action plan has been completed.

## **Deprivation of Liberty Safeguards (DoLS)/Liberty Protection Safeguards (LPS)**

24. The Local Authority acts as the 'supervisory body' under the Mental Capacity Act 2005 for Deprivation of Liberty Safeguards (DoLS). DoLS is the legal framework applied when someone has care and support needs and for their own safety and welfare their liberty is deprived. Care homes and hospitals ('managing authority') must make an application to the local authority if they believe someone in their care, who lacks mental capacity, is deprived of their liberty because of care arrangements in place. These arrangements are necessary to ensure that no-one is deprived of their liberty without independent scrutiny and outside of the appropriate legal framework.
25. The Government is replacing DoLS with a Liberty Protection Safeguards, which was introduced through the Mental Capacity (Amendment) Act 2019<sup>1</sup> and originally due to come into force in October 2020. This was delayed to April 2022 due to the Covid-19 pandemic and was postponed further in December 2021 (in advance of the April'22 date). At present, the introduction of LPS is not expected before October 2023, although it is expected that some provisions covering new roles and training will come into force ahead of full implementation.
26. In March 2022, the Government consulted on its draft LPS Code of Practice, alongside six sets of draft regulations for England. Adults' Health and Care worked closely with its partners to develop a joined-up response to the consultation and continues to play a central role in coordinating partners' implementation plans. This includes through co-chairing a multi-agency implementation Steering Group with the Designated LPS Lead for the Hampshire and Isle of Wight Integrated Care Board.

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<sup>1</sup> [Mental Capacity \(Amendment\) Act 2019 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/2019/21/contents); [Mental Capacity \(Amendment\) Act 2019 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/2019/21/contents)

### **Client Affairs Service (CAS)**

27. The Client Affairs Service (CAS) operates to manage the property and financial affairs of people who lack the mental capacity to do this for themselves. People supported by the service have no family willing or deemed suitable to do this on their behalf.
28. The CAS continued to operate an effective service to its 1,000 clients during the pandemic and deliver services on behalf of Southampton City Council (SCC). 'Sold service' activities were further developed through previous agreements with Guernsey and with the Clinical Commissioning Groups (CCGs).

### **Modern slavery**

29. Adults' Health and Care continued to progress actions to deliver on the County Council's commitment to preventing slavery and human trafficking across its business activities and supply chains. A key focus over the last year has been to raise awareness across Adults' Health and Care and the wider organisation. This has been achieved through:
  - Awareness raising sessions delivered in partnership with the charity Unseen
  - The rollout of Hampshire Modern Slavery Partnership eLearning training to key cohorts of Adults' Health and Care staff.
  - Improving staff guidance on the Social Care Practice Manual and the Department's internal Equality and Inclusion web pages.

### **Domestic Abuse for adults at risk**

30. The Hampshire Domestic Abuse Partnership is formed by a variety of statutory and voluntary sector agencies working together to tackle the issues of domestic abuse. The Partnership includes the Hampshire Domestic Abuse Partnership Board which operates through several sub-groups.
31. Over the past year, the Domestic Abuse Health subgroup focused on improving the capabilities of the health settings' workforce, strengthening pathways from health services to specialist domestic abuse services, and maintaining Health's engagement with Multi-Agency Risk Assessment Conferences (MARAC) and High-Risk Domestic Abuse (HRDA) – a local multi-agency, whole family focused process where information is shared on the highest risk cases of domestic violence.
32. The Safe Accommodation subgroup worked to deliver five strategic objectives:
  - **Improve measurable and purposeful local information and data collection, collation and analysis processes including vulnerable groups and from different intersectionalities.** Data will be used to provide a more accurate picture of Hampshire in national data returns,

and to inform the commissioning of services locally. Work on this priority has recently commenced.

- **Improve intelligence on the needs of 10-25 year olds** which, following the Safer Accommodation Needs Assessment, has been identified as a gap nationally. Hampshire is considering what types of accommodation are required going forward in recognition that the needs of this cohort are often complex and more 'traditional' services, which might be offered in a crisis, are not always appropriate.
- **Improve prevention, identification, and the effective and efficient use of the safe accommodation referral pathways.** This work is being led by the Hampshire Domestic Abuse Partnership (HDAP) and will develop the existing referral pathway to improve the offer to those experiencing domestic abuse. For example, Hampshire Hospitals Foundation Trust has Domestic Abuse Advocates in their hospitals who provide training to staff on the early identification of domestic abuse and how to refer to specialist services. Work is underway to develop these areas in education, including a training plan for colleagues working in education.
- **Establish the Whole Housing Approach to ensure range of safe accommodation and support is available.** Housing teams have begun to develop specialist domestic abuse posts to improve pathways for people living with domestic abuse who use housing services. Some District and Borough councils have recently accessed funding to also employ these specialists, although this model is not available across the whole of Hampshire. Work is also underway to look at the creation of specialist posts within GP primary healthcare. A range of accommodation options are under consideration.
- **Establish a robust expert by experience (adult and children and young people survivor and perpetrator) mechanism and feed this into future domestic abuse strategies.** It is anticipated that a three-year contract will be made available at the end of 2022 to establish community engagement mechanisms by building networks, especially reaching underserved populations with Hampshire. This will then be used in further strategies and commissioning of specialist services.

