

Public Document Pack



SUMMONS

To the Members of the County Council

You are hereby summoned to attend the County Council to be held at The Castle, Winchester at 10.00 am on Thursday, 20th July, 2017 to consider and resolve upon the business set out in the Agenda below.

[Please note that there will be a short service of prayer at 10.00 am prior to the start of the formal business of the meeting].

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

This agenda can be provided on request in large print or Braille or on disk. This meeting will be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST**

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

3. **MINUTES** (Pages 5 - 38)

To confirm the Minutes of the meeting held on 25 May 2017.

4. **DEPUTATIONS**

To receive the following deputations from:

- a. Suzy Woolford requesting a crossing point on Bodycoats Road outside the main entrance of Toynbee Secondary School,

Chandlers Ford

- b. Helen Warren regarding the Motor Neurone Disease Charter

5. **CHAIRMAN'S ANNOUNCEMENTS**

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

6. **LEADER'S REPORT**

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

7. **QUESTIONS UNDER STANDING ORDER 16.1.1**

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

Part I: Matters for Decision

8. **APPOINTMENTS** (Pages 39 - 40)

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

9. **EDUCATION ADVISORY PANEL - REVISED TERMS OF REFERENCE** (Pages 41 - 48)

To consider a report of the Education Advisory Panel seeking the Council's approval of revised terms of reference for the Panel.

10. **SERVING HAMPSHIRE - STRATEGIC PLAN FOR 2017-2021** (Pages 49 - 60)

To consider a report of the Cabinet seeking adoption of the *Serving Hampshire* Strategic Plan as part of the County Council's Policy Framework, as set out in the Constitution, replacing the County Council's Corporate Strategy and Sustainable Community Strategy.

11. **2016/17 END OF YEAR FINANCIAL REPORT** (Pages 61 - 114)

To consider report of the Cabinet setting out the end of year position for

the financial period 2016/17 and seeking approval of IT projects to support the Digital 2 and the Transformation to 2019 programmes. Approval is also sought of the County Council's treasury management activities and prudential indicators.

Part II: Matters for Information

12. HAMPSHIRE FIRE AND RESCUE AUTHORITY

a) HFRA Questions

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

b) HFRA Report (Pages 115 - 116)

To receive a report from the Authority.

13. ANNUAL REPORT OF THE POLICY AND RESOURCES SELECT COMMITTEE (Pages 117 - 124)

To receive the annual report of the Policy and Resources Select Committee summarising the work carried out by the County Council's Select Committees during 2016/17.

14. ANNUAL REPORT OF THE HEALTH AND ADULT SOCIAL CARE SELECT COMMITTEE (Pages 125 - 130)

To receive the annual report of the Health and Adult Social Care Select Committee summarising the health scrutiny work carried out by the Committee during 2016/17.

15. CHANGES TO EXECUTIVE FUNCTIONS (Pages 131 - 140)

To consider a report of the Chief Executive to report recent changes made by the Leader to the responsibilities of the Executive in accordance with Standing Order 11.6.3.

16. EXECUTIVE AND COMMITTEE REPORTS

To receive for information the reports of the following:

a) The Leader/Cabinet (Pages 141 - 144)

b) Executive Lead Member for Children's Services (Pages 145 - 146)

- c) Executive Member for Culture, Recreation and Countryside
(Pages 147 - 148)
- d) Pension Fund Panel and Board (Pages 149 - 150)

John Coughlan CBE
Chief Executive
The Castle
Winchester

Wednesday, 12 July 2017

Public Document Pack Agenda Item 3

AT A MEETING of the County Council of HAMPSHIRE COUNTY COUNCIL held
at the castle, Winchester on Thursday, 25th May, 2017

Chairman:

p Councillor Graham Burgess

Vice-Chairman:

p Councillor Elaine Still

p Councillor John Bennison	p Councillor Wayne Irish
p Councillor Fred Birkett	p Councillor Gavin James
p Councillor Martin Boiles	p Councillor Andrew Joy
p Councillor Ray Bolton	p Councillor David Keast
p Councillor Jackie Branson	p Councillor Mark Kemp-Gee
p Councillor Ann Briggs	a Councillor Mel Kendal
p Councillor Zilliah Brooks	p Councillor Rupert Kyrle
p Councillor Adam Carew	p Councillor Peter Latham
p Councillor Fran Carpenter	p Councillor Kirsty Locke
p Councillor Christopher Carter	p Councillor Keith Mans
a Councillor Roz Chadd	p Councillor Alexis McEvoy
p Councillor Peter Chegwyn	p Councillor Anna McNair-Scott
p Councillor Charles Choudhary	p Councillor Derek Mellor
p Councillor Daniel Clarke	p Councillor Floss Mitchell
p Councillor Adrian Collett	p Councillor Rob Mocatta
p Councillor Rod Cooper	p Councillor Russell Oppenheimer
p Councillor Mark Cooper	a Councillor Neville Penman
a Councillor Tonia Craig	p Councillor Roy Perry
p Councillor Roland Dibbs	p Councillor Stephen Philpott
a Councillor Alan Dowden	p Councillor Jackie Porter
p Councillor Peter Edgar	p Councillor Roger Price
p Councillor Keith Evans	p Councillor Lance Quantrill
p Councillor Liz Fairhurst	p Councillor Stephen Reid
p Councillor Steve Forster	p Councillor David Simpson
p Councillor Jane Frankum	p Councillor Patricia Stallard
p Councillor Andrew Gibson	p Councillor Robert Taylor
p Councillor Jonathan Glen	p Councillor Bruce Tennent
p Councillor Judith Grajewski	p Councillor Tom Thacker
p Councillor David Harrison	p Councillor Michael Thierry
p Councillor Marge Harvey	p Councillor Mike Thornton
p Councillor Pal Hayre	p Councillor Martin Tod
p Councillor Edward Heron	a Councillor Rhydian Vaughan
p Councillor Dominic Hiscock	p Councillor Malcolm Wade
p Councillor Geoffrey Hockley	p Councillor Jan Warwick
p Councillor Keith House	p Councillor Michael Westbrook
p Councillor Gary Hughes	p Councillor Michael White
p Councillor Rob Humby	p Councillor Bill Withers Lt Col (Retd)
p Councillor Roger Huxstep	p Councillor Seán Woodward

Also in attendance was Honorary Aldermen Patricia Banks, Felicity Hindson, Roger Kimber, Tim Knight and Michael Woodhall.

ing Chairman's Comments

Prior to the start of the formal business of the meeting, the Retiring Chairman presented his final announcements to the Council and expanded on duties undertaken since the last meeting of the Council to represent and promote the County Council and its strong leadership role. The list of engagements had been previously circulated. In particular, he expressed his thanks to Councillor Graham Burgess for his support as his Vice-Chairman throughout the year, to all the Councillors past and present that had supported his many events and to the officers.

In particular the Retiring Chairman had pleasure in presenting a Chairman's Business Award to recognise the County Council's support for business. The award was received by ASV Global, based in Portchester, who develop marine autonomous vessel technology.

The proceeds of money raised by the Music Service during the Retiring Chairman's Year of Music was presented to Cancer Research UK.

The full announcements are attached to these Minutes as Appendix 1.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Roz Chadd, Tonia Craig, Alan Dowden, Mel Kendal, Neville Penman and Rhydian Vaughan.

Apologies were also received from Honorary Aldermen Phrynnette Dickens and Marilyn Tucker.

2. COUNTY COUNCIL ELECTIONS

The Council received the report of the County Returning Officer confirming the persons elected Members of the County Council on 4 May 2017.

3. ELECTION OF CHAIRMAN

The Chief Executive, as the Proper Officer, called for nominations. Councillor Chris Carter, seconded by Councillor Stephen Philpott proposed that Councillor Graham Burgess be elected Chairman of the Council until the Annual General Meeting of the Council in 2018. No other nominations were received therefore the proposition was put to the vote and carried.

ORDERED:

That Councillor Graham Burgess be elected Chairman of the County Council until the Annual General Meeting in 2018. Councillor Burgess made the declaration of Acceptance of Office and took the chair.

4. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest and, having regard to 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, 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, considered whether it was appropriate to leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with the Code.

5. MINUTES

The minutes of the meeting of the County Council held on 16 February 2017 were confirmed as a correct record and signed by the Chairman. There were no matters arising.

6. APPOINTMENT OF VICE-CHAIRMAN

The Chairman invited nominations for the position of Vice-Chairman of the Council. Councillor Stephen Reid, seconded by Councillor Anna McNair Scott proposed Councillor Elaine Still. Councillor House confirmed that the Liberal Democrat Group was not proposing a nomination and requested a discussion with the Leader about this particular office, given its non-political status.

No other nominations were received therefore the proposition was put to the vote and carried.

ORDERED:

That Councillor Elaine Still be appointed as Vice-Chairman of the County Council until the Annual General Meeting in 2018. Councillor Still made the declaration of Acceptance of Office.

7. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed all new Members to the Chamber and congratulated Councillor Elaine Still for her appointment as the Council's new Vice-Chairman.

The Chairman confirmed that the theme for his chairmanship year would be the Armed Forces of Hampshire and Veterans. Hampshire has the largest number of serving members of the Armed Forces and also veterans and the Chairman hoped to raise their profile at every opportunity.

It was with sadness that the Chairman informed the Council of the death three former County Councillors:

- Honorary Alderman John Bryant, a former Chairman of Hampshire County Council from 2004 to 2005 and a Councillor for Fareham North West from 1997 to 2005 and Fareham Town from 2004 to 2013.
- Honorary Alderman Harvey Cole, Councillor for Eastgate Division from 1985 to 1989 and Westgate Division from 1993 to 2001.
- Councillor Freddie Emery-Wallis who represented St. Thomas Division from 1973 to 1985 and Stakes North Division from 1985 to 2001. He was also the Leader of Hampshire County Council from 1976 to 1993 and 1997 to 1999. He was Chairman of the County Council from 1999 to 2001.

The Chairman invited Councillor Roy Perry to say a few words and to invite personal tributes from the Chamber. The following Councillors spoke: Councillors Peter Chegwyn, Adrian Collett, Jonathan Glen and Martin Tod. The Council observed a minute's silence as a mark of respect.

The Chairman's full announcements are attached to these Minutes as Appendix 2.

8. LEADER AND CABINET

a) Election of Leader

The Chairman called for nominations for the position of Leader of the County Council pursuant to Part 1, Chapter 9 of the Constitution. Councillor Kirsty Locke, seconded by Councillor Jonathan Glen proposed Councillor Roy Perry. In the absence of any other nominations the proposition was put to the vote and carried. Councillor Roy Perry was duly elected Leader until the Annual General Meeting of the Council in 2021.

b) Cabinet Members

The Leader confirmed the members of his Cabinet as follows:

Councillor Keith Mans - Deputy Leader and Executive Lead Member for Children's Services

Councillor Peter Edgar – Executive Member for Education

Councillor Liz Fairhurst – Executive Member for Adult Social Care and Health

Councillor Andrew Gibson – Executive Member for Culture, Recreation and Countryside

Councillor Rob Humby – Executive Member for Environment and Transport

Councillor Andrew Joy – Executive Member for Communities, Partnerships and External Affairs including Brexit

Councillor Mel Kendal – Executive Member for Economic Development
Councillor Stephen Reid – Executive Member for Human Resources and Performance
Councillor Patricia Stallard – Executive Member for Public Health (to include Troubled Families and Emergency Planning)

The Leader also reported that Councillor Edward Heron would continue in the role of Assistant to the Executive - Rural Affairs Champion.

9. LEADER'S REPORT

The Leader thanked Members for re-electing him for a further term of office as Leader of the Council, which would expire at the County Council's AGM in 2021. He also thanked Keith Chapman for the sterling work he had done over the last year as Chairman of the Council and congratulated Councillor Graham Burgess on his appointment as Chairman.

The Leader reported that he had recently had briefings with the Police and Crime Commissioner and with the County Council's Head of Emergency planning, who had confirmed that the well rehearsed plans of progressing from a severe alert to critical had moved seamlessly into place.

The Leader reported on the task ahead - to keep Hampshire prosperous, to maintain the quality of the environment and to maintain the good level of services with council tax demands under control. Councils have to set a balanced budget, cannot borrow to cover revenue and are limited by how much council tax can be raised. The County Council faces a £140million budget saving and it is the Council's task to face up to that in as fair and equitable way possible.

The Leader's full report is attached to these Minutes as Appendix 3.

10. DEPUTATIONS

There were no deputations on this occasion.

11. QUESTIONS UNDER STANDING ORDER 16.1.1

The list of Questions submitted in accordance with Standing Order 16.1.1 is attached to these Minutes as Appendix 4. Executive Members responded.

12. PROPORTIONALITY AND APPOINTMENTS

The Council considered the report of the Chief Executive (Item 12 in the Minute Book), as presented by the Leader, setting out the proportionality between the political groups following the Elections on 4 May and making provision for appointments to be made to County Council committees including Co-opted Members and to Joint Committees and Outside Bodies on which the County Council is represented, and for which appointments are to be made by the full

Council.

An Addendum to the report was circulated setting out the draft Proportionality Table for the Council following consultation with the Group Leaders and nominations for appointments as detailed above.

RESOLVED:

a) Proportionality

That the County Council approved the allocation of seats on County Council Committees and Panels, and other proportionate bodies the County Council is represented on for the purpose of Part 1 of the Local Government and Housing Act 1989 (the proportionality rules) as set out in Appendix 5 to these Minutes.

b) Appointment to County Council Committees and Panels

That the County Council approved appointments to County Council Committees and Panels, including the appointment of Co-opted Members where applicable as set out in Appendix 6.

c) Appointment to the Health and Wellbeing Board

That the County Council approved appointments to the Hampshire Health and Wellbeing Board in accordance with Part 1, Chapter 10 of the County Council's Constitution as set out in Appendix 6.

d) Appointment to the ACCESS Joint Governance Committee

That the County Council agreed a nomination for Hampshire's seat on the ACCESS Joint Governance Committee (JGC) and for a deputy as set out in Appendix 6.

e) Appointment to other Proportionate Bodies

That the County Council approved appointments, on a proportionate basis to the Hampshire Fire and Rescue Authority, the New Forest National Park Authority and the Chichester Harbour Conservancy as set out in Appendix 6.

f) Appointment to Joint Committees and Outside Bodies

That the County Council approved appointments to represent the County Council on Joint Committees and Outside Bodies, as reserved to the County Council as set out in Appendix 6.

13. NOTICES OF MOTION

There were no Notices of Motion on this occasion.

14. HAMPSHIRE FIRE AND RESCUE AUTHORITY

a) HFRA Questions

There were no questions pursuant to Standing Order 16.3 concerning the discharge of the Hampshire Fire and Rescue Authority's functions.

b) HFRA Report

The Chairman of the Fire Authority presented a report and drew Members attention to a document "Fire as a Health Asset". In March the Chairman had written to the Members of all Councils within Hampshire, to MPs and to the CCGs enclosing a copy of the booklet to draw attention to what HFRS is doing to assist with the promotion of health and wellbeing across the County. For the benefit of new Members on the County Council, copies of the booklet were available.

The meeting closed at 11.32am.

Chairman,

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**Retiring Chairman's Announcements
Annual County Council Meeting
25 May 2017**

Welcome back to Members who sort re-election, and welcome to all new Members. I hope you find your time as County Councillors a rewarding experience.

I would like to say a few words of thanks, and highlight some of the many events that Jennifer and I have attended over the last twelve months.

First of all, a big thank you to my wife, Jennifer, who has been a great ambassador to the County Council over the last year. Her support has made my year an even greater success.

A big thank you to my two chaplains, Sue Wallace and Katie Lawrence, from Winchester Cathedral. Both have been very supportive throughout the year. The production of Joseph by Sue Wallace at the Cathedral was a particular highlight.

A big thank you to Natalie, who has had to put with me for two years! And also to all the staff in the Members' Secretariat.

I would like to thank the Leader of the Council, Councillor Roy Perry, and his wife, Veronica, who have been a great support to me, as has our Chief Executive, John Coughlan and his wife, Madeleine – thank you for your support and wise counsel.

I would also like to thank all Members who have attended my many concerts. The Lord Lieutenant of Hampshire, Nigel Atkinson, and High Sheriff, Tom Floyd, have also been incredibly supportive to me this year.

In a year in which we have attended seven royal visits and over 56 music and related events, I would like to draw your attention to a few of the highlights.

A guest appearance of Lord Andrew Lloyd Webber and Gina Beck, a well-known West End Star, at my first Chairman's Concert, is something I shall always remember!

The aim for my Chairman's year of music was to encourage as many young people as possible to get involved with music, either by joining an ensemble or by being part of the audience. I've been delighted with what we've managed to achieve over the last year. I think what I have been most moved by is the enthusiasm for my theme, from the Hampshire Music Service, to fellow Councillors and of course, the enthusiasm from the young people (and their parents!) across Hampshire who have taken part this year.

A highlight for me was my Chairman's Concert at the Anvil. Many professional orchestras don't attempt to play Carmina Burana in its entirety, and yet our young musicians not only tackled this difficult task but did so with great enthusiasm. Many

of the young musicians thanked me for the opportunity to play such a wonderful piece of music, and the performance was absolutely fantastic. To have a fanfare commissioned for me by the Anvil was also a very special moment and something I will fondly remember.

As I was leaving the Anvil Concert Hall after a Hampshire County Youth Orchestra concert, I was approached by a group of young adults at Stage Door. They asked me all sorts of questions about my taste in music. They were a pleasure to talk to and I hope that my Chairman's year will have and will continue to encourage further conversations and involvement in music.

Another highlight was visiting Osborne School in Winchester for children with learning difficulties and seeing how they responded to music just proves how beneficial musical education is to our young people.

I also thoroughly enjoyed the Hampshire Music Service Staff Showcase concert and was delighted to see so many children in the audience. When Jill Lerner, Head of the Music Service, asked the children in the audience to stand up if they were currently learning an instrument through the music service, almost everyone stood up! It's great to be able to see so many young people enjoying themselves through music.

Of course, none of this could have been realised without the Hampshire Music Service. We are so fortunate to have the best music service in the country. It is truly outstanding, and the young people who play in the ensembles are some of the best in the country as well.

Throughout the year, parents and young people have thanked me for my year of music, and have also told me how much they've enjoyed my speeches. I am so grateful for the kind words and support I have received. I have had a fantastic year as Chairman of the County Council, which would not have been possible without their support.

Members there is now a short three minute video about my Chairman's Year of Music. Members, please continue to support this great service.

I have been told on many occasions that the Chairman does not raise money for charity as a general rule. However, as some of you will know, following the death of Sue May in the Chairman's Office and Fleur Wainwright, who used to conduct the Castle Singers, I decided to make an exception. This year, the Music service and I decided to raise money for Cancer Research UK and I am delighted to be able to present a cheque for £5,000 to Cancer Research UK.

With the help of David Fletcher, Assistant Director, Economic Development, I would like to present a Chairman's Business Award to recognise the support Hampshire County Council has for business. I am pleased to present the Chairman's Business Award to ASV Global. ASV designs, builds, operates, sells and leases Unmanned and Autonomous Surface Vehicles. They are a proactive and growing business based in Portchester with a turnover now approaching £11million. Many of ASV's components and supplies are sourced locally and 50% of their output is exported. I

would like to invite Dan Hook, the Managing Director, to come forward and accept this award. Thank you.

ENDS

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**Incoming Chairman's Report
Annual County Council Meeting
25 May 2017**

I thank you, fellow members of Hampshire County Council for electing me as your Chairman. My wife Marilyn and I hope to carry out our duties in representing Hampshire to the best of our abilities.

I would also like to thank our past Chairman, Keith Chapman and his wife Jennifer who have had a fantastic year and carried out many engagements on our behalf.

May I welcome all the newly elected members of this Chamber, especially two members from my own constituency, Councillor Pal Hayre and Councillor Stephen Philpott. You may have to excuse me in not putting a name to a new face at the moment, but we will get there.

My theme this year is the Armed Forces of Hampshire and Veterans. Hampshire has the largest number of serving members of the Armed Forces and also veterans. I hope to raise their profile at every opportunity in what they do and what they have achieved.

I would also like to congratulate our new Vice Chairman, Councillor Elaine Still.

Sadly, I must inform Members of the death of three former Members.

- Honorary Alderman John Bryant, a former Chairman of Hampshire County Council in 2004 to 2005 and a Councillor for Fareham North West from 1997 to 2005 and Fareham Town from 2004 to 2013.
- Honorary Alderman Harvey Cole, Councillor for Eastgate Division from 1985 to 1989 and Westgate Division from 1993 to 2001.
- Cllr Freddie Emery-Wallis who represented St Thomas Division from 1973 to 1985 and Stakes North Division from 1985 to 2001. He was also the Leader of HCC from 1976 to 1993 and 1997 to 1999. He was Chairman of Hampshire County Council from 1999 to 2001.

I will now ask the Leader, Cllr Roy Perry to say a few words and then open up to the chamber so that personal tributes may be given.

Members, please be upstanding while we think about and remember our former members.

ENDS
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**Leader's Report
Annual County Council Meeting
25 May 2017**

First and foremost I wish to thank the majority of councillors for placing their confidence in me as Leader of the Council and re-electing me as Leader. It is certainly no sinecure and not a responsibility I take on lightly but one I will continue to seek to discharge to the best of my ability.

Indeed my young American grandson has declared himself "conflicted" by the result. He has all the American instincts of wanting to win but he would also like me to have more time to visit him and buy ice creams. I hope he will learn that life is about more than winning or ice creams and includes responsibility, commitment and serving others.

I do want to place on record my own appreciation of the commitment shown by Keith Chapman, our outgoing Chairman for his outstanding year. We all know Keith's commitment to the Music Service and I am pleased to announce that Hampshire's Music Service have resolved to make him their Patron. A well deserved tribute.

Keith came from one of the northern most parts of Hampshire up in the Wessex Downs and I now add my welcome to Councillor Graham Burgess, our new Chairman who represents a Division on the shores of the Solent. Those two divisions typify what a great English county Hampshire is.

Elections are not only physically exhausting events but they are intellectually challenging as really complex issues to which, if we are honest, there are no easy answers and are reduced to simplistic slogans. For the next four years we shall all have to grapple with the complexities and not the slogans. We shall have to do this sadly in a dangerous world where terrorists can strike anywhere at anytime. Yesterday I had briefings with the Police and Crime Commissioner and with our own Head of Emergency planning, who assured me the well rehearsed plans moving from a severe alert to critical had moved seamlessly into place. I pay tribute to all those committed to keeping our society safe.

Elections are the cornerstone of democracy and I am grateful to the 36% of the electorate or 370,000 people who actually voted across Hampshire. Hampshire did rather better than the national turnout and in my own Division of Romsey Rural crossed the 40% barrier. I thank them particularly.

I heard one lady in a radio interview say "I always vote because if you don't vote you cannot moan". Sadly that may be a rational position but it is not the case. Many non voters still complain. I suspect the turnout in the General Election will be closer to 70% but perversely it is local government that delivers services more directly to residents than national government. Child care, especially of the vulnerable; education of our children; care of the elderly, with far more needing social care than medical care in the NHS; highways; refuse disposal; trading standards - the list goes on. Those are the services and related issues we must now address.

The people of Hampshire have spoken and have given a convincing result. The Conservative Group garnered 52% to Liberal Democrats 27% and Labour 11% and UKIP, a bare 1%. We will discharge that responsibility given us by the electorate with great care and respect for all however they voted or did not vote. I say farewell to UKIP and leave it at that wondering what they achieved in Hampshire, if anything. But I would like to place on record a tribute to Criss Connor, former Labour Leader who stood down because of serious ill health. I am sure we all wish him well.

Our mission is surely to keep Hampshire prosperous, to maintain the quality of our environment and to keep our good level of services with council tax demands under control. At a recent conference organised by the Southern Policy Centre at Southampton Solent University there was an address by Lord O'Neill, the former Treasury Minister and one of the architects of devolution. He challenged the university academics there and others who claimed the unique selling point or "edge" this region has over others was the quality of IT specialisms. He said "Really?" "Better than London?" "Better than Cambridge?" His answer was that it is your location and environment that is your "edge". Close to the sea but also close to London with good road, rail and air links as well as ports - two National Parks – fabulous countryside and good quality of life. That is why people enjoy living here and what attracts investors. Our task is to sustain the prosperity and the environment and the good services.

