

Public Document Pack



NOTICE OF MEETING

Meeting	Cabinet
Date and Time	Monday, 10th December, 2018 at 10.30 am
Place	Wellington Room, Ell Court, The Castle, Winchester
Enquiries to	members.services@hants.gov.uk

John Coughlan CBE
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

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

3. MINUTES OF PREVIOUS MEETING (Pages 5 - 16)

To confirm the minutes of the previous meeting

4. DEPUTATIONS

To receive any deputations notified under Standing Order 12.

5. CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

6. BUDGET SETTING AND PROVISIONAL CASH LIMITS 2019/20

(Pages 17 - 36)

To receive a report of the Director of Corporate Resources regarding budget setting and provisional cash limits 2019/20

7. TRANSFORMATION TO 2019 REPORT NO. 5 (Pages 37 - 54)

To receive a report of the Chief Executive regarding the Transformation to 2019 programme

8. PROGRESS REPORT ON THE ADULTS' HEALTH & CARE EXTRA CARE HOUSING PROGRAMME (Pages 55 - 66)

To receive a report of the Director of Adults' Health and Care regarding the Extra Care housing programme

9. HAMPSHIRE COUNTY STRATEGY GROUP FOR COMMUNITY SAFETY (Pages 67 - 76)

To receive a report of the Director of Adults' Health and Care regarding the Hampshire County Strategy Group for Community Safety

10. ANNUAL PUBLIC HEALTH REPORT (Pages 77 - 108)

To receive the annual report of the Director of Public Health

11. SERVING HAMPSHIRE - 2018/19 Q2 PERFORMANCE REPORT

(Pages 109 - 126)

To receive a report of the Chief Executive setting out the 2018/19 Q2 Performance Report

12. BREXIT: THE POTENTIAL IMPACT ON THE COUNTY COUNCIL'S RESOURCES AND SERVICES (Pages 127 - 144)

To receive a report of the Chief Executive regarding the potential impact on the County Council's resources and services of BREXIT

ABOUT THIS AGENDA:

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

ABOUT THIS MEETING:

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

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

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Public Document Pack Agenda Item 3

AT A MEETING of the Cabinet of HAMPSHIRE COUNTY COUNCIL held at the Castle, Winchester on Monday, 5th November, 2018

Chairman:

* Councillor Roy Perry

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|----------------------------|--------------------------------|
| * Councillor Keith Mans | * Councillor Mel Kendal |
| * Councillor Liz Fairhurst | * Councillor Stephen Reid |
| * Councillor Edward Heron | * Councillor Patricia Stallard |
| * Councillor Rob Humby | * Councillor Seán Woodward |
| * Councillor Andrew Joy | |

* Present

Also present with the agreement of the Chairman: Councillors Bennison, Chadd, Glen, Huxstep, Oppenheimer and Porter.

77. APOLOGIES FOR ABSENCE

All Members were present and no apologies were noted.

78. DECLARATIONS OF INTEREST

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

79. MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting were reviewed and agreed.

80. DEPUTATIONS

No requests to make a deputation had been received.

It was noted that Councillor Jackie Porter would speak on the items relating to Children's Safeguarding (minute 83 refers) and to Air Quality (minute 85 refers), with the agreement of the Chairman.

81. CHAIRMAN'S ANNOUNCEMENTS

The Chairman highlighted to Cabinet the budget report recently presented to Parliament, noting particularly the additional funding for the NHS, but also for adult care, children's safeguarding and highway maintenance. The Chairman had joined other County Council Leaders in thanking Government for this and also pointing out the severe pressures facing upper-tier Authorities. The likely £25 million cost of repairing the Redbridge flyover was raised and it was confirmed that specific financial support for this was being sought from Government.

It was announced that advice from Government had been received to confirm there would be no further progress on the proposed Combined Authority of Southampton, Portsmouth and the Isle of Wight. This was welcomed and the Chairman committed to working co-operatively with the other Authorities and retaining the integrity of Hampshire. In this regard, the recent announcement for the formation of a Unitary County in Buckinghamshire was noted and the Chairman confirmed Hampshire's commitment to the existing two-tier system.

The Government review of LEPs was drawn to the attention of Cabinet and it was explained that the two Hampshire LEPs had proposed a realignment to result in District areas split between them, becoming wholly incorporated into one or the other. This was contrary to the Hampshire proposal that the two LEPs combine into a single organisation.

An update was provided on the progress of the Commission of Inquiry and all Members of the Council were encouraged to engage with it.

A number of forthcoming events to mark Remembrance Sunday were highlighted, including events at the Great Hall, at Royal Victoria Country Park and a subsequent concert at Romsey Abbey.

82. TREASURY MANAGEMENT MID-YEAR MONITORING REPORT

Cabinet received a report of the Director of Corporate Resources setting out the mid year treasury management position.

The report was introduced and it was confirmed that an annual mid-year update was required by CIPFA guidance. Key points relating to the borrowing position and investments were highlighted and it was confirmed that in all cases the levels of security, liquidity and return were considered in that order of priority. A shift in investments away from the banking sector, which was no longer Government protected and therefore entailed higher risk, was reported.

Cabinet noted the fast paced level of variation in the stock markets and felt that risks across different sectors should be balanced. It was confirmed that this was continuously being done and agreed that future reports also include reference to the stress testing of banks with regard to their investment potential.

The high levels of return demonstrated in table 4 of the report were welcomed and it was noted that this was at lower levels of risk than those associated with property investment.

The recommendations in the report were considered and agreed. The decision record is attached.

83. ANNUAL SAFEGUARDING REPORT - CHILDREN'S SERVICES

Cabinet received the annual safeguarding report of the Director of Children's Services.

The report was introduced and it was highlighted that the demand for safeguarding was increasing as part of a national trend and the response in Hampshire to this had been robust and timely. It was explained that the increases were as a result of higher numbers of initial contacts and raised awareness of potential issues. It was confirmed that the threshold for intervention had not changed.

With the agreement of the Chairman, Councillor Jackie Porter addressed Cabinet. Councillor Porter expressed her congratulations on the consistently high level of regard for children's safeguarding in the County Council. She raised the issue of the closure of an app run by the police to allow people to report concerns and also felt improvements could be made to the accessibility of contact information on the County Council's mobile website. Councillor Porter also asked that consideration be given to supporting pre-schools in being able to report concerns about children.

Councillor Porter was thanked for her comments. It was confirmed that there were known issues with the website that were being addressed and that her concerns about the closure of the app would be fed back to colleagues in the Police.

Cabinet noted the increasing number of unaccompanied asylum seekers within the care system in Hampshire and it was confirmed that these were a combination of children entering the County directly and those moved into Hampshire as part of a national distribution scheme.

With regard to the report, the concept of neglect was discussed. It was explained that amongst care professionals there was a growing awareness of the impact of a neglectful environment and of the forms of neglect.

The recommendations in the report were considered and agreed. The decision record is attached.

84. ANNUAL SAFEGUARDING REPORT - ADULTS' SERVICES

Cabinet received the annual safeguarding report of the Director of Adults' Health and Care.

In introducing the report, a number of developments over the past year were drawn to the attention of Cabinet. These included in particular work with the Hampshire Safeguarding Board, work with the Children's Board to improve coherence with families, and improvements in the capture and reporting of information with a consequential improvement in pro-active effectiveness. It was

noted that the County Council was working with other agencies on a report into historic failures at the Gosport War Memorial Hospital.

Risks identified in the report were also highlighted, including those relating to the capacity and resource pressures caused by the need to manage Deprivation of Liberty Safeguards (DOLS). The Chairman confirmed that he had written to Government regarding the burden of DOLS on the Council.

The recommendations in the report were considered and agreed. The decision record is attached.

85. **AIR QUALITY**

Cabinet received a report of the Director of Economy, Transport and Environment and Director of Public Health regarding emerging issues relating to air quality and the County Council's approach to these.

It was explained that air quality was a concern nationally and that a formal direction had been issued to investigate high levels of nitrous oxide at four sites in Hampshire. Similar directions had also been issued to the cities of Southampton and Portsmouth. It was noted that responsibility for air quality lay with District and Borough Councils, however the County was responsible for highways, being a primary cause of poor air quality, and for public health, where the impact of poor air quality could be felt. The process of benchmarking measures against the possibility of a clean air charging zone in conjunction with District Councils was set out. It was explained that a clean air charging zone posed the risk of simply moving the problem somewhere else and ultimately national strategies to remove the most polluting vehicles would be the most beneficial.

With the agreement of the Chairman Councillor Jackie Porter addressed Cabinet. Councillor Porter highlighted the particular risk to children of poor air quality as usually this was worse nearer to the ground. She explained that it was an issue for children who walk to school, especially as the traffic congestion at those times of day further worsened air quality. Councillor Porter recognised that there were many factors involved in tackling air quality and called for consideration to be given for off-road walking options to benefit children.

Cabinet acknowledged that the County Council would play a co-ordination role as improving air quality wasn't something that could be achieved in isolation. The four areas identified as having poor air quality would be dealt with, but long term strategies for the whole County area would be considered. It was recognised that there was no additional funding for the formation of air quality management areas, furthermore that the requirement to consult on potentially ineffective charging zones had caused public alarm.

The recommendations in the report were considered and agreed. The decision record is attached.

Chairman,

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	5 November 2018
Title:	Treasury Management Mid-Year Monitoring Report
Report From:	Director of Corporate Resources

Contact name: Rob Carr

Tel: 01962 847508

Email: Rob.carr@hants.gov.uk

1. The decision:

That Cabinet recommends to County Council that the mid-year report on treasury management activity be noted.

2. Reason(s) for the decision:

2.1. In February 2010 the County Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the County Council to approve treasury management semi-annual and annual reports. This report fulfils the County Council's legal obligation to have regard to the CIPFA Code.

3. Other options considered and rejected:

3.1. None

4. Conflicts of interest:

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

4.2. Conflicts of interest declared by other Executive Members consulted: Not applicable

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

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

7. Statement from the Decision Maker:

Approved by:

Date:

5 November 2018

**Chairman of Cabinet
Councillor Roy Perry**

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	5 November 2018
Title:	Annual Safeguarding Report – Children’s Services
Report From:	Director of Children’s Services

Contact name: Stuart Ashley

Tel: 01962 846370

Email: Stuart.ashley@hants.gov.uk

1. The decision:

That Cabinet

- 1.1 Notes the positive progress and continued consistently high performance with regards to safeguarding children in Hampshire.
- 1.2 Notes the commitment of a wide range of Children’s Services officers in achieving this level of performance.
- 1.3 Endorses the future direction of travel identified in this report.
- 1.4 Receives further updates on safeguarding on an annual basis.

2. Reason(s) for the decision:

- 2.1. The report provides Cabinet with a detailed insight into the activities undertaken to keep vulnerable children across Hampshire safe and to identify priorities over the coming year.

3. Other options considered and rejected:

- 3.1. None

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker: None
- 4.2. Conflicts of interest declared by other Executive Members consulted: Not applicable

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

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

7. Statement from the Decision Maker:

Approved by:

Date:

5 November 2018

Chairman of Cabinet
Councillor Roy Perry

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	5 November 2018
Title:	Adult Safeguarding
Report From:	Director of Adults' Health & Care

Contact name: Jo Lappin, Interim Assistant Director, Older People & Physical Disability

Tel: 01962 847971

Email: Jo.lappin@hants.gov.uk

1. The decision:

That Cabinet

- 1.1 Receives the annual update report and notes the activity and progress within the area of adult safeguarding.
- 1.2 Notes the developments and risks in relation to the remit of our local authority statutory duty to safeguard and keep vulnerable adults safe.
- 1.3 Notes the contribution of the Hampshire Safeguarding Adults Board in leading the development of policy across the four local authority areas of Hampshire, Portsmouth, Southampton and the Isle of Wight.
- 1.4 Receives a further update on adult safeguarding in 12 months time.

2. Reason(s) for the decision:

- 2.1. The report provides Cabinet with a detailed insight into the activities undertaken to keep vulnerable adults across Hampshire safe and to identify priorities over the coming year.

3. Other options considered and rejected:

- 3.1. None

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker: None
- 4.2. Conflicts of interest declared by other Executive Members consulted: Not applicable

5. Dispensation granted by the Conduct Advisory Panel: none.
6. Reason(s) for the matter being dealt with if urgent: not applicable.
7. Statement from the Decision Maker:

Approved by:

Date:

5 November 2018

**Chairman of Cabinet
Councillor Roy Perry**

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	5 November 2018
Title:	Air Quality
Report From:	Director of Economy, Transport and Environment and Director of Public Health

Contact name: Graham Wright

Tel: 01962 845148

Email: graham.wright@hants.gov.uk

1. The decision:

That Cabinet

- 1.1 Note the statutory responsibilities and accountabilities shared between the County and Borough Councils for dealing with air quality and approve in principle the approach set out in sections 4 and 5 of the report.
- 1.2 Authorise the Directors of Economy, Transport and Environment and Public Health to develop options for undertaking additional work in line with the action plan set out in paragraphs 6.1 to 6.4 of the report and within existing available resources.
- 1.3 Agree to the County Council undertaking a “coordination role” on air quality issues within Hampshire as outlined in paragraph 6.5 of the report, where this is related to our core functions as both highway and public health authority.

2. Reason(s) for the decision:

- 2.1. Poor air quality is a serious public health issue. It is the largest environmental risk to the public’s health and a significant contributor to preventable ill health and early death. As the upper tier authority of the overarching area it is appropriate for the County Council to take a “coordination role” in facilitating activity across the multiple tiers of local government where this is related to its functions as highway and public health authority.

3. Other options considered and rejected:

- 3.1. None

4. Conflicts of interest:

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

4.2. Conflicts of interest declared by other Executive Members consulted: Not applicable

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

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

7. Statement from the Decision Maker:

Approved by:

Date:

5 November 2018

**Chairman of Cabinet
Councillor Roy Perry**

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	10 December 2018
Title:	Budget Setting and Provisional Cash Limits 2019/20
Report From:	Deputy Chief Executive and Director of Corporate Resources

Contact name: Rob Carr – Head of Finance

Tel: 01962 847508

Email: Rob.Carr@hants.gov.uk

1. Recommendations

It is recommended that Cabinet:

- 1.1 Notes the forecast financial position outlined in this report.
- 1.2 Approves the allocation of one off funding of £8.1m announced in the Autumn Budget for social care to Children’s Services, to be retained in contingencies.
- 1.3 Approves the provisional cash limits for 2019/20 set out in Appendix 1.
- 1.4 Notes the change in methodology for the treatment of assumed additional funding for Children’s Services and the resulting impact on the savings required for Transformation to 2021.
- 1.5 Approves the use of up to £3m of existing Tt2019 technology investment funding to enable early work on developing the IT requirements to underpin the Transformation to 2021 Programme.
- 1.6 Delegate authority to the Deputy Chief Executive and Director of Corporate Resources in consultation with the Chief Executive and the Leader of the Council to approve loan funding up to a maximum of £7.5m to cash flow the Enterprise M3 Local Enterprise Partnership in the event of an over spend, to be met from general contingencies.
- 1.7 Approves the capital guideline amounts for the next three years set out in paragraph 11.2.
- 1.8 Approves from contingencies a sum of up to £1.25m in 2018/19 to provide additional funding to deliver the full programme of Strategic Land Development activity planned in the year.
- 1.9 Approves the continuation of Members Devolved Grants at their current level of £8,000 until the end of March 2021 at which point they will reduce to £5,000, with the costs of £468,000 being met from Policy & Resources reserves.

2. Executive Summary

- 2.1 The purpose of this report is to update Cabinet on the financial position in respect of the current financial year and set out the process and framework for the setting of the 2019/20 budget.
- 2.2 The report also takes advantage of the opportunity to seek delegated authority in respect of the Enterprise M3 Local Enterprise Partnership (LEP), to allow the County Council to provide cash flow support.
- 2.3 The budget for the current financial year was set on the basis that a draw from the Grant Equalisation Reserve (GER) would be required to balance the budget. This is in line with the County Council's strategy which works on the basis of a two year cycle of delivering change to release resources and close the anticipated budget gap, providing the time and capacity to properly and safely deliver major transformation programmes every two years, with deficits in the intervening years being met from the GER. Any early delivery of resources are retained by departments to use for cost of change purposes or to cash flow delivery and offset service pressures - a model which has served the authority well.
- 2.4 Targets for 2019/20 based on a reduction of approaching 19% in cash limited spend, were approved by the County Council in July 2016 as part of the Medium Term Financial Strategy (MTFS) to 2020. Proposals to meet these targets were approved by Executive Members, Cabinet and County Council in October and November last year and are being implemented through the Transformation to 2019 (Tt2019) Programme. Given this position, no new savings proposals will be presented as part of the 2019/20 budget setting process.
- 2.5 The Tt2019 Programme will look to deliver further savings of £140m, bringing the cumulative total to £480m over a 10 year period. An update on the positive progress being made by departments is provided in the transformation report presented elsewhere on this agenda, although as previously acknowledged delivery will extend beyond two years. The anticipated delay in the delivery of cash savings for some elements of the Tt2019 Programme has been factored into our medium term forecasts to ensure that one-off funding is available both corporately and within departments to meet any potential gap over the period.
- 2.6 Taking up to four years to safely deliver service changes rather than being driven to deliver within the two year financial target requires the careful use of reserves as part of our overall financial strategy to allow the time to deliver and also to provide resources to invest in the transformation of services. This further emphasises the value of our reserves strategy.
- 2.7 Work has also started on the Transformation to 2021 (Tt2021) Programme, which will look to deliver further savings of £80m, bringing the cumulative total of savings to £560m. These proposals will be consulted on during the summer of 2019 and will include passporting additional funding assumed in our medium term forecasts to Children's Services.
- 2.8 The MTFS approved by the County Council in September 2018 flagged that the expectation was for minimal change to the provisional Local Government Finance Settlement for 2019/20 – the final year of the Comprehensive

Spending Review (CSR), with the Budget in the autumn potentially containing some additional information that could impact our planning assumptions.

- 2.9 The report includes further approvals in respect of increased activity on Strategic Land Development in 2018/19 and the continuation of Members Devolved Grants at their current level. It also sets the framework for developing the detailed revenue budgets and capital programme that will be presented to Executive Members, Cabinet and County Council during January and February next year.

3. Contextual Information

- 3.1 In the past, financial updates around this time of the year have been heavily influenced by the timetable of release of information from the Government either around Comprehensive Spending Review (CSR) figures or specific grant figures for the next financial year.
- 3.2 The current CSR was published on 25 November 2015, covering the period from 2016/17 to 2019/20 and the Medium Term Financial Strategy (MTFS) approved by the County Council in September 2018 reiterated that the expectation was for minimal change to the provisional Local Government Finance Settlement for 2019/20, the final year of the CSR. However, it was acknowledged that the Budget in the autumn could potentially contain some additional information that could impact our planning assumptions.
- 3.3 The Autumn Budget released on 29 October set out the Government's plans for the economy based on the latest forecasts from the Office for Budget Responsibility (OBR). These forecasts included higher tax revenues resulting in borrowing for 2018/19 now expected to be £11.6bn lower than forecast in March, and £2bn a year lower in subsequent years up to 2021/22. The Budget has used most of this windfall to fund new tax and spending commitments.
- 3.4 The Chancellor delivered his last budget speech before Brexit and set out a range of proposals including the following of particular relevance to local government:
- Changes to business rates, notably cutting bills by one-third for retail premises with a rateable value below £51,000 in 2019/20 and 2020/21, for which local authorities will receive a grant to compensate them for the lost income.
 - The National Living Wage will rise by 4.9% from £7.83 per hour to £8.21 from April 2019.
 - £400m extra capital funding this year for schools to spend on equipment and facilities. This is equivalent to about £10,000 for a primary school and £50,000 for a secondary school.
 - £420 million extra for councils in 2018/19 to tackle potholes, repair damaged roads, and maintain bridges. – Hampshire County Council's allocation confirmed as £11.9m.
 - £150 million of funding for local authorities for small road improvement projects such as to roundabouts

- Apprenticeship Levy paying employers will be able to transfer up to 25% of their funds to pay for apprenticeship training in their supply chains.
 - The Government will not set up any new Private Finance Initiative or Private Finance 2 schemes, but other forms of public private partnership will continue.
 - Additional one off funding for adults' social care of £240m in 2019/20, of which Hampshire County Council's share is £4.8m.
 - Additional one off funding of £410m for adults' or children's social care of which Hampshire County Council's share is £8.1m.
- 3.5 The additional funding for social care is welcomed and will be used to offset the pressures we are facing which we have highlighted repeatedly, although this funding falls far short of the amount required and is only one off. It does however signal that some of the pressures on local government are being recognised by the Treasury and the hope is that this will feed through to further changes within next years Spending Review.
- 3.6 The funding for adult's social care will be included within the Improved Better Care Fund (IBCF). The intention is to allocate the funding of £8.1m for social care to Children's Services, given the current financial position which is described in more detail in Section 4, and this one off amount will be held in contingencies.
- 3.7 None of these announcements has an immediate impact on the budget setting process for 2019/20 and any changes contained in the provisional Local Government Settlement, which will be announced in December, will be taken into account when setting the budget in February and will be reported to Cabinet and County Council.
- 3.8 One potential area for change relates to the announcement of the outcome of the application process to become business rates retention pilots in 2019/20.
- 3.9 The Government invited local government to bid for a Business Rates pilot for 2019/20 and a bid was submitted in September to operate across the Hampshire functional economic area. This is based on the Hampshire County Council area and the associated district councils within this, along with the Enterprise M3 Local Enterprise Partnership (LEP) and the Solent LEP.
- 3.10 The pilots are to be based on 75% retention, with growth measured from baselines levels set in 2014 and there is no "no detriment" guarantee (as for 2018/19, although this guarantee was later granted by the Government).
- 3.11 The aim of the pilots is to inform the proposed extension of Business Rate Retention and so bids will need to be different to past pilots to be accepted. In addition, it is anticipated that less pilots will be agreed than in the 2018/19.
- 3.12 The bid from the County Council and 11 Districts submitted in September was based on a top slice of 35% for a Strategic Infrastructure Fund to support accelerated Housing delivery with the balance being shared in the same proportions as the existing business rate distribution model.
- 3.13 Government will be announcing the successful applicants either before or alongside the provisional Local Government Settlement. Financial gains from

the pilot are one off and marginal for the County Council but at £3.5m are not insignificant and the Strategic Infrastructure Fund provides an ideal opportunity to work with the Districts to accelerate housing delivery. Given the uncertainty about the outcome of the bidding process at this stage our financial planning has taken no account of any potential additional funding.