33. A domestic abuse needs assessment is being developed to inform the Domestic Abuse Strategy from 2023 and will incorporate the Domestic Abuse Act 2021 Part 4 Safe Accommodation element to build on achievements gained from the 2021-2023 Domestic Abuse Safe Accommodation Strategy. The needs assessment will also consider what mental health support is available for those experiencing domestic abuse, as well as recent systemwide reviews of prevention and intervention responses to perpetrators and the roles and responsibilities of probation and prison in reducing harm when perpetrators leave their services.

34. Operational guidance is under development for Adults' Health and Care staff, including an update to the Social Care Practice Manual pages. Furthermore, a revised Adults' Health and Care training strategy is also under development



following a review of frontline staff in addition to the promotion of the current training offer from the Hampshire Safeguarding Children's Partnership.

### **Hampshire Safeguarding Adults Board**

35. The HSAB continues to be a well-established, strategic board whose membership includes all key multi-agency partners. The Board is Chaired by the Director of Adults' Health and Care, and an Independent Scrutineer provides critical challenge and support to ensure the Board fulfils its core statutory responsibilities.

36. In line with its statutory duty under The Care Act, the HSAB published its [2021-22 Annual Report](#) setting out key areas of progress and achievements against its 2019-20 Business Plan. Highlights include:

- Publishing three Safeguarding Adult Reviews and responding to sustained growth in the volume of SAR referrals.
- Delivering a whole system workshop on adult safeguarding and homelessness, resulting in a discussion paper exploring experiences of homelessness and highlighting the importance of trauma-informed, joined-up responses.
- Developing the Board's approach to quality assurance, including development of a new System Improvement and Learning Framework to support evidence-based decision making.
- Collaborating with Safeguarding Adults Board for Portsmouth, Southampton, and the Isle of Wight to produce joined-up guidance on modern slavery, human trafficking, a new multi-agency fire safety framework and information on transitional safeguarding. The Board continues to work through several sub-groups across the four LSABs to reduce duplication and maximise its effectiveness.
- Delivering 17 multi-agency training events, engaging 1,183 people.
- Contributing to three Family Approach training events run by the Hampshire Safeguarding Children's Partnership.
- Reviewed and re-launched the [See it Stop it App](#).
- Raised awareness during National Safeguarding Week, reaching 37,540 people via social media.
- Secured increased partner contributions to support and sustain the work of the Board.

37. The Board also ran a series of development days engaging a breadth of stakeholders to co-produce a revised set of [Strategic Priorities](#), which form the basis of the HSAB forward work programme. These are to:

- Foster a shared understanding of what a 'safeguarding concern' is, who to take concerns to and what will happen next.

- Empower people and those who help them to draw on their knowledge and expertise to make safeguarding personal, listening and acting on people's insights and lived experiences.
- Support the effective identification, assessment and coordinated management of risk in a way that balances different perceptions of risk whilst preventing or reducing the impact of harm.

### **Safeguarding Adult Reviews**

38. A key statutory duty of the HSAB is to conduct Safeguarding Adult Reviews (SARs) as appropriate under Section 44 of the Care Act. The purpose of a SAR is to learn from events to drive whole system improvement, leading to better outcomes for adults at risk of abuse and /or neglect.
39. Referrals are considered by the HSAB Learning and Review sub-group which determines whether the circumstances of the case fit the requirements for a SAR and if so, what type of review process would promote the most effective learning and improvement action to reduce the likelihood of future deaths or serious harm occurring. The SAR collates and analyses findings from multi-agency records and frontline practitioners and managers involved with the case. It provides a detailed overview of the interfaces involved and, where necessary, makes recommendations for practice improvement.
40. Between January and December 2021, the HSAB received 10 SAR referrals, which is a reduction from the 22 received in 2020 and more akin to that of 2019 (11). However, whilst the number of referrals reduced, a significantly higher proportion (60%) of those referrals met SAR criteria resulting in a continuing high level of SAR commissions. Data received over the first three quarters of 2022 indicates significantly increased volumes, with 26 referrals received between January and September, and three new SAR commissions.
41. During 2020-21, the HSAB published three SARs: Vicky, The Self Neglect Thematic SAR, and Sam. These are summarised in the HSAB 2020-21 [annual report](#). Action plans are in place to respond to the recommendations and the board has received assurance on implementation of the agreed improvements. A further SAR has been concluded and is awaiting publication due to an ongoing court case and a further two SARs are in progress.