Whoever wins the General Election I have little doubt that we will continue to face pressures on our budget. The Health Service needs money, the defence of the realm needs money, with terrorism an ever present threat as we saw this week in Manchester; the police need money. I fear those claims and others will all come before local government's claims for money, so our task is to face up to the budgetary pressures of reductions in government support, demographic pressures - more children and more in need of care - and inflation which is once again stirring. I suggest those who think governments can solve the problem by spending more, borrowing more and taxing more, take a look at Venezuela.

In any event, councils by law have to set a balanced budget so we cannot borrow to cover revenue. We are limited by how much we can raise council taxes. We would need to take some monumental gambles on the property market to do what some districts are attempting by buying hotels in Tewksbury or Mercedes Dealerships as speculative investments. I see that as a very fast boat to the South Seas and a South Seas Bubble rather than a slow boat to China. We face a £140million pressure on our budgets and it is our task to face up to that in as fair and equitable way as we can.

I finish on one other note re Syrian Refugees where we have quietly and calmly offered refuge to a small number of people fleeing that war torn country just over 60 persons in 16 families. I quote one father:

"We had a lovely home. I worked hard for my family. We had a lovely life then the war came. We lost our home, our car, everything. It was dangerous. I feared for my children as there was much kidnapping. A plane dropped a bomb very close and I was injured. We fled to Lebanon and learned we were eligible for the UK Syrian

Vulnerable Refugee Scheme. We said yes right away. We are happy to be here and feel very welcome. I would like to thank the Queen, the Red Cross and Hampshire County Council!"

I think that story puts the other side of the tragedy we saw this week in Manchester.

ENDS

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COUNTY COUNCIL – 25 MAY 2017

QUESTIONS SUBMITTED IN ACCORDANCE WITH STANDING ORDER 16.1.1

1. From Councillor Mark Cooper to the Executive Member for Adult Social Care:

“Can the Council be updated with the current progress on the provision of Extra Care accommodation in Hampshire and specifically the timetable for the construction and provision of the new Nightingale Lodge in Romsey?”

2. From Councillor Mark Cooper to the Executive Member for Environment & Transport:

“What precisely is the legal advice the County is receiving which contradicts the Government's view that charging for householder sourced rubble and garden arising at the HWRC sites is illegal?”

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Minute Item 12

APPENDIX 5

County Council Proportionality 2017 (FINAL)					
		Conservative	Liberal Democrat	Labour	Community Campaign for Hart
Members:	78.00	56	19	2	1
A: Council Committees and Panels					
Select Committees	seats				
Policy and Resources	14	10	3	1	
Children and Young People	16	11	4	1	
Culture and Communities	14	10	3		1
Environment and Transportation	14	10	3		1
Health & Adult Social Care	16	11	4	1	
Other Committees/Panels					
Audit Committee	9	7	2		
Employment in Hampshire County Council	8	6	2		
Pension Fund Panel & Board	9	7	2		
Regulatory Committee	16	11	4	1	
Advisory Committees/Panels					
Buildings Land & Proc Panel	6	4	2		
Children and Families Advisory Panel	9	7	2		
Conduct Advisory Panel	10	7	3		
Education Advisory Panel	9	6	2	1	
SACRE	4	3	1		
River Hamble					
River Hamble Harbour Board	3	2	1		
River Hamble Harbour Mgmt Comm	10	7	3		
Total	167	119	41	5	2
Mathematical entitlement		119.90	40.68	4.28	2.14
Rounded mathematical entitlement		120	41	4	2
Surplus/deficit		-1	0	1	0
B: Other Proportionate Bodies					
Chichester Harbour Conservancy	4	3	1		
Hampshire Fire and Rescue Authority	8	6	2		
New Forest National Park Authority	5	4	1		
Total	17	13	4	0	0
C: Overall total seats	184	132	45	5	2
Mathematical entitlement		132.10	44.82	4.72	2.36
Overall rounded mathematical entitlement		132	45	5	2
Surplus/deficit	0	0	0	0	0

Rounding up/down = +/- 0.50

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COUNTY COUNCIL COMMITTEES
(including Co-optees)

SELECT (OVERVIEW & SCRUTINY) COMMITTEES

POLICY AND RESOURCES (14)

Councillor Jonathan Glen (Chairman)
Councillor Keith Evans (Vice-Chairman)

Councillors:

Ray Bolton	Mark Kemp-Gee
Adrian Collett (Spokesperson)	Peter Latham
Judith Grajewski	Anna McNair Scott
Edward Heron	Floss Mitchell
Keith House	Bruce Tennent
Roger Huxstep	Michael Westbrook

Conservative Substitute Member: Chris Carter
Liberal Democrat Substitute Member: Mike Thornton
Labour Substitute Member: Jane Frankum

CHILDREN AND YOUNG PEOPLE (16)

Councillor Ray Bolton (Chairman)
Councillor Roz Chadd (Vice-Chairman)

Councillors:

Jackie Branson	Kirsty Locke
Zilliah Brooks	Russell Oppenheimer
Fran Carpenter	Neville Penman
Steve Forster	Jackie Porter (Spokesperson)
Marge Harvey	Robert Taylor
Wayne Irish	Malcolm Wade
Gavin James	Michael Westbrook

Conservative Substitute Member: Pal Hayre
Liberal Democrat Substitute Member: Bruce Tennent
Labour Substitute Member: Jane Frankum

Co-optees:

Jeff Williams - Church of England Schools Representative
Roman Catholic Schools Representative (Vacant)
Caroline Edmondson – Primary School Parent Governor Representative
Andrew March – Secondary School Parent Governor Representative
Special School Parent Governor Representative (Vacant)

CULTURE & COMMUNITIES (14)

Councillor Anna McNair Scott (Chairman)
Councillor Chris Carter (Vice-Chairman)

Councillors:

John Bennison	Rod Cooper
Jackie Branson	Pal Hayre
Fred Birkett	Dominic Hiscock
Zilliah Brooks	Mark Kemp-Gee
Peter Chegwyn (Spokesperson)	Rob Mocatta
Daniel Clarke	Michael White

Conservative Substitute Member: Adam Carew
Liberal Democrat Substitute Member: Roger Price

ECONOMY, TRANSPORT & ENVIRONMENT (14)

Councillor Floss Mitchell (Chairman)
Councillor Charles Choudhary (Vice-Chairman)

Councillors:

John Bennison	Derek Mellor
Roland Dibbs	Stephen Philpott
Edward Heron	David Simpson (Spokesperson)
Geoff Hockley	Martin Tod
Gary Hughes	Michael White
Rupert Kyrle	Bill Withers

Conservative Substitute Member: Jan Warwick
Liberal Democratic Substitute Member: Gavin James

HEALTH & ADULT SOCIAL CARE (16)

Councillor Roger Huxstep (Chairman)
Councillor David Keast (Vice-Chairman)

Councillors:

Martin Boiles	Steve Forster
Ann Briggs	Jane Frankum
Adam Carew	David Harrison (Spokesperson)
Fran Carpenter	Marge Harvey
Tonia Craig	Pal Hayre
Charles Choudhary	Mike Thornton
Alan Dowden	Jan Warwick

Conservative Substitute Member: Neville Penman

Liberal Democrat Substitute Member: Dominic Hiscock
Labour Substitute Member: Michael Westbrook

Co-optees (4):

Alison Finlay – Test Valley Borough Council

Councillor Barbara Hurst – Rushmoor Borough Council

2 vacancies for the eastern and southern areas of Hampshire (nominations via Hampshire & Isle of Wight LGA)

OTHER COUNTY COUNCIL COMMITTEES

AUDIT COMMITTEE (9)

Councillor Keith Evans (Chairman)

Councillor Alexis McEvoy (Vice-Chairman)

Councillors:

Adrian Collett

Floss Mitchell

Dominic Hiscock

Rob Mocatta

Mark Kemp-Gee

Tom Thacker

Derek Mellor

Conservative Substitute Member: Lance Quantrill

Liberal Democrat Substitute Member: Bruce Tennent

EMPLOYMENT IN HAMPSHIRE COUNTY COUNCIL COMMITTEE (8)

Councillor Stephen Reid (Chairman)

Councillor Keith Evans (Vice-Chairman)

Councillors:

Chris Carter

Keith House

Adrian Collett

Roy Perry

Judith Grajewski

Stephen Philpott

Conservative Substitute Member: Roger Huxstep

Liberal Democrat Substitute Member: Jackie Porter

PENSION FUND PANEL & BOARD (9)

Councillor Mark Kemp-Gee (Chairman)

Councillor Tom Thacker (Vice-Chairman)

Councillors:

Chris Carter

Andrew Joy

Alan Dowden

Peter Latham

Jonathan Glen

Bruce Tennent

Andrew Gibson

Conservative Substitute Member: Derek Mellor
Liberal Democrat Substitute Member: Keith House

Co-optees

Scheme Representatives (3 + 1 Substitute):

Dr Clifford Allen (Pensioner Member) – until July 2019
Valerie Arrowsmith (Deferred Member) – until January 2020
Neil Wood (Active Member) – until January 2020
Substitute Member – vacant

Employer Representatives (3 + 1 Substitute):

Unitary Council (1 + 1 Substitute alternating annually)

- Main Member for 2017/18 (Southampton City Council) – to be confirmed

[NB: the term of office for the Unitary Representatives will be until the County Council's AGM in May 2018]

District Council (1 to be nominated by Hampshire & Isle of Wight LGA)

- Councillor Peter Giddings, Test Valley Borough Council (until May 2019*)

David Robbins (until January 2020)

[* the current District Council representative's term of office continues until August 2023 subject to remaining a District Councillor and retaining the HLOWLGA nomination]

- Substitute Member for 2017/18 – Councillor Hugh Mason, Portsmouth City Council

REGULATORY COMMITTEE (16)

Councillor Peter Latham (Chairman)
Councillor Judith Grajewski (Vice-Chairman)

Councillors:

Chris Carter	Gary Hughes
Charles Choudhary	Alexis McEvoy
Mark Cooper (Spokesperson)	Russell Oppenheimer
Roland Dibbs	Stephen Philpott
Jane Frankum	Roger Price
Marge Harvey	Lance Quantrill
Keith House	David Simpson

Conservative Substitute Member: Roger Huxstep
Liberal Democrat Substitute Member: Wayne Irish
Labour Substitute Member: Michael Westbrook

RIVER HAMBLE HARBOUR BOARD (3)

Councillor Keith Evans (Chairman)
Councillor Peter Latham (Vice-Chairman)

Councillors:

Keith House

Conservative Substitute Member: Geoff Hockley
Liberal Democrat Substitute Member: Roger Price

Co-optee:

David Jobson – Recreational Sailing
Nikki Hornes – Environmental Management
Chris Moody – Marine Industry
Jason Scott – Marine Director (Non-voting member)

RIVER HAMBLE HARBOUR MANAGEMENT COMMITTEE (10)

Councillor Seán Woodward (Chairman)
Councillor Roger Huxstep (Vice-Chairman)

Councillors:

Fred Birkett	Pal Hayre
Mark Cooper	Rupert Kyrle
Rod Cooper	Stephen Philpott
Tonia Craig	Lance Quantrill

Conservative Substitute Member: Andrew Gibson
Liberal Democrat Substitute Member: Peter Chegwyn

Co-optee:

Eastleigh Borough Council:

Councillor Jane Rich
(Deputy vacancy)

Fareham Borough Council:

Councillor Trevor Cartwright
Deputy - Councillor Jonathan Butts

Winchester City Council:

Vacancy
Deputy - Councillor Frank Pearson

Royal Yachting Association:

John Selby
(Deputy vacancy)

Association of Hamble River Hamble Yacht Clubs:

Trevor Pountain
(Deputy vacancy)

British Marine:

Nicola Walsh
Deputy – Ian Cooke

Association of British Ports:

Captain Martin Phipps
Deputy - Ray Blair

Hamble River Boatyard and Marina Operators' Association:

Rupert Boissier
Deputy - Neil Kimish

Berth/Mooring Holders: Dermod O'Malley + (Deputy vacancy)

ADVISORY COMMITTEES & PANELS

BUILDINGS, LAND & PROCUREMENT PANEL (6)

Councillor Mel Kendal (Chairman)
Councillor Peter Edgar (Vice-Chairman)

Councillors:

Adrian Collett
Keith House

Rhydian Vaughan
Bill Withers

Conservative Substitute Member: Andrew Joy
Liberal Democrat Substitute Member: Jackie Porter

CHILDREN AND FAMILIES ADVISORY PANEL (9)

Councillor David Keast (Chairman)
Councillor Roz Chadd (Vice-Chairman)

Councillors:

Martin Boiles
Ann Briggs
Marge Harvey

Jackie Porter
Malcolm Wade
Robert Taylor
1 Conservative vacancy

Conservative Substitute Member: Jan Warwick
Liberal Democrat Substitute Member: Wayne Irish

CONDUCT ADVISORY PANEL (10)

Councillor Mark Kemp-Gee (Chairman)
Councillor Keith Evans (Vice-Chairman)

Councillors:

Peter Chegwyn
Andrew Gibson
Keith House
Gavin James

Peter Latham
Rhydian Vaughan
Tom Thacker
Michael Thierry

Conservative Substitute Member: Patricia Stallard
Liberal Democrat Substitute Member: Adrian Collett

EDUCATION ADVISORY PANEL (9)

Councillor Peter Edgar (Chairman)
Councillor Zilliah Brooks (Vice-Chairman)

Councillors:

Ray Bolton
Roz Chadd
Gavin James
Kirsty Locke

Jackie Porter
Patricia Stallard
Michael Westbrook

Conservative Substitute Member: Steve Forster
Liberal Democrat Substitute Member: Malcolm Wade
Labour Substitute Member: Jane Frankum

Co-opted:

Liz Muir, Secretary – Hampshire Teachers' Liaison Panel
Georgina Mulhall, Member – Hampshire Teachers' Liaison Panel
Ian Potter, Member – Hampshire Teachers' Liaison Panel

STANDING ADVISORY COUNCIL FOR RELIGIOUS EDUCATION (SACRE)

Councillor Roz Chadd (Chairman)
Councillor Charles Choudhary (Vice-Chairman)

Councillors:

Anna McNair Scott

David Simpson

Conservative Substitute Member: Chris Carter
Liberal Democrat Substitute Member: David Harrison

Appointed/Co-opted Members:

Group A:

Mohammed Ansar – Muslim Representative
Margaret Boyne – United Reformed Church representative
Harmeet Singh Brar – Sikh Representative
Amanda Cawood – The Church of Jesus Christ of Latter-day Saints
Reverend Seishin Darren Clark – Buddhist Representative
Sheikh Fazle Abbas Dato – Muslim Representative
Chris Hughes – Fellowship of Independent Evangelical Churches Representative
Elizabeth Jenkerson – Baha'i Representative
Jo May – Baptist Union Representative
Sushma Sahajpal – Hindu Representative
Lisa-Marie Taylor – Buddhist (deputy)
Heather Thorpe-Tracey – Society of Friends Representative
Michael Zeffertt – Jewish Representative

Group B – Church of England:

Caroline Welch
Reverend Jeff Williams
Sue Bowen (deputy)

Richard Wharton
Reverend Howard Wright

Group C – Teachers' Liaison:

Maureen Barnes
James Dye

Paul Bristow
Patrizia Timms Blanch

Members Co-opted by SACRE:

Pam Brown – Special Schools' Representative
Gill Heron – Academy Representative
Chris Robinson – Humanist Representative
Rhiannon Love – Higher Education Representative
Dr Alasdair Richardson – Higher Education Representative
Kate Stubbings – Primary School Representative
Antigone Storey – Private School Representative

**HAMPSHIRE HEALTH AND WELLBEING BOARD
(non-proportionate)
(Item 12c)**

The composition of the Hampshire Health & Wellbeing Board is set out in Part 1: Chapter 10 of the Constitution. The representation below (full and substitute members) is in accordance with those provisions.

County Councillors:

Executive Member for Adult Social Care (Chairman)
Executive Lead Member for Children's Services
Executive Member for Health & Public Health

Substitute Members:

Councillor Zilliah Brooks – substitute for the Executive Member for Adult Social Care
Councillor Roy Perry – substitute for Lead Member for Children's Services
Councillor Ray Bolton – substitute for the Executive Member for Health & Public Health

County Council Officers:

Director of Adults' Health & Care – Graham Allen
Substitute: vacancy

Director of Children's Services – Steve Crocker
Substitute: vacancy

Director of Public Health – Dr. Sallie Bacon
Substitute: Simon Bryant, Deputy to Director of Public Health

Director of Transformation & Governance – Paul Archer
Substitute: vacancy

Hampshire Clinical Commissioning Group (CCG) Representatives:

Dr. David Chilvers, Clinical Chair, Fareham & Gosport CCG

Substitute: Dr. Paul Howden, Fareham & Gosport CCG

Dr. Nicola Decker, North Hampshire CCG

Substitute: Peter Kelly, North Hampshire CCG lay member on governing body

Dr. Barbara Rushton, Chair, South East Hampshire CCG (Vice-Chairman)

Substitute: vacancy

Dr. Sarah Schofield, Chair, West Hampshire CCG

Substitute: Heather Hauschild, Chief Officer, West Hampshire CCG

Dr. Andrew Whitfield, Chair, North East Hampshire CCG

Substitute: Dr. Peter Bibawy, Medical Director, North East Hampshire CCG

Local Healthwatch Representative:

Christine Holloway, Chairman of Healthwatch Hampshire

Substitute: Kate Hebden, Executive Director of Hampshire Healthwatch

NHS England (Wessex) Representative:

Dominic Hardy, Director of Commissioning Operations

Substitute: Dr. John Duffy / Liz Mearns

Police & Crime Commissioner for Hampshire:

Michael Lane

Substitute: vacancy

Up to two elected Members of the District, Borough and City Councils within Hampshire nominated by those Councils via Hampshire & Isle of Wight LGA:

1. Councillor Anne Crampton – Executive Member for Community Wellbeing, Hart District Council

Substitute: vacancy

2. Full Member vacancy

Substitute: Councillor Roger Allen, Gosport Borough Council

A representative of the Chief Executives of the Hampshire District, Borough and City Councils to be nominated by those Councils via Hampshire & Isle of Wight LGA:

Nick Tustian – Chief Executive, Eastleigh Borough Council

Substitute: Patricia Hughes – Chief Executive, Hart District Council

Voluntary and Community Sector Representative nominated by the Hampshire Voluntary Sector Consortium:

Phil Taverner – Community Development Worker, Test Valley Community Services

Substitute: Carol Harrowell – Head of Client Services at the Home Group

A representative of the Acute Trusts providing services in Hampshire nominated by those Trusts:

Alex Whitfield – Chief Executive, Hampshire Hospitals NHS Foundation Trust

Substitute: Fiona Dalton – Chief Executive, University Hospital Southampton NHS

Foundation Trust

A representative of the Community and Mental Health Trusts providing services in Hampshire nominated by those Trusts:

Julie Dawes – Acting Chief Executive, Southern Health NHS Foundation Trust

Substitute: Sue Harriman – Chief Executive, Solent NHS Trust

OTHER PROPORTIONATE BODIES

(Item 12e)

CHICHESTER HARBOUR CONSERVANCY (4)

Councillors:

Jackie Branson

Ann Briggs

Roger Price

Lance Quantrill

Conservative Substitute Member: Gary Hughes

Liberal Democrat Substitute Member: Keith House

HAMPSHIRE FIRE AND RESCUE AUTHORITY (HFRA) (8)

Councillors:

Chris Carter

Roz Chadd

Liz Fairhurst

Jonathan Glen

Roger Price

Rhydian Vaughan

Michael Thierry

David Simpson

NEW FOREST NATIONAL PARK AUTHORITY (5)

Councillors:

David Harrison

Edward Heron

Mel Kendal

Keith Mans

Neville Penman

JOINT COMMITTEES

(Item 12f)

ACCESS Joint Governance Committee (1 + 1 deputy)

Pension Fund Panel & Board Chairman
(Cllr Mark Kemp-Gee)

Pension Fund Panel & Board Vice-Chairman (Cllr Tom Thacker)

Hampshire Police & Crime Panel (1)

Cllr Jan Warwick

Cllr Peter Latham (deputy)

Partnership for Urban South Hampshire (1)

Cllr Judith Grajewski

Partnership for Urban South Hampshire Cllr Rob Humby
Overview & Scrutiny Committee (1 + 1 deputy) Cllr Peter Latham (deputy)

OUTSIDE BODIES
(Item 12f)

Assembly of European Regions (AER)
(4 + 1 deputy) Cllrs: Andrew Gibson, Andrew Joy, Mel Kendal & Keith Mans

County Councils Network Council (4 + 1 deputy) Cllrs: Rob Humby, Mel Kendal, Keith Mans & Roy Perry
Cllr Jonathan Glen (deputy)

Interreg IVA (Channel Programme) (1) Cllr Keith Mans

Local Government Association General Assembly (4+1 deputy) Cllrs: Mel Kendal, Keith Mans, Roy Perry & Stephen Reid
Cllr Jonathan Glen (deputy)

LGA Coastal SIG (1) Cllr Andrew Gibson

Sir Harold Hillier Gardens and Arboretum Advisory Committee (3) Cllrs: Andrew Gibson, Judith Grajewski & Kirsty Locke

Sir Harold Hillier Gardens and Arboretum Trust Board (1) Exec Member for Policy & Resources
(Cllr Roy Perry)

South Downs National Park Authority Cllr Russell Oppenheimer

South East Employers (3 + 3 deputies) Cllrs: Keith Evans, Mel Kendal & Stephen Reid

Cllrs: Jonathan Glen, Roger Huxstep & Malcolm Wade (deputies)

South East Employers Local Democracy and Accountability Network for Councillors (2) Cllr: John Bennison

South East England Councils (1) Cllr Roy Perry
Cllr Keith Mans (deputy)

Southern Inshore Fisheries and Conservation Authority (2) Cllrs: Alexis McEvoy & Michael White

Welborne Standing Conference (1) Cllr Peter Latham

Welborne Strategic Board (1)

Cllr Peter Latham

Wessex Rural & Farming Network (1)

Cllr Rob Humby

COUNCIL MEETING, 20 JULY 2017

REPORT OF THE
Chief Executive
PART I

4. APPOINTMENTS

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

- (a) That Councillor David Keast be appointed as the County Council's representation on the Joint Health Overview and Scrutiny Committee for the Dorset Clinical Services Review
- (b) That Councillor Bruce Tennent be appointed to replace Councillor Peter Chegwyn as the Liberal Democrat Substitute Member on the River Hamble Harbour Management Committee.
- (c) That Councillor Mark Chaloner, Southampton City Council, be appointed to the Hampshire Pension Fund Panel and Board as the Employer Representative.
- (d) That Councillor Frank Pearson be appointed to the vacancy on the River Hamble Harbour Management Committee for a Co-opted Member representing Winchester City Council and that Councillor Steve Miller be appointed as the deputy for Councillor Pearson.
- (e) That Susannah Burns be appointed to the Standing Advisory Council for Religious Education as a Co-opted Member replacing Paul Bristow as the Teachers' Liaison Panel representative.
- (f) That Jon Hamer be appointed to the Standing Advisory Council for Religious Education as a Co-opted Member replacing Su Banwell as the local authority secondary school representative.
- (g) That Rhian Jones be appointed to the Standing Advisory Council for Religious Education as a Co-opted Member representing the Salvation Army.
- (h) That Councillor Trevor Cartwright, Fareham Borough Council, be appointed to the Health and Adult Social Care Select Committee as a Co-opted Member to fill one of the two vacancies, as nominated by the Hampshire and Isle of Wight Local Government Association.

NB: A nomination from the Hampshire and Isle of Wight Local Government Association for the remaining Co-optee vacancy on the Health and Adult Social Care Select Committee is awaited.

- (i) That Councillor Roger Allen, Gosport Borough Council, be appointed to the Hampshire Health and Wellbeing Board as a Co-opted Member, as

nominated by the Hampshire and Isle of Wight Local Government Association.