- 3.14 Savings proposals for 2019/20 have already been agreed and the focus now is on implementation and delivery and an update on the progress being made is provided in the transformation report presented elsewhere on this agenda.
- 3.15 Looking ahead to the programme to take us to 2021, the MTFS proposed a similar timeline to that adopted successfully for the Transformation to 2019 (Tt2019) Programme, including a similar approach to consultation, and broad indicative dates. Work has begun to map out in more detail what the Transformation to 2021 (Tt2021) Programme may contain and it is anticipated that the programme will be formally launched, following Cabinet approval next year in order to start developing plans for meeting the expected two year budget gap of £80m in 2021/22.
- 3.16 Given this position, the main focus in setting the budget for 2019/20 is the production of the detailed revenue and capital budgets and this report sets out the framework for the detailed budget preparation process for next year.

4. Quarter 2 Financial Monitoring

- 4.1 The position at the end of September (Month 6) indicates that in year all departments, with the exception of Children's Services, will be able to manage the large scale investment required to deliver their planned transformation activity and meet service pressures through the use of cost of change (and other) reserves, along with agreed corporate funding.
- 4.2 Reported pressures are predominantly (but not solely) in Children's Services, with Adults' Health and Care benefiting from additional funding in the form of the IBCF and the announcement of a further £4.8m of winter pressures money from the Government. Of pressures totalling £25.1m, £22.4m relates to Children's Services, the majority of which relates to forecast growth in CLA numbers during 2018/19 and the knock on impact of the pressures reported at the end of 2017/18
- 4.3 Growing attention nationally is being focused on the pressures facing children's services and local authorities are citing the pressure in children's social care as their greatest immediate financial concern (*Source – [LGiU/MJ State of Local Government Finance Survey 2018](#)*), with rising demand for support leading to over spends in an increasing number of authorities. The key reasons for the increasing numbers relate to:
 - A much better awareness and identification of child abuse and neglect from a range of partners.
 - The better application of consistent thresholds to receive help as a result of government statutory guidance ('Working Together to Safeguard Children').
 - A growing professional aversion to risk from partners driven by national child care scandals.

- The impact of economic and financial hardship on families.
- The discovery of 'new' forms of abuse such as child sexual exploitation, child criminal exploitation and online abuse.
- The creation of a number of new policy initiatives such as 'staying put' which allow teenagers to stay in their foster care placements.
- Children remanded to custody being treated by law as children in care.
- A range of new legal processes such as the 'public law outline' which drive local authorities to put far more case decisions before the family courts.
- A drive by the courts for all application cases to conclude within 26 weeks.
- Policy drivers such as the national redistribution of Unaccompanied Asylum Seeking Children (UASC) arriving from France.

4.4 Within the County Council additional investment in a range of areas within Children's Services has been provided for, including funding to cover costs to grow social worker capacity through increased recruitment and improved retention. These amounts, together with funding for growth in Children Looked After numbers (and in turn the knock on impact for care leavers) already provided for and allocated, alongside continued management focus on the other pressure areas, are ensuring that the Department operates from a firmer financial base as they deliver the required transformation.

4.5 It is currently predicted that even with this funding the Department will be over spent by approaching £0.5m at the end of the year. However, as we move towards the end of the year it is anticipated that this position may improve through a combination of continued positive management action in the pressure areas, under spends elsewhere in Children's Services and the use of corporate contingencies as appropriate.

4.6 The table overleaf summarises the latest overall forecast position for the County Council and strong financial management will continue to be a key focus throughout the year to ensure that all departments stay within their cash limits, that revenue pressures are contained and that they deliver the savings programmes that have been approved.

	Total £'000
Total Investment / Cost of Change Used	45,092
Total Pressures	25,074
Tt2017 Late Delivery	452
Total Additional Cost	70,618
To Be Met From:	
Early Delivery of Tt2019 Savings	(23,850)
Other Savings	(27,691)
Other Reserves	(1,864)
Corporate Support	(26,999)
Contribution to / (from) Cost of Change	10,276
Forecast Outturn	490

- 4.7 Financial pressures on schools are increasing, both at an individual school level and within the overall school budget. The overall school budget is currently in deficit and this deficit will increase again in the current financial year, with the Schools' Forum agreeing for this to be carried forward into the budget for 2019/20. The pressure experienced in Hampshire is reflected across many other authorities and predominantly relates to demand led budgets funding pupils with high levels of additional need, in particular where there are increasing numbers of pupils with Education, Health and Care Plans (EHCP) and as a result of extending this support for young people up to the age of 25.
- 4.8 Options are being considered to reduce this pressure and create efficiencies which will be the subject of wider consultation before a final decision is made. This consultation will include educational settings, parents and wider stakeholder groups as appropriate and where required an equalities impact assessment will be produced to support any reports for decision.
- 4.9 There are an increasing number of schools in, or at risk of falling into deficit. Reasons vary, and tailored support is being provided to individual schools facing financial difficulties along with appropriate challenge and intervention where required.
- 4.10 In September 2017, the Department for Education (DfE) announced the introduction of a National Funding Formula (NFF) for Schools, High Needs and the Central School Services blocks. The Government's intention remains that individual school budgets should ultimately be set on the basis of a single national formula (a 'hard' funding formula) however, no timescales have been set. The DfE have recently announced that the current arrangement, where funding for schools will be calculated on a national basis and then passed to the local authority for allocation, will continue for a further year to include 2020/21.
- 4.11 As we move further through the financial year we will have a clearer picture of the likely outturn position for 2018/19 and each year we prepare a revised budget that is presented to Cabinet in January which reflects the latest

monitoring information as at the end of December. In addition, corporately a more detailed review of non-departmental budgets (including contingencies) and reserves will be undertaken as part of the third quarter monitoring and in considering the 2018/19 revised budget position.

5. 2019/20 Budget Setting

- 5.1 The deliberate strategy that the County Council has followed to date for dealing with grant reductions and the removal of funding that was historically provided to cover inflation, coupled with continued demand pressures over the last decade is well documented. It involves planning ahead of time, through a two-yearly cycle, releasing resources in advance of need and using those resources to help fund transformational change.
- 5.2 Targets for 2019/20 based on a reduction of approaching 19% in cash limited spend, were approved by the County Council in July 2016 as part of the MTFS to 2020. Proposals to meet these targets were approved by Executive Members, Cabinet and County Council over the Autumn last year and are being implemented through the Tt2019 Programme.
- 5.3 A separate report updating the Cabinet on the progress of the Tt2019 Programme is presented elsewhere on this agenda and highlights positive progress on the achievement of savings against the targets set for the next financial year.
- 5.4 Since this programme is already in place, and the financial strategy that the County Council operates is on the basis of a two year cycle of delivering departmental savings, there are no new savings proposals to be considered as part of the 2019/20 budget setting process. However, it is still necessary for the County Council to go through the normal 'technical' process of setting provisional cash limits for departments, asking them to prepare detailed budgets within those cash limits and then securing approval through Executive Members, Cabinet and finally County Council.
- 5.5 The next section of this report sets out the details of provisional cash limits for departments for 2019/20, which take into account any base budget changes and the impact of inflation.
- 5.6 The MTFS approved by the County Council in September 2018 assumed that council tax will increase by the maximum permissible without a referendum in line with government policy. This will mean a council tax increase of 2.99% (subject to the final confirmation of the referendum limit by government) in line with the government's amended approach which is built into their settlement calculations. This will generate around £18m additional income but it is likely that Hampshire will still remain the second lowest county level council tax in the country.
- 5.7 In addition, the financial strategy assumes a significant draw from the Grant Equalisation Reserve (GER) in 2019/20 to provide for the one-off corporate funding that is needed to cash flow the Tt2019 Programme, recognising the scale of the transformation and the lead in times for achieving the savings themselves.

5.8 Final details of the settlement for next year, including the outcome of the applications to become a business rates pilot, plus information from district councils on collection fund surpluses and estimates of retained business rates is not currently available and will therefore be taken into account in setting the final budget in February next year.

6 Provisional Cash Limits 2019/20

6.1 Provisional cash limits are set to enable departments to prepare their detailed budgets for the next financial year. These take account of changes in the base budget, for example as a result of grant changes or transfers between departments, approved growth and inflation for the year.

6.2 Inflation allowances are given each year for pay and price increases and the provisional cash limits detailed in this report include allowances for price inflation. At this stage they do not include an allowance for the second year of the two year pay award agreed earlier this year and covering the 2018/19 and 2019/20 financial years. However, this will be added once the required allocations have been finalised and details will be included in the February budget setting report.

6.3 Historically no allowance has been given for step progression and departments have been expected to manage this within their bottom line, securing efficiencies if necessary. In view of the ongoing requirement to find savings to meet targets set to balance the budget, finding further efficiencies to absorb step progression is becoming increasingly challenging.

6.4 As a consequence, for 2018/19 a contribution was made towards meeting the cost of step progression as part of the allocation of corporate inflation to cash limited budgets. This has continued in 2019/20 with a general allowance of 1.5% applied to relevant employee budgets (directly employed staff) – the difference between most steps is 3% but some staff will be at the top of the grade and so progression will not apply.

6.5 The calculation of the provisional cash limits is shown in detail in Appendix 1. The figure for Schools will be updated once the provisional settlement is known, but for now, the 2018/19 position has been updated taking into account forecast changes, such as increases in respect of the pupil premium and other grant related changes.

6.6 The MTFs approved by County Council in September 2018 also highlighted a number of additional pressures totalling £19.7m that would impact on the budget for 2019/20. Given the current difficulties in achieving the Tt2019 Programme over an extended timeframe it was not considered feasible to increase savings targets further and it was therefore recommended that these recurring pressures be funded from housekeeping savings mainly generated through increases in the council tax base. These items have been retained in contingencies and will be allocated as needed with the position monitored throughout the year.

6.7 Chief Officers, with Executive Members are asked to develop their detailed budgets within the guidelines that have been set so that the Leader and Cabinet can make the final budget recommendations for 2019/20 at the meeting in February 2018.

7 Transformation to 2021

- 7.1 The Tt2019 Programme has been in place for some time and following approval of the detailed savings proposals in November 2017 departments have been undertaking detailed work to implement the savings.
- 7.2 As in previous years, the County Council has responded positively to the transformation challenge and proposals to meet the £140m target were signed off by County Council in November last year subject to any further Stage 2 consultations that need to take place.
- 7.3 What is different to previous years however is the fact that the profile of delivery for the programme is back loaded, with some changes not being delivered at all until well after 2019/20. It has always been acknowledged that the implementation of some proposals will be more challenging than others and may be subject to separate consultation exercises to fully understand the impacts of the proposals. Taking the time to get this right is very important for service users and the County Council and whilst sufficient resources have been set aside to cover this slower but safer implementation, it does increase the overall risk in the budget going forward as there will be overlapping change programmes.
- 7.4 In line with previous major cost reduction exercises Tt2019 progress will continue to be closely monitored and will be subject to monthly review by CMT and regular reporting to Cabinet throughout the remainder of 2018 and beyond. This will ensure that issues, concerns and risks are dynamically responded to and dealt with. It will also mean that benefits realisation and the timely delivery of savings is consistently in focus, which for this programme, given its later cash flow support demands, is ever more important.
- 7.5 Whilst Tt2019 represents an immense challenge, the County Council does have significant capacity, capability and experience to tackle the task, highlighted by its track record to date. As tough as the forward agenda is, we know that the County Council is as well placed as any other local authority to deliver on the continuing financial challenges that apply in the sector and crucially to make the necessary investment required. This is a direct result of our early planning and decision making and the fact that the scale of the County Council provides the necessary resources and capacity to undertake and implement programmes of this size and complexity.
- 7.6 Looking ahead, whilst there are a number of risks, dependencies and external factors that will require on-going management input and attention, success with the Tt2019 Programme, over its extended time period will lay very solid and strong foundations for the inevitable and harder successor transformation programme.
- 7.7 The high level medium term forecast to 2021/22 now requires the County Council to develop a transformation programme that will deliver a further £80m. Meeting this target on top of the £480m that will have been removed from the budget by 2019/20 clearly represents the greatest financial challenge yet, coming as it does at the end of a decade of funding reductions for local government.
- 7.8 Alongside continued management of the extended Tt2019 Programme, work is underway to map out in more detail what the Tt2021 Programme may

contain and a Budget Peer Review process has been conducted over the summer by Directors, which will help to inform the future savings programme and options.

- 7.9 This is clearly a very challenging prospect given the value of savings that have already been taken out of the system and the additional effort and levels of transformation activity that are required to achieve further phases of savings. This programme will increase the cumulative total of savings to £560m and it is therefore inevitable that some of the changes will involve service reductions in addition to efficiencies and income generation.
- 7.10 The aim is for departments to develop their high level savings proposals for Tt2021 in time for public consultation to take place over the summer 2019. The consultation feedback and the proposals can then be presented for consideration by Executive Members, Cabinet and County Council in autumn next year.
- 7.11 This will once again provide departments with the maximum time to allow the continuation of the robust and well planned approach we have utilised to date to achieve successful implementation and delivery of the required savings by April 2021, albeit that the eventual delivery of those savings may take longer depending on the complexity and nature of the proposals put forward by departments.
- 7.12 A key feature of transformation programmes in the past has been the use of technology to enable savings both at a corporate level (through the Digital Programmes and the Enabling Productivity Programme) and at a departmental level through the implementation of specific technology investment that underpins or enables changes to existing operating models.
- 7.13 Significant investment of over £35m was approved to support the Tt2019 Programme, which continues to be implemented over the extended timeframes for delivery across the County Council. Early work in considering the programme for Tt2021 has identified the need for some initial resources to carry out work in areas such as a new Digital Programme, the next phase of the Sharepoint roll out, chatbots, further work on analytics and Robotic Process Automation (RPA).
- 7.14 At this stage a high level estimate of up to £3m has been forecast to take these items forward up to summer next year and the proposal is to 'borrow' from the resources approved for Tt2019 on a temporary basis, with that funding being repaid at a later date if required in order to complete the balance of the Tt2019 Programme. A summary of requirements for Tt2021 will be reported over the summer next year with a view to securing the necessary investment in technology to underpin the next programme of transformation.
- 7.15 Given the longer timescales for delivery, the County Council must also continue its strategy of topping up the GER to ensure there is sufficient funding to meet the gap in the interim year of 2020/21 and to provide cash flow funding to support the delivery of the Tt2021 Programme. The County Council's continued ability to provide funding of this sort is testament to its sound financial management and planning at a time when many other Councils are struggling with more immediate financial problems.

Government Funding Assumptions

- 7.16 Cabinet will be aware that the target savings of £80m included a softening of the potential impact of reductions in government funding and the assumption that £8.1m of ongoing funding will be received from the Government in respect of children's social care pressures (this is purely an assumption and ongoing funding has not been announced). Within the MTFS this new funding assumption was used to reduce the overall target set for all departments.
- 7.17 This is inconsistent with the previous treatment of additional funding for adult social care pressures that was given by the Government through the BCF initiative. This dedicated funding was passported to the Adults' Health and Care Department and in 2019/20 represents £18.9m of their approved savings (the full value of the BCF grant).
- 7.18 It is proposed that a similar and consistent treatment is applied to the assumed extra funding for children's social care. This would also effectively provide Children's Services with a savings proposal of £8.1m towards their Tt2021 Programme target.
- 7.19 This will require £8.1m to be identified corporately which may be dependent on future increases in council tax base and other factors such as business rate income and Section 31 grant, but it is thought to be achievable as long as there are no increases in the pressures for social care above those currently forecast.
- 7.20 However, it should be noted that the proposed changes to the £8.1m funding further increase the risk in the financial strategy as there is a risk that no government funding is actually forthcoming. The County Council will need to carry this risk until more information about Business Rates Retention and the Fair Funding Review is made available and provisional figures are announced for the forthcoming CSR which will be incorporated in the next update of the MTFS.

8 Enterprise M3 Local Enterprise Partnership

- 8.1 The County Council acts as the Accountable Body to the Enterprise M3 Local Enterprise Partnership (EM3 LEP). One of the main roles of the Accountable Body is to ensure that government funding is distributed appropriately by the LEP and in line with the governance arrangements that have been jointly agreed.
- 8.2 Given the importance of the EM3 LEP and the work that they do to improve economic prosperity and related infrastructure across the majority of the Hampshire geography, the County Council has taken a more active role as Accountable Body, working with the EM3 LEP to ensure that they can operate as effectively as possible within the constraints imposed by government.
- 8.3 A major issue for all LEPs is the fact that funding is only agreed on an annual basis and is subject to a competitive bidding process. This makes it difficult to plan ahead for strategic programmes of work that would make a significant difference in economic impact terms. This also leads to short term decision making in order to utilise grant allocations before year end rather than being able to take a longer term strategic overview of what is trying to be achieved.

- 8.4 In order to facilitate better decision making within the EM3 LEP and to allow for an element of over programming over the next few years it was requested that the County Council provide a cash flow facility that could be used by the EM3 LEP in the event that they exceeded their grant allocation in any one particular year. It is therefore recommended in this report that a loan facility of up to £7.5m be made available to the EM3 LEP if required at an appropriate interest rate equivalent to our average return on all external investments.
- 8.5 This report seeks the delegation of authority to the Deputy Chief Executive and Director of Corporate Resources in consultation with the Chief Executive and the Leader of the Council to approve loan funding up to a maximum of £7.5m to cash flow the EM3 LEP in the event of an over spend against their grant allocation in any one particular year, to be met from general contingencies.

9 Strategic Land Development

- 9.1 The Strategic Land Programme was set up in 2008 to maximise the financial returns on the County Council's land holdings that had the potential for sale and development in the future. By developing the plan and opportunities for a site, usually through to outline planning permission stage, this greatly increases the eventual financial return at the point the land is released for development. Since its inception the Strategic Land Programme has realised and delivered over £21m of capital receipts up to and including the 2016/17 financial year and based upon current local plan allocations, planning approvals and projects it is anticipated that it will generate over £270m of capital receipts for the County Council in the period up to 2029/30.
- 9.2 To realise this, the County Council invests annually in the Strategic Land Programme in order to prepare and bring forward its land. Within the Programme Business Plan overall revenue expenditure is forecast at approximately 10% of total receipts, with a range of between 1% and 11% spend per project depending on the planning / disposal strategy of individual projects and their scale. The spend supports a dedicated team within Property Services and the procurement of specialist advice or consultancy depending on the nature of the site and its complexity.
- 9.3 Total funding of £12.7m since 2008 has previously been approved to take forward a large number of sites (notably Manydown) and this funding was due to run out during the current financial year. A top up of £665,000 was approved as part of the 2018/19 budget to complete the anticipated plan of works through to March 2019, with future allocations to the programme being agreed in February each year as part of the budget setting process.
- 9.4 The phasing of the programme is difficult to predict and is influenced by many factors some of which are outside of the County Council's control. In some respects, higher spend on a site often means that progress has been accelerated and receipts will be achieved earlier. In addition, market interest in a site may bring forward work that was planned in the future.
- 9.5 Due to increasing pressures in some sites and as a result of opportunities to accelerate the Programme in areas such as Uplands Farm and Stanhill

Grange at Whitehill and Bordon, a further sum of up to £1.25m is now required in the current 2018/19 financial year. In particular, this will support:

- **Manydown** – It was originally assumed that the outline planning application for Manydown Phase 1 would be approved in 2017/18, however revisions to the outline planning application and further consultation with the local planning authority and consultees has extended the timescale on this large and complicated project.

The current programme envisages planning committee approval in December 2018 and a signed Section 106 agreement shortly after and subsequently there is already pro-longed in-year activity relating to pre-commencement works / option price negotiation and promotion of the further Manydown Phase 2. These costs can ultimately be deducted from the net receipts of the Manydown Company.

In addition, there has also been an extended procurement to select and negotiate with a joint venture partner and an allowance made for ongoing staff and consultant costs associated with supporting the development company and Manydown Garden Communities LLP. This upfront investment is shared between the County Council and Basingstoke and Deane Borough Council.

- **Uplands Farm** – The original forecast was based upon securing outline planning permission for two related sites, with consultant support. The scope of the project and corporate profile has changed to a detailed application for Deer Park secondary school and primary infrastructure and amendments to the bypass and drainage designs, as well as outline details for large scale housing development, with updated transport and environmental assessments. This has entailed increased in-house and consultant resources to coordinate and deliver two planning applications and will involve very active management to secure planning permissions and meet the project timescales.
- **New Potential Sites** – A number of new potential sites such as Stanford Grange at Whitehill and Bordon, are now emerging in the programme due to local planning reviews and need to be resourced accordingly, in order to secure allocations in local plans and planning permissions. These opportunities will in turn generate additional land receipts for the County Council.

9.6 This additional funding of up to £1.25m will be met from contingencies in the current financial year and it is proposed to bring a more detailed report forward as part of the budget setting process in February next year outlining the forward programme in respect of Strategic Land Development generally and a financial overview of the Manydown site.

10 Members Devolved Grants

10.1 Members devolved budgets have been a relatively small but important part of the County Council's budget for many years. They provide all Members with the opportunity of funding local priorities within their wards or for supporting spend which is felt to be of a wider benefit to the County as a whole.

- 10.2 As part of early budget reductions, the budgets were reduced from £10,000 to £8,000 per Member and then as part of the Transformation to 2017 (Tt2017) Programme a further reduction to £5,000 was approved. However, following recommendations from the Policy and Resources Select Committee, County Council eventually agreed to retain the grant level for a further two years (2017/18 and 2018/19) by drawing from Policy & Resources reserves.
- 10.3 The budget level should therefore drop to £5,000 from 2019/20 onwards. However, given the importance of the grants and the wider services that they support across many communities, it is recommended in this report that they be retained at the same level for a further two years, which also means that any future change to the level of the budget will coincide with the new Council term from 2021/22 onwards.
- 10.4 The additional cost of a further two years is £468,000 and as before it is proposed that this is funded from Policy & Resources reserves.


11 Capital Investment

- 11.1 The County Council's capital programme has been maintained and expanded over recent years, continuing the trend of ensuring that we invest wisely in sustaining our existing assets and delivering a programme of new ones.
- 11.2 The timeframe for capital planning moves on each year and for the 2019/20 budget process, the programme will be extended into 2021/22. The table overleaf shows the provisional capital guidelines that are being allocated to each department:

	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Adults' Health & Care	481	481	481
Children's Services	100	100	100
ETE	11,929	11,929	11,929
P&R	4,692	4,692	4,692
Total	17,202	17,202	17,202

- 11.3 The capital guideline for ETE reflects the additional funding of £10m per annum for Operation Resilience (from 2017/18 for four years) that was added to the programme as part of the MTFs approved by the County Council in July 2016. The forecasts prepared for the latest MTFs also assumed that a recurring amount of £10m would be added to the budget as a revenue contribution to capital to permanently maintain the investment in Operation Resilience. This has been added to the capital guideline for ETE for planning purposes at this stage but is subject to the amount being agreed as part of future revenue budget and council tax setting.
- 11.4 Cabinet is requested to approve these provisional guidelines to allow departments to prepare their detailed capital programmes for approval as part of the budget setting process in January and February next year.