### **Key areas of risk and system oversight**

42. The Safeguarding Board reviewed and updated its Risk Management Framework and is in the process of refreshing its Risk Register. As part of this, the Board continued to scrutinise and oversee the response to The Gosport War Memorial Hospital Inquiry Report. The report revealed that at Gosport War Memorial Hospital, the lives of many patients were shortened by the prescribing and administering of 'dangerous doses' of a hazardous combination of medication not clinically indicated or justified.
43. Ongoing oversight of the Gosport War Memorial Response is provided through the Hampshire and Isle of Wight Integrated Care System Quality Group. The Group enables a system-wide approach, aligning the Inquiry Report recommendations with themes and areas for improvement also noted

in other independent HIOW and national investigations and reviews. This includes the recurrent theme of patient and carer experience, with insight data and information triangulated and shared at system level. Ongoing review of outstanding actions are assured through four local place-based assurance Quality Committees, escalating by exception to the System Quality Group. Alongside this, the HSAB maintains a scrutiny role to oversee the response to the Inquiry Report and to gain assurance that lessons are being implemented across the relevant agencies involved. There is an ongoing police investigation led by Essex and Kent Constabularies into the historic issues at GWMH which is yet to conclude.

44. The HSAB also continued to seek assurance regarding the performance of the South Central Ambulance Service following CQC inspection of the Service's Emergency Operations Centre, which resulted in a rating of Requires Improvement. An update report will be provided by the Hampshire and Isle of Wight Integrated Care Board on a quarterly basis to the four Safeguarding Adults Board detailing improvement progress.

### **Looking ahead**

45. Over the next twelve months, the Department will prioritise the following to strengthen further its approach to safeguarding vulnerable adults:
  - Develop further its work to mitigate safeguarding risks associated with self-neglect, including through developing practice guidance and resources and through multi-agency work.
  - Focus further improvement on the application of Making Safeguarding Personal, thereby ensuring the voices of those at risk are heard even more clearly.
  - Strengthen the use of advocacy to support people to engage in Section 42 Enquiries and direct support to hospital teams who coordinate Enquiries.
  - Continue to drive consistency of safeguarding recording across all areas, including through the development of Care Director (a new case management system).
  - Undertake detailed planning to ensure the successful implementation of Liberty Protection Safeguards.
  - Produce a domestic abuse needs assessment and revised Domestic Abuse Strategy.
  - Continue to respond effectively to the sustained, high levels of SAR referrals and commissions, and seek to evidence the impact of improvement actions.
  - Collaborate with its HSAB partners to implement the work programme and deliver on the HSAB Strategic Priorities.

### **Climate change impact assessment**

46. This annual report references a wide range of services and activities which serve to fulfil the County Council's statutory duty with respect to safeguarding adults from abuse and/or neglect. Specific projects and initiatives, and the climate impacts of these, are overseen by internal governance arrangements and are not covered in this overarching report.
47. In the main, strategic safeguarding roles require limited travel and are predominantly home based. However, the Department also recognises the importance of in-person, physical meetings to safeguarding vulnerable adults and believes the benefit of these outweighs the climate change impact of car travel. To contribute to balancing this, the Department is exploring an expansion of its use of electric vehicles.

### **Conclusion**

48. This report demonstrates that the Department continues to fulfil its safeguarding remit and continues to seek to improve safeguarding practice, working effectively with partner agencies. The HSAB also delivered on its statutory duties to oversee the local safeguarding system and worked collaboratively to co-produce a revised set of Strategic Priorities.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>
Care Act	2014

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<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	

## **EQUALITIES IMPACT ASSESSMENT:**

### **0. 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.

### **1. Equalities Impact Assessment:**

The Multi-Agency Policy, Guidance and Toolkit referenced in the main body of the report has its own Equality Impact Assessment. The local authority approach to safeguarding is applicable across all communities. As this is an annual overview report, no individual Equalities Impact Assessment has been undertaken.

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	13 December 2022
<b>Title:</b>	Hampshire Community Safety Strategy Group
<b>Report From:</b>	Director of Adults' Health and Care

Contact name: Robert Ormerod

Tel: 0370 779 6752 Email: Robert.ormerod@hants.gov.uk

#### **Purpose of this Report**

1. The purpose of this report is to provide an update on the work of the Hampshire Community Safety Strategy Group during 2022.