NB: A nomination from the Hampshire and Isle of Wight Local Government Association for a substitute for Councillor Allen is awaited.

RECOMMENDATION

That the County Council approves the appointments set out above.

COUNCIL MEETING, 20 JULY 2017

REPORT OF THE
Education Advisory Panel
PART I

5. EDUCATION ADVISORY PANEL – REVISED TERMS OF REFERENCE

- 5.1 At its meeting on 28 June 2017, the Education Advisory Panel reviewed its terms of reference to take account of the changes to education policy since the Panel's inception in 2007, particularly in relation to the County Council's role in terms of educational provision. The report considered by the Education Advisory Panel is attached as Appendix 2 to this report.
- 5.2 The Panel agreed the proposed terms of reference set out in Annex 2 of the Education Advisory Panel report subject to a revision to include two representatives of the Hampshire Teachers' Liaison Panel, making the total number of Co-opted Members on the Panel to seven.
- 5.3 In accordance with Part 1: Chapter 4, Para 4.1.8 of the Constitution, approval or amendment of the terms of reference of County Council Committees and Standing Panels is a County Council function and this matter is therefore before the Council.

RECOMMENDATION

That the County Council approves the revised terms of reference for the Education Advisory Panel as set out in Appendix 1 to this report.

Proposed Terms of Reference (recommended by the Education Advisory Committee)

It is recommended the County Council approves:-

- a) That the terms of reference of the Education Advisory Panel ("the Panel") be updated as follows:

The Education Advisory Panel is an Advisory Panel made up of 9 Members appointed proportionally and meeting three times a year towards the end of each school term. The Panel is chaired by the relevant Executive Member and its function is to advise the Executive Member in relation to:

- (i) Educational Outcomes of children and young people, including vulnerable children and young people, aged 0-19.
- (ii) Excellent and innovative practise in educational settings from which others can learn.
- (iii) To advise the Executive Member regarding significant changes to Education proposed both nationally and locally.

- b) The Education Advisory Panel proposes that seven co-opted members should be appointed to the Panel.

- (i) The Director of Education for the Portsmouth and Winchester Diocese.
- (ii) The Director of Education for the Catholic Diocese.
- (iii) Two representatives of the Hampshire Teachers' Liaison Panel (HTLP), which represents various teaching associations, proposed by the Secretary of the HTLP.
- (iv) A Primary School Headteacher nominated by the Primary School Headteachers' Executive.
- (iv) A Secondary School Headteacher nominated by the Secondary School Headteachers' Executive.
- (v) A Special School Headteacher nominated by the Special School Headteachers' Executive.

HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Education Advisory Panel
Date:	28 June 2017
Title:	Update To Education Advisory Panel Terms of Reference
Report From:	Director of Transformation and Governance

Contact Name: Barbara Beardwell, Head of Law and Governance

Tel: 01962 845157

E-Mail: barbara.beardwell@hants.gov.uk

1. Executive Summary

- 1.1 The purpose of this paper is to provide the Education Advisory Panel with a proposed update to the Terms of Reference for the Panel to consider before presenting to a meeting of the County Council for approval.
- 1.2 This update has been made in light of the Terms of Reference remaining unchanged since the Panel's inception in 2007, along with the changes to education policy since this time, particularly in relation to the County Council's role in educational provision.
- 1.3 The current Terms of Reference are attached as Annex 1 for ease of reference.
- 1.4 The proposed update to the Terms of Reference is attached as Annex 2.

2. Recommendation

- 2.1 That the Education Advisory Panel supports the proposed update to the Terms of Reference for consideration and approval by the County Council.

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

Hampshire safer and more secure for all:	Yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Improvement plan link number (if appropriate):	

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

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

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

1.2. Equalities Impact Assessment:

N/A

2. Impact on Crime and Disorder:

N/A

3. Climate Change:

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

N/A

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

N/A

Current Terms of Reference

Introduction

1. At its meeting on 22 November, 2007, the Council approved a proposal by the Leader of the Council to establish an Education Advisory Panel reporting to the Executive Lead Member for Children's Services (Education) principally concerning schools' performance and standards. The Leader accepted a suggestion that the Panel should comprise ten members, 6:3:1. The Leader proposed that the Council agreed that Councillor Mrs. P. West be appointed Chairman of the Advisory Panel. The Advisory Panel now proposes the following terms of reference for approval. In addition, the Advisory Panel makes proposals regarding the appointment of co-opted members.

RECOMMENDATIONS:

It is recommended to the County Council:-

- a) That the terms of reference of the Education Advisory Panel ("the Panel") be as follows:
To advise the Executive Lead Member for Children's Services (Education) in relation to:
 - (i) The development of further strategies that will place schools and other educational settings at the hub of delivery of Services for children, following the principles set out in Every Child Matters and the Children's Plan.
 - (ii) The performance of educational settings in the delivery of outcomes for children and young people 0-19.
 - (iii) The educational outcomes achieved by vulnerable children and young people including those listed in the children and Young People's Plan.
 - (iv) Excellent and innovative practise in educational settings from which others can learn.
 - (v) Schools and Education Centres identified by OFSTED as needing special measures or significant improvement.
 - (vi) Schools and Education Centres identified by the Local Authority which have particular issues that might lead to unacceptable outcomes for children and young people.
- b) That the membership of the Panel shall include four co-opted members.
- c) To delegate to the Secretary of the Hampshire Teachers' Liaison Panel, providing that he or she is an officer of the Authority, the power to appoint three co-opted members to the Panel subject to the requirement that those co-opted members must be representatives of the Hampshire Teachers' Liaison Panel.
- d) To appoint Mr. Stuart Juniper as a co-opted member of the Panel.

Terms of Reference

2. After consultation with the Executive Lead Member for Children's Services (Education) and the Members nominated to serve on the Panel, the Terms of Reference above are recommended for the Council's approval.

Co-Opted Members

3. The Education Advisory Panel proposes that four co-opted members should be appointed to the Panel.

4. Discussions have taken place with John Gawthorpe, the Secretary of the Hampshire Teachers' Liaison Panel (HTLP) with a view to three of the co-opted members being representatives of the HTLP which itself represents various teaching associations. John Gawthorpe is also the Headteacher of a community school in the administrative area of the County Council and, as such, is an officer of the Authority.

5. In respect of the fourth co-opted member, the Panel proposes that Stuart Juniper, an Honorary Alderman, be appointed, as the Panel considers that his experience in advising the Council in respect of education matters will assist the Panel.

6. The County Council has reserved itself the function of making appointments to committees where proportionality rules do not apply (paragraph 4.1(f), Part 1, Chapter 4 of the Constitution). This is a function that can be delegated by the Council to a committee or to an officer of the Authority.

7. It is likely that the nature of the business coming to the Panel will require specialist input by different members of the HTLP. If each appointment of a co-opted member requires a resolution of the County Council, the ability of the Panel to respond to pressing issues will be impeded.

8. In these exceptional circumstances, in order to facilitate flexibility, the Panel requests that the County Council resolve to delegate to the Secretary of the HTLP, providing that he or she is an officer of the Authority, the power to appoint three co-opted members to the Panel subject to the requirement that those co-opted members must be representatives of the HTLP.

9. In respect of the fourth co-opted member, the Panel requests that the County Council appoint Mr. Stuart Juniper.

Proposed Terms of Reference

It is recommended the County Council approves:-

- a) That the terms of reference of the Education Advisory Panel (“the Panel”) be updated as follows:

The Education Advisory Panel is an Advisory Panel made up of 9 Members appointed proportionally and meeting three times a year towards the end of each school term. The Panel is chaired by the relevant Executive Member and its function is to advise the Executive Member in relation to:

- (i) Educational Outcomes of children and young people, including vulnerable children and young people, aged 0-19.
 - (ii) Excellent and innovative practise in educational settings from which others can learn.
 - (iii) To advise the Executive Member regarding significant changes to Education proposed both nationally and locally.
- b) The Education Advisory Panel proposes that six co-opted members should be appointed to the Panel.
- (i) The Director of Education for the Portsmouth and Winchester Diocese.
 - (ii) The Director of Education for the Catholic Diocese.
 - (iii) A representative of the Hampshire Teachers’ Liaison Panel (HTLP), which represents various teaching associations, proposed by the Secretary of the HTLP.
 - (iv) A Primary School Headteacher nominated by the Primary School Headteachers’ Executive.
 - (v) A Secondary School Headteacher nominated by the Secondary School Headteachers’ Executive.
 - (vi) A Special School Headteacher nominated by the Special School Headteachers’ Executive.

COUNCIL MEETING, 20 JULY 2017

REPORT OF THE

Cabinet

PART I

6. Serving Hampshire - Strategic Plan for 2017-2021

- 6.1 On 19 June 2017 Cabinet received a report of the Chief Executive with proposals for a revised 'Serving Hampshire - Strategic Plan for 2017-2021' (Strategic Plan).
- 6.2 The Strategic Plan builds on previous plans – '*Open for Business*', and '*Shaping Hampshire, modern public services for the future Strategic Plan 2013-2017*', which sit beneath the County Council's Corporate Strategy and have been designed to provide an overarching framework for the County Council's business, including its ongoing transformation programmes. In this way the Strategic Plan is intended to guide decision-making and continue to sign-post the County Council's ambition to transform and shape services for the future, in line with the County Council's evolving financial strategy.
- 6.3 Cabinet approved the Strategic Plan, subject to delegation to the Head of Law and Governance and Monitoring Officer, in consultation with the Leader and the Executive Member for Communities, Partnerships and External Affairs, to make any amendments to the Strategic Plan as approved by Cabinet and, subject to the Plan being approved by the County Council, to make any necessary consequential amendments to schemes which refer to the Corporate Strategy to reflect the content of the new Strategic Plan. The Strategic Plan revised in accordance with the delegation is attached to the Cabinet Report at Annex 1 to this Report.

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

[Cabinet 19 June 2017](#)

RECOMMENDATIONS

That the County Council:

- a) Approves the adoption of the Serving Hampshire Strategic Plan for 2017-2021 as part of the County Council's Policy Framework, as set out in the Constitution, replacing the County Council's Corporate Strategy.
- b) Notes the decision of Cabinet that the Serving Hampshire Strategic Plan replace the County Council's Sustainable Community Strategy and approves the removal of the latter from the County Council's Policy Framework, as set out in the Constitution.

- c) Subject to agreement of a), notes the delegation to the Head of Law and Governance and Monitoring Officer to make any necessary consequential amendments to schemes which refer to the Corporate Strategy but which will need to reflect the content of the Serving Hampshire Strategic Plan.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	19 June 2017
Title:	Serving Hampshire - Strategic Plan for 2017-2021
Report From:	Chief Executive

Contact name: Philippa Mellish

Tel: 01962 847482

Email: Philippa.mellish@hants.gov.uk

1. Executive Summary

1.1. This paper sets out the background to, and content of, the proposed revised Strategic Plan: ***Serving Hampshire – Strategic Plan for 2017-2021***. The Plan comprises four strategic aims, each supported by a set of key priorities, and eight ‘ways of working’. The Plan is intended to be concise and easy to access, using simple language.

1.2. It is recommended that Cabinet:

- a) Approves the *Serving Hampshire* Strategic Plan and recommends to Full Council that it be adopted as part of the County Council’s Policy Framework, as set out in the Constitution, replacing the County Council’s Corporate Strategy;
- b) Agrees for the *Serving Hampshire* Strategic Plan to replace the County Council’s Sustainable Community Strategy, and recommends to Full Council that the latter to be removed from the County Council’s Policy Framework, as set out in the Constitution;
- c) Delegate authority to the Head of Law and Governance and Monitoring officer to make any necessary consequential amendments to schemes which refer to the Corporate Strategy but which now will need to reflect the content of the new *Serving Hampshire* Strategic Plan, subject to the Plan being approved by Full Council.

2. Contextual information

Open for Business

2.1. Since the County Council’s first efficiency programme (2008-2010), Cabinet has recognised the need for a strategic narrative. The first narrative, developed in 2010, was based around the theme *Open for Business*. This signalled the County Council’s intentions to develop and refocus services, whilst meeting the challenges of significant grant reductions. *Open for Business* provided an operating model for business planning and a framework

for reporting performance progress to Cabinet.

Shaping Hampshire: modern, public services for the future

- 2.1. On 28 October 2013, Cabinet agreed that a similar approach should be taken to 2015 and beyond, using the narrative *Shaping Hampshire: modern, public services for the future*. Over the past four years, the *Shaping Hampshire Plan* has provided the overarching framework for the County Council's business, including both the *Transformation to 2015* and *Transformation to 2017* programmes. The Plan has continued to signpost the County Council's ambition to transform and shape services for the future, in line with the Authority's evolving financial strategy.

Towards a new strategic narrative

- 2.2. As the County Council embarks on its next transformation programme – *Transformation to 2019* – the need for a robust, strategic narrative is equally important. Central Government continues to reduce the amount of funding it gives to the County Council. At the same time, demand for County Council services is increasing. As a result, the County Council needs to deliver a further £140 million savings by 2019 – bringing the Authority's cumulative spending reductions to nearly half a billion pounds by 2019/20.
- 2.3. In this context, the County Council requires a strategic narrative that will support the Authority to make tough, but necessary, choices about future services. It is, therefore, recommended that the *Shaping Hampshire Plan* is replaced with a revised *Serving Hampshire Strategic Plan*. The revised Plan is intended to guide decision-making to ensure that Hampshire taxpayers' money is targeted where it is needed most, and where it can make the greatest difference.

3. Serving Hampshire – Strategic Plan 2017-2021

- 3.1. The *Serving Hampshire Strategic Plan* provides the overarching framework for the County Council's work. The Strategic Plan is informed, and underpinned, by various, more detailed plans, including: the Children's and Young People's Plan, Adults' Health and Care Service's vision, the Public Health Strategy, the Customer Contact Strategy, the emerging workforce Wellbeing Strategy, and the County Council's planning approach for its *Transformation to 2019* programme. The Strategic Plan covers the period of 2017-2021, reflecting the term of office for the new administration.
- 3.2. The Strategic Plan is organised by four strategic aims, each supported by a set of key priorities. The four strategic aims are intended to support the County Council to prioritise its resources, whilst also reflecting the breadth of the County Council's responsibilities. The Plan also includes eight 'ways of working' which signal the approach the County Council will take to delivering the four strategic aims. The rationale for each of the four outcome areas and eight ways of working is set out in section four below.
- 3.3. In order to maximise access to the Strategic Plan by residents, partners and County Council staff, the Plan has been kept succinct and aims to use simple language. The Strategy will be available as online content via Hantsweb, which will include the option of downloading an [Executive Summary](#).

4. Commentary on the Strategic Plan

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

The first strategic aim relates to Hampshire's future economic growth and prosperity. This is of strategic importance because Hampshire's economic success underpins a number of other positive outcomes for Hampshire's residents and communities. For example, by competing successfully on the international stage, Hampshire is more likely to be able to attract inward investment which, in turn, will help to make Hampshire a better and more enjoyable place to live, work and visit. Similarly, job creation and supporting people into work can help to improve people's health and wellbeing. Furthermore, the success of Hampshire's economy is becoming increasingly important to the County Council's ability to fund core services.

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

- 4.1. The second strategic aim is about supporting people to live safe, healthy and independent lives by focusing the County Council's resources where need is greatest, and where it can make the biggest difference. Firstly, this means meeting the eligible needs of those who require council services. This reflects feedback received from Hampshire residents. One of the strongest messages from the County Council's *Spending Review* consultation (2015) was residents' support for continuing to prioritise services for the most vulnerable, including children, older people and people with a disability. Similarly, the majority of respondents to the County Council's *Serving Hampshire* consultation (2016) said that they cared most about the quality of services, value for money and protecting services for the most vulnerable.

Secondly, this outcome means directing resource where it can make the biggest difference – where the return will be greatest for residents and communities. By investing in early intervention initiatives and key universal services, such as education and public health, the County Council will help to improve outcomes for people and reduce demand for more costly, council services.

Outcome 3: Hampshire enjoys a rich and diverse environment

The third strategic aim balances the first by ensuring that Hampshire's economic success does not come at the expense of the county's environment and heritage. This outcome recognises that many people choose to live, work and visit Hampshire because of its strategic location, world class environment and rich character and culture. Preserving the quality of Hampshire as a place is also an enabler of economic growth - for example, tourism generates almost £3 billion annually to Hampshire's economy. Preserving Hampshire's environment also supports a number of other positive outcomes, including enabling people to live active lifestyles and enjoy good health and wellbeing.

Outcome 4: Hampshire enjoys strong, inclusive communities

This strategic aim is about recognising the resources, skills and strengths that exist in local communities and that, when utilised, can help reduce the demand and dependency on County Council services. With the support of family, friends, volunteers and carers, the majority of people are able to live full and independent lives. In this way, residents and communities become

more resilient, doing more for themselves, and less reliant on County Council services. This enables more resources to be targeted where they are needed most.

Ways of working

- 4.2. The *Serving Hampshire* Strategic Plan includes eight 'ways of working' which signal the approach the County Council will take to delivering the four strategic aims. All eight ways of working underpin an overarching ambition to **put residents at the heart of everything the County Council does**.
- 4.3. This means **engaging, involving and informing** residents in understanding issues and developing solutions. This will support the County Council to ensure its resources are targeted and **responsive to people's needs**, thereby aiding efficiency and helping to increase customer satisfaction.
- 4.4. The ways of working also signal the County Council's intention to build on the success of its Digital Project and develop additional **easy, efficient online services**. As well as delivering significant improvements to the County Council's award winning website *Hantsweb*, the Digital Project has increased the number of services that customers can access online and improved the County Council's ability to deliver a more efficient, effective customer experience – for example through the introduction of customer accounts. This provides a strong foundation for taking forward the County Council's Customer Contact and Digital Strategy over the next four years.
- 4.5. Both of these strategies support the County Council's wider work to change its relationship with staff, citizens and communities – **enabling people to do more for themselves** - and reducing dependency on more costly, council services.
- 4.6. The importance of working **with our partners** is also recognised. The County Council's place-shaping role is worked out in partnership with individuals, community and voluntary sector groups and a plethora of other public and private sector organisations – all seeking to serve the same population. In particular, the County Council's partnership with the NHS is likely to grow in strategic importance over the next four years.
- 4.7. The County Council's approach will continue to be characterised by a relentless focus on maximising efficiency and **using Hampshire taxpayers' money wisely** to provide good value for money. This recognises the County Council's role as the representative body in Hampshire, elected to steward the county well for future generations.
- 4.8. The Plan also recognises the importance of doing business in ways that **value people's differences** and treat people equally. This means empowering residents and employees to fulfil their potential, including by supporting positive emotional and mental health and wellbeing. This is particularly pertinent to County Council employees, who continue to undergo significant organisational change. For this reason, several strands of work will be developed and taken forward over the coming year around the theme of staff wellbeing, including staff surveys.
- 4.9. Finally, the ways of working highlight the County Council's intention to always **keep improving**. The County Council remains one of the top performing councils in the country – a significant achievement in view of the volume of change and spending reductions that the Authority has had to absorb. Where

other councils have declined, the County Council has continued to be recognised as an exemplar in areas such as Children's Services. Over the next four years, Officers and Members will continue to act in the interests of Hampshire, seeking to find innovative, more efficient ways of working and to maximise value for Hampshire residents.

5. Performance monitoring against Strategic Plan

- 5.1. As part of the County Council's revised Corporate Performance Framework, a set of updated key performance measures have been identified for reporting progress against the four strategic aims and supporting priorities set out in the new Strategic Plan.

6. Implications for the County Council's constitution

Adopting the Strategic Plan into the County Council's Policy Framework

- 6.1. At present, the *Shaping Hampshire* Plan sits beneath the County Council's Corporate Strategy, which was agreed by Full Council on 13 July 2006 and established three corporate objectives (Hampshire safer and more secure for all, Maximising wellbeing, and Enhancing our quality of place)¹. The three corporate objectives are currently used to inform decision-making and provide the framework for budget reporting; however, they are not used as part of the County Council's performance framework, which is currently aligned to the four strategic aims within the *Shaping Hampshire* Plan.
- 6.2. Revising the *Shaping Hampshire* Plan provides an opportunity to remove any potential confusion from having three corporate objectives, aligned to the Corporate Strategy, and four separate strategic priorities, linked to the Strategic Plan by providing a single, definitive statement of the County Council's strategic intentions. It is suggested that this is achieved by adopting the new *Serving Hampshire* Strategic plan into the County Council's Policy Framework and removing the County Council's Corporate Strategy, as set out in the Constitution.

Removing the Sustainable Community Strategy from the County Council's Policy Framework

- 6.3. The County Council's Constitution states that the Sustainable Community Strategy forms part of the County Council's Policy Framework. There is, however, no longer a statutory requirement on councils to have such a strategy. The County Council's Sustainable Community Strategy was developed in 2008 and expires in 2018. As the revised Strategic Plan covers much of the same ground as the Sustainable Community Strategy, providing future strategic direction for the County Council, it is suggested that the latter replaces the former and that the Constitution is updated accordingly.

7. Recommendations

- 7.1. It is recommended that Cabinet:

¹ <http://www.hants.gov.uk/decisions/decisions-docs/060713-countc-R0706142407.html>

- a) Approves the *Serving Hampshire* Strategic Plan and recommends to Full Council that it be adopted as part of the County Council's Policy Framework, as set out in the Constitution, replacing the County Council's Corporate Strategy;
- b) Agrees for the *Serving Hampshire* Strategic Plan to replace the County Council's Sustainable Community Strategy, and recommends to Full Council that the latter to be removed from the County Council's Policy Framework, as set out in the Constitution
- c) Delegate authority to the Head of Law and Governance and Monitoring officer to make any necessary consequential amendments to schemes which refer to the Corporate Strategy but which now will need to reflect the content of the new *Serving Hampshire* Strategic Plan, subject to the Plan being approved by Full Council.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	Yes
Maximising well-being:	Yes
Enhancing our quality of place:	Yes

1. Equality Impact Assessment

1.1. The *Serving Hampshire* Strategic Plan is intended to provide a framework for the County Council's business which supports positive outcomes for all Hampshire residents, including groups with protected characteristics. The Strategic Plan has a particular emphasis on prioritising the needs of Hampshire's most vulnerable residents and specifically states that the County Council will work to empower residents and County Council employees by valuing people's differences and supporting wellbeing.

2. Impact on Crime and Disorder:

2.1. The second strategic aim of the Plan states that *People in Hampshire live safe, healthy and independent lives*. This will be supported by the County Council's work to reduce crime that causes greatest harm, and to support the victims of crime. The Plan also recognises the importance of working in partnership, which includes other statutory and non-statutory agencies involved in tackling crime and disorder in Hampshire.

3. Climate Change:

a) The third strategic aim within the Plan states that *Hampshire's environment and heritage is protected and enjoyed by all*. This will be supported by the County Council's work to conserve and use natural resources efficiently and to protect Hampshire's environment and quality of life.

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Serving Hampshire – Strategic plan for 2017–2021

- Hampshire County Council is the democratic body that serves the residents and businesses of the whole of Hampshire.
- The County Council spends around £1.9 billion a year on serving Hampshire’s 1.3 million residents. We are responsible for 80% of spend on council services in Hampshire.
- Residents have told us they support our financial strategy. It has served the county well.
- We have kept Council Tax down and delivered value for money for Hampshire residents. This has enabled us to sustain some of the strongest public services in the country.
- Demand for our services is increasing but Government is reducing the money it gives us to pay for services.
- Over the next four years, we want to work with the people of Hampshire to meet the financial challenges we face and improve outcomes further.