11.5 The figures in the table above represent the ‘locally resourced’ allocations to the capital programme, which supplement other capital resources that fund the overall programme, such as developers’ contributions, capital receipts, Government grant and borrowing. The total programme approved last February is shown in the table overleaf and this will be updated as part of the budget setting process for 2019/20:

	Revised				Total
	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000
Adult’s Health & Care	55,127	11,175	481	481	67,264
Children’s Services	135,151	80,868	60,174	55,070	331,263
Environment & Transport	76,839	139,670	80,324	44,558	341,391
Policy & Resources	75,478	22,828	22,228	22,228	142,762
Total	342,595	254,541	163,207	122,337	882,680
					
		540,085			

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

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

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Medium Term Financial Strategy Update and Transformation to 2019 Savings Proposals https://democracy.hants.gov.uk/mgAi.aspx?ID=3194#mgDocuments	Cabinet - 16 October 2017 County Council – 2 November 2017
Looking Ahead - Medium Term Financial Strategy https://democracy.hants.gov.uk/ielssueDetails.aspx?Ild=10915&PlanId=0&Opt=3#AI8687	Cabinet - 18 June 2018 County Council – 20 September 2018

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>
None	

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:

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

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 and changes to services are designed in such a way to also achieve this objective.

- 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 and transforming its services will ensure that climate change issues are taken into account.

PROVISIONAL CASH LIMITS – 2019/20

	2018/19 Cash Limit £'000	Base Changes £'000	Inflation & Growth £'000	Tt2019 Savings £'000	2019/20 Cash Limit £'000
Adults' Health and Care	398,955	4,814	34,394	(55,934)	382,229
Children's – Schools	806,885	(4,777)			802,108
Children's – Non Schools	167,041	(1,834)	21,517	(30,132)	156,592
Environment & Transport	112,506	308	5,014	(15,805)	102,023
Policy & Resources	91,521	2,287	5,661	(14,929)	84,540
Total	1,576,908	798	66,586	(116,800)	1,527,492

Notes:**Base Changes**

- Largely relate to changes in grants, movements between services and contributions to / draws from reserves, including cost of change.

Inflation & Growth

- In addition to general price inflation (much of which relates to care provision in Adult's Health and Care) this includes a general allowance of 1.5% of relevant employee budgets (directly employed staff) for step progression.
- Reflects inflation for the waste contract and also agreed allowance for growth in volumes.
- Includes the allocation of funding for growth (within the amounts set out in the MTFs) for both Adults' Health and Care and Children's Services in relation to demography and complexity and investment in social worker capacity.

Tt2019 Savings Targets

- Overall target of £140m with £23.2m delivered through corporate efficiencies and an element of increased council tax income.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	10 December 2018
Title:	Transformation to 2019: Report No. 5
Report From:	Chief Executive

Contact name: John Coughlan

Tel: 01962 846400

Email: john.coughlan@hants.gov.uk

1. Recommendations

1.1 It is recommended that Cabinet:

- a) Notes the latest Tt2019 programme risk assessment, including the early securing of £60m of savings - section 5.
- b) Notes that five of the six service specific Tt2019 public consultations have been completed and Executive Member decisions taken, with the one remaining consultation, Learning Disabilities Respite Care Services due to close later this month – 21st December - section 5.
- c) Notes the continued positive progress being made in relation to the on-boarding of the three London Boroughs to the Council's shared services platform – section 5.
- d) Notes the progress and strong contributions being made by the three enabling projects to the programme; Digital, Productivity and Procurement – section 6.
- e) Notes that programme progress will continue to be monitored closely and that a further update will be provided to Cabinet before the end of 2018/19 – section 5 and 8.
- f) Notes the update on the planning work and forward timescales for the successor £80m Tt2021 programme – section 7
- g) Agrees to continue to lobby Government in respect of new charging powers aimed specifically at raising income that will be used to protect important universal services into the future e.g. Household Waste Recycling Centres, or to enable other specific savings proposals not to be implemented or for their impact to be mitigated.

2. Executive Summary

- 2.1 This is the fifth dedicated Transformation to 2019 (Tt2019) report to Cabinet setting out the latest programme position. In November 2017 Full Council approved a set of savings proposals put forward to enable a predicted budget gap of £140m by April 2019 to be closed against a current overall cash limited budget provision (excluding schools) of approaching £767m.
- 2.2 Full Council approval of the savings proposals and the budget envelope for 2019 followed a summer 2017 public consultation exercise that provided an opportunity for residents and stakeholders to express their views on how best the County Council should go about the challenge of balancing a forecast £140m future budget gap. Further to the public consultation process and informed by it, Departments took their specific savings proposals to Select Committee meetings and Executive Member Decision Days in September 2017, and in the October, Cabinet approved a Medium Term Financial Strategy and Transformation to 2019 Savings Proposals report, which included the outcome of the public consultation exercise.
- 2.3 The October 2017 Cabinet report referenced clearly the challenges associated with the Tt2019 programme and made clear that delivery would extend beyond two years but that this would be supported financially by cost of change reserves held by Departments with the exception of Children's Services. The report confirmed that due to the scale of the overall challenge and the increased risk to the timely delivery of the savings, CMT would be carrying out a peer review over the early autumn of the higher risk elements of the programme and would advise accordingly on any changes to the financial support requirements for Tt2019.
- 2.4 The peer review exercise was duly completed and as reported in December 2017, it was estimated that further one-off cash flow support would be required to enable the safe delivery of the Adults element of the programme. This brought the overall Tt2019 cash flow requirement to £40m to support the savings programmes in Adults and Children's which can be accommodated from the Council's strong reserves position that has resulted from year on year strong and effective financial management. The Adults and Children's programmes, subject to the careful management of some key risks, are forecast to take four years to deliver. The continued strong financial performance in Adults, including delivery in full of its legacy Tt2017 savings ahead of schedule, provide increasing confidence that some of the estimated £40m will not be called upon in the coming years.
- 2.5 That said, the on-going challenges in Children's and the relatively early stage of the Tt2019 programme mean it would be unwise to forecast a lower overall call on the estimated cash-flow requirement for the programme at this point in time, particularly given the continued pressure within this sector both nationally and locally. Members will be aware of the current focus, nationally and locally, on Children's social care pressures in a similar way to that experienced within Adults previously. Similarly, upper tier authorities are having to re-calibrate their budgets, with the resultant negative impact upon other services of the County Council to meet the increasing demand. This is in advance of any potential national funding coming forward to ease some of

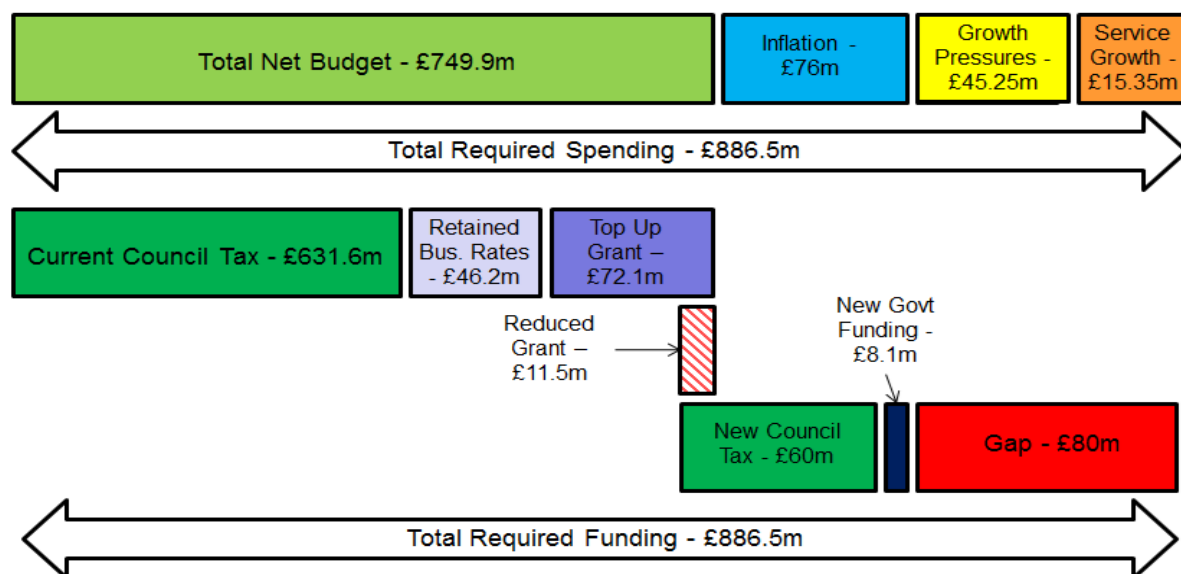
the pressure (as it eventually did with adult social care). Delivery in the other Departments is set to be contained to two years or, where it will stretch beyond, the individual Departments will manage the later savings achievement through their own cost of change reserves.

- 2.6 In December 2017 Cabinet were updated on work to explore all viable options to revise or refine the October proposals with particular regard to service continuity in areas such as school crossing patrols, community transport, bus subsidies and household waste and recycling centres. These savings options accounted for some £5.3m of the overall programme proposals. The culmination of this work and the development of £2.1m of alternative savings proposals combined with Government allowing local authorities to increase Council Tax by a further 1% (valued at £5.7m of which £3.2m is being used to allow the universal service savings to be withdrawn in full) were reported to Cabinet in early February and paved the way for Full Council to approve changes to the Tt2019 programme at their meeting later in the same month.
- 2.7 The programme focus is now very much orientated to implementation and delivery. Where appropriate, this includes service specific public consultations where proposals and options for service change are debated with service users and key stakeholders. Presently, out of the six public consultations planned in 2018, five have been completed. A consultation in respect of Learning Disabilities Respite Services was launched at the end of September and is due to close later this month (21st December). Early implementation progress has been positive with some £60m of the £140m target secured by the end of September. This includes the full achievement of the £23m of investment and borrowing savings (and a small element of additional Council Tax income) alongside £37m of delivery across the different Department programmes.
- 2.8 Resources for the programme are in place and are focused on any number of the more significant programmes of work. This includes deployment of the in-house Transformation team to support Adults and Children's projects as well as specialist I.T input to drive forward the business critical Digital 2 work, which, as previously reported, is a key enabler for Tt2019. Strong progress is also being made with other important enabling projects including 'Enabling Productivity' and 'Strategic Procurement'. These important contributors to Tt2019 are covered later in this paper. A more detailed report on Enabling Productivity and Digital is also included on today's agenda.
- 2.9 In line with previous major cost reduction exercises, Tt2019 progress is being closely monitored and is subject to monthly review by CMT. This ensures that issues, concerns and risks are dynamically responded to and dealt with and also means that benefits realisation and the timely delivery of savings is consistently in focus, which for this programme, given its later cash flow support demands, is ever more important. Further, it is almost certain that there will be continued and additional demographic driven service demand pressures, particularly in the Social Care Departments into the next decade. This puts an added premium on Tt2019 being delivered in full, and in the most timely manner to put the Council in the best position possible at the commencement of the successor Tt2021 programme that,

Full Council approved as part of the MTFS in September. Planning for Tt2021 has now begun and an early update on progress and the planned work for the next period is included in section 7 of this report.

3. Financial Context

- 3.1 Cabinet has previously noted that each successive programme of 'transformation' in itself is harder than the previous one as the scope for early and easier removal of spending lessens each time. To this end, Tt2019 is testing the Council like no other programme has to this point.
- 3.2 Throughout the period since 2010 the Council's financial performance has been very strong. This has been evidenced in each and every annual performance report and independently by the external auditor through the annual best value judgement on the Council's financial resilience. Council tax in Hampshire is amongst the lowest in the Country whilst performance across a number of key service areas is strong as evidenced in the latest performance report on today's agenda. In June this year, Cabinet were updated on the end of year financial position for 2017/18. The report demonstrated continuing strong financial stewardship across the Council.
- 3.3 The achievement of Tt2017 including the confirmed delivery of the Adults programme that was reported to Cabinet in February, mean that some £340m has been removed from budgets since 2010 across the consecutive cost reduction programmes. The achievement of early savings, the careful use of one-off monies and the additional recurring provisions to support Social Care demand and complexity have allowed for some targeted re-investment back into services over the same period e.g. more social workers, operation resilience, Digital platforms etc. This has helped Departments to manage their resources, provide further for one off investment to support the on-going transformation challenge and at the same time maintain and even improve service outcomes and performance.
- 3.4 The allocation of recurring provisions for growth alongside resources provided to Departments for the cost of pay and price inflation has been a key feature of the County Council's financial planning for many years. On top of this the County Council has also received less grant funding from the Government, to the point that Revenue Support Grant is reduced to nothing by 2019/20. The MTFS recently approved by Full Council at their September meeting, highlighted a further two year budget gap by 2021 of some £80m. Whilst grant reductions represent only a small proportion of this overall gap in resources, the County Council must still find ways of meeting cost pressures in the form of inflation (on gross spend of c£1bn – averaging 3.6% p.a.), growth and new initiatives, which hitherto were also supported by increases in government grant.
- 3.5 Whilst some money is therefore added into Departmental budgets before the gap is met, this still requires a total reduction in net spend of £80m that must be delivered either by reducing activity, reducing the cost of the activity that is provided or generating additional income. This can be represented diagrammatically as follows for the two year period 2020/21 to 2021/22:

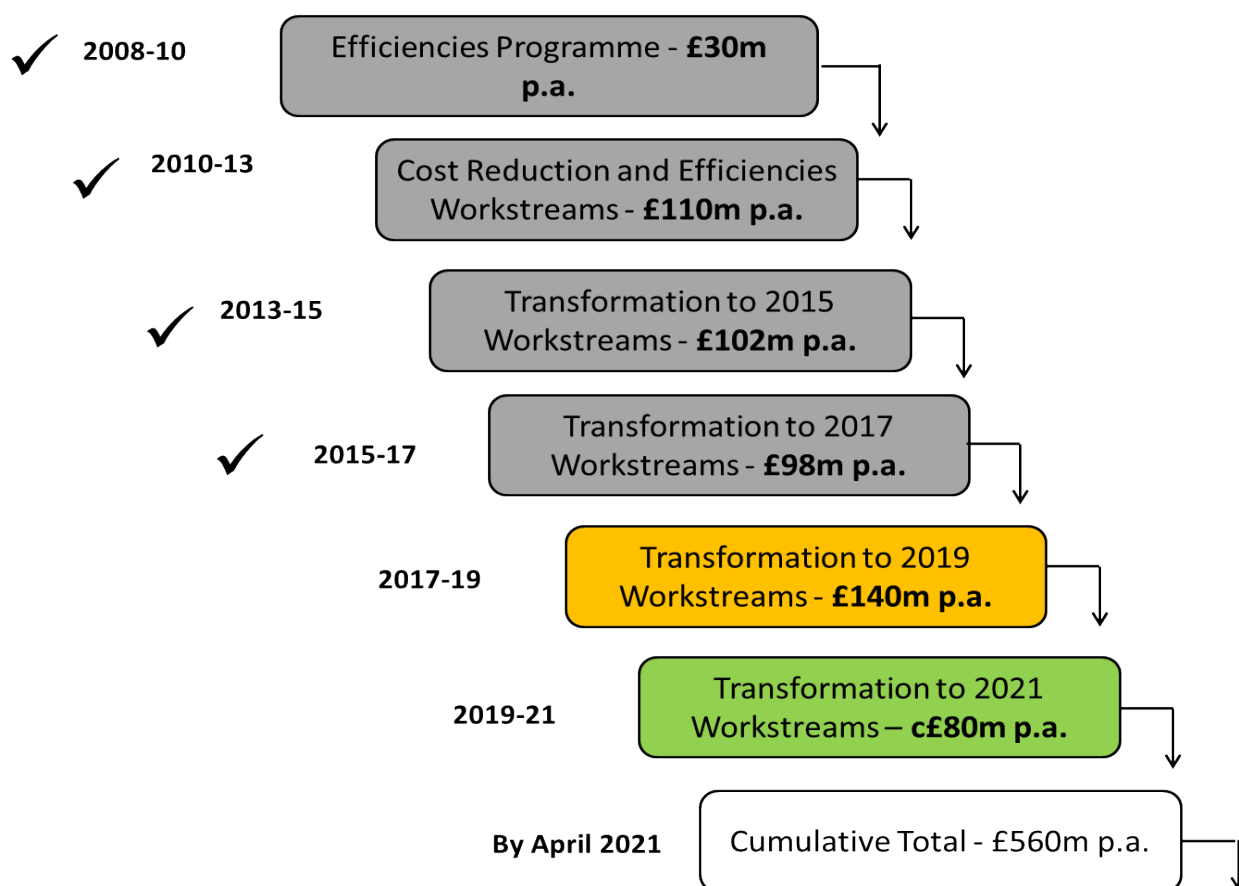


Notes:

Blocks are not to scale. Inflation estimate covers a 2 year period. Growth pressures relate mainly to Adult and Children's Services demographics. Service growth includes new targeted investment e.g. into I.T.

- 3.6 Whilst performance has been sustained to date, the cumulative impact of numerous savings programmes together with sustained pressure on all Departments, but in particular social care spending, show a different picture beginning to emerge. As we look forward, Children's Services are unlikely to remain within their cash limited expenditure position and thus additional recurring provision has been allowed for in the Medium Term Financial Strategy that Cabinet considered in June and Full Council approved in September. Both Children's and Adults are set to exhaust their cost of change reserves in the next two to three years.
- 3.7 Notwithstanding that the latest MTFs update has signalled that a successor programme to Tt2019 will need to be planned for over the next year or so, the Council needs to stay focused on fully closing the existing budget gap of £140m by April 2019 from a cash limited overall budget (excluding schools) of some £767m, even after allowing for planned Council Tax rises. The inclusion of the Tt2021 Programme of £80m within successive savings programmes since 2008, takes the total requirement to £560m as outlined in Figure 1 over the page:

Figure 1. Cost Reduction Exercises including the Tt2021 Programme Requirement



Note: The cumulative figure is made up of inflation, demand and reduced grant

4 Tt2019 – Targets and Timeframe

- 4.1 Cabinet approved the overall programme target of £140m and the breakdown of the programme, including Department targets when considering the medium term financial strategy report of the Director of Corporate Resources in June 2016.
- 4.2 It was agreed that £120m of the overall programme should be met by Departments, equating to a further cash limit reduction of some 19% against an overall Department budget provision approaching £767m. The cumulative Tt2019 challenge for the Departments being one third again, the size of what was asked of them for Tt2017. Per the approval of Full Council to remove savings proposals in respect of universal services, the £120m reduction has subsequently been reduced to £117m.
- 4.3 The remaining £23m will be secured from increased investment and council tax income and reduced borrowing costs. In the main this will result from a revision to the accounting practice in respect of the minimum revenue provisions (MRP) for depreciation, but this will also cover management of

debt and reserves and also includes part of the extra 1% increase for Council Tax in 2018/19. Positively, these savings have been delivered in full this financial year providing a very solid start to the programme overall. The programme breakdown and individual Department targets, updated to take account of the recent changes approved by Full Council are shown in Appendix 1.

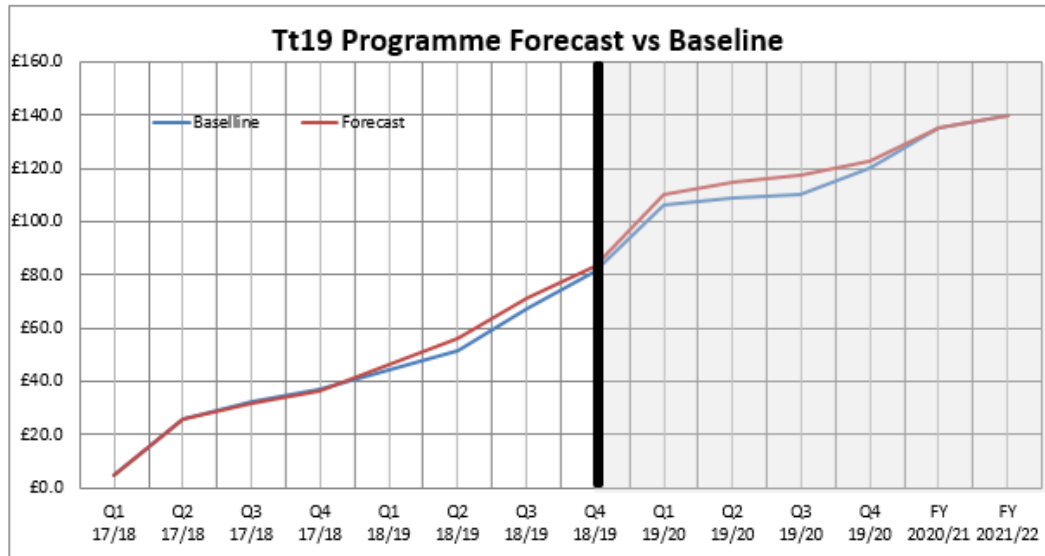
- 4.4 At their June 2016 meeting, Cabinet also approved the headline programme timetable including an earlier budget setting process that commenced in early Autumn 2017. This has allowed the maximum possible time to plan, work on and implement the range of service changes required to enable the programme to be delivered. As outlined in paragraph 2.4, it is predicted that the entire programme will take up to four years for it to be delivered safely and with minimum disruption and impact to service users and communities.

5. Tt2019 Programme Overview and Early Progress

- 5.1 Departments continue to work hard to ensure that their various projects and overall programmes are robustly planned and resourced in order to provide the right conditions for the continued transformation of services and realisation of savings. This work has included a full risk assessment for each project that builds on what has been done previously but has been added to in order to appropriately reflect the greater scale and complexity of the Tt2019 programme.
- 5.2 Further, CMT completed in early November 2017 (paragraph 2.4) a peer review of the higher risk projects and scrutinised the savings delivery profiles for each Department so that the corporate cash flow requirements for the programme overall could be updated and planned for. The latest programme (risk apportionment) position for the end of October is summarised in the table below, and briefly described in the following paragraphs.

Blue	£ 60m
Green	£ 26m
Amber	£ 27m
Red	£ 27m
Total	£140m

- 5.3 Pleasingly, the Blue and Green classifications already account for a healthy £86m, or just over 61% of the overall programme requirement. The £60m that is Blue (secured) includes the full £23m of the investment and borrowing component being secured with the remaining £37m covering the delivery of projects in each of the different Departments with savings ranging from £10.7m in Adults to £2.8m in CCBS. The secured savings figure continues to track to the forecast savings profile developed by each of the Departments at the outset of the programme as demonstrated in the graph (see next page). The Green £26m figure includes the inclusion of the previously announced £18.9m additional 'Better Care Fund' to support Adult Social Care from the beginning of 2019/2020.