#### **Recommendation**

2. That Cabinet notes the progress on the work of the Hampshire Community Safety Strategy Group (HCSSG), including the role in providing oversight and assurance of collaborative arrangements at the Hampshire county-level to address community safety priorities.

#### **Executive Summary**

3. This report provides an update on progress of the work of the Hampshire Community Safety Strategy Group in ensuring effective collaborative arrangements at the county level to address strategic community safety priorities.

#### **Contextual information**

4. The role of the Hampshire Community Safety Strategy Group (HCSSG) is to prepare a Community Safety Agreement based on a strategic assessment for the area which gathers evidence to inform strategic priorities relating to current and emerging risks and vulnerabilities. The HCSSG oversees county-level collaborative arrangements for addressing these priorities and how the responsible authorities under community safety legislation might otherwise work together to reduce crime and disorder or combat substance misuse.
5. The HCSSG is chaired by the Director of Adults' Health and Care and meets quarterly. It is well attended by wide range of senior representatives from community safety partner agencies.

**Hampshire Strategic Assessment for Community Safety and Hampshire Community Safety Agreement.**

6. The HCSSG agreed the updated County Agreement presented in draft to Cabinet in December 2021, including the revised strategic assessment and updated priorities:
  - Exploitation, serious violence and drug related harm through organised crime.
  - Intimidation violence and abuse of women and girls.
  - Hate related offences and violent extremism
  - Promoting community wellbeing and cohesion
7. Throughout 2022, the Group has received assurance reports from sponsors on the partnership arrangements supporting these priorities and looked holistically at the emerging risks and opportunities for enhanced collaboration. This has included sharing local responses to a number of related national initiatives including:
  - the introduction of a new statutory duty on serious violence
  - the response to the national strategy for violence against women and girls
  - the response to the new 10 year drugs plan to cut crime and save lives: “From Harm to Hope”.
  - The establishment of the new Probation services
8. The Board also considers shared risks, opportunities and responses which cut across these priorities for example:
  - the role of on-line safety in preventing exploitation, abuse, hatred and tackling organised crime
  - the role of restorative justice in meeting the needs of victims, serving penalties, preventing re-offending, and reducing harm
  - the legacy impacts of covid for vulnerable people and communities compounded by current cost of living challenges
  - the further development of trauma informed practice across all agencies

**Priority 1: Exploitation, serious violence and drug related harm through organised crime.**

9. A new Serious Violence Duty introduced in the Police, Crime, Sentencing and Courts Act 2022 is expected to come into force in 2023 with statutory guidance awaited shortly in time to prepare profiles and plans for 2024. It requires local authorities, the police, fire and rescue authorities, specified criminal justice agencies and health authorities to work together to formulate an evidence-based analysis of the problems associated with serious violence in a local area, and then produce and implement a strategy detailing how they will respond to those particular issues. Prisons, youth custody agencies and educational authorities may also need to work with these core partners.
10. With annual funding from the Home Office via the Police and Crime Commissioner, the County Council has been working with partners since 2019 to form a multi-agency Violence Reduction Unit to improve multi-agency working with young people at risk including protecting young people from the continued threat of county-lines activities; to establish a shared evidence base; and to use annual Home Office funding to commission a range of



interventions which in 2021 engaged 680 young people. From 2021-22, recorded serious violence has continued to rise nationally and this is mirrored in all districts in Hampshire except Fareham. Havant, Gosport, Rushmoor and Basingstoke have the highest rates of serious violence. Serious violence specifically involving young people (under 25) and including the use of a knife is highest in the urban centres of Basingstoke, Andover, Farnborough and Eastleigh.

11. Organised crime is a key driver for serious violence especially in the drug supply market as well as other harms including exploitation and fraud. This is a priority for Hampshire Constabulary working with regional, national and local partners to reduce harm in Hampshire and national partners. At the same time, and consistent with the national 10-year drugs plan, it is important to ensure access to effective drugs treatment and recovery services through Public Health led partnerships, and to address the demand for recreational drug use. The HCSSG provides a vehicle to ensure that the partnerships addressing the respective elements of this priority are aligned and connected in promoting a whole system approach.