Outcome 1:

Hampshire maintains strong and sustainable economic growth and prosperity

We will achieve this by:

- Attracting increased inward investment and promoting Hampshire’s global competitiveness
- Improving Hampshire’s connectivity
- Supporting businesses to start and grow, helping to create more jobs
- Helping people into work and to develop and maintain skills
- Planning and delivering appropriate development and infrastructure



Outcome 2:

People in Hampshire live safe, healthy and independent lives

We will achieve this by:

- Enabling children and young people to get a good start in life
- Supporting people to live independently in their own homes
- Meeting people’s eligible, statutory needs – ensuring people are cared for in the right place, for the right time and at appropriate cost
- Working to overcome inequalities
- Contributing to keeping you safer



Outcome 3:

People in Hampshire enjoy a rich and diverse environment

We will achieve this by:

- Enhancing and protecting Hampshire’s heritage and culture
- Conserving and using natural resources efficiently
- Protecting and improving Hampshire’s environment and quality of life
- Enabling people to live healthy lifestyles, and to access and enjoy Hampshire’s countryside
- Maintaining the unique character of the county



Outcome 4:

People in Hampshire enjoy being part of strong, inclusive communities

We will achieve this by:

- Making it easy for people to find and access support within the community
- Strengthening the role of town and parish councils
- Supporting a thriving and diverse voluntary and community sector and body of volunteers
- Working with the Armed Forces and Veterans communities to enhance relationships with the local community and economy

The way we work

We will keep our residents at the heart of everything we do

This means we will:

- Enhance, inform and involve residents
- Develop accessible and efficient online services
- Work closely with our partners
- Use taxpayers’ money wisely
- Enable people to do more for themselves
- Respond flexibly to people’s needs
- Value people’s differences
- Keep improving

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COUNCIL MEETING, 20 JULY 2017

**REPORT OF THE
Cabinet
PART I**

7. 2016/17 END OF YEAR FINANCIAL REPORT

- 7.1 The Cabinet received a report of the Director of Corporate Resources on the end of year financial position for 2016/17 at its meeting on 19 June 2017.
- 7.2 Net service cash-limited expenditure was £33.8m lower than budgeted against an overall gross budget of approaching £1.9bn, a variance of less than 2%. This position reflects the County Council's continuing successful financial strategy of early achievement of savings in advance of need, which provides funding that can then be used to meet the cost of change and provide for invest to save or transformational projects in future years.
- 7.3 The position for each of the departments is summarised in the table below:

	Variance (Under) / Over Budget £'000
Adults' Health and Care	(12,293)
Children's Services - Non Schools	0
Economy, Transport and Environment	(7,282)
Policy and Resources	(14,248)
Total Departmental Expenditure	(33,823)

- 7.4 Savings on non-cash limited budgets total £24.6m. This is mainly as a result of changes to capital financing and treasury management activity and unused contingencies. The report recommends that £22m of these corporate savings be added to the Invest to Save Reserve and set aside to begin to make provision for the investment in enabling IT required to deliver Digital 2 and the Tt2019 Programme, which it is already recognised will be the most challenging programme to date.
- 7.5 In addition, it is proposed that:
- £1.23m is allocated to enable the County Council to continue to pursue funding through the free schools initiative and minimise calls on our capital resources.
 - The balance of approaching £1.4m is transferred to the Grant Equalisation Reserve (GER) bringing the level in the reserve up to £40.8m, in preparation for the large draw required in 2018/19 and as agreed by the

County as part of the Medium Term Financial Strategy (MTFS) in July 2016.

- 7.6 Several approvals are sought in respect of the new Enterprise Zone (EZ) within the Enterprise M3 LEP boundaries and funding to provide resource to maximise the utilisation of the newly introduced Apprenticeship Levy.
- 7.7 The section on reserves and balances highlights that in line with the MTFS, the level of reserves has risen as we prepare for planned draws in the period to 2019/20 after which it is currently anticipated that they will begin to decline as our financial plans are delivered over the medium term.
- 7.8 The report also recommends approval of:
- The annual report on the operation of the treasury management strategy, for subsequent approval by the County Council.
 - The council's end of year prudential indicators.
 - A revised capital financing plan for 2017/18.
- 7.9 The overall report is attached as Annex 1 to this report and is submitted to the County Council for approval.

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

[Cabinet 19 June 2017](#)

RECOMMENDATIONS

That the County Council approves:

- a) A sum of £8.6m from the Invest to Save Reserve to progress the Digital 2 Programme, a Corporate Wi-Fi Upgrade and other enabling IT infrastructure.
- b) An initial sum of £7.5m, from the Invest to Save Reserve to plan, scope, design and deliver other enabling IT projects to support the Transformation to 2019 Programme subject to business cases being approved by the Director of Corporate Resources.
- c) The report on the County Council's treasury management activities and prudential indicators set out in Appendix 3.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet County Council
Date:	19 June 2017 20 July 2017
Title:	2016/17 – End of Year Financial Report
Report From:	Director of Corporate Resources – Corporate Services

Contact name: Rob Carr, Head of Finance

Tel: 01962 847508

Email: Rob.Carr@hants.gov.uk

1. Executive Summary

- 1.1. This report provides a summary of the 2016/17 final accounts. The draft statement of accounts was submitted for audit on the 1 June 2017 and will be reported to the Audit Committee in September, in conjunction with the External Audit report on the accounts.
- 1.2. Net service cash-limited expenditure was £33.8m lower than budgeted against an overall gross budget of approaching £1.9bn, a variance of less than 2%. This position reflects the County Council's continuing successful financial strategy of early achievement of savings in advance of need, which provides funding that can then be used to meet the cost of change and provide for invest to save or transformational projects in future years.
- 1.3. The position for each of the departments is summarised in the table below:

	Variance (Under) / Over Budget £'000
Adults' Health and Care	(12,293)
Children's Services - Non Schools	0
Economy, Transport and Environment	(7,282)
Policy and Resources	(14,248)
Total Departmental Expenditure	(33,823)

- 1.4. The position for Adults' Health and Care reflects effective management activity during the year to control spend in the face of demand and cost pressures. Departmental contingencies were used to offset pressures due to increasing

complexity and demography and this along with the early delivery of around £15m of savings has contributed to the position at the end of the year.

- 1.5. The balanced position in Children's Services equally reflects significant management activity which has seen work to limit, as far as possible, pressures both in the Children Looked After budget, that occurred due to increasing activity levels and higher average costs due to the type of care being provided, and other emerging pressures. This alongside the early delivery of savings, use of cost of change reserves and agreed corporate support has resulted in a break even position at the end of the year.
- 1.6. The final outturn position for Economy, Transport and Environment (ETE) shows savings against the budget of £7.3m due to early delivery of savings and savings primarily in Highways Traffic and Transport an element of which is a consequence of the relatively mild and dry winter which has resulted in savings against the winter maintenance budget of £1.7m.
- 1.7. Policy and Resources achieved a saving against the budget of £14.2m mainly due to ongoing efficiency savings and the early achievement of 2017/18 savings.
- 1.8. The net savings within Adults' Health and Care, ETE and Policy & Resources have been set aside for use by the respective services to meet restructuring and investment costs associated with the Transformation to 2019 (Tt2019) Programme and beyond, in accordance with the current financial management policy and the Medium Term Financial Strategy (MTFS).
- 1.9. In addition within ETE it is specifically proposed to again reinvest the savings associated with the winter maintenance budget in highways maintenance to provide additional one-off resources to supplement existing maintenance programmes. This additional investment was approved in February by Cabinet and County Council.
- 1.10. Savings on non-cash limited budgets total £24.6m. This is mainly as a result of changes to capital financing and treasury management activity and unused contingencies. Contingencies were set aside in recognition of the increased risk in the budget due to ongoing pressures within social care, although this has been partially offset by the need to provide for an additional doubtful debt provision in 2016/17.
- 1.11. This report recommends that £22m of these corporate savings be added to the Invest to Save Reserve and set aside to begin to make provision for the investment in enabling IT required to deliver Digital 2 and the Tt2019 Programme, which it is already recognised will be the most challenging programme to date.
- 1.12. In addition, it is proposed that:
 - £1.23m is allocated to enable the County Council to continue to pursue funding through the free schools initiative and minimise calls on our capital resources.
 - The balance of approaching £1.4m is transferred to the Grant Equalisation Reserve (GER) bringing the level in the reserve up to £40.8m, in preparation for the large draw required in 2018/19 and as agreed by the County as part of the MTFS in July 2016.

- 1.13. 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, even in times of austerity, is a testament to the strong financial management and rigorous approach to planning and delivering savings that has been applied; and to the benefits that can be achieved from working at scale.
- 1.14. In this context the report also takes advantage of the opportunity to seek several approvals in respect of the new Enterprise Zone (EZ) within the Enterprise M3 LEP boundaries and funding to provide resource to maximise the utilisation of the newly introduced Apprenticeship Levy.
- 1.15. The report contains a small section on reserves and balances highlighting that in line with the MTFs, the level of reserves has risen as we prepare for planned draws in the period to 2019/20 after which it is currently anticipated that they will begin to decline as our financial plans are delivered over the medium term.
- 1.16. The report also recommends approval of:
- The annual report on the operation of the treasury management strategy, for subsequent approval by the County Council.
 - The council's end of year prudential indicators.
 - A revised capital financing plan for 2017/18.

2. 2016/17 Revenue Outturn

Service cash Limits

- 2.1. The table below summarises the net outturn position for each Department compared to the final cash limit for the year. The figures exclude schools spending but include cost of change paid for during 2016/17:

	Variance (Under) / Over Budget £'000
Adults' Health and Care	(12,293)
Children's Services - Non Schools	0
Economy, Transport and Environment	(7,282)
Policy and Resources	(14,248)
Total Departmental Expenditure	(33,823)

- 2.2. The third quarter monitoring position indicated that most departments were expecting savings against their budgets resulting from the early delivery of savings during the year. However, the cumulative impact of numerous savings programmes, coupled with a relentless business as usual agenda and rising demand and expectations from service users means that pressures are now being felt by all departments.
- 2.3. Strong financial management has therefore remained a key focus throughout the year to ensure that all departments stay within their cash limits, that no new

revenue pressures are created and that they deliver the savings programmes that have been approved.

- 2.4. This focus has ensured that at the end of the year the final position is in line with expectations and that departments have delivered savings early, which provides funding that can then be used to meet the cost of change and provide for invest to save or transformational projects in future years.
- 2.5. Key issues across each of the departments are highlighted in the paragraphs below and whilst pressures within social care services remain the highest risk and most volatile area of the County Council's budget the impact of successive savings programmes along with other service pressures means that all departments are facing financial pressures.

Adults' Health and Care

- 2.6. The most volatile area of service demand continues to be adults' social care. The Department has continued to experience growth pressures as a result of demographic increases in the number of people requiring care and rising costs due to the increased complexity of clients' needs.
- 2.7. In 2016/17 Adults' Health and Care have contained these pressures through the application of concerted management effort and this combined with the utilisation of available one-off resources and the early delivery of approaching £15m of savings means that the Department has been able to increase its cost of change reserve by £12.3m. This will help cash flow the agreed slipped delivery of savings in 2017/18 and enable some of the necessary investment in resources to deliver the next savings programme. Public Health ended the year with a balanced position, making a contribution to the ring-fenced reserve of £1.3m.
- 2.8. Although the final outturn position for Adults' Health and Care shows a net saving, underlying this there remains the substantial risk that on a long term basis we will see a rate of demand and cost that outstrips the available funding. The net saving must also be seen in the context of the exceptional decision to allow the Department to carry forward some £13m of its Transformation to t2017 (Tt2017) target into the new financial year which this will help to smooth in cash flow terms. Therefore it is imperative that the Department maintain into future years the momentum and tight financial controls that have enabled it to manage these costs within the bottom line in 2016/17.

Children's Services

- 2.9. Children's Services have seen the number of Children Looked After (CLA) grow during 2016/17. In addition, there are other increasing cost pressures, particularly in relation to care leavers, home to school transport and the cost of agency staff.
- 2.10. The Department have managed these pressures and the reported position is break even, reflecting the pro-active management of the services together with early delivery of savings, the use of the departmental reserves and agreed corporate support. However these pressures continue to be areas of some concern in Children's Services and will be closely monitored throughout the

current year. . It is worth noting that Children's Services generates a modest but useful net income through support work with Government and other authorities.

- 2.11. Funding has been set aside within contingencies to provide for the projected growth in CLA numbers (and in turn the knock on impact for care leavers) in 2017/18 and beyond. Of the other service pressures, that relating to home to school transport will be the subject of specific further analysis to consider how best to respond to and plan financially for recent and anticipated future growth in demand due to increased pupil numbers, particularly relating to children with special education needs and growth in secondary school pupil numbers.
- 2.12. Similarly a review of social worker resources will be carried out to examine the potential links between case load levels, staff turnover and the knock on impacts on the number and cost of agency workers. This will also feed into the developing Transformation to 2019 (Tt2019) Programme which is looking at creating extra social work capacity to move children out of care and back into their family homes.
- 2.13. The outcome of both of these pieces of analysis will be included in the next update of the Medium Term Financial Strategy (MTFS) and these, along with funding for growth in children's social care and continued management focus on the other pressure areas, will ensure that the Department operates from a firm financial base as attention turns to the next transformation programme.

Economy, Transport and Environment

- 2.14. The final outturn position for Economy, Transport and Environment (ETE) shows a saving against the budget of £7.3m due to early delivery of 2017/18 savings totalling £5.8m together with £1.5m of net savings on planned departmental activity. Included within this result was a saving of £1.7m against the winter maintenance budget following another mild, dry winter.
- 2.15. At their meeting on 3 February 2017 Cabinet agreed to transfer any one off saving on the 2016/17 winter maintenance budget to the highways maintenance budget for 2017/18. The highways maintenance budget will therefore be increased by £1.7m to reinvest in highways maintenance in 2017/18, including extending the Parish Lengthsman scheme. This is in line with financial policy and incentivises good stewardship.

Policy and Resources

- 2.16. Policy and Resources achieved a saving against the budget of £14.3m mainly due to ongoing efficiency savings and the early achievement of 2017/18 savings.
- 2.17. The successful implementation of the Tt2017 Programme and the resulting early delivery of savings will be crucial as successive budget reductions mean there is less scope to generate savings across the services and high levels of investment and resources over a longer time period are required to generate further savings.
- 2.18. Detailed explanations for the outturn position for all departmental budgets are provided in Appendix 1.

- 2.19. The departmental savings will be set aside to meet the future cost of change in line with the current policy.
- 2.20. In addition within ETE the savings associated with the winter maintenance budget will be set aside to provide additional one-off resources to supplement existing maintenance programmes.

Schools Budget

- 2.21. The Schools Budget is fully funded by Dedicated Schools Grant (DSG) and other ring-fenced grants, which have to be carried forward for school purposes. Unless an over spend arises, the outturn position is therefore automatically in line with the cash-limit, as the cash-limit is adjusted for the carry forward of grants.
- 2.22. There are pressures on the schools budget related to higher demand on High Needs, in particular Special Educational Needs (SEN) where there are increasing numbers of pupils with Education, Health and Care plans or Statements of SEN and other top-up funding arrangements. Pressures have also arisen for two, three and four year old free entitlement to early education as the actual number of children claiming has, along with the average number of hours per week take up, exceeded expectations. Funding for 30 hours free entitlement for working families from September 2017 has been included and incorporated into the 2017/18 budget.
- 2.23. In 2016/17 these pressures have been funded through the use of one-off reserves. However, Schools Forum has considered ways to address these pressures, which have been incorporated into the 2017/18 budget strategy, and are scheduled to review the budget at the July meeting in order to further mitigate these and future pressures.
- 2.24. In total for 2016/17 there was a net over spend of approaching £7.4m against the schools budget and this will be met through the use of DSG that was previously carried forward. As a consequence of this the overall total of DSG available as at 31 March 2017 is £6.6m, of which only £3.3m is uncommitted. Allocation of how this money will be used will be agreed by the Schools Forum later in the year.

Other Budgets

- 2.25. The outturn for other items contained within in the budget is shown in the following table:

	Variance (Under) / Over Budget £m
Capital Financing / Interest on Balances	(12.7)
Waste Management	(2.0)
Contingencies	(14.4)
Increase in Doubtful Debt Provision	4.6
Other Net Variations	(0.1)
Total	(24.6)

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

Capital Financing and Interest on Balances (£12.7m saving against the budget)

2.27. These savings reflect lower capital financing costs, largely as a result of the amended Minimum Revenue Provision (MRP) policy which was approved by Cabinet in December 2015; including the subsequent pause in making MRP payments approved in February 2017. The final outturn position also reflects a continuing trend in previous years of a very prudent approach to capital financing costs and interest on balances and the continuing use of 'internal borrowing' to fund capital expenditure rather than taking out long term loans at this point.

2.28. In line with the County Council decision in February 2017, £500,000 has been transferred to the Investment Risk Reserve as further protection against the potential for an irrecoverable fall in the value of any investments.

Waste Management (£2.0m Saving)

2.29. Due to the number of variables associated with the provision of the Waste Management contract, separate central provisions are made within the budget each year and released in line with changes in waste volumes or contract terms. Whilst waste volumes stabilised in previous years, requiring less to be drawn from contingencies, 2014/15 saw the first real increase in volumes for several years and the provision in future years was reviewed in light of this.

2.30. The upward trend in 2016/17 has been less than forecast resulting in savings against the budget but continued close scrutiny of waste volumes will be required throughout 2017/18 to model and monitor the future costs.

Contingencies (£14.4m Saving)

2.31. The level of contingencies held as part of the 2016/17 budget reflected the well documented pressures and risk around demand and costs for the provision of social care services. Through strong management, applied to manage demand and suppress the additional costs, savings against these contingency amounts were realised.

2.32. Other contingencies which were not required in the year related to a central provision for carbon allowances and inflation / risk provisions (in particular for energy and business rates) which accounted for the balance of the overall saving within contingencies.

Doubtful Debt Provision (£4.6m Increase)

2.33. The County Council's policy is to make a provision against a proportion of debts that could prove to be irrecoverable. The provision is assessed on the basis of the age profile of outstanding debts and partly on the probability of specific larger debts being irrecoverable. There is no annual budgeted amount because the provision varies significantly from year to year.

Other Net Variations (£0.1m Saving)

- 2.34. This relates to a number of smaller variances, including an over spend in the Coroner's Service, due to a higher than anticipated number of inquests which are difficult to predict. In addition, the County Council has incurred costs in 2016/17 of just over £0.1m following the crystallisation of liabilities in relation to Pension Fund exit payments due from two local organisations.
- 2.35. Whilst this is a relatively small amount in the context of the County Council's budget, it was felt important to highlight the fact that these crystallisation events are likely to increase. This position generally arises when the last remaining member of the Hampshire Local Government Pension Scheme (LGPS) leaves or retires from the community based organisation.
- 2.36. At this point all of the future pension liabilities in respect of that Admitted Body become immediately payable, usually as a single capital sum. In many cases, the community organisation does not have the funding to pay the one off capital sum and therefore the Pension Fund pursues any guarantors for the payment.
- 2.37. During 2016/17 a number of crystallisation events occurred, and for two of these the County Council itself had agreed to act as guarantor (along with the relevant District or Unitary Authority) and paid their share of the capital sum after confirming that the community body did not have the financial means to meet the liabilities themselves.
- 2.38. These items have been offset primarily by some variation in final business rate relief grant amounts received.

Allocation of Net Saving

- 2.39. The net saving totals £24.6m and it is recommended that this amount is allocated as set out in paragraphs 2.40 to 2.60 below.

Investment in Enabling IT - Invest to Save

- 2.40. The high level medium term forecast to 2019/20 requires the County Council to develop a transformation programme that must deliver £140m. Meeting this target on top of the £340m that has been delivered by 2017/18 clearly represents the greatest financial challenge yet, following as it does an extended period of austerity in the public sector.
- 2.41. The development of the proposed Tt2019 Programme is well underway but will inevitably involve complex transformational policy and service change across all departments at the same time over the coming years.
- 2.42. It was anticipated that a key theme running through the programme would be the exploitation of digital capability. This is with the twin aim of driving further efficiencies in the internal operations of the organisation, and supporting effective ways for citizens, where possible, to help themselves through the use of assistive technology. Our systems need to modernise in order to meet the changing demands of our customers and without further investment our services will not be digitally accessible.
- 2.43. The Digital 1 Programme implemented the platforms and tools required to support departments with their future transformation, but it is important to

acknowledge that the authority's digital journey does not end there and that *Digital by Default* should be the continued strategic approach for Tt2019. Digital 2 will build upon and enhance those platforms and tools implemented as part of Digital 1.

- 2.44. It is now clear that the IT Programme to support the Tt2019 Programme and Digital 2 will inevitably be large and complex given that it seeks to exploit the platforms implemented as part of Digital 1 and the measures required to achieve the savings programme become more and more difficult and transformational in nature.
- 2.45. The scale of the programme is significant and inevitably there will be a bedding in period as the changes are implemented. Key to the success of the programme will be to ensure that we communicate effectively with customers before and during the changes and that adequate help and support is provided post go live.
- 2.46. Work is ongoing to confirm the scale and scope of the IT Programme and the costs but it is sensible at this stage to begin to make provision for what will be a sizeable investment over the next two years. Early assessment work on the scale of the programme and the resources that will be required to deliver it are outlined in the following table:

	Potential Range of Costs £m
Digital 2 and other enabling infrastructure	7.1
Corporate Wi-Fi upgrade	1.5
Enabling IT for the Tt2019 Programme	20 – 23
Improving productivity (including mobile working solutions)	4 – 6
Total	<hr/> 32.6 – 37.6 <hr/>

- 2.47. Whilst this represents a significant one-off investment it should be borne in mind that these enabling programmes underpin the delivery of £62m of recurring departmental savings and reflect the increasing difficulty and complexity of delivering successive transformation programmes.
- 2.48. Set against these high level costs, it is proposed in this report to allocate £22m of the net corporate savings outlined above to the programme, together with an uncommitted sum in the Invest to Save reserve of £6m. In addition, over a two year period it is estimated that internal IT project resource to the value of £4.5m can be committed to the programme bringing total available funding to £32.5m.
- 2.49. The programmes of work associated with Digital 2 and the Corporate Wi-Fi upgrade are already well developed and this report therefore recommends that £8.6m is approved by County Council to progress these projects.
- 2.50. Furthermore, in order to maintain the traction of the Tt2019 Programme and the work required to plan, scope, design and deliver the rest of the enabling projects an initial sum of £7.5m is requested to further progress the items

identified above, subject to business cases being approved by the Director of Corporate Resources.

- 2.51. A more detailed programme and costings together with the identification of all the required funding will be submitted as part of the update of the MTFs in the autumn. What is clear however is that there are few local authorities in the country that could deliver and fund IT enablement of this scale and complexity and it is testament to Hampshire's planning, professional capacity and good financial management that change of this pace and scale is being considered.

New Schools Design and Delivery Strategy

- 2.52. All new schools are required to be established as Academies. The County Council has chosen to take an active role to ensure they are set up on a firm footing and that sponsors are selected to provide a high standard of education.
- 2.53. Free Schools are Academies which are directly revenue funded by Government and are not part of the County Council's portfolio of Community Schools. The capital cost is also funded directly by the Department for Education (DfE) and the schools are commonly delivered directly by them using project management consultants and contractors from their own national and regional frameworks.
- 2.54. To date, the County Council's strategy has been to ensure that it stays closely involved in the bidding and establishment of Free Schools. It has worked actively to encourage known sponsors (with a good track record) to come forward and work in partnership with them. It is also taking an active role in the design and delivery of the buildings on behalf of the DfE to ensure the best outcome for Hampshire children as well as the best and sustainable resources for our communities.
- 2.55. The Council has been successful in working in partnership with academy sponsors to gain approval from the DfE for a number of Free Schools. This is currently expected to contribute around £21m of funding over and above Developers' Contributions to the current programme of new schools.
- 2.56. However, it is recognised that the County Council's approach to new school design and delivery needs to change in line with the national approach and to better fit the funding envelopes that are available. The County Council also needs to take a view on its level of involvement in future delivery arrangements.
- 2.57. Full details of the revised strategy and proposed delivery arrangements are set out in Appendix 2 and to support this it is recommended that £1.23m is set aside to fund the cost in 2017/18 of the professional resources within Property Services required to take this forward. Indicative amounts for future years will be taken into account as part of the development of the MTFs and will be adjusted as the programme of works and timing of delivery becomes clear.
- 2.58. This revenue funding will provide the necessary planning and feasibility resources in Property Services to shape, oversee and deliver the future major programme of new schools. The scale of the investment in Hampshire schools that can be secured from both Government Grant and Developers' Contributions is good evidence of the need to continue to maintain capacity and skills in this area.