5.4 Unsurprisingly for this stage of what is a very challenging programme, a significant proportion £54m or 39% of the overall savings to be achieved still sits in the Amber and Red classifications. Given the complexity of any number of the savings areas, the reported position is not an unexpected one. Just over £47m of the cumulative Red and Amber totals relate to Adults and Children's. This equates to 55% of their combined programmes. Proportionately, the challenges for ETE, despite the programme changes approved by Full Council in February, also remain challenging with £4.9m classified as Amber or Red against an adjusted overall savings requirement of £15.8m. This represents 31% of the total ETE programme.

5.5 The risks for each of the aforementioned Departments are well rehearsed but numerous. The two Social Care Departments continue to experience growth in demand. Transforming these key front line services is very difficult and requires extra time for the changes to be safely implemented without significant disruption to service users and their families. For Adults the demand challenges is in different forms including higher numbers of younger adults with complex care needs, an increasing amount of people experiencing mental health problems and an ageing population that is set to result in an increase of 10,600 in the 85 year plus population from 43,900 in 2017 to 54,500 in 2024. An added dimension of complexity, impacting on social isolation levels and service delivery, is the sheer scale and rurality of a County such as Hampshire, which is one of the largest in the Country with an urban/rural split in the order 20:80. Alongside the demand and service challenges, the Department is working jointly with Health in response to the CQC led whole system review that focussed on hospital discharge performance. The review outputs were presented and debated at a summit meeting held in June and progress against the resulting action plan due to be debated by the Health and Wellbeing Board later this week. The joint programme of work that is now underway is resulting in improved client outcomes and improved system performance. In particular the winter pressures planning and the securing of additional care and bed capacity are in a stronger and more coherent place than has been the case previously. Other integration work with the NHS is also in train in the Learning Disabilities and Mental Health service areas.

5.6 For Children's Services, corporate financial support has already been factored in, both in-year and continuing into 2018/19, to accommodate existing cost pressures in terms of Home to School Transport and Children Looked After. Focused further work has been undertaken to better understand the current rate of increase in Children Looked After and the higher unit costs being experienced, which is a national issue affecting all upper tier authorities. The overall rate of increase in CLA numbers is running at 8% per annum compared to the 5% allowed for in the budget, but worryingly many of these placements are at the more expensive end of provision, because of the current state of the external market where demand is far out-stripping supply, and the price increase over 2016/17 levels are over 15% in some areas.

5.7 The key factors that are driving the increased number of placements were reported previously to Cabinet in detail as part of the Medium Term Financial Strategy. They centre around:

- A much better awareness and identification of child abuse and neglect from a range of partners.
- The better application of consistent thresholds to receive help as a result of government statutory guidance ('Working Together to Safeguard Children').
- A growing professional awareness of risk from partners driven by national child care scandals.
- The better identification of forms of abuse such as child sexual exploitation, child criminal exploitation and online abuse.
- The creation of a number of new policy initiatives such as 'staying put' which allow teenagers to stay in their foster care placements.
- Children remanded in custody being treated by law as children in care.
- A range of new legal processes such as the 'public law outline' which drive local authorities to put far more case decisions before the family courts.
- A drive by the courts for all application cases to conclude within 26 weeks.
- Policy drivers such as the national redistribution of Unaccompanied Asylum Seeking Children (UASC) arriving from France.

5.8 The increasing number and complexity of children needing to be placed in care is having an impact on the market for placements. Once capacity within in-house placements is full there is no choice but to look to independent fostering agencies and non-county placements, which are higher cost in any event and the increased national demand is forcing up prices even further.

5.9 Projecting the increase in numbers and costs forward based on the growth between 2016/17 and 2017/18, it is predicted that a further ongoing base budget increase of £13.5m on top of the £9.7m that had already been allowed for in the forward forecasts will be required and this will be followed

by further annual increases of £8.6m in 2020/21 and £10.3m in 2021/22. This additional corporate support for future years was included in the latest MTFS update that was agreed by Cabinet in June and approved by Full Council in September, but still represents the highest risk area in the budget at the current time. It is also inescapable that this necessary and planned strategy limits the scope for additional support to other areas of County Council services, such as highway maintenance, which are also statutory responsibilities but where the risks to the vulnerable are less immediate and severe.

- 5.10 For Home to School Transport, an eight week public consultation exercise finished in March around proposed service changes. The consultation results were subsequently analysed and reported to the Executive Member in May. The Executive Member agreed to a number of policy changes that will be introduced in full over the next 18 months and will deliver some £1.5m of savings per annum for the Department.
- 5.11 Containing and then reducing demand and thus cost in these two key areas is especially difficult and whilst work programmes have been robustly planned, a number of risks will need to be relentlessly managed. These include attracting and maintaining higher number of Social Workers with an overall resource increase of 120 on target to be achieved over the next 2-3 years (This ambition is set to be assisted by the new Agency arrangements the County Council is set to enter into from April 2019). Nationally, there is growing recognition that Children's Services are facing financial difficulties that now go beyond the very challenging environment in which Adult Services have been and are operating in. Safely removing £30m from the service (the Department Tt2019 target), even over an extended four year programme period is the biggest challenge for the overall Council cost reduction exercise.
- 5.12 Alongside demand challenges, the Department will also need to manage or work with partners through a range of other key risks including Continuing Health Care funding with the NHS, the increasing budget challenges being faced by Schools', the transition to a new I.T Care Management system, the extended leadership responsibilities in Torbay and Buckinghamshire, the outcomes of a targeted Ofsted inspection in October and planning for an Ofsted inspection of the Isle of Wight in the new year. For Children with Disabilities, changes to Short Breaks service provision resulting from the early summer public consultation were approved by the Executive Member in July.
- 5.13 For ETE, the Tt2019 programme changes approved by Cabinet and Full Council in February saw the removal of some £5.3m of savings proposals relating to universal services including school crossing patrols, community transport, bus subsidies and household waste recycling centres. After allowing for some substitute proposals, the Department is now working to a revised programme target of £15.8m and within this has some £4.9m still classified as Amber or Red. Proposed changes to Street Lighting operations and to some specific bus subsidy areas have been out to a public consultation exercise that was launched in early June and concluded on 5 August. The Executive Member for Environment and Transport approved

proposals resulting from the consultation at his October decision meeting. Options for waste related savings are also being reviewed with collection authority partners aimed at improving recycling performance across the Hampshire waste partnership. This work is complicated and is subject to external factors and considerations, especially around how best to capture and recycle plastics, which has been the subject of significant Government, media and public interest of late.

- 5.14 The risks and issues associated with CCBS and Corporate Services are less significant from a direct service perspective although there are a range of challenges to overcome and work through including timing. Introducing greater levels of self-service, implementing further digital technology initiatives and reducing (and at the same time modernising) the corporate office estate will all combine to improve the Council's overall efficiency and reduce its business operating costs. The different projects themselves will not be straightforward to deliver, especially at a time when so much other service change is also happening.
- 5.15 Positively, the on-boarding of the three London Boroughs (Westminster City Council, London Borough of Hammersmith and Fulham, and Royal Borough of Kensington and Chelsea) to the high performing shared service arrangements that the Council has successfully implemented and built upon over the past 5 years, has progressed to plan and the new service, incorporating the delivery of core HR, Payroll and Finance systems and processes, is expected to go live at the beginning of this month. As reported previously, this expansion, which is in line with a deliberate strategy to grow the shared services platform in a carefully managed way, brings further resilience to our shared Corporate Services arrangements with partners and also welcome recurring income to the Council.
- 5.16 Over the coming months, progress will continue to be closely monitored with further monthly reports to CMT and a next update being provided to Cabinet before the end of the current financial year. In the next quarter any proposals for change resulting from the last of the six service specific Tt2019 public consultations in respect of Learning Disabilities Respite Care Services are scheduled to be considered by the Executive Member for Adult Social Care and Health at her February 2019 decision day. The consultation is still currently live and is due to close on 21st December.

6. Tt2019 Enabling Projects

- 6.1 Key to the success of previous cost reduction programmes, and Tt2019 is no different, is the contribution that is made from cross cutting enabling projects. The Council's achievements in terms of introducing and exploiting Digital technology is well trailed and the previous Tt2017 programme significantly benefited from the multi-layered, multi-faceted Digital programme that ran alongside and has resulted in the Council, its staff and residents working from and accessing modern business platforms.
- 6.2 Three cross-cutting enabling projects are, and will, continue to make a telling contribution to the success of Tt2019. These include a successor (and bigger) Digital programme of work known as Digital 2, an 'Enabling' Productivity' project which is focused on creating the optimum conditions for

all staff, managers and the front line, to improve individual productivity levels and lastly a Council wide Strategic Procurement programme of work that is set to enable Departments to maintain and/or improve service outcomes whilst reducing the overall external spend which currently exceeds £600m.

- 6.3 As the Tt2019 programme develops, Cabinet and Council Members will be updated on the progress and achievements of the individual work programmes in these different areas. At the end of June, Members took part in a very successful Digital 2 seminar type event and a report was presented to Cabinet at their September 2018 meeting outlining the achievements and return on investment of the Digital 2 and the Enabling Productivity programmes. Each of the three main cross-cutting work areas have the propensity to significantly contribute to the successful delivery of Tt2019 and together will ensure the Council's modernisation agenda towards high class, efficient back office functions and high quality, customer-orientated front line services continues successfully and at pace.
- 6.4 In the past few months, further progress has been made within the Digital 2 programme especially in terms of Robotics Processing Automation (RPA). In addition, projects have either been completed or are progressing to plan. Further, the Web Programme is currently supporting 44 of the Tt2019 IT Projects; including HR, Libraries, Partners in Practice and the Social Care Manual. Strong progress has also been made in moving the Council's document management system to SharePoint with the last of the five Departments, Children's Services migrating over the past two weekends. All of the Digital 2 areas of work are resulting in business processes that are more efficient, more modern and more effective.
- 6.5 In the Enabling Productivity programme, the deployment of some 6,000 mobile devices has largely been completed with staff from different parts of the business now benefitting from the latest technology that is enabling them to work more productively (smarter not harder). Feedback from the roll-out of the new devices is consistent with and builds nicely on the initial deployment of mobile devices to Social workers and associated staff in Children's Services. Usage of the new equipment is being closely monitored so that optimal benefits for staff and for service users are secured.
- 6.6 In both our Digital 2 and EPP work, an even slicker and more commercial approach to procurement has been an important enabler in the progress that has been made. This more robust procurement approach is extending to all parts of the Council business and to our partnership work with Hampshire Constabulary and Hampshire Fire and Rescue Service. Positively other partners are now looking to work with the Council including the Clinical Commissioning Groups and at least one Hampshire District Council. Increasingly the work is resulting in stronger tender processes and improved service outcomes combining both quality and cost. The recently awarded Adults Care at Home contract is testament to this.

7 Planning for Tt2021 – Progress and Next Steps

- 7.1 Further to Full Council approval of the latest MTFS in September, planning work for the £80m successor programme to Tt2019 is now well underway.

Each Chief Officer is leading work designed to lead to a draft set of savings proposals that will enable Department targets for Tt2021 to be met.

- 7.2 Unsurprisingly, Tt2021 will build on Tt2019, with projects and programmes of work set to go further and harder as the search for an additional £80m of savings (combining cost reduction and income generation) develops. Without impacting on Tt2019 delivery, CMT are setting time aside for the Tt2021 planning process and have built in appropriate milestones ahead of a full set of draft proposals being considered.
- 7.3 The Tt2021 timetable allows for a full public consultation exercise in June 2019 to be followed by individual Executive and Select Committee budget proposal meetings in September 2019. Cabinet will then consider the full set of savings proposals and the outcome from the public consultation exercise in October 2019 with a Full Council meeting planned for November 2019 at which approval for the reduced budget envelope from April 2021 will be sought. The above time table follows the tried and tested approach that has been adopted for Tt2017 and Tt2019. It is designed to provide the maximum amount of time for both planning and then implementation and delivery.

8 Conclusion

- 8.1 Following impressively strong and consistent financial performance over many years and further to last year's finance settlement for Local Government, the County Council is now deep into the process of closing a budget gap of some £140m by 2019/20 with some £86m either already secured or close to being secured to this point. This is after safely removing £340m of savings over the past seven years and within that, delivering in full on the latest Tt2017 programme.
- 8.2 Following a public consultation exercise that sought views from the public and key stakeholders on a range of different options for closing the budget gap, Full Council approved the Tt2019 savings proposals in November 2017 further to Select Committees and Executive Members consideration in September and a consolidated report to Cabinet in October.
- 8.3 In December 2017 Cabinet were updated on the work of officers to explore all viable options to revise or refine the universal service proposals where possible which culminated in the development of £2.1m of alternative savings proposals. Taken together with Government allowing local authorities to increase Council Tax by a further 1% (valued at £5.7m of which £3.2m is being used to withdraw savings) February Cabinet agreed to recommend to Full Council the removal of £5.3m of universal savings recommending also that Full Council agree to raise Council Tax in 2018/19 by the extra 1%. Full Council duly approved the Cabinet recommendations at their February meeting.
- 8.4 Further to the formal budget setting stages, Departments have been working hard to ensure robust plans are in place for their Tt2019 projects and that the right capacity and capability is aligned to the different transformation activity so that the savings can be delivered in a timely manner. This work

includes a detailed risk assessment exercise and a review of the savings profile by project to ensure that the corporate cash flow requirements to support later delivery are clear and can be planned for. As reported, the estimated cash-flow support requirement for the programme is £40m.

- 8.5 The continued strong financial performance in Adults, including delivery of its legacy Tt2017 savings ahead of schedule, provide increasing confidence that some of the estimated £40m will not be called upon in the coming years. That said, the on-going challenges in Children's and the (still) relatively early stage of the Tt2019 programme mean it would be unwise to forecast a lower overall call on the estimated cash-flow requirement at this point in time.
- 8.6 Tt2019 progress is being closely monitored and is subject to monthly review by CMT. This ensures that issues, concerns and risks are dynamically responded to and dealt with and also means that benefits realisation and the timely delivery of savings is consistently in focus, which for this programme, given its cash-flow support demands, is ever more important. Further, it is almost certain that there will be continuing demographic driven service demand pressures, particularly in the Social Care Departments into the next decade. The latest MTFs report to Cabinet in June and Full Council in September provided further recurring funding support for both Adults and Children's into the next decade. The continuing demand challenges puts an added premium on Tt2019 being delivered in full and in the most timely manner to put the Council in the best position possible at the commencement of the successor £80m Tt2021 programme (see paragraph 8.8 below).
- 8.7 Programme progress continues to track to plan and is encouraging with £60m of savings secured to the end of October. Of this figure, £23m relates to the full achievement of investment and borrowing savings, together with an element of increased council tax income. The remaining £37m flows from delivery in the different Departments. Pleasingly, the three Tt2019 enabling programmes; Digital 2, Enabling Productivity and Strategic Procurement are all progressing well and the contributions from these will continue to evolve and be more influential as the programme develops. CMT are monitoring the programme on a monthly basis and a further progress report will be presented to Cabinet before the end of 2018/19.
- 8.8 Following Full Council approval of the MTFs in September, planning work for the £80m Tt2021 programme is now well underway. Without impacting upon Tt2019 delivery, CMT have set time aside for Chief Officers to develop draft savings proposals for consideration next year ahead of a full public consultation exercise in the summer and followed by a round of Scrutiny, Executive Member, Cabinet and Full Council meetings in the early autumn aimed at determining the reduced budget envelope and full set of savings proposals for Tt2021 by November 2019.

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

Hampshire safer and more secure for all:	No
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	No
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	No
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Transformation to 2019 – Report No. 1	27 October 2014
Medium Term Financial Strategy Update and Transformation to 2019 Proposals	16 October 2017
Budget Setting and Provisional Cash Limits 2018/19	11 December 2017
Transformation to 2019 – Report No 2	11 December 2017
Revenue Budget and Precepts 2018/19	5 February 2018
Transformation to 2019 – Report No 3	16 April 2019
Medium Term Financial Strategy	18 June 2018
Transformation to 2019 – Report No 4	17 September 2018
Budget Setting and Provisional Cash Limits 2019/20	10 December 2018
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

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:

It is to be expected that each theme/workstream will have an impact on staff and communities. To ensure that the Council meets its statutory equality duties, each theme/workstream will be asked to consider potential differential impacts on people and communities. Detailed Equality Impact Assessments will be carried out on the implementation plans as appropriate.

2. Impact on Crime and Disorder:

2.1.

3. Climate Change:

3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

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

Appendix 1

T19 – Latest Programme Financial Targets Updated to Reflect Changes Approved (February 2018) By Cabinet and Full Council

Programme Financial Targets – (figures representative of a c19% budget reduction for each Department)

Department	£m's
Adults	55.9
Children's	30.1
ETE	15.8
CCBS	6.3
Corporate Services	7.9
P&R Other	0.8
Programme Sub Total	116.8
Investment and Borrowing	23.2
T19 Overall Programme Total	140.0

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	10 December 2018
Title:	Progress report on the Adults' Health and Care Extra Care Housing Programme
Report From:	Director of Adults' Health and Care

Contact name: Graham Allen

Tel: 01962 847200

Email: graham.allen@hants.gov.uk

1. Recommendations

1.1. It is recommended that Cabinet:

- a) note the positive progress made to date in the Extra Care Housing programme within the Adults' Health and Care Department for both Older and Younger Adults.
- b) note the ambitions for the future of Extra Care Housing over the next 5 years.

2. Executive Summary

- 2.1. The purpose of this paper is to provide a high level summary of the positive progress being made on the Extra Care Housing (ECH) programme within the Adults' Health and Care Department.
- 2.2. In 2011, a capital envelope of £45m was approved to deliver new build Extra Care Housing for Older People. Since that time some 17 developments covering each District of Hampshire have been facilitated by the County Council resulting in the delivery of over 800 units and accommodation for some 900 residents including couples.
- 2.3. The Extra Care programme was subsequently extended as part of the Transformation to 2017 cost reduction programme with additional capital of £35m being provided for schemes for Younger Adults with Learning Disabilities.
- 2.4. In both service areas numerous individual and service benefits have been secured. These include greater independence and safety, reduced social isolation, improved self confidence and enhanced employability for those residents taking up the Extra Care units. From a Department perspective the developments outlined have led to lower levels of care requirements than would have been the case, reduced service demand and lower service costs mainly because the residents meet the housing costs either through rent or

through shared or private ownership. This leaves the Department to cover only the care costs unlike in the case of residential and nursing home provision where the County Council funds both elements and savings per scheme can be in the order of £150,000 or more per annum. Relationships with key partners including GP's and District Council's as housing authorities has also been enhanced.

- 2.5. Extra Care is popular and in demand because it offers the unique combination to residents of their own front door and privacy within a modern setting along with communal services that serve both personal care and general needs on a 24/7 basis. The quality of the developments, both in terms of the physical living units and the availability of different services ranging from personal care to day services to on-site catering facilities, is to a high standard and improves with each development.
- 2.6. The Department's recently Cabinet approved 5 year Strategy included an ambition to at least double the number of units available for Older Adults in the next 5 years taking the number of developments to around 25 and the number of units to 1,500 or more. The ambition for Younger Adults, including those with Physical as well as Learning Disabilities, is equally aspirational and as we move forward, bespoke developments for people suffering with Dementia and/or those with Mental Health needs, will also be facilitated and delivered.
- 2.7. The conditions are set fair for the Strategy ambitions to be realised. The market for Extra Care Housing is currently strong after a period of instability mainly as a result of uncertainty in long term Government thinking. The successes to date and the work ahead is a prime example of what a strategic authority, of the scale and size of the County Council can achieve when it uses its different specialisms to optimum effect. The developments facilitated owe much to strong professional input and collaborative working between the Adults' Health and Care Department and the Councils in-house Property Services experts, not to mention the availability of Council backed financial investment through the realisation of early revenue savings to boost reserves that can then be applied for service modernisation purposes but also serving to reduce future revenue cost exposure.

3. Context

- 3.1. Extra Care Housing is also known as sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can provide a much more appropriate and significantly better, more modern alternative to a care home. Whilst originally orientated towards Older Adults, increasingly Extra Care is being provided in Hampshire for the benefit of Younger Adults with Learning and/or Physical Disabilities.
- 3.2. Increasingly Older Adults (and often couples) opt for Extra Care Housing at a point in their lives where their support needs are growing, but at a time when they still want to be as independent as possible. Extra Care Housing allows residents, including growing numbers of Younger Adults with Physical or

Learning Disabilities to live independently and confidently, but with the benefit of 24/7 care provision on site together with a host of communal services that they can benefit from. Residents of Extra Care Housing can own their own property, but for the most part, they pay rent, including use of eligible housing benefit, to cover the associated housing costs whilst the County Council meets the costs of providing on-site 24/7 personal care services.

- 3.3. In October 2011, a capital envelope of £45m was approved to deliver new build Extra Care Housing for Older Adults and to allow the extension of two in-house Nursing Homes. The funding was provided to enable the delivery of schemes rather than fund the cost directly and was to be made available either as a 'top-up' grant or as a capital and/or in-kind land value contribution in relation to the development of a selected number of County Council owned sites. A partner framework was procured with four registered providers appointed with the intention of delivering 100% affordable rent schemes.
- 3.4. Over the subsequent four years a number of developments were facilitated up until late 2015 when the Government announced plans for reductions in actual rents for three years along side longer term proposals to potentially further reduce rents and remove them from housing benefit and into the emerging Universal Credit System. These proposals, as well as reductions to capital grant subsidies from the then Homes and Communities Agency (now Homes England) passed further commercial risks on to providers who in return sought greater levels of capital support from the County Council.
- 3.5. Consequently a new Extra Care Housing Strategy was developed which saw the introduction of a mixed tenure policy to both expand choice and utilise private equity in return for reduced County Council capital grants. Changes were also made to further improve viability by introducing a greater number of one rather than two bedroom flats, less prescriptive communal area requirements and an open procurement approach to increase competition from a changing provider market.
- 3.6. The revised strategy has proved successful with renewed and/or new interest for schemes. Further, in late 2017 the Government abandoned the reform plans outlined above and taken together, the climate for Extra Care Housing is now as good as it has ever been and provides confidence that the ambitions of the Department to more than double provision for both Older and Younger Adults is realisable over the next 5 years.

4. Extra Care Housing and Progress to Date

- 4.1. Extra Care Housing provides residents with the opportunity either individually or as a couple to rent, or own via shared ownership or full market sale, a one or two bedroom purpose built apartment. Typical Older Persons Extra Care Housing developments tend currently to be around 50 units in total with the majority of units available for rent.
- 4.2. Each development includes a personal care team that are on site 24/7 to deliver both planned care and an 'emergency response' where required. More than 6,000 care hours are currently provided each week to

residents of the 17 Older Adults schemes that the County Council has so far facilitated.