### **Priority 2: Intimidation violence and abuse of women and girls (VAWG).**

12. During 2022, multiagency work has developed at pace on this agenda following the publication of the national VAWG strategy. The overall approach is co-ordinated by the Police and Crime Commissioner through a multi-agency VAWG Task Force. This work is focusing on the themes of prevention; building confidence in reporting; expediting the legal process; managing offenders; and data analysis. Key objectives are to rebuild trust and confidence in policing; address (up to 80%) under-reporting of violence against women; defining the problem through evidence led analysis; addressing societal problems including behavioural norms; a shift towards a perpetrator focus; quicker justice; addressing desensitisation and normalisation including with children; addressing additional challenges for marginalised groups; understanding long-lasting health impacts and trauma; and increasing capacity for domestic abuse perpetrator services.
13. Work is underway to create a problem profile, with a call for evidence by the PCC conducted in March 2022. The CPS have made rape and serious sexual offences (RASSO) a priority and doubled the number of specialist lawyers who deal with these cases. A tri-force action plan for Wessex region has been produced for domestic abuse to address the conviction rate and to offer further support to victims in the justice system. Training is being provided for licensed premises on sexual violence.
14. The HCSSG provides an overview across this newly focused strand of work; the established multi-agency arrangements led by the Director of Public Health on domestic abuse; and the important contribution of work led by the County Council to support schools in addressing prejudicial language and behaviour.

### **Priority 3: Hate related offences and violent extremism.**

15. The HCSSG has received reports from the Hampshire Prevent Partnership Board and assurance around the multi-agency arrangements. This work is detailed in a separate report to Cabinet.
16. PREVENT is concerned with pre-criminal justice interventions to prevent radicalisation and the risk of undertaking or supporting acts of violent extremism. The HCSSG provides a forum to draw this work together with a broader view of hatred and its impact on community safety. It is important to continue to promote the reporting of all hate-related offences and to continue to build an understanding of the harmful impacts of such offences as well as the wider lifelong experiences of groups with protected characteristics.
17. The acknowledged challenges in under-reporting of hate-related offences mirror those for VAWG. This requires building increased confidence in reporting and enabling different ways to report, including anonymously. The multiagency approach has continued during 2022 to creating and promoting more third-party reporting centres across Hampshire. The work to support schools on prejudicial language and behaviour referenced under VAWG is also important in this priority and the County Council has a strong compliance from schools with the offered incident reporting framework. The HCSSG will be considering ways to build a stronger shared understanding of these aspects of harm.

#### **Priority 4: Promoting community wellbeing and cohesion.**

18. Whilst the first 3 priorities focus on aspects of harm, this priority is concerned with opportunities to support safer communities through cohesion and mutual support across Hampshire's communities. It provides a helpful opportunity to hear more perspectives from across the voluntary, community and faith sector members of the HCSSG and to consider how community and voluntary organisations can work together better with public sector partners to identify risks and work together on solutions.
19. The group has considered progress on the re-establishment of voluntary and community support services, including the challenges of re-building the volunteer base and financial resilience of many organisations following the pandemic measures. This role of the sector and active communities is critical in supporting the community safety priorities as well as many other outcomes for vulnerable people.
20. The HCSSG has considered some key areas of focus for the voluntary and community and faith sector working with public sector partners including activities to address anti-social behaviour, youth mentoring schemes and early interventions for young people's mental wellbeing. The HCSSG has promoted further voluntary sector involvement with the key partnerships to ensure the challenges and contributions of the sector are better understood and to ensure commissioning processes are better connected to support effective and sustainable provision from the sector.

#### **Climate Change Impact Assessment**

21. 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.
22. This is an annual report providing an update on the work of the Hampshire Community Safety Strategy Group, so therefore no Climate Change assessment has been undertaken.

### **Conclusion**

23. This report demonstrates continued progress in the work of the Hampshire Community Safety Strategy Group in providing assurance around effective collaborative arrangements to address the strategic priorities, and in supporting effective links between the respective partnerships to promote whole systems working and efficient use of resources.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<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>
Document Location	
Hampshire Community Safety Strategic Assessment and Hampshire Community Safety Agreement	

## **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:

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### **2. Equalities Impact Assessment:**

<http://intranet.hants.gov.uk/equality/equality-assessments.htm> No adverse impacts

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## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	13 December 2022
<b>Title:</b>	Annual PREVENT Report
<b>Report From:</b>	Director of Adults' Health and Care

**Contact name:** Graham Allen

**Tel:** 03707 795574

**Email:** Graham.allen@hants.gov.uk

### Purpose of this Report

1. The purpose of this annual report is to provide information and assurance on:
  - the County Council's delivery of the Prevent duty and responsibilities hosted within Adults' Health and Care;
  - delivery of the County Council's Channel Panel responsibilities; and
  - notable local events and national highlights over the last 12 months since the last Prevent Annual Report was presented to Cabinet.

### Recommendations

2. That Cabinet notes this update on Prevent activity in Hampshire, including the work being undertaken by the County Council and its partners in the management and mitigation of issues related to duties under the Counter Terrorism and Security Act 2015, and the Counter Terrorism and Border Security Act 2019.
3. That Cabinet receive a further update in 12 months' time.