Balance of Savings

- 2.59. It is proposed to transfer the balance of the net savings of approaching £1.4m to the Grant Equalisation Reserve (GER) bringing the level in the reserve up to £40.8m, in preparation for the large draw required in 2018/19 and as agreed by the County Council in July 2016 as part of the MTFs.
- 2.60. The current strategy that the County Council operates works on the basis of a two-year cycle of delivering departmental savings to close the anticipated budget gap, providing the time and capacity to properly deliver major savings programmes every two years with deficits in the intervening years being met from the GER. Building the provision within the GER will support the revenue position in future years, as set out in the MTFs, in order to give the County Council the time and capacity to implement the next phase of transformation to take us to 2019/20.

3. New Investment

- 3.1. 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, even in times of austerity, is a testament to the strong financial management and rigorous approach to planning and delivering savings that has been applied; and to the benefits that can be achieved from working at scale.
- 3.2. In this context there are two specific opportunities that it is timely to address as follows.

Enterprise Zone

- 3.3. The Enterprise M3 LEP together with three District Council partners and support from Hampshire and Surrey County Councils successfully bid for an Enterprise Zone (EZ) during the last Government bidding round. The final sets of documentation to Government have been recently submitted and the EZ is now formally enacted.
- 3.4. Somewhat uniquely, the single EZ is split across three sites which are in the separate District Councils of Runnymede Borough Council (in Surrey) and Basingstoke and Deane and East Hants (in Hampshire).
- 3.5. There are a number of future revenue costs associated with running the EZ in terms of a Programme Director, Programme Manager, support staff and marketing activities. Previously these had been met from contributions from all eight partners (two County Councils, three District Councils, the LEP the Homes and Communities Agency and Crest Nicholson - who are a major land owner at one of the sites).
- 3.6. It is estimated that up to £250,000 per annum for the next two years will be required. To ensure the progression of this strategically important work with minimum delay and bureaucracy it is recommended that the County Council provides the revenue funding from general contingencies to cash flow fund this expenditure which will be repaid as the first call from future business rate growth on the three sites. This is another good example where the County

Council is able to support the LEPs given our size, scale and financial resilience.

Apprenticeship Levy

- 3.7. The Apprenticeship Levy, which amounts to 0.5% of an organisation's pay bill in excess of £3m, came into force on 6 April 2017 and while this imposes an additional cost burden, it does provide an opportunity to review the Council's workforce requirements and its approach to people development and succession planning.
- 3.8. In order to ensure that the County Council maximises drawdown from the Levy investment of £100,000 is recommended. This funding, which will provide resources to ensure that the County Council effectively manages the introduction and administration of the Apprenticeship Levy and crucially maximises the utilisation of the available funding can be met from general contingencies in the current year.

4. General Balances and Earmarked Reserves

- 4.1. The County Council's reserves strategy, which is set out in the MTFs, is now well rehearsed and continues to be one of the key factors that underpin our ability not only to provide funding for transformation of services but also to give the time for the changes to be properly planned, developed and implemented.
- 4.2. We have made no secret of the fact that this deliberate strategy was expected to see reserves continue to increase during the period of austerity, although it was always recognised that the eventual planned use of the reserves would mean that a tipping point would come and we would expect to see reserves start to decline as they are put to the use in the way that they were intended as part of the wider MTFs.
- 4.3. General Balances at the 31 March 2017 stand at £21.5m, which is broadly in line with the current policy of carrying a general balance that is approximately 2.5% of the County Council's Budget Requirement.
- 4.4. In addition to the general balance, the County Council maintains earmarked reserves for specific purposes and to a large extent the majority of these are committed either to existing revenue or capital programmes or to mitigate risks that the County Council faces through self insurance or funding changes by Government.
- 4.5. In overall terms the total value of earmarked reserves has increased in line with the MTFs as provision is built up in departmental cost of change reserves to enable support of transformation and of revenue spend whilst savings programmes are put in place, and in the GER, ahead of a planned large draw in 2018/19.
- 4.6. The net impact of the changes in the revenue account during 2016/17 mean that the GER will stand at £40.8m, which is in line with the financial strategy of supporting the revenue spend position as savings are developed and delivered on a two year cycle. Provision is being made for a draw in 2018/19 in order to give the County Council the time and capacity to implement the Tt2019

Programme as we begin the next phase of transformation to take us to 2019/20, and for future years.

- 4.7. In addition, the level of reserves also reflects the sizeable contribution to Invest to Save Reserve as set out in paragraphs 2.40 to 2.51.
- 4.8. Other earmarked reserves will increase due to the timing of receipt of funds in advance of their planned use for an intended purpose, in particular in funding the capital programme. Schools balances, over which the County Council has no direct control, are expected to decrease.
- 4.9. Each year, the Chief Financial Officer (CFO) reviews the level of reserves and the purpose for which they are held. Following this review a number of small reserves which are no longer required have been closed and the balances transferred to the GER as set out below:
 - PSA Reward Grant Reserve (£83,000).
 - Minerals and Waste Development Reserve (£33,000).
 - Second Homes Reserve (£45,000).
- 4.10. In addition, the Corporate Efficiency Reserve has been closed and remaining commitments will be met from the Invest to Save Reserve within which it has been subsumed. Both reserves were earmarked to provide funding to help transform services in order to make further revenue savings in the future and given the finite amount remaining in the Corporate Efficiency Reserve it was timely to rationalise these reserves.

5. Treasury Management and Prudential Indicators

- 5.1. The County Council's treasury management policy requires an annual report to the Cabinet on the exercise of the treasury management function, details of which are set out in Appendix 3. Under the Treasury Management Code of Practice, the end of year report has to be submitted to the County Council.
- 5.2. The Prudential Code for Capital Finance in Local Authorities requires that the County Council reports its actual performance against the Prudential Indicators that were set in its Treasury Management Strategy. Appendix 3 summarises the relevant indicators for the 2016/17 outturn which are in accordance with the figures approved by the County Council.

6. Capital Spending and Financing 2016/17

- 6.1. From the 2016/17 capital programme, schemes to the value of £196.5m were committed during the year, leaving £100m to be carried forward to 2017/18, subject to Cabinet's approval.
- 6.2. During 2016/17 capital expenditure of £173.2m was incurred, which can all be financed within available resources. This includes prudential borrowing of £16.3m. There will also be a further repayment of prudential borrowing from capital receipts and other funding sources of £4m. Further details of the outturn position for capital are provided in Appendix 4.

7. Assurance Statement

7.1. The code of Practice on Local Authority Accounting in the UK requires the County Council to publish, together with its Statement of Accounts, an annual governance statement signed by the Leader and Chief Executive. As part of this process, the Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control operating in the County Council as a whole. The Chief Internal Auditor's Annual Report and Opinion is approved by the Audit Committee.

7.2. The Chief Internal Auditor has concluded that:

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

8. Pension Fund

8.1. The separate accounts for the Hampshire Pension Fund will also be incorporated in the County Council's Statement of Accounts. The accounts for 2016/17 record that the value of the fund's assets increased to £6.3bn during the year. The Chief Internal Auditor has provided a separate assurance opinion for the Pension Fund and has concluded that:

"In my opinion, based on internal audit work completed 'Substantial Assurance' can be placed on Hampshire County Council (Pension Services) framework of governance, risk management and management control and audit testing has demonstrated controls to be working in practice. Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement."

9. Statutory Statement of Accounts

9.1. The statement of accounts must currently be submitted for external audit by 30 June each year. The purpose of this report is to outline the key issues arising from the outturn position for 2016/17.

9.1. The Accounts and Audit Regulations 2015 introduced changes to the statutory accounting and audit timescales which will have a significant impact on the organisation. The changes come into effect for the preparation of the 2017/18 accounts when the draft accounts must be certified by the CFO by 31 May 2018 (a month earlier than at present). Additionally, the audited accounts for 2017/18 must be published by 31 July 2018 (two months earlier than the current timeframe). Next year's statutory timetable will also require earlier reporting to Cabinet of the financial outturn position and performance report and will require the Audit Committee to review the audited accounts by the 31 July deadline for publication.

9.2. In preparation we are taking an incremental approach and for 2015/16, the deadline for CFO sign off of the accounts was brought forward by two weeks.

For 2016/17 this has been brought forward by a further two weeks to allow a trial run in anticipation of the changes coming into effect for the production of the 2017/18 accounts.

- 9.3. Achieving these challenging timescales has required concerted effort from across the organisation. The timetable was reviewed, following consultation with affected parties, and focused on what could be done either differently or earlier and what systems or processes could be changed to facilitate the achievement of the ultimate objective of a speedier accounting closure and production of the statement of accounts.
- 9.4. Meeting these earlier deadlines has been achieved through hard work across all departments in liaison with finance and our external auditors and the success this year in completing a trial run ensures we are well placed for 2017/18 when the changes come into effect.

10. Recommendations

RECOMMENDATIONS TO CABINET

- 10.1. That the outturn position set out in Section 2 be approved.
- 10.2. That the transfer of £22m to the Invest to Save Reserve be approved to make initial provision for the investment required in enabling IT to deliver the Transformation to 2019 Programme and Digital 2.
- 10.3. That £1.23m of the corporate savings is allocated to enable the County Council to continue to pursue funding through the free schools initiative and minimise calls on our capital resources.
- 10.4. That the transfer of the balance of net corporate savings of approaching £1.4m to the Grant Equalisation Reserve (GER) be approved.
- 10.5. That the following reserves are closed and the balances transferred to the GER:
 - PSA Reward Grant Reserve (£83,000).
 - Minerals and Waste Development Reserve (£33,000).
 - Second Homes Reserve (£45,000).
- 10.6. That the Corporate Efficiency Reserve be closed and that remaining commitments be met from the Invest to Save Reserve within which it should be subsumed.
- 10.7. That funding of up to £250,000 per annum for two years from general contingencies to cash flow fund expenditure associated with the Enterprise Zone be approved, to be repaid from future business rate growth.
- 10.8. That a one-off addition to revenue of up to £100,000 which will provide capacity to maximise the use of the newly introduced Apprenticeship Levy to be met from general contingencies be approved.
- 10.9. That service capital programme cash limits for 2017/18 be increased to reflect the carry forward of capital programme schemes and shares of capital receipts, as set out in Appendix 4.

10.10. It be a Cabinet recommendation to Council that:

- a) A sum of £8.6m is approved from the Invest to Save Reserve to progress the Digital 2 Programme, a Corporate Wi-Fi Upgrade and other enabling IT infrastructure.
- b) An initial sum of £7.5m is approved from the Invest to Save Reserve to plan, scope, design and deliver other enabling IT projects to support the Transformation to 2019 Programme subject to business cases being approved by the Director of Corporate Resources.
- c) The report on the County Council's treasury management activities and prudential indicators set out in Appendix 3 be approved.

RECOMMENDATIONS TO COUNCIL

Council is recommended to approve:

- a) A sum of £8.6m from the Invest to Save Reserve to progress the Digital 2 Programme, a Corporate Wi-Fi Upgrade and other enabling IT infrastructure.
- b) An initial sum of £7.5m, from the Invest to Save Reserve to plan, scope, design and deliver other enabling IT projects to support the Transformation to 2019 Programme subject to business cases being approved by the Director of Corporate Resources.
- c) The report on the County Council's treasury management activities and prudential indicators set out in Appendix 3.

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

Hampshire safer and more secure for all:	Yes/No
Maximising well-being:	Yes/No
Enhancing our quality of place:	Yes/No

Section 100 D - Local Government Act 1972 - background documents

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

<u>Document</u>	<u>Location</u>
Revenue Budget and Precept 2017/18 and Capital Programme 2017/18 – 2019/20	Cabinet – 3 February 2017 County Council – 16 February 2017
Medium Term Financial Strategy to 2020	Cabinet – 20 June 2016 County Council – 21 July 2016

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

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

1.2. Equalities Impact Assessment:

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

2. Impact on Crime and Disorder:

2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime, but the County Council through the services that it provides through the revenue budget and capital programme ensures that prevention of crime and disorder is a key factor in shaping the delivery of a service / project.

3. Climate Change:

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

The revenue budget and capital programme contain measures that will assist in reducing our carbon footprint.

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

The County Council in designing its services will ensure that climate change issues are taken into account

Adult’s Health and Care Department – Revenue Expenditure 2016/17

Major variations in cash limited expenditure – Saving of £12.3m (3.2%) against the adjusted cash limit.

Main variations

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Director	(3)	(0.2)	
Policy and Strategic Commissioning	(2,402)	(9.7)	Savings mainly relate to reduced spend on non care contracts, grants to voluntary organisations and staffing budgets due to difficulty in recruiting to vacant posts.
Integrated Services (East and West)	(824)	(0.6)	There were pressures on both nursing and residential budgets due to higher client numbers and above budgeted weekly costs however, these pressures have been offset by savins in direct payments and homecare budgets where client numbers are less than budgeted.
Head of Quality and Safeguarding	(421)	(12.1)	Savings relate to staffing budgets where there have been difficulties in recruiting to vacant posts. In addition there has been an increase in income, from ongoing activity, above the budgeted level in respect of the Client Affairs Team.
Integrated Delivery	(1,989)	(6.0)	The main area of pressure is within the Older Person’s in-house homes due to the use of agency staff to cover vacant posts whilst permanent recruitment is undertaken. The County Council is required by the Care Quality Commission to have adequate staffing levels in order to retain its registration. This pressure has been offset by savings on other staffing budgets and reduced volumes being referred to the REACT contracts.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Integrated Commissioning	3,116	17.9	There are significant pressures on purchased nursing and residential due to higher than budgeted client numbers.
Head of Disabilities	1,001	0.9	There are significant pressures on direct payments due to an increase in client numbers. There are also pressures in Learning and Physical Disability in-house homes due to staffing where agency and casual staff are being employed in respect of increased service user support needs. These pressures were partially offset by savings in Residential and Homecare due to increased income and a reduction in client numbers within Residential care.
Contingencies	(10,771)	(179.9)	This mainly relates to the early achievement of Transformation to 2017 (Tt2017) savings of approaching £15m offset by the one-off costs to enable these savings to be achieved.
Total	(12,293)	(3.2)	

Children’s Services Department – Revenue Expenditure 2016/17

Major variations in cash limited expenditure – No variance against the adjusted cash limit.

Main variations

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Schools Budget			
Growth Fund	(727)	(13.8)	Saving relates mainly to the Infant Class Fund (ICS) and temporary classrooms. Fewer schools have been eligible for ICS funding and there has been a reduction in the number of temporary classroom installations this year in comparison with previous years.
Two Year Old Free Entitlement	1,195	20.0	Variance primarily relates to the number of eligible two year olds take-up (82%) being higher than estimated (80%) along with an increase in the average hours taken (3.7%). There has also been a reduction in the Dedicated Schools Grant (DSG) funding due to the previous allocation being based on a fixed period in time when numbers were lower
Three and Four Year Old Free Entitlement	991	2.0	Variance relates to an increase in the take up of three and four year old early year entitlement. The estimated take up was 65%, but the actual take up was 68% of the eligible population.
Independent and Non-maintained Special Schools	693	4.8	Higher than expected pupils numbers and related costs, with an increasing number of tribunals relating to children placed in out of county provision.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
High Needs Top-up Funding	5,234	14.5	Variance is the result of an increase in the number of requests for statutory assessments. The numbers of pupils with additional needs requiring an Education Health and Care plans has increased significantly in line with national trends in mainstream and special. The number of high needs learners in post-16 provision is also rising. There is also a significant pressure on the service for discretionary payments as a result of the additional requests.
Various Other (Net)	5	0.0	
Carry Forward of Dedicated Schools Grant	(7,391)		The Department for Education (DfE) allows any unspent DSG funds to be carried forward each year and ring-fenced for schools purposes. The total 2016/17 over spend of £7.4m has been met by DSG carry forward. The remaining balance is £6.6m. Of this, approaching £3.3m has been committed as agreed with Schools Forum and the remainder is currently unallocated.
Sub-Total Schools Budget	0	0	
Non-Schools Budget			
Home to School Transport	3,459	12.4	A pressure on the Home to School Transport budget as a result of increased demand for school age and post-16 SEN transport and transport for the Education & Inclusion Service.
Central Budgets	(6,649)	(100.0)	Early achievement of savings in relation to the Tt2017 Programme used to offset the department's other pressures.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Assessment & Care Management	1,713	8.4	Pressure of £2.5m resulting from the necessary use of social work agency staff including increased responsibilities relating to Unaccompanied Asylum Seeking children (UASC) which is currently partly funded. The pressure has been offset from savings on unqualified staff.
Children Looked After (CLA)	348	0.6	Total CLA numbers have increased by 10% (130) between March 2016 (1,309) and March 2017 (1,439), of which CLA placements with a cost have risen 7% (by 78 to 1,182). UASC have risen from 32 to 75. The rise in the number of UASC has contributed to the overall rise in children becoming looked after by Hampshire. If the numbers of new UASC (43) are removed from the CLA figure, then the actual percentage rise is 6.5%. The pressure mainly relates to the market resulting in out of county and higher cost placements.
Youth Justice	185	9.1	Lower income at Swanwick Lodge Secure Unit as a result of planned temporary bed closures and delays in recruitment that result in reducing income from other local authorities. This has been offset by a reduction in number of placements relating to direct remands.
Leaving Care Service	2,091	57.8	Pressure on the leaving care service as a result of increased numbers leading to an increase in supported lodgings and support activity. The pressure is being addressed as a separate work stream as part of the Transformation to 2019 (Tt2019) Programme.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Adoption Service	281	7.3	Mainly due to interagency fees, where Hampshire is paying for more placements and has reduced income from other local authorities. However, this pressure has been partially offset by government grant. Additional pressures on this budget are in relation to adoption allowances increasing in numbers
Various Other (Net)	(1,428)	(1.8)	A range of smaller savings across the Department
Sub-Total Non-Schools Budget	0	0.0	
Total	0	0.0	

Economy, Transport & Environment Department – Revenue Expenditure 2016/17

Major variations in cash limited expenditure – Savings of £7.3m (6.1%) against the adjusted cash limit.

Main variations

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Highways, Traffic & Transport	(373)	(0.6)	<p>The position reflects savings against the winter maintenance budget of £1.7m due to the relatively mild and dry weather, which Cabinet has agreed in principle to reinvest in highways maintenance in 2017/18 providing additional one-off resources to supplement existing planned maintenance programmes.</p> <p>This has been partly offset by other pressures including:</p> <ul style="list-style-type: none"> • Major scheme development costs which had previously been expected to be funded from external contributions, however a late claw-back condition attached to the funding prevented this funding being applied in the 2016/17 financial year. • Pressures on the highways maintenance and HQ budgets including a small overspend on the operational budget including accelerating works not originally programmed for 2016/17 facilitated by the milder weather, and • Higher than anticipated local bus contract costs.
Economic Development	40	3.0	<p>Position reflects lower than anticipated external fee income as a result of historic contractual issues meaning it was not possible to realise the expected benefits in full from these particular arrangements.</p>

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Waste, Planning and Environment	(867)	(1.8)	The savings are predominantly the result of early and higher than expected benefits from Tt2017 initiatives including higher levels of external income and fees, together with cost savings in waste disposal e.g. through diverting materials from landfill. In 2017/18 this funding will offset the anticipated 2017 savings from further changes to opening hours which were deferred for implementation to autumn 2017.
General Departmental	(280)	(10.3)	Various ongoing housekeeping savings across departmental non-pay budgets (e.g. printing and postage) as well as additional cross-cutting income.
Planned Early Delivery of Tt2017 Savings	(5,802)	(4.8)	<p>Although budget provision was retained in the cash limit in full, the Department's budget plan for 2016/17 was built on the expectation of delivering planned early achievement of Tt2017 savings. The outturn position reflects achievement of that planned early delivery during the year, including</p> <ul style="list-style-type: none"> • Staffing reductions through a voluntary redundancy programme in 2015 • Contract re-negotiation (e.g. highways maintenance, waste disposal) or re-procurement (e.g. Intelligent Transport Systems), and • Early implementation of service changes such as street lighting dimming.
Total	(7,282)	(6.1)	

Policy and Resources – Revenue Expenditure 2016/17

Major variations in cash limited expenditure – Savings of £14.2m (11.9%) against the adjusted cash limit.

Main variations

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Corporate Services	(6,927)	(11.8)	Corporate Services continues to implement a strategy of strong budgetary control, managing expenditure through joint working and generating income, for example for legal and other services. This has enabled the costs to support the Tt2017 Programme to be absorbed and also ensured early achievement of Tt2017 savings to contribute to the cost of change reserve to be used for future investment in further transformation work to support Tt2019.
Culture, Community and Business Services	(6,041)	(16.3)	Continued strong financial management ensured that the Department's outturn position benefited from the over achievement of 2015/16 savings, early achievement of Tt2017 savings and a planned under spend on the Printsmart contract (totalling £5.6m). In addition, reductions and delays in expenditure (mainly Libraries and Business Support) together with additional income (mainly Trading Standards, but also within Calshot and Outdoors Centres, Asbestos and Registration) contributed to the overall savings that will be added to the Department's Cost of Change reserve and used for transformation projects.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Non Departmental Policy & Resources	(1,280)	(5.4)	<p>The variance largely reflects early achievement of Tt2017 savings across a number of budgets including corporate expenses and the external audit fee. There was also one-off income received and refunded costs relating to an historic asset disposal</p> <p>During 2016/17 the former capital budget for strategic land was transferred to this part of Policy and Resources. The net position reflects a remaining balance of £303,000 from the original £8m funding, which will be ring-fenced for future revenue spend on strategic land. In addition, there is a small saving on schools repairs and maintenance works, as a result of the lead in time to commit works of a more complex nature. This will be ring-fenced for future schools repairs and maintenance works.</p> <p>The majority of Non departmental P&R budgets are ring-fenced and any savings are carried forward to the following financial year for that purpose.</p>
Total	(14,248)	(11.9)	

New Schools Design and Delivery Strategy

1. Introduction and Context

- 1.1 All new schools are required to be established as Academies. The County Council has chosen to take an active role to ensure they are set up on a firm footing and that sponsors are selected to provide a high standard of education.
- 1.2 The Council's Property Services has hitherto had a significant role to design and oversee the delivery of all new school buildings in the County.
- 1.3 The Department for Education (DfE) now requires that all new schools are constructed to a benchmark cost to maximise the number of places provided for the funding available nationally. This is in the context of reduced public spending and austerity.
- 1.4 The current estimated cost of new schools in Hampshire over the period 2017 to 2021 is £89m consisting of one Secondary, one All Through, one Special and five Primary schools. This is part of a £300m plus programme of investment in school buildings over the next four years – an unprecedented scale of construction activity and is based on a tried and tested design and delivery programme that has been in place in Hampshire for a number of decades.
- 1.5 Property Services is currently funded to undertake a complete design and project management service on the basis of 16.5% of the capital cost of each project. Importantly, this covers a range of work in the very early school planning stages which ensures that:
 - Developers' Contributions continue to be maximised;
 - Suitable sites for new schools are secured at no or minimal cost;
 - Government Grant is obtained at the maximum level; and
 - The infrastructure and setting of the school buildings are appropriate in line with the Council's place shaping ambitions.
- 1.6 This report proposes a revised method of quantifying fees for all new school projects that better reflects the changing national picture and future arrangements for delivery whilst at the same time maintaining the benefits of the current approach. It is also necessary to ensure the most efficient and effective use of professional resources, focusing capacity where it can maximise positive outcomes for the Council.

2. A New Approach to New Schools Delivery

- 2.1 Funding for new school buildings is available through a combination of Government Grant (Basic Need and Free Schools) and Developer Contributions. The County Council has an excellent track record of securing significant Developers' Contributions which have brought in over £178m in recent years into the Children's Services Capital Programme. It is proposed to aim to deliver all new schools within the envelope of available 'external' funding together with the potential of any 'connected' capital receipts, thereby avoiding calls on the County Council's own scarce resources.