- 4.3. The initial aim of Extra Care Housing was to achieve a 'balanced community' of residents with a mixture of low, medium and high care needs. In recent years this has been adjusted to offer more places to those with the greatest needs in order to meet peoples preferences for maximised independent living and respond to pressures within the care system and achieve further revenue savings compared to more expensive care home placements. This is a complex task involving close partnership working with District Councils, housing providers, other health and care professionals and the public generally, many of whom are still not aware of what Extra Care Housing represents or offers.
- 4.4. The schemes also include various communal services including not limited to a restaurant, activities, a lounge, hairdresser, guest suite and a buggy store. Some of the schemes have built in space offering day service type activities allowing use by non residents. Extra Care Housing offers numerous benefits, is a much preferred alternative to a care home for most and is a more modern and cost effective option for the County Council.
- 4.5. Over the past 7 years over 800 individual units have been facilitated and taken up by residents across the 17 schemes so far delivered. This includes the latest scheme (Chesil Lodge) that was opened in the summer of 2018 in Winchester. The more recent schemes have accommodated extended availability of planned care at night as well as offering more staff time to provide greater 'wellbeing' and activities for residents. Each scheme now aims to become a 'community hub' with its services being extended to older people living nearby and some also have dedicated day centres attached as well. A schedule of schemes is shown in Appendix 1.
- 4.6. Partly as a consequence of the early successes of schemes orientated towards Older Persons, but also due to wanting to de-institutionalise accommodation settings for Younger Adults with Learning and/or Physical Disabilities in favour of enabling them to enjoy more independent lives and improve life chances, including employability. A Younger Adults Extra Care programme was developed in the build up to Transformation to 2017 and a £35m business case was subsequently approved by the Executive Member for Policy and Resources in 2015.
- 4.7. This has so far resulted in the delivery of some 100 units for service users to move into (replacing residential care home placements) helping to sustainably transform their lives and the lives of their families and friends. For many residents the Extra Care provision represents the first opportunity for them to have their own front door. Aside from improved living environments, the benefits of the developments include individuals being able to live closer to their families, reductions in levels of distress and the clients developing independence skills, including for example confidence to access their own local communities. In some cases the improved confidence levels and the reduced distress has made it possible for clients to access and hold down meaningful employment.

4.8. As might be expected for the client group(s) the number of units per scheme differs quite markedly from the Older Adults developments. In many cases specialist supported accommodation is being provided to support individuals with very high needs. Facilities can include hoists in all bedrooms and bathrooms, wheelchair accessible access and adapted bathrooms. The developments are typically on a smaller scale involving a cluster of circa 8 to 16 apartments per site. Coverage is increasingly County wide. The model provides both rental revenues plus significant revenue savings compared to care homes.

5. Moving Forward

- 5.1. A key feature of the Department's 5 year strategy that was approved by Cabinet in April is an Accommodation strand that recognises the importance of further capital investment as a means of helping to maintain and/or increase independence of people with the greatest needs. The strategy also recognises the role that capital investment can play in terms of reducing recurring future revenue cost commitments. The County Council has a long tradition of facilitating community based accommodation services (reducing institutionalised care levels) and for directly operating our own estate of residential and nursing homes and the forward strategy looks to build on and widen our involvement in different forms of accommodation.
- 5.2. As set out in this report, the facilitation and delivery of Extra Care Housing for both Older and Younger Adults has led to improved levels of independence for residents and to reduced revenue running costs for the Department. In recognition of this fact, the 5 year strategy targets a doubling of County Council facilitated Extra Care Housing for Older Adults and a similar expansion for Younger Adults and all the signs are that these strategy ambitions can and will be delivered on.
- 5.3. In September, the Executive Member for Policy and Resources approved the award of design, build and operate contracts on three sites at Gosport, Petersfield and New Milton and these will be delivered and become operational in 2020 subject to the securing of the necessary planning permissions. In addition to the above, a scheme at Nightingale Lodge (Romsey) is being progressed and a re-procurement of a multi-faceted development, including Extra Care Housing at Oak Park (Havant) is also being taken forward. In the latter case a planning permission has already been secured. These five projects, all of which are on County Council owned land should be delivered over the next 2-3 years and are scheduled to add a further 260 units to the 800 plus that the County Council has so far facilitated for Older Adults. It is expected that some £20m of the original capital allocation will still be available once these five projects are completed.
- 5.4. Looking further ahead, the County Council will continue to progress its Extra Care Housing development programme and the joint implementation work between Adults' Health and Care and Property Services which has been a key feature in the success so far. This joint work will need to extend externally to the Local Plan strategies of District Councils who benefit from each scheme with Extra Care Housing counting towards housing allocation targets. In

addition we will continue to make it known that we are 'open for business' to housing providers who are keen to also invest in such new housing. Linked to this will be the need to continue our partnership work with Homes England who have proven to be a key co-investor in recent extra care developments. The Government have given Homes England a major role in helping them deliver on the own ambitions to boost house building generally and supported housing in particular, including more Council house provision. To help enable this 'Strategic Partnerships' are being encouraged to support local delivery and the Council will further explore this approach for Hampshire.

- 5.5. Section 106 Planning Agreements are also being negotiated for at least 6 new Extra Care Housing schemes on sites planned for major housing developments, although exact completion dates are hard to forecast on such complex housing and infrastructure proposals. The County Council also has a further site at Leigh Park, Havant which it also intends to market for Extra Care Housing once the Oak Park Scheme is underway and a completion date is clear.
- 5.6. These various sites, plus others which may well be presented to us as development opportunities by other landowners (as was the case at Chesil Street, Winchester) should enable the County Council to meet or indeed exceed its ambitious plans to at least double the current supply of Extra Care Housing for Older Adults. As well as the benefits that will be derived for residents, in a typical scheme of 50 apartments it is estimated that the average savings compared to more expensive care home or domiciliary care packages can be in the order of £150,000 per annum. Given this, the plans to double Older Persons Extra Care Housing units over the next 5 years could generate recurring revenue savings in excess of £2m per annum.
- 5.7. In terms of the Younger Adults Extra Care programme of work there are equally a number of exciting developments agreed and in train or being pursued. This should result in the number of units facilitated by the Council increasing to between 200 and 250 over the next few years. The new developments will include more specialist provision and a widening of the client base to accommodate more Younger Adults with physical disabilities and mental health needs. The higher costs of the more specialist requirements mean that in excess of £30m of the £35m approved budget is likely to have been consumed to secure the circa 250 units.
- 5.8. There are also opportunities to progress future projects jointly with Health, especially as partnership working for Learning Disability and Mental Health integration gathers pace. As with Older Adults developments, progress made with more Younger Adult accommodation will play an important part in terms of reduced recurring revenue cost commitments for the clients.

6. Conclusions

- 6.1. The Council's leadership role in facilitating the development of Extra Care Housing for Older and Younger Adults over the past 7 years, backed by significant capital allocations has been a resounding success with conditions set fair to build on the achievements to date over the coming 5 years.

- 6.2. The benefits for residents of modern, independent living but with the safety net of 24/7 personal and emergency care available where it is needed, are very clear. The Council has so facilitated over 900 Extra Care units across more than 20 sites stretching to all parts of Hampshire and serving both Older and Younger Adults, enabling more than 1,000 increasingly vulnerable residents to live independently and happier for longer. Additionally, the investment in Extra Care Housing is helping to reduce future recurring revenue cost commitments which is especially welcome as demand for services continues to rise whilst revenue resources further decline.
- 6.3. The Adults' Health and Care forward 5 year strategy approved by Cabinet in April this year recognises the continuing strong contribution Extra Care Housing can play into the future and to this end work is in train to more than double the availability of Council facilitated Extra Care Housing units over this period. Sufficient capital provision remains available to enable the strategy aim to be achieved.
- 6.4. Continued strong stakeholder engagement will be key to success. This includes the effective joint working between Adults' Health and Care and Property Services, engagement with District Councils and Health partners and an improved public engagement programme so that more residents become aware of and understand the benefits of Extra Care Housing.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

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

Section 100 D - Local Government Act 1972 - background documents

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

Document

Location

None

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:

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

This report does not propose any decision therefore an impact assessment has not been undertaken.

2. Impact on Crime and Disorder:

2.1. No impact has been identified

3. Climate Change:

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

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

No impact has been identified

Extra Care Older People Scheme Information

Scheme	Location	Status	No. Flats
Lion Oak Court	Andover	Open	52
Juniper Court	Gosport	Open	50
Campbell Place	Fleet	Open	74
Newman Court	Basingstoke	Open	64
Surrey Court	Eastleigh	Open	70
Chesil St	Winchester	Open	52
Oak Park	Havant	Planning Achieved	51
Nightingale Lodge	Romsey	Construction Phase	54
Fernmount	New Milton	Tendered	62
Bulmer House	Petersfield	Tendered	56
Addenbrooke	Gosport	Tendered	60
Dunsbury Way	Havant	Future Site	80
Wellesley	Aldershot	Future Site	80
Barton Farm	Winchester	Future Site	80
West of Waterlooville	Waterlooville	Future Site	60
Whiteley	Whiteley	Future Site	60
Manydown	Basingstoke	Future Site	60
Whitehill & Bordon	Bordon	Future Site	60
Wellborne	Fareham	Future Site	60
Total No. Flats			1,185

Total HCC Grant funding: **£25,938,110.00**

Other Public Grant funding: **£62,782,000.00**

Extra Care Younger Adults Information

Scheme	Location	Status	No. of Units
Jellicoe Court	Basingstoke	Completed and open	18 one bed flats
Mulberry Lodge	Basingstoke	Completed and open	X2 3-bedroom bungalows for Physical Disabilities clients
Fernhill Court	New Milton	Completed and open	18 one-bedroom units
Upton Grey	Winchester	Completed and open	Up to 11 bedsits for Praer de Willi
John Darling Mall	Eastleigh	Planning secured	18 one-bedroom units
Croft House	Fareham	Planning secured	10 one-bedroom flats and x3 bedroom Physical Disabilities bungalows
Apex Court	Aldershot	Under construction	10 one-bedroom units

HCC Capital Funding: **£26.1million**

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	10 December 2018
Title:	Hampshire County Strategy Group for Community Safety
Report From:	Director of Adults' Health and Care

Contact name: Sue Lee, Strategic Partnerships Manager

Tel: 07551152760

Email: susan.lee@hants.gov.uk

1. Recommendations

That Cabinet:

- 1.1 Note the establishment of the Hampshire County Strategy Group for Community Safety and the current work programme.
- 1.2 Note the work undertaken to develop the Strategic Assessment of Community Safety and the establishment of strategic priorities for partnership working and increased operational impact to affect them, including;
 - The threat of serious organised crime, especially related to the exploitation of children including 'County Lines' gangs
 - Increased vulnerability through Information and Communications Technology and media channels
 - The interconnectedness and impact of mental health, substance misuse, domestic abuse and adverse childhood experiences
 - The continuing threat of radical extremism
 - The importance of understanding the changing demographics of our communities and using this to understand vulnerability and to promote inclusion and community cohesion
 - Retaining the capacity of voluntary support services for vulnerable people
 - Providing opportunities for all children to engage in positive activities and to aspire to achieve
 - More effective collaboration and alignment of scarce resources to focus on vulnerability and repeat victimisation
- 1.3 Establish an annual cycle of reporting to Cabinet, in agreement with the relevant Lead Members, to provide assurance that Community Safety and statutory requirements are fully met.

2. Executive Summary

- 2.1 The Hampshire County Strategy Group for Community Safety (CSG) forms part of the statutory governance arrangements relating to the community safety responsibilities of the County Council and its partners. Chaired by the Director of Adults' Health and Care, the CSG has established a programme of work addressing key responsibilities contained in the Crime and Disorder Act 1998. This includes the completion of a multi-agency Strategic Assessment of community safety and the publication of a County Agreement for community safety.
- 2.2 The purpose of this paper is to outline the current position regarding the CSG and its progress in delivering its statutory functions.

3. Contextual information

- 3.1 Established under the Crime and Disorder Act 1998, the purpose of the CSG is to provide strategic leadership across a range of community safety themes for work undertaken by partners who are also subject to responsibilities under the legislation.
- 3.2 The CSG is responsible for undertaking a Strategic Assessment of community safety for Hampshire (County Council area) and for developing a County Agreement. The purpose of the **Strategic Assessment** is to gather evidence upon which to agree strategic priorities relating to current and emerging risks, threats and vulnerabilities. This will be the basis for the preparation of the Hampshire **County Agreement** for Community Safety which sets out how partnership activity is co-ordinated at the county-level to address the strategic priorities. The County Agreement will complement strategies at the district level.
- 3.3 CSG membership includes representation from a wide range of partner organisations as follows:

Hampshire County Council:

- Adults Health and Care (HCC corporate lead and chair)
- Childrens and Education Services
- Public Health
- Trading Standards
- Supporting Families
- Emergency Planning
- Youth Offending
- Mental Health

Partner organisations:

- District and Borough Councils
- Hampshire Partnership Clinical Commissioning Group
- Office of the Police and Crime Commissioner

- Hampshire Constabulary
- National Probation Service
- Hampshire and Isle of Wight Community Rehabilitation Company
- HM Prison Service
- Hampshire Fire and Rescue Service
- Hampshire Civilian Military Partnership
- Communities First Wessex
- Hampshire Community Engagement Forum
- Hampshire Safeguarding Children's Board
- Hampshire Safeguarding Adult Board
- Hampshire Prevent Partnership Board

4. Work Programme

4.1 A work programme has been agreed by the CSG for 2018/19 which focuses on producing two key deliverables by March 2019. These are the **Strategic Assessment** and the **County Agreement**.

4.2 The outline work programme for the remainder of 2018-19 is as follows:

October 2018: Consideration of the Strategic Assessment and agreement of methodology for preparing County Agreement

January 2019: Consider draft County Agreement

March 2019: Agreement of the final County Agreement

5. Hampshire Strategic Assessment for Community Safety

5.1 The scope and methodology for completion of the Strategic Assessment was agreed in July 2018. This contains a series of core questions based initially on crime and disorder outcomes but set in the context of wider community safety outcomes and vulnerabilities.

5.2 The assessment highlights emerging threats, risks, key drivers and vulnerabilities facing Hampshire. A first draft of the Strategic Assessment has now been prepared and considered by the CSG at its October meeting. The partnership agreed:

- that the preparation of the strategic assessment was sound and was generally well developed with a good strategic overview, structure and narrative, based on sound sources of evidence.
- The draft had been developed with strong co-operation and contributions from partners and links to other related assessments eg the Joint Strategic Needs Assessment.
- Future iterations of the assessment should link with the work being undertaken by the Constabulary on harm indices as well as a volume-based assessment of crime.
- The proposed priorities were relevant and cross cutting and provide the basis for engagement with key thematic partnerships to gain assurance and to identify enablers and priorities for improved collaboration.

5.3 Based on work undertaken on the Assessment to date, the CSG has identified the following strategic and cross cutting priorities for partners to consider across the range of collaborative activity to support community safety:

- The threat of serious organised crime especially related to the exploitation of children, including 'County Lines' gangs
- The Increase in vulnerability through Information and communications technology and media channels
- The interconnectedness and impact of mental health, substance misuse, domestic abuse and adverse childhood experiences
- The continuing threat of radical extremism
- The changing demographics of our communities and the importance of promoting inclusion and community cohesion
- The risks facing the capacity of voluntary support services for vulnerable people
- The importance of engaging all children in positive activities and building aspiration
- Alignment of scarce resources to focus on vulnerability and repeat victimisation

5.4 Next steps have been agreed to finalise the Strategic Assessment prior to this being shared with thematic partnerships. The thematic partnerships will be engaged to understand how the priorities will be addressed, tactical and operational resources across agencies aligned and how the opportunities for improved collaboration will impact upon the priorities.

6. Hampshire County Agreement for Community Safety

6.1 The County Agreement will set out the collaborative action between partners at the county level to address the strategic priorities. At its meeting in July the CSG considered approaches to preparing the County Agreement. This involves working with a wide range of partnerships across Hampshire which are concerned with thematic outcomes related to community safety including for example domestic abuse, substance misuse, hate crimes, safeguarding, child exploitation, and the prevention of violent extremism. An important element is to complement the partnership arrangements in each district and borough of Hampshire and, where appropriate to ensure wider collaborative arrangements including with neighbouring cities and supporting the Police and Plan for Hampshire and the Isle of Wight.

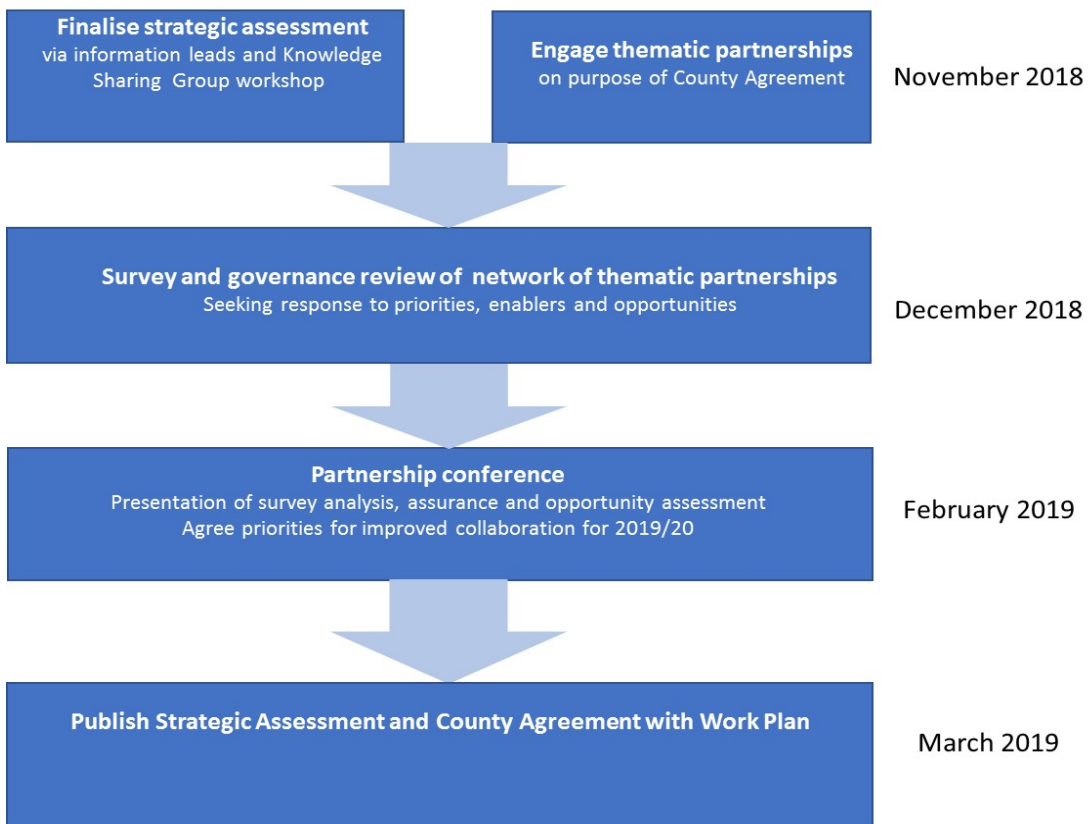
6.2 Through the CSG the following developments have been secured:

- a good common understanding between the partners on the purpose and value of the County Agreement and the role and value of the governance role of the CSG. This included a very positive engagement from lead district/borough partners.
- a strong consensus that the exercise to develop the County Agreement could help realise significant benefits and make an impact on outcomes.

- a recognition that following a period of organic change within the partnership landscape and with fewer resources, there is significant value in reviewing how collaborative arrangements can address vulnerability, safety and support for victims.
- the direct engagement of senior leads from key thematic partnerships with further consideration to be given to ensure an effective link with the Local Criminal Justice Board.
- support from the Constabulary and its funded development programme with the Home Office to engage independent analysts in a governance review of partnerships.
- The need to support recent commitments by the Police and Crime Commissioner and the 4 local authority Executive Leaders collaboration on emerging threats relating to serious and violent crime.

6.3 Following the October meeting of the CSG the next steps for completing the Strategic Assessment and County Agreement are set out below. The aim is to create an Agreement which

- sets out the collaborative arrangements in place at the County level
- provides assurance that priorities are being addressed
- a priority work plan for those matters which partners believe there is scope to achieve better outcomes through improved collaborative arrangements.



6.4 A copy of the County Agreement will be sent the Police and Crime Commissioner for Hampshire and the Isle of Wight.

7. Performance

7.1 Whilst there is no statutory accountability for performance to the CSG, the importance of evaluating the effectiveness of the co-ordination arrangements in addressing priorities and in agreeing any areas for development is reflected in the terms of reference. In preparing the County Agreement, the CSG will support and incorporate improvement and development measures to ensure that collaborative arrangements are “fit for purpose” in addressing the strategic priorities and improving community safety outcomes.

7.2 An update on the CSG was presented to the Policy and Resources Select Committee on the 1 November 2018, including a detailed presentation of the work being undertaken by the Multi-Agency Willow Team to protect against child exploitation through the increased threat of organised criminal gangs. This relates to one of the strategic priorities which will feature in the developing County Agreement.

8. Future Direction

8.1 The CSG will deliver its work through an annual programme of four core meetings per year supported by a range of multi-agency arrangements, agreed with all partners. These subsidiary groups and / or workshops which contribute to the deliver of the overall aims and priorities of the CSG will be scheduled and agreed by the CSG.

8.2 Regular updates and briefings will be provided to the Executive Member for Communities, Partnerships and External Affairs on the work of the CSG and progress on the priorities identified in this report.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

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

Other Significant Links

Direct links to specific legislation or Government Directives	
Crime and Disorder Act 1998, Section 17	

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.)

None

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:

This report does not propose any decision therefore an impact assessment has not been undertaken.

2. Impact on Crime and Disorder:

2.1 The County Strategy Group is part of the statutory governance arrangements relating to the community safety responsibilities of the County Council and its partners. The purpose is to promote the safety of Hampshire's communities by:

- Developing and sharing a strategic assessment of community safety for the county;
- Ensuring that there are appropriate and effective collaborative arrangements in place at the county-level to address the key priorities;
- Providing strategic leadership in driving collaboration and improved outcomes for local communities;
- Having regard to arrangements at the local district and borough level; and

- Having regard to the Police and Crime Plan for Hampshire and the role of the Police and Crime Commissioner for Hampshire and the Isle of Wight.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No impact has been identified

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HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Cabinet
Date:	10 December 2018
Title:	Annual Report of the Director of Public Health
Report From:	Director of Public Health

Contact name: Dr Sallie Bacon, Director of Public Health

Tel: 02380 383329

Email: Sallie.bacon@hants.gov.uk

1. Recommendations:

It is recommended that Cabinet:

- a) notes the 2017-2018 annual report of the Director of Public Health and
- b) approves publication of the report.