### Executive Summary

4. The UK's security services continue to counter terrorist risks and threats at home and to UK interests overseas, with global events impacting the domestic terrorism landscape and leading to growth in hate crime incidences in some communities, resulting in increased demand for Prevent services.
5. The move to radicalisation in the online space has continued, likely exacerbated by the increase in online activity as a result of the Covid-19 pandemic. Whilst this has potentially increased the risk of people being drawn into terrorism it has also presented opportunities for community-led initiatives in Hampshire to build strong support networks and develop resilience in preventing and responding to terrorist threats.
6. The County Council has robust internal and external arrangements to ensure compliance with its Prevent duties. These have been evaluated by the Home

Office's Office for Homeland Security and have been judged to be meeting or exceeding expectations. The County Council continues to mainstream Prevent across its business through strengthened governance and senior leadership. Leadership and governance is also provided externally through the Hampshire Prevent Partnership Board, which has progressed the Prevent agenda in Hampshire through the Board's sub groups in close partnership with stakeholders, Portsmouth City Council, Southampton City Council and the Isle of Wight Council.

7. The County Council has applied the Counter Terrorism Local Profile (CTLP) created by Counter Terrorism Police South-East to the development of a multi-agency Situational Risk Assessment and incorporated it in the Hampshire Prevent Partnership Board's multi-agency action plan and sub group workplans.
8. The County Council and its partners have responded effectively to an increase in the volume and complexity of Hampshire Channel Panel referrals and there is good multi-agency engagement in Hampshire Channel Panels. Once again the County Council demonstrated full compliance with the Home Office's Office for Homeland Security's Annual Assurance Statement for Channel.
9. Nationally, the County Council has continued to follow and contribute to inquiries and is awaiting the further publications from the Manchester Arena Enquiry, the publication of the Government's consultation on the Protect Duty, and the publication of the Independent Review of Prevent.
10. A confidential briefing has been provided to the Leader and Deputy Leader in advance of this report being brought to Cabinet.

### **Contextual information**

11. The Counter Terrorism and Security Act 2015 created a statutory duty to have due regard to the need to prevent people being drawn into terrorism. This duty applies to all public bodies (local authorities, police, NHS, schools, further and higher education providers, probation, prisons and youth offending services). The duty also applies to private providers supplying public functions, for example in the education sector. Prevent interventions are focused in the 'pre criminal space'. The lead responsibility for Prevent sits with local authorities.
12. The ongoing importance of this agenda has been highlighted in Hampshire by the protests at Farnborough Airport in February and July 2022 by Extinction Rebellion. Stickers and graffiti (stickers are placed in usually prominent public spaces in support of a particular ideology/belief/group) continues to be reported across the communities in Hampshire, and the correlation between hate crime and extremism remains under close investigation. In April 2022 Extinction Rebellion joined forces with Just Stop Oil to block the oil terminals at Hythe and the Hamble. Also, within the pan-Hampshire area in July 2022 a 15-year-old boy from the Isle of Wight appeared in court charged with a terrorism offence.
13. Prevent services across Hampshire continue to be called upon to respond to the impact of global and national events on local communities. It is recognised



that global events impact the domestic terrorism landscape and lead to a growth in hate crime incidences in some communities, leaving some individuals and groups feeling exposed and unsafe. Consequently, there is also an increased demand for support to those who are identified as being vulnerable to radicalisation. The correlation between hate crime and extremism remains under close investigation.

14. It is anticipated that this will continue to require a response from the wider strategic Prevent partnership led by Hampshire County Council to support the work already started to build strong and resilient communities. The Council's ability to engage with communities and the wider safeguarding partnerships is crucial in the delivery of the Prevent duty to prevent those vulnerable to being drawn into terrorism from being radicalised.
15. At the time of writing, the threat level of International Terrorism to the UK is 'Substantial'<sup>1</sup>, meaning that a terrorist attack is 'likely'.

### **Covid-19 Pandemic**

16. The consequences of the COVID-19 pandemic continue to be felt in Hampshire, as it does throughout the whole of the UK. Those consequences previously identified remain relevant, with others emerging as circumstances allow:
  - The increase in time spent online has likely increased the risk of some people being drawn into terrorism through exposure to extremist narratives. For example, extremists have used apocalyptic narratives in referring to the pandemic encouraging supporters to take extremist action;
  - Conspiracy theories initially related to COVID-19 have further developed in focus with some now including seemingly non-related COVID-19 themes such as anti-establishment and right wing ideology;
  - Misinformation and disinformation about COVID-19 and the vaccines are increasingly present in populist narratives to further the idea that the 'elite' are controlling and abusing the 'people' in an attempt to undermine societal and community cohesion;
  - Gaming platforms are increasingly being used as social media platforms with encrypted chat rooms where terrorists can recruit, radicalise and raise funds through the use of crypto currency. Video games are sometimes altered to promote terrorism.
17. Many of the community-led groups initially established at the height of the pandemic continue to provide support to those at risk of radicalisation, reducing social isolation and a sense of injustice and thereby promoting a sense of belonging and community cohesion.
18. Hampshire's community focus is supported by the county's Community Safety Network, and close joint working with District Council partners and Hampshire Constabulary has enabled proactive messaging to be shared with communities in Hampshire.