- 2.2 In the context of ensuring that all new schools are designed to cost parameters in line with DfE benchmarks, a set of 'core' lower cost designs are being developed that will meet this requirement while still maintaining an appropriate level of quality and robust specification.
- 2.3 The arrangement for funding the Property Services design resources for new schools also needs to change to match the new delivery arrangements. It is proposed to:
- Reduce the core fee in building design and delivery from 16.5% to 12.5% in line with the DfE national benchmark.
 - Fund the strategic planning and feasibility costs separately from County Council revenue resources to ensure that the objectives outlined in paragraph 1.5 are fully met.
- 2.4 New schools which are Academies (set up using the presumption route) will be designed and delivered directly by the County Council but will now use a cost and fee envelope to match the DfE's benchmark standards. These will continue to be procured using the County Council's successful Construction framework arrangements.
- 2.5 It is proposed to maximise opportunities for efficient design and delivery to common templates and specification, aggregating procurement and buying opportunities where possible.

3. Free Schools

- 3.1 Free Schools are Academies which are directly revenue funded by Government and not part of the County Council's portfolio of Community Schools. The capital cost is also funded directly by the DfE and the schools and are commonly delivered directly by them, using project management consultants and contractors from their own national and regional frameworks.
- 3.2 To date, the County Council's strategy has been to ensure that it stays closely involved in the bidding and establishment of Free Schools. It has worked actively to encourage known sponsors (with a good track record) to come forward and work in partnership with them. It is also taking an active role in the design and delivery of the buildings on behalf of the DfE to ensure the best outcome for Hampshire children as well as the best and sustainable resources for our communities.
- 3.3 The Council has been successful in working in partnership with academy sponsors to gain approval from the DfE for a number of Free Schools. This is currently expected to contribute around £21m of funding over and above Developers' Contributions to the current programme of new schools.
- 3.4 The Council's Property Services has recently established a working Partnership with the DfE to undertake "Local Delivery" of Free Schools and a number of other centrally funded school projects. This is testament to the capacity and skills, together with the track record of the County Council in the past. As a result of good performance to date, the DfE has commissioned the Council's Property Service to deliver a number of school projects on the Isle of Wight on their behalf (a programme of approximately £20m construction

- value). This helps retain skills and capacity as well as bringing in additional fees to Property Services making a positive contribution to overheads.
- 3.5 For the design and delivery of Free Schools, the County Council is required to follow the DfE process and governance. This includes the option of transferring design responsibility to the selected Contractor at an early stage in the process. The Contractor takes responsibility for the design, construction and financial risk following conclusion of a two stage tender process.
- 3.6 There are three potential options for the County Council's role in the management and delivery of Free Schools:
- **Option A** - Leave the process entirely to the DfE and take no active part.
 - **Option B** - Undertake the feasibility design only and then hand over to the DfE.
 - **Option C** - Retain an active role throughout the feasibility, design and construction of the school project.
- 3.7 Option A means that the Council has no control over what is constructed. It does have the benefit that all financial risk is borne by the DfE: however, given that the majority of new schools are a key component of housing development and the establishment of new communities, it would mean surrendering all control over the design, quality and construction.
- 3.8 The Council has to date invested significant time and effort in securing appropriate sites, developers' funding contributions and shaping the setting of the schools in their context. There is a high risk that surrendering all control would have a negative impact on hard-won achievements.
- 3.9 Options B and C retain elements of control for the Council with the latter proposing oversight of the process through to completion. Option B invests in the feasibility of the school design, but no more. This would go some way to controlling the process but would still bear the risk of giving the Contractor complete freedom in the construction phase without any oversight by the Council.
- 3.10 Given our track record and skills, it is recommended that Option C is pursued for the immediate programme of new schools referred to in Section 4 below. There is some financial risk for the Council in doing so but this has successfully been managed in the past. It is considered that the benefits of overseeing the outcomes and continuing to maintain the local delivery on behalf of the DfE outweigh the financial risk. It will also maximise the opportunities to secure Grant funding into Free Schools in Hampshire.

4. The Programme of New School Projects

- 4.1 There are currently seven new schools identified to be delivered in the next four years (2017 to 2021). These are:
- East Anton Primary, Andover (Free School)
 - Boorley Green Primary (Free School)
 - Horton Heath All Through School (Free School) - To be delivered as two projects for Primary and Secondary phase

- Basingstoke SEN School
- Chestnut Avenue Primary, Eastleigh (Academy)
- Cornerstones Primary, Whiteley (Church of England Aided School)
- Whiteley Secondary (Governance TBC)

4.2 There is also early strategic planning and feasibility work required for further new schools proposed in Hampshire at Welborne, Manydown, Bordon, Basingstoke and Fleet – all relating to areas of new housing development emerging in Local Plans.

5. Revenue Funding Requirement

- 5.1 In line with the proposed delivery and fee funding model, it is recommended that revenue funding is identified to provide the necessary planning and feasibility resources in Property Services to shape, oversee and deliver the future major programme of new schools. The scale of the investment in Hampshire schools that can be secured from both Government Grant and Developers' Contributions of £89m is good evidence of the need to continue to maintain capacity and skills in this area.
- 5.2 An exercise has been undertaken to identify the professional resources required over the next four financial years. There is certainty about the costs for 2017/18 but future years are indicative estimates at this stage. It is recommended that these amounts are taken into account as part of the development of the Medium Term Financial Strategy and adjusted as the programme of works and timing of delivery becomes clear.
- 5.3 The revenue costs identified below do not represent extra costs to the County Council, they would normally form part of Children's Services capital programme which has a significant deficit against resources over the longer term, which will be reduced as a consequence of the new design and delivery methods highlighted in this report.
- 5.4 Additional estimated revenue funding requirements for both strategic planning and feasibility costs are as follows:

Financial Year	£'000	
2017/18	1,230	
2018/19	880	Indicative
2019/20	600	Indicative
2020/21	220	Indicative

- 5.5 Funding for the first years costs has been earmarked within the outturn report and resources for future schemes will be added on an annual basis as the programme of new schools develops. Any unused funding will be carried forward to future years to help smooth fluctuations in the timing of the programme.

- 5.6 There is the potential that additional funding for professional resources could be secured from the DFE as the result of efficiencies provided to them through local delivery by the County Council in partnership. Officers will actively pursue this with a view to reducing the costs identified in this report. The Partnership is recently established and further senior officer engagement is planned to develop the ways of working and securing continuous improvement as the major programme is rolled out over the next four years.

Annual Treasury Outturn Report 2016/17

1. Purpose

- 1.1. The County Council adopts the key recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice, which includes an annual report on the treasury management strategy after the end of each financial year.

2. Summary

- 2.1. Treasury management in the context of this report is defined as:
“The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 2.2. This annual report sets out the performance of the treasury management function during 2016/17, to include the effects of the decisions taken and the transactions executed in the past year.
- 2.3. Overall responsibility for treasury management remains with the County Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the County Council’s treasury management objectives.
- 2.4. All treasury activity has complied with the County Council’s Treasury Management Strategy and Investment Strategy for 2016/17, and all relevant statute, guidance and accounting standards. In addition the County Council’s treasury advisers, Arlingclose, provide support in undertaking treasury management activities.
- 2.5. The County Council has complied with all of the prudential indicators set in its Treasury Management Strategy; these are detailed fully in Annex A.

3. External Context

- 3.1. The following sections outline the key economic themes currently in the UK against which investment and borrowing decisions were made in 2016/17.

Economic Background

- 3.2. Politically, 2016/17 was an extraordinary 12 month period which defied expectations when the UK voted to leave the European Union and Donald Trump was elected the 45th President of the USA.
- 3.3. UK inflation was subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year on year in April 2016 to 2.3% year on year in March 2017.

- 3.4. In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases.
- 3.5. Despite growth forecasts being downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of 2016, and in February the unemployment rate dropped to 4.7%, its lowest level in 11 years.

Financial Markets

- 3.6. After recovering from an initial sharp drop in Quarter 2, equity markets rallied, although displaying some volatility at the beginning of November following the US presidential election result. Commercial property values fell around 5% after the referendum, but had mostly recovered by the end of March. Overnight money market rates have remained low since the Bank Rate was cut in August.

Credit Background

- 3.7. Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. Fitch and Standard & Poor's downgraded the UK's sovereign rating to AA. Fitch, S&P and Moody's have a negative outlook on the UK. Moody's has a negative outlook on those banks and building societies that it perceives to be exposed to a more challenging operating environment arising from the 'leave' outcome.

4. Local Context

- 4.1. At 31 March 2017 the County Council's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £755m, while usable reserves and working capital which are the underlying resources available for investment were £522m (principal invested plus gains on investments with a variable net asset value).
- 4.2. At 31 March 2017, the County Council had £333m of borrowing and £513m of principal invested. The County Council's current strategy is to maintain borrowing and investments below their underlying levels, referred to as internal borrowing.
- 4.3. The County Council's CFR is forecast to increase in 2017/18 and its capital programme does not include any need to borrow externally over the forecast period. Investments are forecast to fall as capital receipts and internal borrowing from reserves are used to finance capital expenditure.

5. Borrowing Strategy

- 5.1. At 31 March 2017 the County Council held £333m of loans, (a decrease of £13m on 31/03/2016) as part of its strategy for funding previous years' capital programmes.
- 5.2. The County Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and

achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the County Council's long-term plans change being a secondary objective.

- 5.3. Affordability and the "cost of carry" remained important influences on the County Council's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained, and are likely to remain at least over the forthcoming two years, lower than long-term rates, the County Council determined it was more cost effective in the short-term to use internal resources instead of taking out new borrowing.
- 5.4. The benefits of internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose assists the County Council with the monitoring of internal and external borrowing.

Table 1: Borrowing Activity in 2016/17

	Balance on 01/04/2016 £m	Net New Borrowing £m	Balance on 31/03/2017 £m
CFR	755.7		755.4
Short Term Borrowing ¹	12.5	1.0	13.5
Long Term Borrowing	333.3	(13.6)	319.7
Total Borrowing	345.8	(12.6)	333.2
Other Long Term Liabilities	175.5	(4.5)	171.0
Total External Debt	521.3	(17.1)	504.2
Increase/ (Decrease) in Borrowing £m			(12.6)

- 5.5. During 2016/17 the County Council repaid £12.54m of maturing PWLB debt, and did not replace this borrowing. This will reduce the future cost of interest payments on the County Council's external debt.

LOBOs

- 5.6. The County Council holds £60m of LOBO loans (down from £73m due to the conversion of Barclays LOBO loans, which is further explained in paragraph

¹ Loans with maturities less than 1 year – the increase reflects more loans falling into this category in the last financial year, rather than new borrowing.

5.7) where the lender has the option to propose an increase in the interest rate at set dates, following which the County Council has the option to either accept the new rate or to repay the loan at no additional cost. None of the LOBO loan options were exercised by the lender in the year.

- 5.7. In June 2016 Barclays Bank informed the County Council of its decision to cancel all the embedded options within standard LOBO loans. This effectively converts £13m of the County Council's Barclays LOBO loans to fixed rate loans removing the uncertainty on both interest cost and maturity date. This waiver has been done by 'deed poll'; it is irreversible and transferable by Barclays to any new lender.

Debt Rescheduling

- 5.8. The premium charged for early repayment of PWLB debt remained relatively expensive for the loans in the County Council's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence. However, consideration continues to be given to any advantageous opportunity for the County Council to reduce or restructure its debt portfolio.

6. Investment Activity

- 6.1. The combined effect of the EU Bank Recovery and Resolution Directive and the UK's Deposit Guarantee Scheme Directive is to promote deposits of individuals and SMEs above those of public authorities, large corporates and financial institutions. Other EU countries, and eventually all other developed countries, are expected to adopt similar approaches in due course.
- 6.2. The outlawing of bail-outs, the introduction of bail-ins, and the preference being given to large numbers of depositors other than local authorities, means that the risks of making unsecured deposits rose relative to other investment options. Since 2014/15 the County Council therefore increasingly favoured secured investment options or diversified alternatives such as covered bonds, non-bank investments and pooled funds over unsecured bank and building society deposits.
- 6.3. The County Council has held invested funds representing income received in advance of expenditure plus balances and reserves held. During 2016/17 the Council's investment balances have ranged between £496m and £645m.

Table 2: Investment Activity in 2016/17

Investments	Balance on 01/04/2016 £m	Balance on 31/03/2017 £m	Average Rate/Yield on 31/03/2017 %	Average Life on 31/03/2017 Years
Short term Investments				
- Banks and Building Societies:				
- Unsecured	55.7	35.7	0.56	0.08
- Secured	27.8	20.0	0.57	0.62
- Money Market Funds	66.1	61.7	0.26	0.00
- Local Authorities	92.5	116.8	0.68	0.39
- Corporate Bonds	10.0	1.3	0.37	0.19
	252.1	235.5	0.54	0.26
Long term Investments				
- Banks and Building Societies:				
- Secured	65.0	70.0	0.88	1.58
- Local Authorities	113.5	97.5	2.11	1.56
	178.5	167.5	1.59	1.57
Long term Investments – high yielding strategy				
- Local Authorities				
- Fixed deposits	20.0	20.0	3.96	16.97
- Fixed bonds	10.0	10.0	3.78	16.77
- Pooled Funds				
- Pooled property	35.0	45.0	3.85	n/a
- Pooled equity	-	20.0	3.04	n/a
- Pooled multi-asset	-	10.0	0.89	n/a
- Registered Provider	-	5.0	3.40	2.08
	65.0	110.0	3.43	14.79
Total Investments	495.6	513.0	1.50	1.92
Increase/ (Decrease) in Investments		17.4		

6.4. Both the CIPFA Code and the government guidance require the County Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The County Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring

- losses from defaults and the risk of receiving unsuitably low investment income.
- 6.5. Over the year the County Council reduced its exposure to unsecured bank and building society investments by increasing its exposures to other local authorities. The County Council has also invested more of the allocation to the high yield strategy through further investing in pooled property funds, and new investments in pooled equity and multi-asset funds, as well as a new investment with a Registered Provider.
 - 6.6. As part of the 2017/18 Investment Strategy the total amount targeted towards high yielding investments was increased to £200m. Investments yielding higher returns will contribute additional income to the County Council, although some come with the risk that they may suffer falls in the value of the principal invested.
 - 6.7. Of the £200m available £110m has been invested (an increase of £45m since 31 March 2016). However the fall in long term interest rates since the decision to target higher returns has limited the opportunities that have been available for advantageous long term investments.
 - 6.8. The investments in pooled property, equity and multi-asset funds allow the County Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. The funds which are operated on a variable net asset value (VNAV) basis offer diversification of investment risk, coupled with the services of a professional fund manager; they also offer enhanced returns over the longer term but are more volatile in the short-term. All of the County Council's pooled fund investments are in the respective fund's distributing share class which pay out the income generated.
 - 6.9. Although money can be redeemed from the pooled funds at short notice, the County Council's intention is to hold them for at least the medium-term. Their performance and suitability in meeting the County Council's investment objectives are monitored regularly and discussed with Arlingclose.
 - 6.10. Security of capital has remained the County Council's main investment objective. This has been maintained by following the County Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2016/17.
 - 6.11. Counterparty credit quality was assessed and monitored with reference to credit ratings, for financial institutions analysis of funding structure and susceptibility to bail-in, credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.
 - 6.12. The County Council will also consider the use of secured investment products that provide collateral in the event that the counterparty cannot meet its obligations for repayment.
 - 6.13. The County Council maintained a sufficient level of liquidity through the use of call accounts and money market funds. The County Council sought to optimise returns commensurate with its objectives of security and liquidity. The UK Bank Rate has been maintained at 0.25% since August 2016 and

short-term money market rates have remained at relatively low levels which continued to have a significant impact on cash investment income.

- 6.14. The County Council's average cash balances were £564.5m during the year and interest earned for the year was £8.6m, giving a yield of 1.52%.

7. Compliance with Prudential Indicators

- 7.1. The County Council confirms compliance with its Prudential Indicators for 2016/17, which were set in February 2016 as part of the County Council's Treasury Management Strategy Statement.

8. Treasury Management Indicators

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

Interest Rate Exposures

- 8.2. This indicator is set to control the County Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of net principal borrowed will be:

Table 3 – Interest Rate Exposures

	Approved limits for 2016/17	Maximum during 2016/17	Compliance with limits:
Upper limit on fixed interest rate investment exposure	£350m	£172m	Yes
Upper limit on variable interest rate investment exposure	£700m	£473m	Yes
Upper limit on fixed interest rate borrowing exposure	£780m	£442m	Yes
Upper limit on variable interest rate investment exposure	£780m	£120m	Yes

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

Maturity Structure of Borrowing

- 8.4. This indicator is set to control the County Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

Table 4 – Maturity Structure of Borrowing

	Upper	Lower	Actual
Under 12 months	50%	0%	4.0%
12 months and within 24 months	50%	0%	2.3%
24 months and within 5 years	50%	0%	9.1%
5 years and within 10 years	75%	0%	13.3%
10 years and within 20 years	75%	0%	50.9%
20 years and within 30 years	75%	0%	20.4%
30 years and above	100%	0%	0.0%

Principal Sums Invested for Periods Longer than 364 days

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

Table 5 – Principal Sums Invested for Periods Longer than 364 days

	2016/17	2017/18	2018/19
Limit on principal invested beyond year end	£350m	£300m	£300m
Actual	£278m		

Prudential Indicators 2016/17

The Local Government Act 2003 requires the County Council to have regard to CIPFA's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the County Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure

The County Council's planned capital expenditure and financing may be summarised as follows. Further detail is provided in the capital programme report.

Capital Expenditure and Financing	2016/17 Approved £m	2016/17 Revised £m	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m
Total Expenditure	237	209	173	283	250
Capital receipts	6	8	4	8	6
Grants and other income	195	102	132	209	187
Revenue contributions	21	69	10	18	33
Contributions from reserves	2	10	15	9	2
Total Financing	224	189	161	244	228
Prudential borrowing	22	25	16	49	34
Less repayments from capital receipts etc	(9)	(5)	(4)	(10)	(12)
Total Funding	13	20	12	39	22
Total Financing and Funding	237	209	173	283	250

Estimates of Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the County Council's underlying need to borrow for a capital purpose.

CFR	31/03/2017 Approved £m	31/03/2017 Revised £m	31/03/2017 Actual £m	31/03/2018 Estimate £m	31/03/2019 Estimate £m
General Fund	739	763	755	788	795

The CFR is forecast to rise by £32m over the next two years as capital expenditure financed by debt is outweighed by resources put aside for debt repayment.

Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium term debt will only be for a capital purpose, the County Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31/03/2017 Forecast £m	31/03/2017 Revised £m	31/03/2017 Actual £m	31/03/2018 Estimate £m	31/03/2019 Estimate £m
Borrowing	330	330	333	316	309
PFI liabilities	168	172	171	166	159
Total Debt	498	502	504	482	468

Total debt is expected to remain below the CFR during the forecast period.

The actual debt levels are monitored against the Operational Boundary and Authorised Limit for External Debt, below.

Operational Boundary for External Debt

The operational boundary is based on the County Council's estimate of most likely, i.e. prudent, but not worst case scenario for external debt.

Operational Boundary	2016/17 Approved £m	2016/17 Revised £m	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m
Borrowing	610	660	333	690	700
Other long-term liabilities	170	180	171	170	160
Total Debt	780	840	504	860	860

Authorised Limit for External Debt

The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the County

Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2016/17 Approved £m	2016/17 Revised £m	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m
Borrowing	640	720	333	750	770
Other long-term liabilities	210	220	171	210	200
Total Debt	850	940	504	960	970

Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2016/17 Approved %	2016/17 Revised %	2016/17 Actual %	2017/18 Estimate %	2018/19 Estimate %
General Fund	5.73	4.22	4.07	3.99	4.01

Adoption of the CIPFA Treasury Management Code

The County Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* in February 2010.

Capital Spending and Financing 2016/17

1. Introduction

1.1 This Appendix reports that:

- Capital schemes costing £196.5m were started during 2016/17 from the approved capital programme for the year of £318.1m.
- This left £100m for named projects not started by 31 March 2017 which will be carried forward to 2016/17, subject to Cabinet's approval.
- Capital payments of £173.2m were incurred in 2016/17 and this can be financed within available resources.
- It is proposed that, under the Prudential Code for Capital Finance, new prudential borrowing of £16.3m is used in 2016/17 to fund previously approved schemes. Government grant support will not be available to finance this borrowing.
- Repayments of prudential borrowing from capital receipts and other sources total £4.0m in 2016/17.
- £6.9m of resources will be drawn down from the capital reserve in 2016/17 for use in funding payments incurred in 2016/17.
- Capital receipts of £4.4m were achieved from the sale of assets in 2016/17.

2. Capital Programme for 2016/17

2.1 Table 1 below shows that 61.8% of the capital programme for 2016/17 of £196.5m was started in the year.

Table 1 - Capital Schemes Committed in 2016/17

	£'000	%
Approved value of the capital programme for 2016/17	318,125	100.0
Schemes committed in 2016/17	196,491	61.8
Balance of Cash Limit at 31 March 2017	121,634	38.2
Schemes for which approval to carry forward to 2017/18 is now requested	99,984	31.4
Schemes previously approved for carry forward	21,650	6.8
Total Cash Limit to be Carried Forward to 2017/18	121,634	38.2

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

3. Carry Forward of Schemes not Committed by 31 March 2017

3.1 The approval of Cabinet is required for proposals to carry forward schemes not started at 31 March 2017. The total value of such schemes is £100m. This excludes £20.6m of Children's Services and £1m of Policy and

Resources schemes for which approval to carry forward to 2017/18 has previously been given during 2016/17. These amounts are largely committed against named projects.

- 3.2 As Table 2 shows, the proportion of the 2016/17 programme committed in the year, at £196.5m, is higher than the level achieved in 2016/17 of £185.8. Good progress is being made given the significant size of the overall capital programme.

Table 2 – Percentage of Capital Programme Committed

	2015/16	2016/17
	£m	£m
Value of projects		
- committed	185.8	196.5
- carried forward	66.9	121.6
Total Programme	252.7	318.1
Percentage committed	73.5%	61.2%

- 3.3 Individually, most of the schemes and provisions to be carried forward are relatively small amounts. The larger schemes include:
- Adults with Disability – Accommodation Strategy (£20.4m) – A capital grants programme has been approved and is progressing.
 - Extra care housing transformation (£20.2m) – Projects are being considered.
 - Improvements at Schools (£12.5m) – Future projects planned and contracts being let.
 - Children’s Services contingency provision carried forward to cover future projects and pressures on the capital programme (£17.1m).
 - Structural maintenance of roads and bridges – Future projects planned which are linked to the outcome of funding bids (£9m).
 - Investment in Hampshire projects – Projects are planned (£3m).

4. Capital Expenditure and Financing 2016/17

- 4.1 Total expenditure actually incurred in 2016/17, arising from the capital programme for 2016/17 and earlier years, was £173.2m. This is £145.3m or 45.6% lower than the revised estimate for 2016/17. The timing of capital expenditure flows between financial years is often difficult to predict. The delays in committing a fair proportion of the capital programme for 2016/17, as shown in Table 2, will have reduced the level of payments in the year.
- 4.2 An analysis of the expenditure of £173.2m by service and type is included in Annex 2.
- 4.3 The proposed method of financing this expenditure is summarised in Table 3:

Table 3 – Capital Financing 2016/17

	Adjusted Revised Estimate £'000	Actuals £'000	Variation £'000
Prudential borrowing			
- for capital schemes	24,894	16,280	(8,614)
- repayments of specific schemes	(4,737)	(4,042)	695
Government capital grants	67,276	85,815	18,539
Contributions from developers and outside agencies	34,381	46,565	12,184
Capital receipts	7,672	4,375	(3,297)
Revenue reserves	9,865	9,865	0
Revenue contributions			
- general corporate provision	7,404	7,498	94
Total Capital Resources	146,755	166,356	19,601
Transfers from / (to) capital reserve			
- planned use of capital reserve to fund payments	58,084	6,863	(51,221)
Total funding for payments in 2016/17	204,839	173,219	(31,620)

4.4 In addition to this spend, during 2016/17, the Enterprise M3 Local Enterprise Partnership (LEP) invested £25.2m in Capital projects within the M3 corridor. This spend is included in the annual accounts, as the Council is the Accountable Body for the LEP.

5. Borrowing

5.1 Since 1 April 2004, local authorities have been permitted to borrow for capital purposes without specific approval from the Government, provided their actions meet the requirements of the Prudential Code for Capital Finance introduced by the Local Government Act 2003. This is known as 'prudential borrowing'. It does not attract any support from the Government towards the repayment and interest costs, which fall wholly on the County Council's own resources.