2. Executive Summary

- 2.1 The purpose of this paper is to present the latest Director of Public Health's Annual Report to Cabinet, ahead of publication.
- 2.2 This year's report 'Shaping Places to improve Health Outcomes' looks at the importance of 'place' for health, specifically looking at green and blue (water-based natural environment) spaces, active travel and the food environment. The report uses innovative new datasets to explore the issues in Hampshire and makes recommendations for what more we can do together to shape places to improve health.
- 2.3 The report highlights a potential decline in the proportion of Hampshire people accessing the natural environment, low rates of walking and cycling and an association between deprivation and the availability of fast food.
- 2.4 The report found that 20% of Hampshire's urban land (as defined by the Office of National Statistics) is accessible green space with Gosport, which is defined as entirely urban, having over a third of its land area as accessible green space. It should be noted that this does not include the significant green space that can be accessed in rural areas in Hampshire districts.
- 2.5 Around a fifth of the adult population in Hampshire is inactive, which means they do less than 30 minutes of physical activity per week, considerably lower than the Chief Medical Officer's recommendation of 150 minutes moderate activity per week
- 2.6 The report also notes that Hampshire is at the forefront of healthy place shaping, for example through the Whitehill and Bordon Healthy New Town.

As a county we are in a strong position to continue to adopt the latest evidence and lead the way in creating healthy places.

3. Contextual information

- 3.1 The 2012 Health and Care Act placed a statutory duty on upper tier Local Authorities to improve and protect the health of their residents.
- 3.2 The Director of Public Health has a statutory duty to produce an annual report about the health of the local population. The content and structure of the report is decided each year by the Director of Public Health, based on local topics and priorities. The requirement placed on Hampshire County Council as the relevant local authority is to publish the report.
- 3.3 The report was reviewed and agreed by CMT on 18 July 2018.
- 3.4 The report this year 'Shaping Places to improve Health Outcomes' takes as its theme the importance of 'place' for health, specifically looking at green and blue (water-based natural environment) spaces, active travel and the food environment. Innovative new datasets have been used to explore these areas in Hampshire and the report makes recommendations for what more we can do collectively to shape places to improve health.
- 3.5 The annual report of the Director of Public Health can be found here



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- 3.6 A summary of the progress made against the recommendations in the 2016/17 report 'Ageing Well' is included in appendix 1.

4. Issues

- 4.1 The report considers how the use of green and blue spaces, how we get around and the food environment can have a significant impact on health outcomes.
- 4.2 The report highlights a potential decline in the proportion of Hampshire people accessing the natural environment, low rates of walking and cycling and an association between deprivation and the availability of fast food.
- 4.3 Hampshire is at the forefront of healthy place shaping, for example through the Whitehill and Bordon Healthy New Town. As a county we are in a strong position to continue to adopt the latest evidence and lead the way in creating healthy places.
- 4.4 The report identifies a range of actions for how we can collectively work across departments, organisations and communities to achieve this. As well as continuing to implement Hampshire's walking and cycling and Healthy Weight strategies:

- Ensuring green space standards are incorporated into District Council Local Development Plans and Green Space Strategies, by continuing to work in partnership and using the Hampshire planning position statement
- Encouraging opportunities for children and young people in education and community settings to access outdoor space, for example through gardening projects or the daily mile
- Improving the quality, safety and accessibility of green spaces in areas of deprivation
- Maximising access to high quality green and blue spaces through planning processes and developing initiatives in local green and blue spaces that encourage our most inactive residents to become active
- Developing system wide environments which increase active travel, encouraging active school travel through targeted interventions to promote walking, cycling and scooting and promoting travel alternatives for commuter and work-related journeys
- Improving air quality through collective action in designated Air Quality Management Areas and Clean Air Zones
- Working with caterers and food outlets to encourage reformulation of less healthy products
- Promoting healthy food environments through appropriate development of supplementary planning documents
- Encouraging workplaces in Hampshire to adopt the Government Buying Standards in their staff and corporate catering provision

5. Consultation and Equalities

5.1 This report considers some of the health issues that are relevant to Hampshire residents. It does not directly impact on people and communities as would a specific proposal or project. It identifies the current situation, including any interventions already in place, which address these health issues, and makes recommendations which will further impact positively on Hampshire's population and future health and social care requirements. All interventions mentioned in this report whether already in existence or proposed would be subject to an Equality Impact Assessment.

6. Future Direction

6.1 The recommendations in the 2017-18 report will be realised over the next two-five years through various interventions and programmes many of which

are already underway and include a return on investment approach for Hampshire County Council.

- 6.2 The report will be published once it has been agreed by Cabinet. It will be a public document and will be available through the Hampshire Public Health web pages.

Links to the Strategic Plan

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

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
The Health and Care Act 2012	2012

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>
None	

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.

2 Impact on Crime and Disorder:

2.1 This report does not create any impact on crime and disorder.

2.2 This report considers the health issues relevant to Hampshire residents. In discussing these, reference is made to the relationship between the determinants of health, consequences of ill health and impact on individuals, families and their communities, which touches upon crime and disorder. The report outlines possible solutions which would address these impacts.

3 Climate Change:

3.1 There are no specific proposals contained within this report which would impact on our carbon footprint/energy consumption although implementation of the recommendations could have a beneficial impact on climate change.

Appendix 1

Summary of the progress made against the recommendations in the 2016/17 Director of Public Health annual report

The 2016/17 annual report focused on the health of the older population of Hampshire. Many people remain healthy and independent as they age with the majority of older people reporting that their health is good but a significant minority spends too many years in poor health. This annual report made recommendations about how we can help our residents to be healthier as they age and more likely to remain active and independent in their own homes. Key progress on the recommendations from the 2016/17 report includes:

- Launch of the Falls Friends Programme to raise awareness about falls prevention and healthy ageing, including good bone health
- Development of a falls needs assessment and partnership falls prevention strategy which sets out priorities for action for the next three years around identification of people at risk of falling, increasing the offer of evidence based interventions (particularly strength and balance and home modifications) and developing the knowledge and skills of the workforce
- Public Health input into the planning process across all 11 districts to provide responses to relevant planning applications and Local Plans and where appropriate, making recommendations for how the built environment can be modified to contribute to healthy ageing, including encouraging the adoption of Lifetime Homes standards
- Implementation of the Hampshire Physical Activity Strategy which adopts a lifecourse approach to healthy ageing and improving musculoskeletal health
- Increasing workforce knowledge and skills in behaviour change through embedding Making Every Contact Count in induction programmes to support the strength based pathway
- Initiatives to increase access to the natural environment for people with dementia and their carers, for example a member of the Dementia Friendly Hampshire charity has trained to become a Health Walk leader to support people with dementia to enjoy the natural environment

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Shaping place to improve health outcomes



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Shaping places – a joined up approach	21

Foreword

I am delighted to introduce my second report as Director of Public Health for Hampshire.

Creating the right spaces and places around us is vital for our health. In this year's report, I have looked at how we can shape the places we live in to help people of all ages live more healthily.

The report identifies some of the ways in which we can improve access to natural spaces, promote active lifestyles and enhance our food environment. These are top priorities and together they have the potential to transform lives and make Hampshire a healthier place for everyone who lives here.

The design of our built environment, housing, towns and green spaces has a real impact on the health of our population. With ambition and foresight we can shape our spaces to promote health and wellbeing and this represents an incredible opportunity. We know that walking, cycling and generally enjoying the great outdoors has a really positive effect on mental and physical health and so it is vitally important that we make reaching these spaces as easy as possible. With just over 60% of adults in Hampshire being overweight we also need to ensure that they can find health-promoting food outlets and shops close to where they live and work to help improve health outcomes.

The Director of Public Health's annual report is one of the ways in which I can highlight specific issues to improve the health and wellbeing of the people of Hampshire. Thinking about the impact on health when we are planning our spaces makes it more likely that we will design and build health-promoting environments and healthier communities now and for the future.



Dr Sallie Bacon

Acknowledgements

I hope that you find this report helpful and that it stimulates your interest. I would like to thank everyone in the Public Health team who has contributed to the report but special thanks go to Helen Cruickshank, Jenny Bowers, Rebecca Wilkinson, Lynn Butler, Susan Dewey and Kate Raines.

Additional thanks go to Active Travel (School Travel Planning), HC3S, Energise Me, Hart District Council and Places Leisure.

Introduction

This year's Public Health Annual Report explores the opportunities to improve health outcomes through shaping the places where we live, work and relax.

Getting the spaces and places around us right is vital for our health. Environmental factors, such as the way in which houses are built and towns are designed and the availability of natural space, can directly affect health¹. Considering health impacts when making changes to places is crucial as it enables us to design and create accessible, health-promoting environments.

The population of Hampshire is evolving; it is growing, getting older and becoming more diverse. As our population changes, so too do the environment and places in which we live and work. New housing developments are built, transport systems are redesigned and the range of retail premises alters. These changes give us the opportunity to ensure that health and wellbeing are central to decision-making to support our population to live happy, healthy lives. Building healthy and thriving communities is one of the core ambitions of Hampshire's Public Health Strategy² and this is strongly influenced by the places in which communities live.

With more than 90,000 new homes proposed under current Local Plans in Hampshire³, the need to implement healthy design to support communities has never been greater. Nationally there is recognition of the role that the built and natural environment can have on health and national planning guidance now includes a specific requirement to promote healthy communities⁴. In Hampshire, we have produced a local resource, a spatial planning chapter of the Joint Strategic Needs Assessment⁵, which describes the evidence and opportunities for improving health through urban, environment and transport planning.

Last year's Annual Report highlighted the importance of having healthy homes to support our ageing population. This year we consider wider aspects of place that support a healthy living environment across the life course of people in Hampshire. The report focuses on three key elements that impact on health and wellbeing and uses the latest data to explore the issues in Hampshire and identify what more we can do to shape our places to improve health.



1 WHO <http://www.who.int/mediacentre/news/releases/2016/deaths-attributable-to-unhealthy-environments/en/> Accessed 04/10/2017

2 Hampshire County Council Public Health Strategy <http://documents.hants.gov.uk/public-health/TowardsahealthierHampshirestrategyforimprovingthepublichealth2016-2021.pdf> Accessed 04/10/2017

3 <http://www3.hants.gov.uk/mineralsandwaste/local-plans.htm>

4 National Planning Policy Framework <https://www.gov.uk/guidance/national-planning-policy-framework-what-it-means-for-more-healthy-communities>

5 <http://documents.hants.gov.uk/SpatialPlanningJointNeedsAssessment.pdf>

Green and blue spaces

Access to green and blue spaces supports physical and mental health and wellbeing through the joint benefits of physical activity and interacting with others. Evidence shows that living in close proximity to green spaces, such as parks and other open spaces, can improve health, regardless of social class⁶. In this report we have used new data from the Ordnance Survey to better understand how accessible our green spaces are to Hampshire's residents.

The natural environment can be categorised as green or blue space:

Green:

- Formal green space – parks and gardens
- Natural and semi-natural green space – woodland, heath, wetlands, wasteland and derelict land being reclaimed by nature
- Green corridors – canals, streams, cycle-ways, old railways, lanes and hedges

Blue:

- Rivers and brooks or canals
- Lakes, reservoirs or ponds
- Some studies include marshes, estuaries and coastline

Source: <https://publichealthmatters.blog.gov.uk/2016/11/09/green-space-mental-wellbeing-and-sustainable-communities/>

Getting around

Getting around, making social connections and accessing services has been revolutionised by motorised transport. However, active travel, such as cycling and walking, can increase physical activity levels and improve physical and mental wellbeing as well as having benefits for the environment. In this chapter, data on active travel in Hampshire, particularly on travel to school, are considered alongside the local strategies and interventions aiming to encourage people to cycle or walk.

Food environment

We have made use of the latest tools and data to analyse Hampshire's retail food environment which affects the availability and choice of food that people can buy. The relationship between the food environment and health is complex. The evidence base is still limited but emerging research does indicate that making healthier foods more accessible and increasing provision of low cost, healthier food can be effective in promoting healthy eating.



⁶ Mitchell R and Popham F (2008) Effect of exposure to natural environment on health inequalities: An observational population study. *The Lancet* 372(9650): 1655-1660

Green and blue spaces

Why are blue and green spaces important for health?

There is evidence that access to, and engagement with, the natural environment is associated with positive health outcomes, such as improved mental health and a reduced risk of cardiovascular disease. The type of natural environment we access is important. For example, evidence shows that access to recreational infrastructure, such as parks and playgrounds, is associated with a reduced risk of obesity among adolescents. The benefits of green space are also dependent on its quality; aesthetic park improvements can increase visits and improve physical activity among children and older adults⁷.

Hampshire has a relatively high provision of blue space as it is a coastal and largely rural county. The Hampshire coastline stretches for about 230 miles, from Highcliffe on the Dorset border to Chichester Harbour in West Sussex. There is emerging evidence that the availability of blue spaces, such as canals, ponds, rivers and beaches has a positive association with health^{8,9}. Blue space offers opportunities for relaxation, social interaction and physical activities such as swimming¹⁰.

What do we know about blue and green space in Hampshire?

In Hampshire, in 2015/16, an estimated 17% of adults had made recent use of the natural environment (all green, blue and open spaces) for exercise/health reasons (figure 1). This was not significantly different to the proportion nationally which has seen a steady increase in people using the natural environment over recent years. The upward trend seen in England as a whole is not being reflected in Hampshire; this is likely to be due to a number of different factors which we need to monitor and explore.

20% of
Hampshire's urban land is
accessible green space



7 <https://www.gov.uk/government/publications/spatial-planning-for-health-evidence-review> Accessed 04/10/2017

8 Wheeler BW, White M, Stahl-Timmins W, Depledge MH. Does living by the coast improve mental health and wellbeing? *Health Place* 2012; 18: 1198–201

9 Amoly E, Dadvand P, Forns J, López-Vicente M, Basagaña X, Julvez J, et al. Green and blue spaces and behavioral development in Barcelona schoolchildren: the BREATHE Project. *Environ Health Perspect* 2014; 122: 1351.

10 Carson, Amber L. et al. "Measuring Blue Space Visibility and 'Blue Recreation' in the Everyday Lives of Children in a Capital City." Ed. Harry Timmermans. *International Journal of Environmental Research and Public Health* 14.6 (2017): 563. PMC. Web. 1 Nov. 2017.

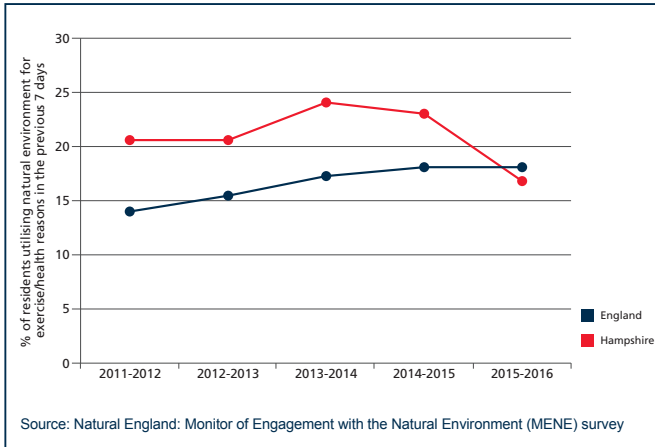


Figure 1. Utilisation of the natural environment for exercise/health reasons: Hampshire and England 2011-12 to 2015-16

Only 17% of land area in our county is defined as urban but more than three quarters of the population live in these urban areas. Winchester is the most rural Hampshire district (with only 42% of residents living in urban areas and just under 5% of land defined as urban)

whereas in Fareham and Gosport nearly 100% of both the land and population is urban.

We have looked at the accessibility of green space in Hampshire’s urban areas using a new dataset from Ordnance Survey which maps accessible recreational and leisure green space such as playing fields, parks and allotments¹¹. We have refined this data further to exclude those areas that are likely to be private such as golf courses, campsites and school grounds and we have added in accessible natural green space such as nature reserves and Wildlife Trust sites.

We found that over a fifth of Hampshire’s urban land is actually made up of accessible green space but this varies considerably by district (figure 2). Gosport, which is defined as entirely urban, has over a third of its land area as accessible green space. East Hampshire, Hart, New Forest and Winchester are more rural districts but, as figure 2 shows, their urban areas contain relatively high proportions of green space. By contrast, the urban areas of Test Valley are, on average, made up of less than 13% of green space.



¹¹ <https://www.ordnancesurvey.co.uk/getoutside/greenspaces/>

Percentage of urban land areas in Hampshire districts that is accessible green space

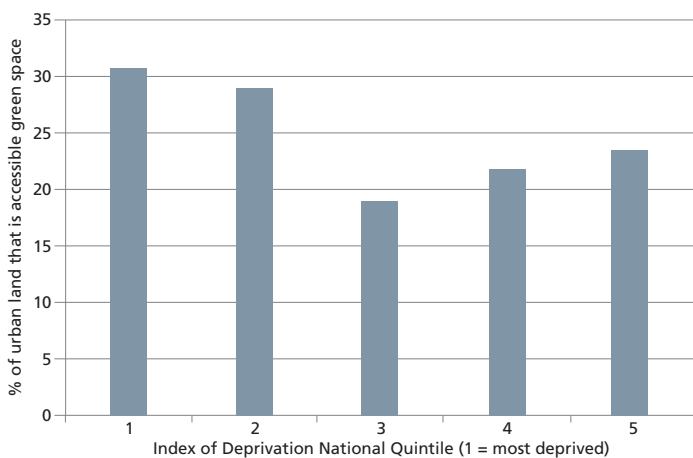


Notes: Accessible green spaces are defined as publicly accessible recreational and leisure sites in OS Green Spaces data plus ancient woodlands, Open Access Land, nature reserves, Wildlife Trust sites and common land. Only those Lower Super Output Areas defined as urban in the ONS Rural-Urban Classification are used in the analysis.

Figure 2. Accessible green space in urban land areas

We have also found that Hampshire’s urban areas with the highest levels of deprivation have the highest proportion of accessible green space (figure 3). This is important because we know that people in the most deprived areas experience poorer health and therefore have much to gain from using green space, but this analysis does not tell us anything about the quality of the green space. There is a real opportunity to maximise the potential of green and blue spaces in disadvantaged areas through improving their quality, safety and accessibility to enhance the health and wellbeing of local residents.

Figure 3. Accessible green space in urban land areas by deprivation quintile



Notes: Accessible green spaces are defined as publicly accessible recreational and leisure sites in OS Green Spaces data plus ancient woodlands, Open Access Land, nature reserves, Wildlife Trust sites and common land. Only those Lower Super Output Areas defined as urban in the ONS Rural-Urban Classification are used in the analysis. Index of Deprivation 2015 from www.gov.uk/government/statistics/english-indices-of-deprivation-2015

Priorities for action in Hampshire

1. Ensuring green space standards are incorporated into District Council Local Development Plans and Green Space Strategies, by continuing to work in partnership and using the Hampshire planning position statement
2. Encouraging opportunities for children and young people in education and community settings to access outdoor space, for example through gardening projects or the daily mile
3. Using the latest research evidence on the benefits of green and blue spaces and the most effective ways to provide accessible and high quality spaces for our population, across the life course, to inform planning and development
4. Improving the quality, safety and accessibility of green space in areas of deprivation
5. Maximising access to high quality green and blue spaces through the planning process for new residential developments
6. Developing initiatives in local green and blue spaces which encourage our most inactive residents to become active

Case study

Hart Health Walks

Basingstoke Canal, Yateley Common, Fleet Pond and Hazeley Heath are just four of the open spaces in North East Hampshire visited by walkers each week through Hart Health Walks.

Hart Health Walks, managed by Hart Voluntary Action, is one of 400 health walks schemes operating across the country, and one of eight running in Hampshire, which are accredited by the national Walking for Health scheme. All accredited schemes share the same features:

- Walks are led by trained volunteers along risk assessed routes.
- Walks last no longer than an hour with at least one short walk of no more than half an hour per scheme.
- Walks are free of charge.
- Walkers are encouraged to walk at a brisk pace for part of the walk to raise the heart rate.

- Walkers only have to register once to participate in any of the Walking for Health walks.

There are six walks a week across Hart with an average of 120 people taking part, some of whom may participate regularly in two or three different walks over the week.

www.walkingforhealth.org.uk



2

Getting around

Why is the way that we travel important for health?

The way we design spaces is fundamental to creating and adapting environments which support Hampshire residents to be active and enjoy better health. Even small increases in physical activity among those who are the least active can bring great health benefits for individuals and for the whole population. Physical activity is associated with many improvements in health and wellbeing, including lower death rates and lower risk of heart problems and depression. It benefits people of all ages, ranging from helping children to maintain a healthy weight to reducing conditions such as hip fractures in older people¹².

We know from the experience of countries like Finland and the Netherlands that if changes in levels of physical activity are to be real and lasting, we need to embed being active into the fabric of daily life¹³. Active travel (cycling, walking and use of public transport) can increase activity levels and improve physical and mental wellbeing. Prioritisation of active travel can also reduce reliance on motorised transport, contributing to improved air quality and a reduction in road injuries¹⁴. With an estimated 40,000 deaths each year in the UK attributable to exposure to outdoor air pollution, air quality continues to be an important public health priority¹⁵.



¹² Dept of Health (2011) Start active, stay active - <https://www.gov.uk/government/publications/start-active-stay-active-a-report-on-physical-activity-from-the-four-home-countries-chief-medical-officers>
¹³ PHE, Everyday Active, every day what works, the evidence (2014) - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/366113/Evidence_layout_23_Oct.pdf

¹⁴ NOO/NHS – Data sources: environmental influences on physical activity and diet 2011 - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/625568/Spatial_planning_for_health_an_evidence_resource.pdf
¹⁵ <https://www.rcplondon.ac.uk/projects/outputs/every-breath-we-take-lifelong-impact-air-pollution>

What do we know about the way that we get around in Hampshire?

In Hampshire, just under half of the adult population walks at least five times per week which is lower than the average for England. Just over 5% of adults cycle at least three times per week, and this is slightly higher than the England average¹⁶.

We also know that around a fifth of the adult population in Hampshire is inactive, which means they do less than 30 minutes of physical activity per week. This is considerably lower than the Chief Medical Officer's recommendation of 150 minutes moderate activity per week¹⁷. Eastleigh and Test Valley are the two districts in Hampshire which have a significantly lower proportion of physically active adults than in England as a whole (figure 4).