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<sup>1</sup> <https://www.gov.uk/terrorism-national-emergency>

## **PREVENT arrangements within Hampshire County Council**

19. The **Prevent team** is hosted the Adults' Health and Care Department and comprises 1.6 FTE and 1 FTE business support resource. Additionally, there is 1 FTE 12-month post to support the work of the **Hampshire Prevent Partnership Board**. The team facilitates compliance with the statutory duties and responsibilities placed upon the County Council and supports the Prevent Delivery Group, Partnership Board and **Channel** arrangements, outlined below.
20. The County Council's **Prevent Delivery Group** meets quarterly and includes senior representation from each County Council department. It focuses on strengthening the organisational approach with respect to leadership, workforce capability, awareness, partnerships and information sharing. It is chaired by the Director of Adults' Health and Care and since its formation last year, has served to mainstream Prevent across the County Council's business. Key achievements over the last 12 months include:
  - completion of the County Council's Prevent e-learning by over 95% of the total workforce;
  - further development of staff guidance on the Prevent duty and how to respond to Prevent concerns following a trauma-informed safeguarding approach;
  - promotion of the National Referral Form referral pathway for all Prevent referrals, including how to recognise signs of radicalisation;
  - delivery of additional briefings and training to staff, including senior leaders at the Hampshire Leadership Network, across all directorates at each Departmental Management Team detailing the Prevent duty and how it impacts on each service area;
  - development and publication of a bespoke training package for frontline staff in Adults Health and Care and Children's Services;
  - review an update of the HCC communications strategy to support consistent and sensitive communications between the council and communities/partners;
  - publication of a number of awareness-raising factsheets on terrorism-related specific risks and themes.

## **Hampshire Prevent Partnership Board**

21. The **Board** is a multi-agency forum with close links to the Hampshire Community Safety Strategy Group, the Hampshire Safeguarding Adults Board and the Hampshire Safeguarding Children's Partnership. Further work is underway through these groups to build stronger community safety partnership links. An example of this would be District Council community safety input into the planning of the counter-terrorism local profile.
22. The Board meets virtually on a quarterly basis and sets the overarching strategy and multi-agency action plan. The plan focuses on the following three strategic areas:
  - Engagement and Awareness
  - Information Sharing

- Disrupting radicalising Influences
23. These areas reflect those used by Counter Terrorism Policing South-East (CTPSE) and specific actions are informed by the CTLP, as well as national developments from the Home Office's Office of Homeland Security. The CTLP provides local and national data on Prevent and highlights emerging risks and themes. The Hampshire Prevent Partnership works closely with CTPSE, which produces the CTLP, to improve the relevance and accuracy of local data within it.
24. A Core Group meets bi-monthly in addition to the Board to provide oversight of the action plan's implementation. Specific actions are delivered through thematic sub-groups. The sub-groups are:
- Communication
  - Communities and Engagement
  - Education
  - CTLP
- The priorities for each subgroup are agreed by the Hampshire Prevent Partnership and seek to mitigate those risks and themes identified in the CTLP and the Hampshire Prevent Partnership Board's action plan.
25. Key achievements of the Hampshire Prevent Partnership Board over the last 12 months year include
- embedding the Prevent referral pathway across the Hampshire area;
  - implementation of the Training Strategy and Communication Strategy;
  - development of an assurance framework for partners;
  - development of an Autism/Neurodiversity and Prevent Strategy;
  - publication of a Situational Risk Assessment;
  - completion of the Office of Homeland Security's Benchmarking Exercise.
26. In April Hampshire County Council submitted the Prevent Duty Benchmark 2021-2022 to the Office of Homeland Security at the Home Office using their given template. This demonstrated that the Hampshire Prevent Partnership Board and Hampshire County Council are either meeting or exceeding the required standards for the delivery of Prevent in Hampshire. The Office of Homeland Security noted the high standards in Hampshire considering that it is an unfunded Prevent area.

## Channel

27. The Counter Terrorism and Security Act 2015 introduced the **Channel** process to provide multi-agency, tailored support to people identified as at risk of being drawn into terrorism. The level of risk and nature of support is considered by the multi-agency Channel Panel. Risks related to terrorism are owned by counter terrorism police, with support provided by the wider Prevent partnership in the Channel Panel and delivered to the individual assessed to be at risk of radicalisation.