5.2 Cabinet agreed criteria for the use of prudential borrowing in November 2003, with revisions in February 2006. Since then, its use has been agreed for a number of capital schemes, primarily on an invest-to-save basis. It is

proposed that a total of £16.3m is borrowed in 2016/17 for these schemes, in accordance with the approved criteria.

- 5.3 Prudential borrowing of £4m has been repaid in 2016/17 from the use of capital receipts, developer and other contributions.
- 5.4 The Prudential Code includes a number of indicators intended to illustrate whether local authorities are acting prudently. The County Council's latest position on these prudential indicators following the 2016/17 outturn is summarised in Appendix 3. It shows that the County Council continues to be in full compliance with the requirements of the Code.

6. Capital receipts

- 6.1 Capital receipts from the sale of land and property in 2016/17 were £4.4m in total. This has been used to fund capital expenditure in the year.
- 6.2 Services' proposed shares of capital receipts in 2016/17 are summarised in Annex 3. The County Council's policy allows services to retain 25% of capital receipts from the sale of their assets, with up to 100% for approved rationalisation schemes.
- 6.3 In line with this policy, services are entitled to £2.9m of the £4.4m received in 2016/17. Cabinet has previously approved the addition of majority of this amount to services' capital programmes, leaving a total of £0.2m for which approval is now required for allocation to services, as set out in Annex 3.

Analysis of Capital programme 2016/17 and Requests by Services to Carry Forward Capital Schemes to 2017/18

	(1) Approved Value of Programme	(2) Schemes Committed in 2015/16	(3) Schemes for Which Approval to Carry Forward is Requested	(4) Schemes Already Approved for Carry Forward	Total Cash Limit Carried Forward to 2016/17 (Columns 3+4)
	£'000	£'000	£'000	£'000	£'000
Adult Services	70,037	25,604	44,433		44,433
Children's Services	94,950	37,975	36,365	20,610	56,975
Economy, Transport & Environment	107,056	96,183	10,873		10,873
Policy & Resources	46,082	36,729	8,313	1,040	9,353
Total	318,125	196,491	99,984	21,650	121,634
	100.0%	61.8%	31.4%	6.8%	38.2%

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

Summary of Capital Expenditure in 2016/17Analysis by service

	£'000	%
Adult Services	13,750	8.0
Children's Services	55,937	32.3
Economy, Transport & Environment	80,442	46.4
Policy and Resources	23,090	13.3
	173,219	100.0

Analysis by type of expenditure

	£'000	%
Land	3,744	2.2
Construction work	134,815	77.8
Fees and salaries	27,721	16.0
Furniture, equipment and vehicles	6,874	4.0
Capital Loan	65	0.0
	173,219	100.0

Analysis of Capital Receipts 2016/17

	Net Capital Receipts	Costs of Sales	Shares from in/out and Other Schemes		25% Share of Qualifying Receipts Now Due to Services
	£'000	£'000	Previously Added to Programme £'000	Now Available to be Added to Programme £'000	£'000
Adult Services	600		600		
Children's Services					
Economy, Transport & Environment	750				188
Policy & Resources	3,025	3	2,055	20	32
	4,375	3	2,655	20	220
Total now to be added to services' programmes				240	

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COUNCIL MEETING, 20 JULY 2017

REPORT OF THE
Hampshire Fire and Rescue Authority
PART II

8. CHAIRMAN'S REPORT

- 8.1 At its meeting of 13 June 2017, Councillor Chris Carter was re-appointed Chairman of the Hampshire Fire and Rescue Authority. Councillor Liz Fairhurst was re-appointed as Vice-Chairman. The Chairman welcomed all Members, both new and returning to the first meeting of the Authority in the new municipal year.
- 8.2 In accordance with the outcomes of the efficiency and effectiveness review, which concluded in September 2016, the Fire and Rescue Authority was meeting for the first time in its new formation of 10 Members. Consequent to the revised structure, a proposed Constitution for HFRA was presented to the Authority. This followed the review and revision of a number of governance documents and their consolidation into a single Constitution in line with the recommendations of the Governance Improvement Plan. The Authority received the proposed Constitution and considered the key procedural changes entailed within it. With a number of minor amendments, the Constitution was agreed. In reaching this decision, the Authority noted that the Members' Allowances Scheme for 2017/18 was potentially no longer suitable for the revised Authority size and structure and therefore tasked members of the Standards and Governance Committee with reviewing the Scheme. Pending the outcome of this review, it was agreed to suspend the payment of all Member allowances. In light of the agreed Constitution, the Authority proceeded to make a number of appointments to various roles within the governance structure.
- 8.3 Prior to the meeting, the retirement of the Chief Fire Officer had been announced and a leaving date of 31 December 2017 confirmed. The Authority considered options for how to proceed with the recruitment of a new Chief Fire Officer and agreed to establish a cross-Party Member Working Group to further evaluate options and make proposals for a recruitment strategy to the July Authority meeting. In recognition of the strategic partnership with the Isle of Wight Council, in particular the sharing of the Chief Officer by the two Authorities, it was agreed to include a nominated representative from the Isle of Wight Council on the Member Working Group.
- 8.4 The Fire and Rescue Authority received a report of the Chief Fire Officer providing information detailing a collaborative approach to consider governance arrangements of the Fire and Rescue Authority in Hampshire. This is enabled by a Memorandum of Understanding (MOU) that has been signed between Hampshire Fire and Rescue Authority, the Isle of Wight Fire and Rescue Authority and the Office of the Police and Crime Commissioner to

facilitate a Fire Governance Options Appraisal Project between the parties.
The Authority endorsed the approach as set out in the report.

Further details on these items can be found at the following link:

- [Hampshire Fire and Rescue Authority 13 June 2017](#)

Councillor Chris Carter
Chairman of
Hampshire Fire and Rescue Authority

COUNCIL MEETING, 20 JULY 2017

ANNUAL REPORT OF THE
Policy and Resources Select Committee

PART II

9. SUMMARY

- 9.1 This report provides an annual update on the work of the following Hampshire County Council Select Committees from April 2016 to March 2017: Children & Young People Select Committee, Culture & Communities Select Committee, Economy Transport & Environment Select Committee and Policy & Resources Select Committee. The work of the Health and Adult Social Care Select Committee is reported elsewhere on this agenda.

10. CHILDREN AND YOUNG PEOPLE SELECT COMMITTEE

- 10.1 **Chairman for this period:** Councillor Ray Bolton

- 10.2 **Reviews undertaken / outcomes being monitored:** None in this period

10.3 Pre-scrutiny of Significant Executive Decisions:

Family Support Service: The Committee scrutinised prior to decision the proposals to redesign the family support service, as part of 'Transformation to 2017'. The proposals aimed to offer a fully integrated model across Hampshire, realigning the offers of children's centres, early help hubs and youth support services, and joining together with the Supporting Troubled Families Programme. The proposal, together with the change in approach outlined by children's services and consultation outcomes, as well as other supporting documents. Significant questioning and debate was held, with the Committee resolving to support the proposals (later agreed by the Executive Lead Member), as well as recommending signposting to universal early help services.

- 10.4 **Call-in of Significant Executive Decisions:** The call-in of the Family Support Service decision was requested by a quorum of the Select Committee on 19 July 2017, but not recommended following a vote by the Select Committee.

- 10.5 **Referrals:** None in this period

10.6 Scrutiny of Budgets and Performance:

Revenue Budget for Children's Services 2017/18: The revenue budget for Children's Services for 2017/18 outlined the overall County Council financial position, and reviewed the savings made as part of 'Transformation to 2017'; there were no new savings for 2017/18. The position in relation to the local government grant settlement was reviewed, as well as other budget-related matters. The priorities of the Department were highlighted for the coming year, which prioritised spend where it was most needed. The Committee also gave a particular focus to Home to School transport and the related costs incurred by the Council. Members resolved to support the recommendations being proposed to the Executive Lead Member for Children's Services.

Capital Programme for Children's Services 2017/18 – 2019/20: The capital programme for Children's Services for 2017/18 – 2019/20 was considered by the Committee, where the approaches to funding the demand for additional school places was focused upon. Members explored the impact on the capital programme that a change in inflation was likely to have, especially given the impact of world events on the construction industry. The Committee resolved to support the recommendations being proposed to the Executive Lead Member for Children's Services.

10.7 **Policy Review:** See 'Family Support Service' above.

10.8 **Questioning and exploring areas of interest and concern:** The Committee received items on the following issues:

- Attainment of Pupils in Hampshire Schools
- Children's Safeguarding
- Ethnic Minority and Traveller Achievement Service
- Transforming IT for Children in Hampshire (TITCH Programme)

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

- Joint Targeted Inspection of Multi-Agency Arrangements in Hampshire
- Revenue and Capital budgets 2018/19
- Special Educational Needs and Disability (SEND) Reform - further update
- Transformation to 2019

11. CULTURE AND COMMUNITIES SELECT COMMITTEE

11.1 **Chairman for this period:** Councillor Anna McNair Scott

11.2 **Reviews undertaken / outcomes being monitored:** None in this period

11.3 **Pre-scrutiny of Significant Executive Decisions:**

Grant Funding for Culture and Community Organisations in Hampshire 2017/2018: In November 2016 the Select Committee considered the proposed major grant funding for cultural and community organisations in Hampshire for 2017/18. The Committee supported the recommendations to the Executive Member for Culture Recreation and Countryside.

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

11.5 **Referrals:** None in this period

11.6 **Scrutiny of Budgets and Performance:**

Revenue Budget for Culture, Recreation and Countryside 2017/18: The revenue budget for Culture, Recreation and Countryside for 2017/18 outlined the overall County Council financial position, and reviewed the savings made as part of 'Transformation to 2017'; there were no new savings for 2017/18. The position in relation to the local government grant settlement was reviewed, as well as other budget-related matters. The priorities of the services were highlighted for the coming year. Members resolved to support the recommendations being proposed to the Executive Member for Culture, Recreation and Countryside.

- 11.7 **Policy Review:** None in this period
- 11.8 **Questioning and exploring areas of interest and concern:** The Committee received items on the following issues:
- Country Parks Transformation Programme
 - Transformation of the Outdoor Service
 - Hampshire Cultural Trust update
 - Basingstoke Canal – Long Term Future Management Options
 - Customer engagement and marketing for cultural and community services
 - Use of technology to address social isolation for library service users
- 11.9 **Upcoming topics:** The following topics feature on the Select Committee's Work Programme:
- Energise Me Update
 - Revenue and Capital budgets 2018/19
 - Transformation to 2019
 - Hampshire Cultural Trust update

12. ECONOMY TRANSPORT AND ENVIRONMENT SELECT COMMITTEE

12.1 **Chairman for this period:** Councillor Sharyn Wheale

12.2 **Reviews undertaken / outcomes being monitored:**

Highways Maintenance Trials – In 2015 the Select Committee had undertaken a review of highways maintenance and recommended trials of new ways of working with District and Parish Councils to tackle certain maintenance tasks such as weed killing and grass cutting. An update on these trials was received at the 30 June 2016 meeting and the Select Committee supported the progress made.

12.3 **Pre-scrutiny of Significant Executive Decisions:**

Household Waste Recycling Centres Service Efficiencies – at the 19 July 2016 meeting the Select Committee considered proposed changes to the Household Waste Recycling Centre (HWRC) service, prior to decisions taken by the Executive Member for Environment and Transport. This included consideration of consultation responses. Following the debate, the Select Committee supported the proposals, and requested further details on a planned fly tipping strategy.

Parish Lengthsmen Scheme for 2017/18 – at the 19 January 2017 meeting the Select Committee pre-scrutinised proposals for the parish lengthsmen scheme for the coming year. The Select Committee supported the proposals, and resolved to establish a task and finish group to input to a review of the scheme for the following financial year. This work is subject to the new committee in the new administration wishing to take this forwards.

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

12.5 **Referrals:**

School Crossing Patrols – at the 30 June 2016 meeting the Select Committee received a report regarding School Crossing Patrols, following this topic being

referred by the Children & Young People Select Committee. Following discussion it was agreed to include this topic within the planned task and finish group looking at road safety.

Concessionary Travel Scheme – at the 3 November 2016 meeting the Select Committee received a report regarding the concessionary travel scheme, following this topic being referred by the Policy & Resources Select Committee. The Select Committee requested to monitor the impact of the change in policy to not auto renew passes that hadn't been used for 6 months.

12.6 **Scrutiny of Budgets and Performance:**

Economy Transport & Environment Department Revenue And Capital Budget – at the 19 January 2017 meeting the Select Committee pre-scrutinised the 2017/18 budget proposals for the Economy Transport and Environment Department. Following the debate, the Select Committee supported the proposals to the Executive Member for Economic Development and Executive Member for Environment and Transport.

12.7 **Policy Review:**

Road Casualty Reduction – Following pre-scrutiny in March 2016 of proposed changes to the Road Traffic Management Policy, a briefing was held for members of the Select Committee in May 2016 providing further detail on traffic management and road safety. This was followed by a further update on Road Casualty Reduction at the 30 June 2016 Select Committee meeting. As a result of the debate it was agreed to establish a task and finish group to consider the topic further, and make recommendations regarding future policy. However, due to the delay in agreeing the membership of this group and the prospect of the election, this work was deferred to the new administration.

Fly Tipping Strategy – Responses to the public consultation about HWRC changes had highlighted concern about fly tipping, so at the 3 November 2016 meeting the Select Committee received a report on a proposed strategy to address fly tipping, and supported the planned approach. A further update was received at the 19 January 2017 meeting, prior to sign off of the strategy by the Executive Member for Environment and Transport in March 2017.

A Boards Licensing Trial – At the 19 January 2017 meeting the Select Committee received a report reviewing a trial of A Board licensing that had been underway in Andover Town Centre between June 2015 and July 2016. The Select Committee supported the conclusion that the method that had been trialled was not suitable for further roll out at this time.

12.8 **Questioning and exploring areas of interest and concern:** The Committee received items on the following issues:

- *The Future Of Local Government In Hampshire* – at the 3 November 2016 meeting the Select Committee received a presentation providing an update on recent engagement with the parish and town councils and local businesses

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

- Transformation to 2019

The newly constituted committee for the new administration will input to the future work programme in due course.

13. POLICY AND RESOURCES SELECT COMMITTEE

13.1 **Chairman for this period:** Councillor Elaine Still

13.2 **Reviews undertaken / outcomes being monitored:**

Consultation - In February 2015 Cabinet agreed a new corporate consultation policy, following a Task & Finish Group of the Policy & Resources Select Committee making recommendations. At the 21 April 2016 meeting the Select Committee received an update on the implementation of the new policy.

13.3 **Statutory Duties Undertaken:**

Crime and Disorder - This Select Committee has the remit to cover the statutory duty to scrutinise Crime and Disorder issues as per the Police and Justice Act 2006 (However, this does not cover the Police and Crime Commissioner, who is held to account by the Police and Crime Panel). At the 22 November 2016 meeting, the Select Committee considered crime and disorder issues.

The Police and Crime Commissioner for Hampshire, Michael Lane, who had been elected to the role in May 2016, attended the meeting and spoke about his intended approach. Members also received a report providing an overview of County Council activity relating to crime and disorder over the past year, and a presentation regarding the work of the Hampshire and Isle of Wight Prevent Partnership Board.

13.5 **Pre-scrutiny of Significant Executive Decisions:** None this period

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

13.7 **Referrals:** None this period

13.8 **Scrutiny of Budgets and Performance:**

End of Year Financial Report - At the 14 July 2016 meeting the Select Committee considered the 2015/16 End of Year Financial Report

Medium Term Financial Strategy to 2020 - At the 14 July 2016 meeting the Select Committee considered the Medium Term Financial Strategy to 2020.

Annual Corporate Performance Report – At the 14 July 2016 meeting the Select Committee considered the ‘Shaping Hampshire’ 2015/16 Annual Corporate Performance Report.

Budget Setting – At the 20 January 2017 meeting the Select Committee considered a report on budget setting and provisional cash limits for 2017/18 that had been considered by Cabinet in December 2016.

Transformation to 2017 - At the 20 January 2017 meeting the Select Committee considered the ‘transformation to 2017 report no. 9’ that had been considered by Cabinet in December 2016.

Revenue Budget for Policy and Resources for 2017/18 and the Proposed Capital Programme for Policy and Resources for 2017/18 to 2019/20 – At the 20 January 2017 meeting the Select Committee pre-scrutinised the proposed revenue budget for policy and resources for 2017/18 and the proposed capital programme for policy and resources for 2017/18 to 2019/20. Following debate the proposals were supported to the Executive Member for Policy and Resources.

13.9 **Policy Review:**

Hampshire Association of Local Councils – At the 21 April 2016 meeting the Select Committee considered a presentation from Hampshire Association of Local Councils (HALC) regarding the work they do to support parish and town councils in Hampshire, for which they receive a grant from the Executive Member for Policy & Resources. As a result of this item the Select Committee made a recommendation to the Executive Member for Policy & Resources regarding reviewing the future grant funding and agreement with HALC.

Member Devolved Grants – At the 20 January 2017 meeting the Select Committee considered an analysis of member devolved grant budgets, following this area being identified as a potential saving under Transformation to 2017. The Select Committee made recommendations to the Executive Member for Policy & Resources, that he agreed, to retain the current level of grants but no longer allow carry forwards of unspent grant from one year to the next.

13.10 **Questioning and exploring areas of interest and concern:** The Committee received items on the following issues:

- *Trading Standards* – At the 21 April 2016 meeting the Select Committee received a presentation regarding the work of the Trading Standards service
- *IT* – At the 20 January 2017 meeting the Select Committee received an annual update on IT developments

13.11 **Management of the Scrutiny Function/Oversight of Other Scrutiny Committees:** The Policy & Resources Select Committee has a remit to manage the work taking place across the scrutiny function. This year this was achieved through oversight of proposals to establish task and finish groups by other Select Committees, and receiving a summary of activity taking place through the other Select Committees at each meeting.

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

- Annual Corporate Performance Review
- Annual Budget Scrutiny
- Annual IT Update
- Annual Crime and Disorder Scrutiny
- Transformation to 2019

The newly constituted committee for the new administration will input to the future work programme in due course.

14. CONCLUSION

- 14.1 Since the period to which this report relates, membership and in some cases Chairmanship and Vice Chairmanship of the Select Committees has changed. Tribute is paid to all Members who played such an important scrutiny role through the Select Committees over the past year.

COUNCILLOR JONATHAN GLEN
Chairman, Policy & Resources Select Committee

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COUNCIL MEETING, 20 JULY 2017

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

15. SUMMARY AND LEGISLATIVE CONTEXT

- 15.1 This report provides an update on the work of Hampshire County Council's Health and Adult Social Care Select Committee from April 2016 to March 2017.
- 15.2 For 2016-17, the Health and Adult Social Care Select Committee held the Local Government statutory responsibility for health scrutiny powers. These powers are intended to ensure that decisions about health services are taken with due regard to the people affected. The legislative framework within which the Committee functioned in this year allowed Members to consider any aspect of health that affects the population of Hampshire. It also placed very specific duties on the NHS with regard to consultation, information and responses to any recommendations made by the Committee.
- 15.3 The Committee was a statutory consultee on any potential substantial change being considered by the NHS, and had the power to refer contested decisions about health services to the Secretary of State for Health, or Monitor for Foundation Trusts.
- 15.4 In accordance with the Constitution of Hampshire County Council, the Health and Adult Social Care Select Committee also focuses on how the County Council is contributing to delivering the Wellbeing agenda for adults; adult social care; promoting independence and quality of life for older people; healthy and safe families; Public Health; the integration of Health and Care services and relevant financial management.

16. WORK OF THE COMMITTEE

- 16.1 The annual report of the Health and Adult Social Care Select Committee is appended to this report.

COUNCILLOR ROGER HUXSTEP
Chairman, Health and Adult Social Care Select Committee

Scrutiny Annual Report: April 2016 to March 2017

Select Committee: Health and Adult Social Care

Report of Chairman: Councillor Roger Huxstep

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

2. **Statutory Duties Undertaken (actions, monitoring and information on proposals to develop or vary services) have included:**

a) Dorset Clinical Commissioning Group (CCG) and West Hampshire CCG: Dorset Clinical Services Review:

Three members of the HASC were appointed by County Council in line with proportionality to a Joint Health Overview and Scrutiny Committee (JHOSC) on the Dorset Clinical Services review.

The JHOSC has met four times in 2016/17, to consider initial proposals and the consultation on the Dorset Clinical Services review. Representations have been made by Hampshire at these meetings in support of the preferred proposal of the CCG. Meetings also consider parallel reviews of community and mental health services in Dorset which do not affect Hampshire residents.

The Committee's representatives will continue to contribute to this work, with the JHOSC due to meet to consider the CCG's final proposals, once available.

3. **Responses to Health Inquiries received have included:**

3.1 Care Quality Commission (CQC) Inspection Outcome and Monitoring

a) *Hampshire Hospitals NHS Foundation Trust:*

The Committee have continued to monitor the progress of the Trust through briefings outside of the main meetings.

b) *Portsmouth Hospitals NHS Trust:*

Members received details of the Trust's re-inspection of Urgent Care, which followed the previous rating of 'Inadequate'. Robust questioning of the Trust was held, and the actions to be taken by the Trust, its commissioning partners and other organisations were considered. The Committee further considered the item after a further re-inspection determined urgent care to be 'requires improvement'. This item is still subject to the Committee's monitoring.

b) *Southern Health NHS Foundation Trust:*

Southern Health presented an update report on the progress against the recommendations made by the CQC during their inspection of the Trust's services. Commentary was also heard by the Committee on the Trust's

changes to the Executive Board throughout 2016/17, and received the outcomes of the previous Chair's capability review of the Board.

The Committee also reviewed the re-inspection of the Trust's Adult Mental Health services, following the Mazars report. Members heard that specific issues had been raised through this inspection in relation to the safety of patients at Kingsley ward at Melbury Lodge, whereby it was requested to make significant improvements to protect patients from risks posed by some of the mental health ward environments. Also raised was the need to implement effective governance arrangements to ensure robust investigation and learning from incidents, including deaths, to reduce future risks to patients

These items are still subject to the Committee's monitoring.

3.2 Mazars Report Reviewing Deaths of People with a Learning Disability or Mental Health Problem in Contact with Southern Health NHS Foundation Trust April 2011 to March 2015

The Committee originally considered this item in February 2016 and have held a programme of scrutiny since this time to ensure that the recommendations and actions from the report are fully implemented. This includes reviewing the report the Trust commissioned to understand how Southern Health can improve the experience of family involvement in the investigation of service user deaths. The Committee have been positive about the progress made by the Trust and its partners in relation to the report so far.

Since this time, a new Executive Board is in place led by an Interim Chief Executive, and a permanent Chair has been recruited. Members continue to review this item.

3.3 Temporary and Permanent Closures or Restriction of Hours of Services

- a) *Hampshire Hospitals NHS Foundation Trust – Andover Minor Injuries Unit*
The Committee reviewed proposals to temporarily reduce the hours of the Minor Injuries Unit in Andover War Memorial Hospital due to issues safely staffing the Unit. The Committee resolved to monitor staffing issues relating to temporary changes. This item is still subject to the Committee's monitoring.
- b) *Solent NHS Trust: Move of the Kite Unit*
A report was presented on the proposed move of the Kite Unit, and neuropsychiatric unit in St James Hospital, Portsmouth, to the Western Community Hospital, Southampton. The reason for the move was to locate the service in a fit-for-purpose unit, and to co-locate it with Snowden ward, which was part of Solent's neuropsychiatric service offering. Members reviewed supporting information, and agreed to support the move.
- c) *Southern Health NHS Foundation Trust: Temporary Closure of Psychiatric Intensive Care Unit*

Members reviewed the temporary move of some patients from Antelope House to the Huntercombe Unit, a private Psychiatric Intensive Care Unit in Roehampton, whilst the Trust were experiencing significant difficulties in safely staffing Antelope House. Details of staffing models, efforts made to recruit to posts and other contributing factors were considered. The Committee resolved to support this temporary move and to receive monitoring updates throughout. The Committee were notified of the unit's reopening in March 2017 following successful recruitment exercises. This item is still subject to the Committee's monitoring.

d) *Southern Health NHS Foundation Trust: Temporary Closure of Melbury Lodge*

Members reviewed the temporary move of some patients from Melbury Lodge, Winchester, to the Woodhaven Unit in the New Forest and the Priory Hospital in Southampton, whilst the Trust were undergoing building works required by the Care Quality Commission to make the Unit a safe environment. The Committee resolved to support this temporary move and to receive monitoring updates throughout. The building works proceeded on time, and the Committee were notified of the Unit's reopening in March 2017.

e) *West Hampshire CCG and Friarsgate Practice: permanent closure of Kings Worthy branch surgery*

A report was presented on the proposed closure of the Kings Worthy branch surgery of the Friarsgate Practice, Winchester. Members heard the views of local County Councillors, and considered consultation feedback. Members, as well as requesting additional information and making representations to the Executive Member for Environment and Transport regarding public bus transport, noted the decision to permanently close the Kings Worthy branch surgery. This item is still subject to the Committee's monitoring.