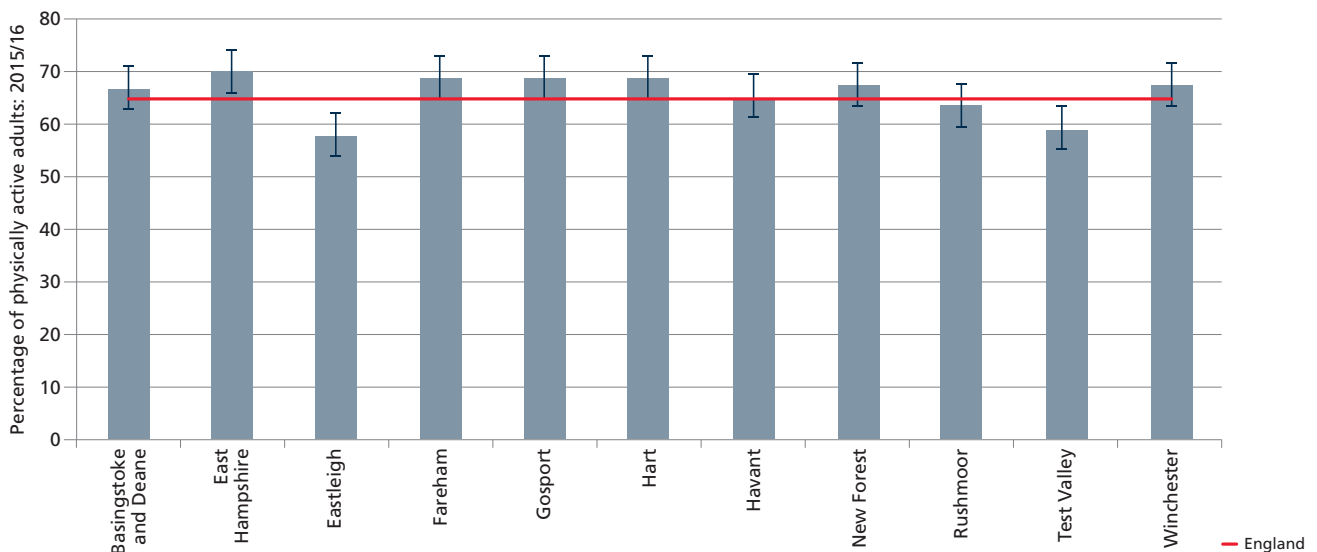


just under 50% of the adult population walks at least five times per week



just over 5% of adults cycle at least three times per week

Figure 4. Physically active adults in Hampshire



Source: Physical Activity Profile, Public Health England
 Notes: Percentage of adults (aged 19+) that meet CMO recommendations for physical activity (150+ moderate intensity equivalent minutes per week).

¹⁶ PHE – Physical Activity fingertips tool - <https://fingertips.phe.org.uk/profile/physical-activity>
¹⁷ Dept of Health – CMO recommendations - infographics on physical activity - <https://www.gov.uk/government/publications/start-active-stay-active-infographics-on-physical-activity>

85% of Hampshire is defined as **rural**

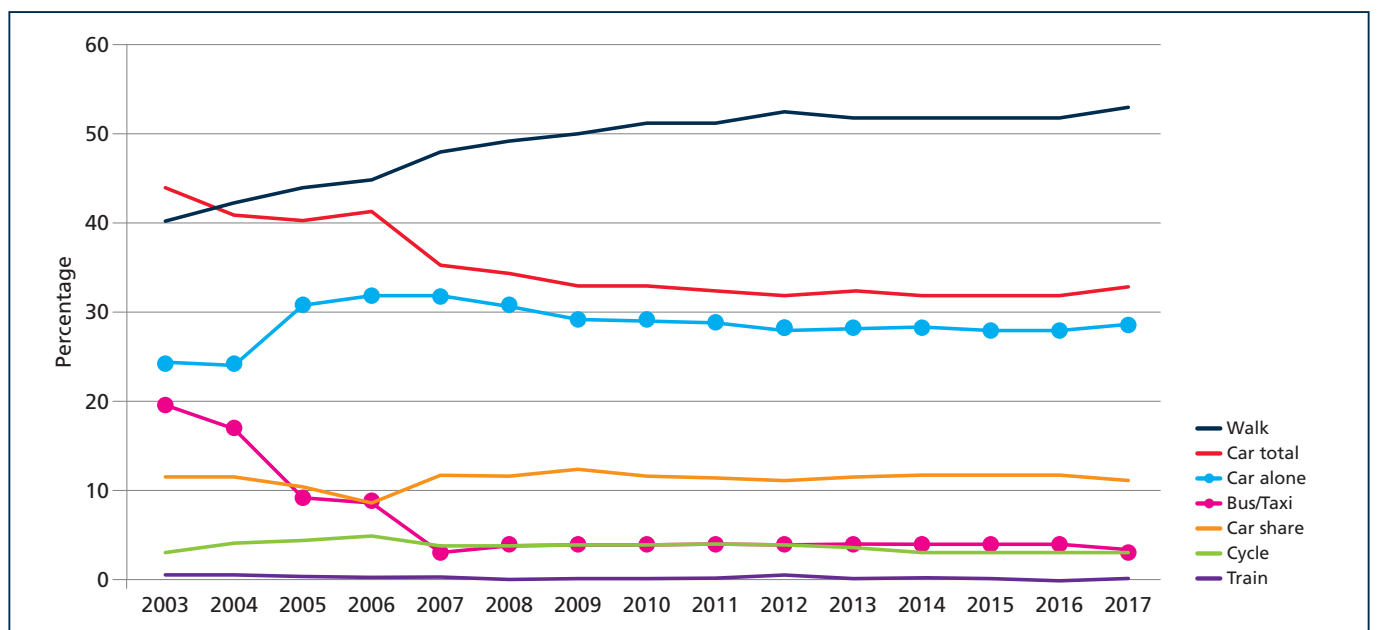
To enable our population to be physically active, we need to create an environment where cycling and walking are a normal part of everyday life, and are the natural choice for shorter journeys such as going to school and work, travelling to the station and for leisure. Currently the majority of journeys in England do not rely on active travel, with 75% of all trips taken by car or van¹⁸. Collectively, we need to design and adapt local places and support people to change their own behaviours to enable communities to become more active¹⁹.

Over recent years, there has been a particular focus on active travel to school in Hampshire. Rates of active travel locally have been maintained with a slight increase in 2016/17, compared to the national picture where the proportion of children walking to school has fallen (figure 5)²⁰.

The rural and urban environment can greatly affect people’s travel choices. We are fortunate in Hampshire to have beautiful areas of countryside; 85% of Hampshire is defined as rural and over a third of the county’s geography is within National Parks or Areas of Outstanding Natural Beauty. This can present challenges for getting around as it may be more difficult for residents in rural areas to engage in active travel. Journeys to school, work and leisure facilities may take longer and restricted access to privately owned land can make getting out around the home more difficult. Urban environments can also be an important barrier to active travel if there are issues of safety, accessibility, and quality of routes and public spaces.

As well as determining how physically active we are, the way in which we travel can have a significant impact on the air that we breathe. Traffic emissions make a major contribution to poor air quality and the consequences of air pollution on population health are highlighted in the 2017 Chief Medical Officer’s Annual Report²². This brings a particular focus to inequalities and discusses the ‘triple jeopardy’ effect, whereby those who are most disadvantaged have higher exposure to air pollution, have a higher burden of ill health and may be more susceptible to the effects of pollutants. In Hampshire, with a mix of rural and urban areas, air quality across the county is varied. Four of Hampshire’s 11 district and borough councils have declared Air Quality Management Areas and have developed strategies to manage and mitigate the impact of air pollution.

Figure 5²¹. Hampshire School Travel (mode of transport)



18 Analyses from the National Travel Survey <https://www.gov.uk/government/statistics/national-travel-survey-2016>

19 PHE – Working together to promote active travel - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/523460/Working_Together_to_Promote_Active_Travel_A_briefing_for_local_authorities.pdf

20 Dept of Transport National Travel Survey 2015 - <https://www.gov.uk/government/statistics/national-travel-survey-2015>

21 Hampshire County Council School Travel Planning Team - mode of transport to school data 2003-2017

22 Chief Medical Officer annual report 2017: health impacts of all pollution – what do we know? https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690846/CMO_Annual_Report_2017_Health_Impacts_of_All_Pollution_what_do_we_know.pdf



Priorities for action in Hampshire

1. Implementation of Hampshire County Council's Cycling and Walking strategies²³ which focus on:
 - support for local walking and cycling initiatives
 - planning and design which improve access, safe environments and connectivity across the network
 - attracting new investment for walking and cycling opportunities
2. System-wide initiatives to create environments which increase active travel, for example personalised travel planning with large employers and new business developments such as Daedalus Park, Gosport
3. Encouraging active school travel through targeted interventions to promote walking, cycling and scooting in areas with high car use and higher childhood obesity rates, aligning with road safety initiatives
4. Improving air quality through collective action in designated Air Quality Management Areas and Clean Air Zones
5. Promoting travel alternatives for commuter and work-related journeys such as car share, park and ride and public transport options through the 'MyJourney' planner

²³ Hampshire's Walking and Cycling Strategies <https://www.hants.gov.uk/transport/strategies/transportstrategies>

Case study

Breeze Cycling Scheme

The Breeze cycling scheme, co-ordinated by Energise Me, encourages older women, who we know are less active than other groups in the population, to take up cycling. Participation in the scheme has increased by over 50% since it began in 2013²⁴ and is continuing to grow. By recruiting and training volunteer cycle ride leaders from the target population, sustainability is built into the scheme. Evidence from other schemes, such as 'Walking for Health' shows that this type of intervention can be sustainable whilst increasing physical activity levels and social connectivity²⁵.

'M', 65+ from Aldershot wanted to be a more confident cyclist, especially as she was scared of getting a puncture. After joining the Breeze programme she reported that the sessions were great with friendly tutors where she was able to learn about gears, cornering and road riding so that within a short time her confidence had grown so she is now happy to cycle with her husband and grandchild.



²⁴ Energise Me – participation rates – Breeze cycling
²⁵ NICE guidance Cycling and Walking - <https://www.nice.org.uk/guidance/ph41>

3

Food environment

Why is the food environment important for health?

The food environment is the physical and social environment around us which influences what we eat. In terms of place, this includes the distribution of food outlets or other physical locations, such as takeaways and supermarkets. This is a complex environment, with multiple influences on individuals' choices which can impact on health. A healthy, balanced diet is key to maintaining good health and reducing the risk of obesity and cardiovascular disease and certain cancers. Whilst healthy eating is widely promoted in the public domain, many people find it difficult to eat a healthy diet. It is estimated that 41.5% of adults and 47.9% of 15 year olds in Hampshire do not meet the recommended minimum '5-a-day' for fruit and vegetable consumption and 61.6% of adults in Hampshire are estimated to be overweight or obese²⁶.

The food environment, especially those aspects which increase the availability of either healthy or unhealthy food, is recognised as having an important impact on individual eating behaviour and obesity. Evidence

is mixed on the degree of impact of the local food environment though some studies have found an association between a poor food environment and obesity in the medium to longer term. Measuring the impact of the environment is complex as many individuals change locations and have access to multiple food choices over the course of a day, although people on lower incomes or with mobility issues are more likely to be influenced by the food offer locally²⁷.

There is a growing body of evidence which demonstrates that supermarket product placement and price promotions can influence our decisions when it comes to purchasing healthier or less healthy food²⁸. Evidence suggests that 40% of food in the UK is bought on promotion, and this food is more likely to be higher in sugar, salt and fat. Healthy diets cost up to three times more per calorie than unhealthy diets²⁹, therefore food choice is mediated by many factors including price, taste, availability and attractiveness.

Out-of-home food outlets such as restaurants, cafes and takeaways also influence our dietary habits. Nationally, the proportion of meals eaten outside of the home is



26 Public Health England (2015) Public Health Outcomes Framework (available at <https://fingertips.phe.org.uk/profile/public-health-outcomes-framework/data#page/3/gid/1000042/pat/6/par/E12000004/ati/102/are/E06000015>).

27 Fuentes Pacheco A, Carrillo Balam G, Archibald D, et al Exploring the relationship between local food environments and obesity in UK, Ireland, Australia and New Zealand: a systematic review *BMJ Open* 2018;8:e018701. doi: 10.1136/bmjopen-2017-018701

28 Rapid evidence review: The impact of promotions on high fat, sugar and salt (HFSS) food and drink on consumer purchasing and consumption behaviour and the effectiveness of retail environment interventions <http://www.healthscotland.scot/media/1611/rapid-evidence-review-restriction-of-price-promotions.pdf>

29 Parliamentary Office of Science and Technology. Postnote: Barriers to Healthy Food. Number 522 April 2016. <http://researchbriefings.files.parliament.uk/documents/POST-PN-0522/POST-PN-0522.pdf>

30 Public Health England (2017) Health Matters: obesity and the food environment (available at <https://www.gov.uk/government/publications/health-matters-obesity-and-the-food-environment/health-matters-obesity-and-the-food-environment-2>).

increasing, with more than one quarter (27.1%) of adults and one fifth of children now eating from out-of-home food outlets at least once a week³⁰. Meals eaten out of the home tend to be associated with larger portions, higher intakes of fat, sugar and salt and lower intakes of micronutrients than meals eaten at home³⁰. Fast-food and takeaway outlets in particular are associated with poor nutrition³¹. Greater access to takeaway outlets at home, work and on commuting routes has been associated with increased takeaway consumption³¹. In addition, data published by Public Health England in 2017 show that fast-food outlets are more densely concentrated (i.e. greater number of outlets per 1,000 resident population) in areas of greater deprivation compared to more affluent areas³⁰, which may be contributing to the widening of health inequalities³². There is also a tendency for fast-food outlets to cluster around schools, increasing children's access to and opportunities for purchasing energy-dense, unhealthy food^{33,34}.

To address this, national guidance, such as The School Food Standards³⁵, and a range of initiatives, such as the Eat Out Eat Well (EOEW) Award³⁶, have been developed to improve nutrition in schools and to support caterers to make it easier for their customers to make healthy choices when eating out.

What do we know about the food environment in Hampshire?

The total number of food outlets in Hampshire has increased in recent years. In March 2017, the combined recorded number of cafés, convenience stores, restaurants and takeaways in Hampshire was 3,194, an increase of 114 since June 2014³⁷. Of these 114 additional outlets, 101 were takeaways, representing 88.6% of the total increase³⁷.

Researchers at the University of Southampton have looked at the food offer in all outlets across Southern Hampshire and the impact it has on the food purchasing and consumption choices of families in the area. The researchers looked at the quality of all food outlets that the families were exposed to near home, work and school. All families had greater exposure to unhealthy than healthy food outlets, however the researchers did find that greater access to healthy food outlets around schools and homes appears to be associated with better diet quality in young children in Hampshire³⁸ and that women with lower educational attainment were more impacted in their food choices by a poor food environment than women with higher educational attainment³⁹.

To understand the potential impact of takeaways in Hampshire, we have analysed Points of Interest data from Ordnance Survey to look at how they are distributed by area, by deprivation and over time. Our data suggests that we have seen a growth in takeaways over the last four years, and the highest growth has been seen in our areas of greatest deprivation.

The association between deprivation and fast-food outlets seen nationally is also evident locally, as illustrated in figure 7. In Hampshire, the number of takeaway outlets per 1,000 resident population in the most deprived decile is almost four times greater than in the least deprived (average of 1.19 and 0.33 per 1,000 resident population, respectively). When analysed by district, Rushmoor and Gosport have the highest concentrations of takeaway outlets in Hampshire, with an average of 1.14 and 1.09 per 1,000 resident population, respectively. These figures are roughly double those for Test Valley and Basingstoke and Deane, which have the lowest concentrations in Hampshire as shown in figure 8.



31 Jaworowska A., Blackham T., Davies I.G. and Stevenson L. (2013) Nutritional challenges and health implications of takeaway and fast food. *Nutr Rev*, 71 (5): 310–8.

32 Marmot (2010) The Marmot Review Strategic Review of Health Inequalities in England, post-2010 (Available at <http://www.instituteofhealthequity.org/projects/fair-society-healthy-lives-the-marmot-review/fair-society-healthy-lives-full-report>).

33 Caraher M., Lloyd S. and Madelin T. (2014) The 'School Foodshed': schools and fast-food outlets in a London borough. *Br Food J*, 25; 116 (3): 472–93.

34 Ellaway A., Macdonald L., Lamb K., Thornton L., Day P. and Pearce J. (2012) Do obesity-promoting food environments cluster around socially disadvantaged schools in Glasgow, Scotland? *Health Place*, 18 (6): 1335-40.

35 School Food Standards <http://www.schoolfoodplan.com/actions/school-food-standards/>

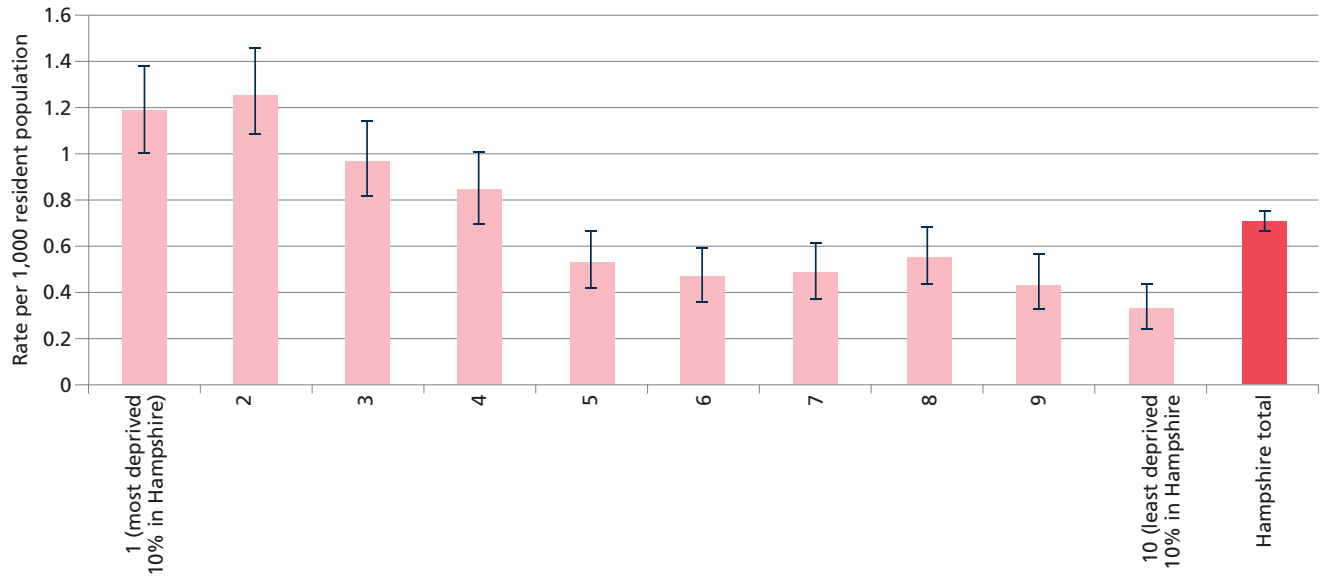
36 Eat Out Eat Well <http://www.eatouteatwell.org/pages/index.cfm>.

37 FEAT Tool <http://www.feat-tool.org.uk/>.

38 Barrett M., Crozier S. and Lewis D. et al. (2017) Greater access to healthy food outlets in the home and school environment is associated with better dietary quality in young children. *Public Health Nutrition*, 20 (18): 3303–3311.

39 Vogel C., Williams D., Ntani G et al. The relationship between dietary quality and the local food environment differs according to level of educational attainment: A cross-sectional study. *Plos One*. August 25, 2017

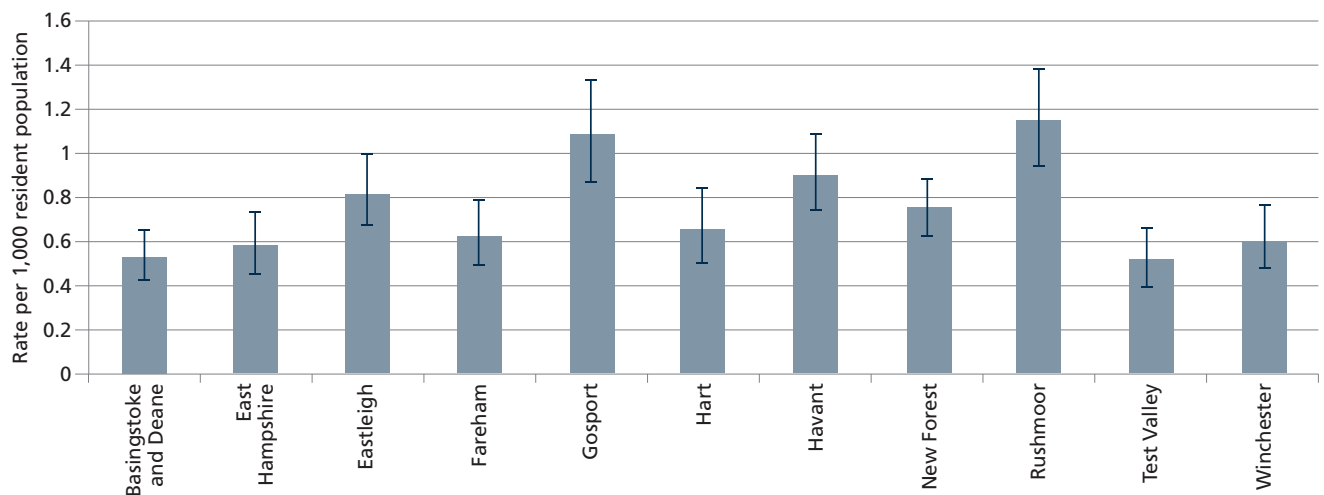
Figure 7: Number of takeaway outlets per 1,000 resident population by deprivation decile within Hampshire



Source: Points of Interest, Ordnance Survey Index of Multiple Deprivation 2015, Department for Communities and Local Government

Numbers of takeaway outlets per 1,000 resident population by district are illustrated in figure 8.

Figure 8: Number of takeaway outlets per 1,000 resident population by district of Hampshire



Source: Points of Interest, Ordnance Survey and 2011 Census, The Office for National Statistics. Food Environment Assessment Tool, CEDAR and MRC Epidemiology Unit, University of Cambridge



Priorities for action in Hampshire

1. Through the Hampshire Healthy Weight Strategy (2015-2019⁴⁰) working with caterers and food outlets to encourage reformulation of less healthy products whilst increasing the availability of healthier options.
2. Sharing evidence from behavioural insight techniques with food retailers and food outlets to encourage consumers to make healthier choices, for example nutrition labelling at point-of-sale and optimising product placement to encourage healthier choices.
3. Promoting healthy food environments through appropriate development of supplementary planning documents (SPDs) to place restrictions on food retail outlets where an evidenced need can be demonstrated.
4. Using the learning from the Eat Out Eat Well (EOEW) Award⁴¹ concept to optimise the impact on food environments and the sustainability of future award programmes across Hampshire.
5. Maximising opportunities from a setting based approach ensuring catering in early years, school and care settings is healthy.
6. Encouraging workplaces in Hampshire to adopt the Government Buying Standards in their staff and corporate catering provision.