28. Statutory guidance requires a Channel Panel to be held monthly. However, due to the increased volume and complexity of referrals, the County Council currently leads a Channel Panel every two weeks, which has significantly increased the workload of the Prevent team and impacted on the workload of the social work teams across the county.
29. Panel meetings are held virtually and are well attended by multi-agency partners. Support is provided to a range of adults and children with varying ideologies and backgrounds. Due to the security and sensitivity of Counter Terrorism intelligence, this annual report does not include details on referrals into Hampshire over the last 12 months. However, it is worth noting that Hampshire Channel referrals have increased by 70% for the period 01.01.2022 – 30.09.2022 when compared to the same time period in 2020.
30. The Hampshire Channel Panel adopts a risk based / trauma-informed safeguarding approach and supports an holistic model of support. In order to address concerns relating to radicalisation, the Panel also assesses other needs – for example housing, education, support for parents, domestic abuse. In many instances families/individuals are in crisis, and Hampshire Channel supports the engagement of the wider Prevent network to mitigate and minimise vulnerability to radicalisation through its individual support planning.
31. It is through the support of the Prevent partnership in Hampshire that the Panel is able to achieve successful outcomes together with those referred to the Hampshire Channel Panel. At an operational level the Panel members not only support organisations in Hampshire to deliver interventions to individuals, but also identifies strategic need which is then addressed by the Hampshire Prevent Partnership Board.
32. In January 2022, the County Council submitted its Annual Assurance Statement for Channel to the Home Office demonstrating full compliance.

### **Notable Events for Hampshire County Council in the last 12 months**

33. In February 2022 Extinction Rebellion protested against the use of private jets at Farnborough airport.
34. In April 2022 Extinction Rebellion joined forces with Just Stop Oil to block the oil terminals at Hythe and the Hamble. A statement from Extinction Rebellion said that the protest at the Fawley Oil Refinery was in solidarity with the workers who were underpaid.
35. In July 2022 Extinction Rebellion protested at Farnborough Airport, on the opening day of the Farnborough Airshow. This protest focused on climate change and its effects on children.
36. Stickers and graffiti continues to be reported across the communities in Hampshire and appear to be motivated by various ideologies - for example anti-state.

### **Key National Highlights**

37. Inquiry hearings for the Manchester Arena Independent Public Inquiry began in September 2020. Volume Two of its report will be published in November

2022. This focuses on the preparedness of the emergency services to respond to a marauding terrorist firearms attack and to deal with the events after the attack.

38. Project Starlight published its findings on the prevalence of domestic abuse related incidences within Prevent referrals. The report concluded that there is a 'striking prevalence' of domestic abuse in the lives of those referred to Prevent as being vulnerable to radicalisation.
39. In the year ending 30 June 2022 there were 203 arrests in the UK for terrorism-related activity. Of these, 44 were convicted of terrorism-related offences.
40. A man was charged with treason after allegedly plotting to kill the late Queen with a loaded crossbow on Christmas Day 2021.
41. In summer 2022 Leeds Libraries supported the Drag Queen Story Hour. Whilst the event was held successfully, one group protesting was a far-right white nationalist group.

### **Climate Change Impact Assessment**

42. 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.
43. This report does not detail specific projects or initiatives that can be assessed using the County Council's climate impact assessment tools but rather provides an annual assurance update on delivery of the Prevent duty. Consequently, no Climate Change assessment has been undertaken.

### **Conclusion**

44. The County Council continues to deliver the requirements of the Prevent duty and is compliant with the Channel Duty guidance. The County Council, with its partners, will continue to adapt its approach to respond to the impact of global events and manage the increase in demand for Prevent support, including the increase in volume and complexity Channel referrals. Hampshire County Council will keep under review the resources and, in particular, specialist resources deployed in maintaining our duties in respect of Prevent and Channel, given the increased activity seen in this area.
45. Hampshire County Council will continue to fully support the work of the Hampshire Prevent Partnership Board, providing leadership and governance alongside its partners. The key strategic priorities of the Board will be delivered through the Board sub-groups, the aims of which are to engage our communities and to raise awareness about the impact of radicalisation of individuals who are subject to the growing threat of extremist ideologies in Hampshire.

46. The County Council will take note of the publication of key national documents and together with partners will implement any relevant recommendations or requirements in a timely manner and with a focus on keeping Hampshire communities safe.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>
Counter Terrorism and Security Act 2015	2015
Counter Terrorism and Border Security Act 2019	2019
Channel Duty Guidance 2020	2020

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
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<u>Document</u>	<u>Location</u>
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### **1. Equality Duty**

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- 1.2 Due regard in this context involves having due regard in particular to:
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  - 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:**

As this is annual update there is not a requirement for an Equality Impact Assessment.