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

a) Adult Services: Outcomes of Consultation on Proposed Changes to the Paying for Care Policy

The Committee scrutinised the outcomes of the consultation held on the proposed changes to the County Council's 'paying for care' policy, pre-scrutinising the proposals prior to a decision of the Executive Member for Adult Social Care. Following questioning, debate and discussion, the Committee supported the recommendations but resolved to the Executive Member that the changes should be delayed until January 2017, so that all changes to the policy would begin at the same time.

5. **Call-in of Significant Executive Decisions:** N/A

6. **Referrals:** N/A

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

a) Revenue Budget for Public Health 2017/18

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

b) Revenue Budget for Adult Services 2017/18

Capital Programme for Adult Services 2017-18 – 2019/20

The Committee reviewed the revenue and capital budgets for Adult Services, and resolved to support the recommendations being proposed to the Executive Member for Adult Services.

8. **Policy Review:**

Framework for Assessing Substantial Change

The Committee reviewed the framework by which they ask NHS bodies and providers of NHS services to consider potential substantial changes in service. A number of minor amendments were made to meet Regulations, and the document was agreed.

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

- Adult Safeguarding
- Frimley Sustainability and Transformation Plan
- Hampshire and Isle of Wight Sustainability and Transformation Plan
- Mental Health services
- Monitoring of Adult Services decisions – John Darling Mall
- South Central Ambulance Service – performance monitoring
- South East Coast Ambulance Service – performance monitoring
- System Resilience
- Transforming Care Partnership

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

- Adult Safeguarding
- Ambulance Performance
- Andover Minor Injuries Unit monitoring (monitoring item)
- Budget Scrutiny
- Antelope House Psychiatric Intensive Care Unit (monitoring item)
- Care Quality Commission inspections of NHS Trusts serving the population of Hampshire
- Dorset Clinical Services review
- Frimley Sustainability and Transformation Plan
- Hampshire and Isle of Wight Sustainability and Transformation Plan
- Mazars review (monitoring item)
- North and Mid-Hampshire 'new models of care' clinical services review
- Transforming Care Partnership
- West Surrey Stroke Services

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COUNCIL MEETING, 20 JULY 2017

REPORT OF THE
Chief Executive

PART II

17. CHANGES IN RESPONSIBILITY FOR EXECUTIVE FUNCTIONS

- 17.1 Responsibility for Executive functions is set out in Part 2 Chapter 3 of the Constitution. Part 1 Chapter 11 paragraph 11.6.2 of the Constitution provides that responsibility for Executive Functions may be varied by the Leader at any time.
- 17.2 Consequential upon a revised allocation of responsibility for Executive Functions by the Leader, the following changes are being reported to the Council:
- a. Primary responsibility for liaison with the National Health Service (previously within the responsibilities of the Executive Member for Health and Public Health) is now contained within the responsibilities of the renamed portfolio of the Executive Member for Adult Social Care and Health
 - b. Responsibility for functions relating to the Supporting Troubled Families Programme (previously within the responsibilities of the Executive Lead Member for Children's Services) is now contained within the responsibilities of the renamed portfolio of the Executive Member for Public Health. This portfolio will also contain functions relating to Emergency Planning pursuant to the Civil Contingencies Act 2004.
 - c. The portfolio for the Executive Member for Communities, Partnerships and External Affairs will also contain Brexit and has been renamed accordingly.
- 17.3 A copy of the revised Executive responsibilities is contained as an Annex to this Report (revisions are indicated in bold and italicised).

Part 2: Chapter 3

Executive Functions

Responsibility for Executive Functions

- 3.1 The following table sets out the allocation of responsibilities within the Executive. The portfolios are expressed in broad terms and may be varied, as provided for in the Executive Procedure Rules set out in Part 3 Chapter 2 of this Constitution.
- 3.2 The principles of responsibility are as follows:
- 3.1.1 unless a function, power or responsibility is specifically reserved to the County Council or a Committee of the County Council, the Executive is authorised to exercise the function or power.
 - 3.1.2 the Executive collectively will be responsible for those decisions falling appropriately to it.
 - 3.1.3 all decisions will be recorded.
 - 3.1.4 if a decision is made by an individual Member of the Executive, this will be stated openly and clearly.
 - 3.1.5 the Executive or individual Members of the Executive will normally be making Key Decisions, as defined at Part 3, Chapter 2, Paragraph 3 of this Constitution, or decisions which are significant (even though they may not be Key Decisions).

Responsible Person	Functions
Leader and Executive Member for Policy and Resources	<p>Leader of the County Council and Chairing and managing the Executive and its work.</p> <p>Overall strategy, policy and co-ordination ‘across the board’, and the direction and utilisation of resources.</p> <p>Primary departmental links – Corporate Services, and Culture, Communities and Business Services departments.</p> <p>Service area responsibilities – services within the above departmental remit areas; except where any area has been specifically allocated within the remit of another Executive Member.</p> <p>Functional areas – policy; strategic overview; overall performance; budget strategy; and personnel policies, including strategy for pay and</p>

	<p>remuneration, asset management, and IT services.</p> <p>Monitoring and developing the sustainability of the natural environment and heritage of rural Hampshire.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with minority parties.</p>
<p>Executive Member for Economic Development</p>	<p>To assist the Executive Member for Policy and Resources.</p> <p>Primary department links – Corporate Services and Culture, Communities and Business Services Departments.</p> <p>Service area responsibilities – within the remit of the above departments, and otherwise where relevant to the role.</p> <p>Functional areas – Procurement policies and outcomes; Corporate Services and Culture, Communities and Business Services business units and trading arrangements; business and trading arrangements in other departments where relevant; development of income generation policies across the board, energy related matters.</p> <p>Monitoring and developing the County Council's economy; co-ordinating and developing the County Council's involvement in European projects sponsored or led by the Economy, Transport and Environment Department.</p> <p>Advisory areas – to advise the Executive Member for Policy and Resources on revenue and capital related matters, property matters, and major land policy and disposal matters and programmes; to develop with the Director of Corporate Resources relevant financial plans for approval by the Executive Member for Policy and Resources.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with minority parties.</p> <p>N.B. This Executive Member is also Chairman of the Buildings, Land and Procurement Panel. (BLAPP).</p>

<p>Deputy Leader and Executive Lead Member for Children's Services</p>	<p>Deputy Leader and Designated Lead Member for Children's Services pursuant to Section 19 of the Children Act 2004.</p> <p>Overall strategy and policy for all Children's matters, i.e. Education, Children and Families pursuant to the requirements of the Children Act 2004. Approval of the Children and Young People's Plan.</p> <p>Primary departmental link – Children's Services Department.</p> <p>Service area responsibilities – all services within the remit of the above department.</p> <p>Functional areas – statutory Social Services functions of the County Council relating to children, and all education functions exercisable by the County Council as Local Education Authority.</p> <p>Responsibility for building relationships with businesses in Hampshire, the Corporate Apprenticeship Programme. Primary Department links – Corporate Services and Culture, Communities and Business Services Departments.</p> <p>Service area responsibilities – services within Corporate Services and Culture, Communities and Business Services Departments relevant to the role and relevant external and International links.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with the minority parties.</p>
<p>Executive Member for Education</p>	<p>To support the Executive Lead Member for Children's Services because of the breadth of the portfolio, by providing additional capacity at Executive level to drive improvements in school standards and educational attainment and liaising with schools, academies, colleges and other representatives of the education sector.</p> <p>Primary departmental link – Children's Services Department.</p> <p>Service area responsibilities – education and schools.</p>

	<p>Functional areas – working with the Executive Lead Member for Children’s Services to develop policy and strategy in relation to school improvements and educational standards; where agreed with the Executive Lead Member for Children’s Services determining infrastructure and school organisation matters, in accordance with policies and strategies agreed by the Executive Lead Member for Children’s Services, the Children and Young People’s Plan, and where relevant the Children’s Services Capital Programme.</p> <p>Determining appeals in respect of exceptions to school transport policies, other than appeals relating to the safety of walking routes.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with the minority parties.</p> <p>N.B. This Executive Member is also Chairman of the Education Advisory Panel.</p>
Executive Member for Culture, Recreation and Countryside	<p>Overall strategy and policy for libraries, museums, archives, arts, rights of way, outdoor activities, learning and leisure.</p> <p>Primary departmental link – Culture, Communities and Business Services Department</p> <p>Service area responsibilities – Culture and Recreation services within the Culture, Communities and Business Services Department</p> <p>Functional areas – libraries, museums, archives and records, countryside and rights of way, sport and culture community support, recreation and all ancillary activities.</p> <p>Appointments to relevant outside bodies, not on a proportional basis in consultation with the minority parties.</p>
Executive Member for Human Resources and Performance	<p>Overall strategy for human resources and corporate performance matters.</p> <p>Primary departmental link – Corporate Services Department.</p>

	<p>Service area responsibilities – human resources services within the remit of Corporate Services, including strategic workforce development and corporate performance.</p> <p>Functional areas – personnel policy formulation and skills development in relation to the County Council’s directly employed workforce (excluding schools), and review of corporate performance through the Annual Performance Report.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with the minority parties.</p> <p>N.B. This Executive Members is also Chairman of the Employment in Hampshire County Council Committee (EHCC).</p>
<p><i>Executive Member for Adult Social Care and Health</i></p>	<p>Overall strategy and policy for all Adult Social Care matters.</p> <p>Primary departmental links – Adults’ Health and Care Department.</p> <p>Service area responsibilities – all services within the remit of the above department including all duties relating to adult social care including safeguarding, including under (inter alia), the Care Act 2014, the Mental Capacity Act 2005 and the Mental Health Act 1983. <i>Primary responsibility for liaison with the National Health Service.</i></p> <p>Functional areas – services for adults, including older people, learning disability, physical disability, mental health and all ancillary services.</p> <p>Appointments to relevant outside bodies – not on a proportional basis in consultation with the minority parties.</p> <p>N.B. This Executive Member is also Chairman of the Health and Wellbeing Board.</p>
<p><i>Executive Member for Public Health</i></p>	<p>Overall strategy and policy for Public Health matters <i>and emergency planning.</i></p> <p>Primary Department links – Adults’ Health and Care, and Children’s Services Departments.</p>

	<p>All services within the remit of the County Council's public health responsibilities pursuant to the National Health Service Act 2006.</p> <p>All duties relating to the County Council's responsibilities to improve public health.</p> <p>Functional areas – Development of the County Council's strategy and policy in relation to public health. Functions related to the Supporting Troubled Families Programme. Emergency Planning functions pursuant to the Civil Contingencies Act 2004.</p> <p>Appointments to relevant outside bodies – not on a proportional basis in consultation with the minority parties.</p>
<p>Executive Member for Communities, Partnerships and External Affairs, including Brexit</p>	<p>Primary departmental links – Culture, Communities and Business Services and Corporate Services Departments.</p> <p>Service area responsibilities – services within Corporate Services and Culture, Communities and Business Services Departments relevant to the role.</p> <p>Functional Areas – Co-ordinating County Council representation on District Local Strategic Partnerships (LSPs) and Community Safety Partnerships (CSPs); functions related to Community Safety and Equalities.</p> <p>Promoting and Monitoring the Hampshire Sustainable Community Strategy and developing and approving a community engagement strategy and co-ordinating the contributions from relevant service strategies.</p> <p>Corporate oversight of the County Council's Grant Management System.</p> <p>Responsibility for the County Council's relationships with the Interfaith Network, Parish and Town Councils, the Voluntary and Community Sector, and other partners, including liaison with District Councils.</p> <p>Corporate oversight of external and International policy and activities; championing the County</p>

	<p>Council's relationship with external and international/national bodies.</p> <p>Responsibility for the County Council's relationship with the Armed Forces.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with minority parties.</p>
<p>Executive Member for Environment and Transport</p>	<p>Overall strategy and policy for all environmental matters (including planning and transportation, and mineral and waste), but excluding regulatory matters within the remit of the Regulatory Committee.</p> <p>Primary departmental link – Economy, Transport and Environment Department.</p> <p>Service area responsibilities – within the remit of the above department.</p> <p>Functional areas - Transport strategy; spatial planning; minerals and waste planning; waste management, re-cycling; highways and bridges; highway maintenance; winter maintenance; structural maintenance; passenger transport; traffic and road safety; highways lighting; integration of public and private transport; environmental and information services; flood and coastal erosion risk management; and all ancillary activities.</p> <p>Appointments to relevant outside bodies not on a proportional basis in consultation with the minority parties.</p> <p>NB: This Executive Member is also the County Council's Executive appointment to Project Integra Strategic Board Joint Committee and Solent Transport.</p>
<p>Assistant to the Executive – Rural Affairs Champion</p>	<p>Primary departmental links – all departments of the County Council.</p> <p>Functional area – supporting the Leader and other Executive Members in the development of rural initiatives into the formulation of major policy.</p> <p>Developing links with other agencies and other local</p>

	<p>authorities regarding the development of rural activity.</p> <p>Promoting the Hampshire rural estate and partnerships with the focus on rural initiatives, to the benefit of Hampshire.</p> <p>NB: This position does not have Executive decision making powers, but is consulted on rural matters.</p> <p>This position reports to the Executive Member for Environment and Transport.</p>
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COUNCIL MEETING, 20 JULY 2017

REPORT OF THE
Cabinet/Leader
PART II

18. ADDITION TO THE CAPITAL PROGRAMME – HIGHWAYS FLEET

- 18.1 An urgent officer decision was made by the Director of Corporate Resources, in consultation with the Chief Executive and the Leader of the County Council, on 10 March 2017 to add £9.5 million to the County Council's Capital Programme for 2017/18 to enable Hampshire Transport Management (HTM) to supply fleet, plant and equipment to the new Hampshire Highways Services Contract (HHSC).
- 18.2 That urgent decision was taken in accordance with the County Council's Constitution Financial Regulation 2.31 because the decision could not be made by the County Council due to timing constraints. The new HHSC contractor was unable to confirm selection of HTM as its preferred supplier until the HHSC was finalised on 28 February and the fleet needed to be ordered before this meeting of the County Council, to ensure that it is in place in time for, or shortly after, the start of the HHSC on 1 August 2017.
- 18.3 HTM is a self-funding business unit of the County Council and it is a significant achievement to be awarded this supply arrangement by the HHSC contractor.

19. CABINET ADVISORY SUB-COMMITTEE FOR ECONOMIC DEVELOPMENT AND BUSINESS ENGAGEMENT FORUM - TERMS OF REFERENCE

- 19.1 On 20 March 2017 Cabinet approved a report regarding the terms of reference for both the recently established Cabinet Advisory Sub-Committee for Economic Development and Business Engagement Forum.
- 19.2 The County Council works closely with both the local enterprise partnerships (LEPs) and with Hampshire district councils to support economic prosperity in Hampshire. This partnership working was particularly important in helping to secure and deliver major development and regeneration projects on key sites, such as the Enterprise Zones. This type of activity is expected to increase across Hampshire in the future.
- 19.3 The aim of both bodies is to provide a more holistic approach to supporting the economy across the whole of the county of Hampshire, encompassing the key drivers of growth including:
- investment in infrastructure (transport and digital)
 - skills development
 - development and regeneration
 - stock of business premises

19.4 Cabinet welcomed the report and agreed the terms of reference for both the Cabinet Advisory Sub-Committee for Economic Development and Business Engagement Forum.

20. SHAPING HAMPSHIRE – 2016/17 YEAR END PERFORMANCE REPORT

20.1 On 19 June 2017 Cabinet noted a report on the County Council's performance during 2016/17 against priorities within the Shaping Hampshire Strategic Plan for 2013-2017.

20.2 Hampshire's consistently high performance was noted by Cabinet, with particular recognition for the success in the critical areas, among others, of highways, adults' and children's services. Members also welcomed the report's references to the County Council receiving a "high assurance" for how it manages data protection by the Information Commissioner's Office (ICO) following an external audit – the highest level that can be achieved and the presentation of a Gold Award by the Ministry of Defence Employer Recognition Scheme in acknowledgement of its commitment to the Armed Forces, both as a local authority and employer.

20.3 Cabinet were made aware of the revised approach which would be taken to corporate performance management reporting. This included some important shifts in emphasis such as follows:

- The revised Performance Management Framework is driven from the County Council's new Serving Hampshire Strategic Plan. The Plan's aims, priorities and ways of working flow throughout all aspects of the improvement cycle, service planning and delivery.
- Greater emphasis is placed on resident feedback as a source of performance information. Key performance measures include resident experience metrics reflecting how the County Council is perceived to be performing, which will be developed and added to over time.
- Increased focus is given to the findings of external assessment, providing a source of objective performance judgements

21. 'WORKING BETTER TOGETHER'- NEXT STEPS IN DEVELOPING HAMPSHIRE COUNTY COUNCIL'S RELATIONSHIPS WITH PARISH AND TOWN COUNCILS

21.1 On 19 June 2017 Cabinet agreed a report on proposals to develop the County Council's relationships with the Parish and Town Councils (PTCs) in Hampshire.

21.2 Through a series of workshops held last year, which were attended by over 230 delegates, representing 121 PTCs, delegates', views were sought on 'locality working' and the potential for 'deeper devolution' (i.e. devolving services to parish level).

21.3 Following these workshops and further discussions with the Hampshire Association of Local Councils (HALC), Cabinet noted that there was a clear opportunity for the County Council to build on the many examples of good practice and positive working relationships that already exist with PTCs. This would focus upon testing a new approach that would develop the Council's relationship with them and their levels of influence related to locally important priorities.

- 21.4 It was recognised that PTCs provide a strong foundation of representation to their local communities and it was agreed to develop a framework to allow those PTCs who wish to, to develop enhanced or advanced local offers. Working with HALC, a tiered approach could support PTCs to increase their capability, build their capacity, demonstrate enhanced competence and deliver a strong local offer.
- 21.5 It was agreed to create and test a tiered approach in developing a sliding scale of increased local involvement in service delivery. This would be linked to demonstrable commitment and capability and would be balanced by appropriate support from the County Council in the form of professional resources, equipment, and possible pump-priming funding.
- 21.6 Cabinet welcomed the report and endorsed the approach to developing closer working relationships with parish and town councils in Hampshire.

Further details on these items can be found at the following links:

- [Addition to the Capital Programme – Highways Fleet](#)
- Cabinet Advisory Sub-Committee For Economic Development and Business Engagement Forum – Terms of Reference
[Cabinet 20 March 2017](#)
- Shaping Hampshire – 2016/17 Year End Performance Report *AND*
- ‘Working Better Together’- Next Steps In Developing Hampshire County Council’s Relationships With Parish And Town Councils
[Cabinet 19 June 2017](#)

COUNCILLOR ROY PERRY
Leader and Executive Member for Policy and Resources

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COUNCIL MEETING, 20 JULY 2017

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

22. MILESDOWN, NEW CHILDREN'S HOME, WINCHESTER

- 22.1 On 19 June 2017 the Executive Lead Member for Children's Services gave approval to project proposals for Miledown, a new Children's Home to replace an existing Children's Home on its site in Winton Close, Winchester, at an estimated total cost of £1,243,000. The project is for the construction of a new six bedroom 'Family Unit' home with associated parking and gardens. The home will accommodate four children, two residential live-in staff and daytime staff.
- 22.2 This project represents the final phase of a major investment programme in the replacement and improvement of Hampshire's Children's Homes to the benefit of the children who are in the care of the Council. This innovative set of projects will provide high quality homes fit for the 21st Century.
- 22.3 The programme for Children's Homes was originally approved by the Executive Lead Member for Children's Services on 12 June 2013 following a review of the existing Children's Homes in Hampshire. It was agreed that the majority of existing buildings were of inappropriate scale and institutional in character and they should be replaced with homes of a smaller size and provide a more welcoming and 'homely' character.

Further details on this items can be found at the following link:

- [Executive Lead Member for Children's Services 19 June 2017](#)

Councillor Keith Mans
Executive Lead Member for Children's Services

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COUNCIL MEETING, 20 MONTH 2017

REPORT OF THE
Executive Member for Culture, Recreation and Countryside
PART II

23. REVIEW OF MEMBER REPRESENTATION ON OUTSIDE BODIES

- 23.1 On 15 June 2017 the Executive Member for Culture, Recreation and Countryside considered the proposals for a revised criteria to appoint members to outside bodies within the Culture, Recreation and Countryside portfolio.
- 23.2 Throughout 2015/16 a cross party Task and Finish Group conducted an analysis of grant funding to cultural and community organisations which led to consideration of the list of County Councillor appointments. Following a review into the list of outside body appointments, and consultation with each organisation, recommendations for an amended appointment criteria were proposed and agreed.
- 23.3 Based on the revised criteria which has been developed, the Executive Member will continue to appoint County Council representatives to 22 cultural and community organisations across Hampshire.

24. NATIONAL LIBRARIES TASKFORCE: NEW VISION FOR LIBRARY SERVICES IN ENGLAND

- 24.1 On 15 June 2017 the Executive Member for Culture, Recreation and Countryside reviewed the National Libraries Taskforce publication entitled 'Libraries Deliver: Ambition for Public Libraries in England 2016-2021' in comparison with the Hampshire's Library Strategy to 2020.
- 24.2 The Executive Member endorsed the publication and recognised that Hampshire's Library Strategy to 2020 shares very similar content and outcomes with the Libraries Deliver publication. This can only mean that Hampshire's Library Service is in an excellent position as it uses the Strategy to inform its planning and funding bids for the next four years.

Further details on these items can be found at the link below:

[Executive Member for Culture, Recreation and Countryside Decision Day 15 June 2017](#)

COUNCILLOR ANDREW GIBSON
Executive Member for Culture, Recreation and Countryside

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COUNCIL MEETING, 20 JULY 2017

REPORT OF THE
Pension Fund Panel and Board
PART II

25. PENSION FUND POOLING – INTER AUTHORITY AGREEMENT

- 25.1 At its meeting on 16 February 2017, the County Council agreed to delegate authority to the Director of Corporate Resources in consultation with the Chairman of the Pension Fund Panel and Board to agree the approach to investment pooling that Hampshire County Council will take and sign an Inter-Authority Agreement (IAA) with the other 10 authorities in the ACCESS (A Collection of Central Eastern and Southern Shires) pool.
- 25.2 This followed a Government announcement in 2015 instructing Local Government Pension Scheme Administering Authorities, such as Hampshire County Council, to work together to pool investments to achieve a number of criteria that the Government had specified including achieving lower investment management costs. Hampshire has previously agreed to work with 10 other authorities in the South and East to form the ACCESS pool, to meet the Government's criteria.
- 25.3 Following further discussion with the Chairman of the Panel and Board, the other ACCESS authorities and external legal advisors, the Director of Corporate Resources has agreed that ACCESS will be based on a third party Operator managing a Collective Investment Vehicle (CIV), which the Government has clarified is their expectation of how the pool will operate. Hampshire has now signed the ACCESS IAA on this basis and the first meeting of the ACCESS Joint Governance Committee will take place on 31 July 2017.

Further details on this item can be found at the following link:

- [Pension Fund Pooling - Inter-Authority Agreement](#)

Councillor Mark Kemp-Gee
Chairman
Pension Fund Panel & Board

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