

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	16 October 2017
Title:	Medium Term Financial Strategy and Transformation to 2019 Savings Proposals
Report From:	Director of Corporate Resources – Corporate Services

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1. The decision:

That Cabinet:

- 1.1. Notes and endorses the County Council's current approach to commercialisation as outlined in Section 3.
- 1.2. Notes the current position in respect of the financial resilience monitoring for the current financial year.
- 1.3. Confirms that in the absence of further information, which may be contained in the Budget in the autumn, the current planning assumption that council tax will increase by the maximum permissible without a referendum, in line with Government policy, will continue.
- 1.4. Approves the recommended approach to dealing with the anticipated £140m budget deficit.
- 1.5. Approves, subject to further consultation and executive decision making where necessary, the savings proposals in Appendix 3 after taking due regard of the consultation feedback and Equality Impact Assessments.
- 1.6. Approves further service specific consultations, where necessary, on the savings proposals set out in Appendix 3 prior to final decisions being made by Executive Members.
- 1.7. Endorses the principle that should any savings proposal be rejected that alternative options to the same value will need to be developed by the appropriate department.
- 1.8. Approves an additional £6.1m of one-off funding to meet the balance of funding for the overall IT Programme supporting the delivery of Tt2019, to be met from the savings in non-departmental budgets in the current year as identified in Section 4.
- 1.9. Approves one-off amounts of £1.7m and £315,000 in 2017/18 to fund the part year costs of increased social workers and payments for Special Guardianship Orders, respectively, to be met from the savings in MRP.

- 1.10. Approves an initial sum of £100,000 in 2017/18 and a recurring increase of £320,000 from 2018/19 onwards to provide dedicated resources to analyse data and undertake remedial actions associated with water bacteria risk management.
- 1.11. Approves an initial one off sum of £500,000 to support joint initiatives with Town and Parish Councils, the details of which will be subject to approval by the Executive Member for Policy and Resources.
- 1.12. Requires that officers, as specific decision making processes move forward, continue to explore all viable options to revise or refine these proposals with particular regard to service continuity in areas such as community transport, school crossing patrols and waste and recycling centres, in consultation with partners and stakeholders as appropriate, while recognising that any modification to any proposal must be consistent with the financial and time imperatives of the overall programme.

That Cabinet recommends to County Council that:

- 1.13. The mid-year report on treasury management activity at Appendix 2 be approved.
- 1.14. The potential impact on the investment strategy of defaulting to a retail client with effect from 3 January 2018 be noted.
- 1.15. The immediate commencement of applications for elected professional client status with all relevant institutions in order to ensure the County Council can continue to implement an effective investment strategy be agreed.
- 1.16. In electing for professional client status the County Council acknowledges and agrees to forgo the protections available to retail clients attached at Annex 1 of Appendix 2.
- 1.17. Responsibility be delegated to the Section 151 Officer (the Director of Corporate Resources) for the purposes of completing the applications.
- 1.18. The savings proposals in Appendix 3 be approved, subject to further consultation and executive decision making where necessary.
- 1.19. The remainder of the spending required, totalling £22.5m, be approved to complete the IT enabling and EPP programmes, following the £16.1m that was approved in July this year.
- 1.20. Recurring funding from 2018/19 onwards of £10.25m is approved to cover the increased costs of social workers, Home to School Transport and payments for Special Guardianship Orders.
- 1.21. A one-off sum of £1.4m is approved from the Invest to Save Reserve to fund additional resource within the in-house Transformation Team until the end of 2019/20.
- 1.22. High level approval be given for up to £35m of capital spend (funded through prudential borrowing) to invest in the purchase of land and development of the Manydown site.
- 1.23. An initial sum of £3m is transferred from capital to revenue between the County Council and Enterprise M3 LEP as outlined in this report and that

delegated authority be given to the Director of Corporate Resources to agree further transfers if required.

- 1.24. Capital spend of £1.23m be approved to implement improvements whereby specialist equipment will be installed to improve the quantity and quality of data collection and monitoring in relation to water bacteria risk management. To be funded from the savings in non-departmental budgets in the current year as identified in Section 4.
- 1.25. An increase in the capital programme of £1m per annum from 2017/18 onwards to raise the provision for the general replacement of and additions to the fleet managed by HTM to £3m per annum, to be funded through prudential borrowing be approved.
- 1.26. Schemes associated with the development of land at Woodhouse Lane to the value of £41.695m are added to the capital programme as outlined in paragraph 11.10.

2. Reasons for the decision:

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

3. Other options considered and rejected:

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

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker:
- 4.2. Conflicts of interest declared by other Executive Members consulted:

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

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

7. Statement from the Decision Maker:

Approved by:

Date:

16 October 2017

**Chairman of the Cabinet
Councillor Roy Perry**