40 Hampshire County Council Healthy Weight Strategy 2015-2019 <http://documents.hants.gov.uk/health-and-wellbeing-board/HampshireHealthyWeightStrategy2015-2019.pdf>

41 Eat Out Eat Well <http://www.eatouteatwell.org/pages/index.cfm>.

Case study

Promoting healthy food choices in River Park Leisure Centre

Places Leisure manage several leisure facilities across Hampshire. As part of their commitment to provide a varied choice within their cafés whilst promoting health and wellbeing, Places Leisure piloted the use of 'nudge theory' in one of their centres with the aim of encouraging healthy food purchases without eliminating customer choice.

After a simple review of the existing café layout, positioning of products and product ranges, the team were able to work with the Public Health team to identify and implement improvements, such as choosing products with traffic light labelling from the supplier, giving healthier products prominent positions, using visual cues to make healthier ranges easily distinguishable to the customer and running specific promotions focussed on healthier eating (for example a porridge breakfast deal).

After the implementation of these changes, a customer survey demonstrated that customers were satisfied with the product range and were able to identify improvements, such as the labelling and grouping of healthier options. Furthermore, analysis of sales data identified that there was no detrimental impact on sales revenue. As a result, Places Leisure will be seeking to apply these changes to other sites.



4

Shaping places – a joined up approach

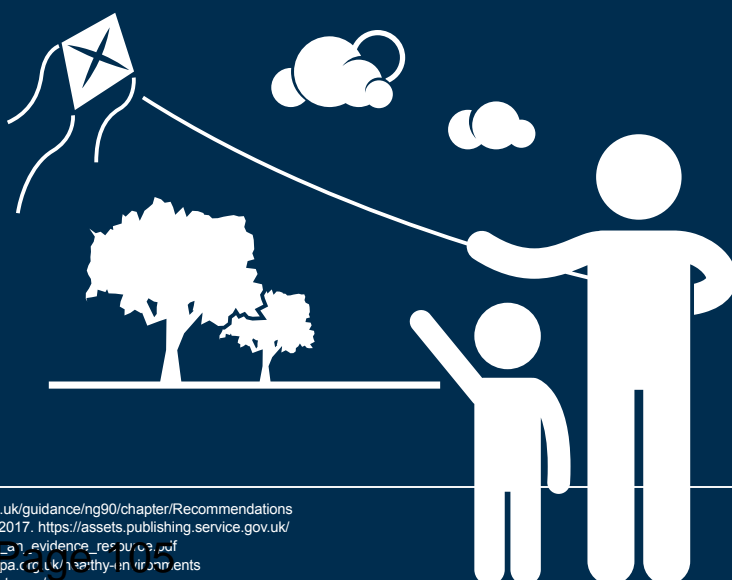
I have explored in this report three important components of place, using local data to identify some of the particular issues in Hampshire. In this final section, I consider the opportunities we have to bring these, and other aspects of place, together to create a systems approach to healthy environments.

The increasing evidence of how the built and natural environment influences health is now being incorporated into national policy and guidance which identify the need for a combined approach to factors such as housing, transport, green spaces, the retail environment and overall neighbourhood design. The Town and Country Planning Association recommends six elements that should be addressed in the planning and design of a new development, or an existing community, that can help create an environment which supports healthier lifestyle choices:

1. movement and access: sustainable travel or active travel
2. open spaces, play and recreation: green infrastructure, formal and informal play areas
3. healthy food environments: food growing and access to healthy food retail
4. neighbourhood spaces: public realm, social and healthcare facilities and services
5. buildings: design and layout of homes and commercial spaces
6. local economy: town centre retail and food diversity

Locally in Hampshire, there are significant residential developments underway where we have the opportunity to adopt this latest evidence to help to create healthy places. The Healthy New Town of Whitehill and Bordon in East Hampshire is one such development where healthy design principles have been integrated from the start, with the aim of creating a town with health and wellbeing at its heart. This development programme incorporates the six elements outlined above through a range of approaches, an example of which is the transformation of the Hogmoor Inclosure. This natural area will form part of a green network across the town and offer walking and cycling routes, access to wildlife habitats, dementia-friendly design and opportunities for play.

With Hampshire at the forefront of healthy place shaping, as a county we are in a strong position to lead the way in building further evidence and policy for the future, by learning from current developments and evaluating initiatives to help improve health in our communities.



42 NICE guideline [NG90] Physical activity and the environment, March 2018 <https://www.nice.org.uk/guidance/ng90/chapter/Recommendations>
 43 Spatial Planning for Health. An evidence resource for planning and designing healthier places. 2017. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/625568/Spatial_planning_for_health_evidence_resource.pdf
 44 Town and Country Planning Association, Planning Healthy Weight Environments <https://www.tpa.org.uk/healthy-in-irritants>
 45 NHS England Healthy New Towns <https://www.england.nhs.uk/ourwork/innovation/healthy-new-towns/>

Summary

In this report I have examined how three important aspects of place – green and blue spaces, the way in which we travel and the food environment – influence our health in Hampshire, in both positive and negative ways. The communities in which we live, the outdoor areas where we spend leisure time, the way in which we travel and the food choices available to us have a complex, interconnected impact on our lives and our health.

Although we are fortunate in Hampshire to have an abundance of green and blue space around us, this report shows us that there is a worrying decline in our population accessing the natural environment. This means that the potential to benefit from our natural spaces is not being fulfilled. With low rates of walking and cycling and a fifth of our population defined as inactive, the need to encourage physical activity through use of the natural environment and active travel is evident.

The analyses in this report have highlighted that decisions about how places are developed have the potential to influence health inequalities, as shown by the striking association between deprivation and availability of fast-food in Hampshire. There may also be positive impacts in more deprived areas; we have seen how the urban areas in Hampshire with the highest levels of deprivation also have the most accessible green space, although we do not know from this analysis the extent to which this space is used.

By focussing on the priority actions identified in this report, we can collectively work across departments, organisations and communities to shape places in Hampshire as they develop, change and grow and maximise opportunities to improve health and wellbeing and reduce inequalities.



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HAMPSHIRE COUNTY COUNCIL

Report

Decision Maker:	Cabinet
Date:	10 December 2018
Title:	<i>Serving Hampshire</i> – 2018/19 Q2 Performance Report
Report From:	Chief Executive

Contact name: Philippa Mellish, Head of Insight and Engagement

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1. Recommendations

1.1. It is recommended that Cabinet:

- notes the County Council's performance for the first half of 2018/19, and
- endorses work underway to advance the County Council's inclusion and diversity work, recognising feedback from the National Inclusion Standard pilot and staff survey.

2. Report purpose

2.1. The purpose of this report is to:

- provide strategic oversight of the County Council's performance during the first six months of 2018/19 against the [Serving Hampshire Strategic Plan](#) for 2017-21; and
- update Cabinet on the County Council's work to advance inclusion and diversity.

3. Performance reporting arrangements

3.1. The County Council's Performance Management Framework (PMF) provides the governance structure for performance management and reporting to Cabinet. The PMF specifies that Cabinet receives bi-annual reports on the County Council's performance against the strategic priorities set out in the *Serving Hampshire* Strategic Plan. The four strategic aims set out in the plan are:

- Hampshire maintains strong and sustainable economic growth and prosperity
- People in Hampshire live safe, healthy and independent lives
- People in Hampshire enjoy a rich and diverse environment

- People in Hampshire enjoy being part of strong, inclusive communities
- 3.2. Alongside these aims, the Strategic Plan contains eight 'ways of working' which support the ambition to 'put our residents at the heart of everything we do'. These are to:
- Engage, involve and inform residents
 - Develop easy and efficient online services
 - Work with our partners
 - Use taxpayers' money wisely
 - Enable people to do more for themselves
 - Respond flexibly to people's needs
 - Value people's differences, and
 - Keep improving
- 3.3. Performance information on children's and adults' safeguarding, major change programmes, including *Transformation to 2019 and 2021*, and the County Council's financial strategy are reported separately to Cabinet.
- 3.4. To report progress against *Serving Hampshire*, departments are asked to rate performance against a core set of performance metrics on a quarterly basis. For each measure, a simple risk-based 'red, amber, green' rating is applied, informed by the most recent data and management information.
- 3.5. Departments also provide an overview of key achievements and risks/issues against agreed priorities, as well as the results of any recent external assessments and resident feedback.
- 3.6. Appendix One sets out the sources of external validation which apply to the County Council's performance during the first half of 2018/19.

4. Performance against *Serving Hampshire*

Performance outcomes

- 4.1. **Overall performance** against *Serving Hampshire* remained **good** during 2017/18, evidencing strong performance in the delivery of core services.
- 4.2. **Performance against targets and improvement trend:** data was provided for 27 of the 31 core performance metrics for which data is expected during the first half of the year. Of these 81% of measures were reported as low performance risk. 70% of measures showed improvement or sustained performance. In addition to this, 53% of measures had met the target (or were on track to meet the target) set by the relevant department.
- 4.3. Based on current data, all measures are considered to present **low to medium risk**.
- 4.4. In cases where targets were not met, departmental improvement plans were in place.

4.5. **Performance highlights** for the first half of 2018/19 include:

- Hampshire's Youth Offending Service (YOS) was judged overall as *good*, with *outstanding* features by Ofsted. The report notes that Hampshire's YOS 'provided an excellent range of interventions to reduce the likelihood of offending'
- 99% of parents in Hampshire with children aged 4 and 5, who are due to start school in September, were offered a place at one of their preferred primary school, the same as last year. 94% were allocated a place at their first choice of school, up from 91% last year
- 68% of Hampshire's primary school children taking Key Stage 2 SATs in 2018 met the required standards for reading, writing and mathematics, compared with 64% nationally. This performance is an improvement on last year, representing a 2% increase compared to Hampshire's results for 2017
- The County Council allocated £9 million to fund 480 new school places through a new primary school in Eastleigh, and expansion of two existing county schools (Four Marks Church of England Primary School, East Hampshire, and Colden Common Primary School, Eastleigh)
- Highways maintenance work completed during 2018 to date included:
 - 448 planned highways maintenance schemes
 - 66 safety engineering schemes to specifically reduce traffic collisions, and
 - 21 bridge joint replacement repairs at Redbridge, to avoid future weight restrictions
- CO2 emissions have continued to fall year on year, down to 78,685 in 2017/18 (the most recent data). This is a decline from 83,992 in 2016/17 and meets the 2025 target of 79,080
- Hampshire's five country parks were awarded the Green Flag for 2018. Lepe, River Hamble, Queen Elizabeth, Royal Victoria and Staunton country parks received the award, which recognises their high environmental standards and excellent visitor facilities
- The County Council and Commercial Services Kent Ltd (a trading company owned by Kent County Council) agreed to embark on a joint venture for the recruitment of temporary agency staff. The joint agency will enable the County Council to meet growing demand for services, particularly social care, and to better manage and control the sourcing and retention of skilled, high quality agency staff
- The Care Quality Commission reported the findings of its review of Hampshire's Health and Social Care Systems, undertaken in March 2018. Areas of strength included:
 - consistent and shared vision and strategy across partners
 - strong understanding of the needs of Hampshire's population

- inter-agency working, enabling service users and their carers to influence service development
- advanced use of digital tools

Recommendations for improvement included streamlining the hospital discharge process and improving the recruitment and retention of key staff groups. Actions to address these are set out in a detailed multi-agency plan which is regularly reviewed by the Health and Wellbeing Board and Health and Adult Social Care Select Committee

- The County Council allocated £67 million to be invested in care technology over the next ten years, including a 'private pay' service enabling residents and third parties to buy Technology Enabled Care services and equipment

4.6. A more extensive list of key performance achievements is included in Appendix Two.

4.7. **Performance Risks** highlighted by departments include:

- **Delayed Transfers of Care (DToC)** – there were improvements, with the number of day delays overall reducing from 2,313 (May 2018) to 1,604 (August 2018). Improvements were being primarily achieved within the acute hospitals attended by Hampshire residents, both in terms of the reductions in the quantum of people delayed and a decreasing number of people with an extended length of stay (beyond seven days of being declared fit for discharge). However, overall, delays for both health and social care remain one of the highest in the country.
- DToC is a system wide challenge and there are several factors which influence performance in Hampshire. For example, Hampshire is one of a few councils that operates across multiple acute sites, each with their own unique set of issues and pressures. Despite these complexities, clear improvement actions are in place, informed by a recent review undertaken by the Care Quality Commission, and diagnostic exercise completed by Newton Europe. These include:
 - putting in place a new 'home first' approach to managing hospital discharge, changing the way people in hospital access reablement support at the point of discharge
 - establishing an internal DToC Improvement Board
 - appointing a jointly funded Director of Improvement and Transformation and Clinical Lead, and creating new system wide governance
 - agreeing shared arrangements for the deployment of the Improved Better Care Fund
 - developing winter resilience plans are being developed in each system to ensure a coordinated approach.

- **Highway maintenance programme** - cold weather in early-2018 resulted in delays to the highways maintenance programme, as the highway workforce was diverted to respond to increased demand for winter maintenance. Subsequently, unusually high temperatures during the summer months caused further disruptions, impacting highway surface conditions and causing delays to repairs. The backlog is expected to be cleared by the end of 2018.

5. Inclusion and diversity update

- 5.1. The County Council has a programme of work in place to advance inclusion and diversity. This includes undertaking both internal and external assessment of its performance to identify areas of strength and for improvement.

National Inclusion Standard

- 5.2. During the summer, the County Council participated in Inclusive Employers' National Inclusion Standard pilot. As part of the pilot, the County Council's work to promote inclusion and diversity was independently assessed against six core pillars. The County Council was awarded *Bronze* - achieving second place when ranked against the other nine participating organisations - and was praised for demonstrating a 'comprehensive foundation to its inclusion work'.
- 5.3. Areas of strength included:
- engaging staff in the County Council's vision for inclusion and diversity;
 - taking a strategic approach to staff networks, which demonstrate positive impact;
 - putting into place a robust range of policies, supported by staff 'how to' guides; and
 - embedding inclusion into departmental business plans, recruitment initiatives and procurement activities, supported by good senior management engagement.
- 5.4. Areas for further focus included:
- promoting and delivering training relating to inclusion and diversity, as well as monitoring take up;
 - endorsing career development opportunities to under-represented groups;
 - using and monitoring data systematically to develop deeper understanding of inclusion and diversity matters, inform positive actions and monitor progress against a range of indicators; and
 - demonstrating return on investment and innovation.

Staff survey

- 5.5. The County Council conducted an inclusion and diversity staff survey in May 2018. 5,017 employees participated in the survey – 39% of all employees (excluding schools) – which was available as an online questionnaire and paper Response Form. On the whole, survey results indicated that the County Council has a supportive and inclusive culture and is a place where the vast majority of people from different backgrounds can work together effectively and feel they are treated fairly.
 - 5.1. Areas highlighted for further improvement included: ensuring that policies are applied consistently and transparently, raising the profile of the County Council's employee networks and continuing to make sure that any experiences of harassment, bullying, discrimination and abuse are handled consistently as and when they arise.
 - 5.2. Following the success of this initial staff survey, the County Council intends to build survey feedback into its ongoing programme of employee engagement activities. The next planned survey is due to take place in the New Year and will focus on employee health and wellbeing.
 - 5.3. Feedback from both the National Inclusion Standard pilot and staff survey was communicated to staff and is being used to develop the County Council's overarching improvement plan for inclusion and diversity, as well as departmental action plans.

Hampshire Community Engagement Forum

- 5.4. The County Council is also working with community partners to strengthen community cohesion across Hampshire through repositioning the Hampshire Community Engagement Forum. The Forum was initially established to support engagement relating to the Prevent and wider community safety agendas but has since taken on a wider, cross-cutting focus. The Forum's Terms of Reference have been updated to recognise its role as a vehicle for consultation, engagement and partnership working with Hampshire communities more broadly.
- 5.5. The Forum Steering Group, which is co-Chaired by the County Council and a Community representative, is in the process of developing a detailed forward work programme.

6. Conclusion

- 6.1. This report and its supporting appendices demonstrate that the County Council performed well in the delivery of core public services during the first half of 2018/19, and that good progress is being made to advance the organisation's inclusion and diversity work.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

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

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Serving Hampshire - Strategic Plan for 2017-2021	19 June 2017
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

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.)

DocumentLocation

None

IMPACT ASSESSMENTS:

Equality Duty

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

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

Impact on Crime and Disorder:

The *Serving Hampshire* Plan supports reduced crime and disorder through priority 2 – People in Hampshire live safe, healthy and independent lives.

Climate Change:

Priority 3 within the *Serving Hampshire* Plan states that *People in Hampshire enjoy a rich and diverse environment*. This will be achieved by conserving and using natural resources efficiently, protecting and improving Hampshire's environment and quality of life, and maintaining the unique character of the county.

Appendix One: sources of internal and external validation

The following table sets out the results of external and internal assessments and validations which apply to the County Council at half year 2018/19:

Children's Services			
Assessment title	Area	External/internal	Latest judgement
Inspection of services for children in need of help and protection, children looked after and care leavers	Full children's social care inspection	External – Ofsted	Overall <i>Good</i> 2014
Inspection of children's homes	Residential care homes inspection	External – Ofsted	Five Children's Homes operated by Hampshire County Council have undergone inspections in 2018/19. Of these, two were rated <i>Outstanding</i> two were rated <i>Good</i> and one was rated <i>Requires Improvement</i> to be <i>Good</i> . Hampshire County Council's Secure Children's Home requires improvement to be rated as <i>Good</i> .
Inspection of Local Authorities Children's Services (ILACS) Focussed Inspection	Focus - effectiveness of arrangements for supporting children in need of protection	External – Ofsted	No overall judgement given, letter of findings published November 2018
School Inspections	Inspections of schools	External – Ofsted	Ongoing - as at the end of quarter one 2018/19, 91% of schools were judged to be <i>Good</i> or <i>Outstanding</i> by Ofsted.
Social care self-assessment	Self evaluation is an integral element of inspection of the local authority children's services (ILACS) framework.	Internal and external – shared with Ofsted prior to annual conversation with the Director of Children's Services.	Annual – 2017 – A six month update to June 2018 has been completed 2018 report is currently being written

File audits of social work	Survey audit of case file work alongside the social worker. Undertaken to determine quality of practice and as a learning exercise.	Internal – however, it is a key element of the new ILACS framework. Ofsted require evidence of part of Annex A. Also multi-agency file audits are undertaken by Hampshire Safeguarding Children Board.	No overall judgement recorded as a learning exercise. However, findings in relation to quality of social work and outcomes for children and young people are ascertained and form key element of self assessment. Audit actions are also spot checked and reported back to Children and Families Management Team (CFMT) and area District Manager. CFMT has a process of auditing the audits to assure themselves of the quality of audits being undertaken and address any issues, as well as providing a key window into social care practice at a higher level.
Social work observations	Observations carried out in year looking at social work practice and meeting observations.	Internal – however forms key element of ILACS and self assessment.	No individual judgements allocated.
Peer inspections	Inspections based on the ILACS framework are carried out across districts on a 12 month basis, led by the Area Director from the other area.	Internal	No individual judgements allocated, but feedback is fed into district action plans which are monitored by CFMT.
Inspection of Hampshire youth offending services	YOT inspection	Her Majesty's Inspectorate of Probation	Overall Good 2018 https://www.justiceinspectorates.gov.uk/hmipr-obation/media/press-releases/2018/09/hampshireyos/
Restorative Justice Council's Restorative Services Quality Mark	Youth Offending Team.	External	Restorative Services Quality Mark awarded (April 2016).
Adults' Health and Care			

Adult Social Care Services Inspection	Inspection of in house provided residential and nursing homes.	External – Care Quality Commission	23 in-house care providers are rated as <i>Good</i> (including the four Community Response Teams that deliver reablement to clients at home), and one is rated as <i>Outstanding</i>
Economy, Transport and Environment			
Accreditation to ISO9001:2015 – Quality Management	Economy, Transport & Environment (ETE) Department – whole department.	External – British Standards Institute (bsi)	Assessed every May and November. Last visit (May 2018) resulted in accreditation being successfully maintained
Culture, Communities and Business Services			
UKAS Accreditation	Hampshire Scientific and Asbestos Management services following an annual assessment.	External – UKAS (UK Accreditation Service)	UKAS provide accreditation that Hampshire's asbestos testing and inspection activities are conducted to the standard set out in ISO 17020 and 17025. UKAS audit Hampshire Scientific Service annually for compliance and the last assessment was in July 2018. (accreditation maintained).
Adventure Activities Licensing Services (AALS) Inspection	Hampshire Outdoor Centres.	External – Adventure Activities Licensing Authority	Calshot Activities Centre: Validation expires July 2019. Hampshire & Cass Foundation Mountain Centre: Validation expires June 2020.
Learning Outside the Classroom (LOtC)	Hampshire Outdoor Centres.	External	Calshot Activities Centre: Validation expires June 2019 Runway's End Outdoor Centre: Validation expires February 2019 Tile Barn Outdoor Centre: Validation expires May 2020

Adventuremark	Hampshire Outdoor Centres.	External	Calshot Activities Centre: Validation expires June 2019 Runway's End Outdoor Centre: Validation expires February 2019 Tile Barn Outdoor Centre: Validation expires May 2020
National Indoor Climbing Award Scheme (NICAS)	Hampshire Outdoor Centres.	External	Calshot Activities Centre: Validation expires May 2019
Royal Yachting Association (RYA)	Hampshire Outdoor Centres.	External	Calshot Activities Centre – Recognised Training Centre – expires December 2018
British Canoeing Quality Mark (BC)	Hampshire Outdoor Centres.	External	Calshot Activities Centre – Quality mark – expires December 2018
Ofsted	Hampshire Outdoor Centres.	External	Calshot Activities Centre – Ongoing approved registered provider of childcare (last inspected 2016)
Green Flag Awards	Outdoor accreditation for a variety of areas.	External	The award was maintained for all five country parks in 2018. Awards are received on a staggered basis.
General Register Office – Stock and Security Audit	Registration –provides assurance to the GRO Compliance and Performance Unit.	External	Latest report to GRO was November 2016 and a 'High' rating was received. Next assessment due November 2019 (3 year cycle for those with a high rating).
Hyperactive Children's Support Group (HACSG)	HC3S annual assessment to retain accreditation for removal of specific additives in primary school meals.	External	Accreditation has been maintained, with the last update in November 2017.

Environmental Health Officers assess the kitchens on a regular basis	HC3S.	External	EII Restaurant and Coffee Shop was accredited by Allergy UK for their Allergy Aware Scheme in January 2017. (https://www.allergyuk.org/get-help/eating-out) Secondary Schools and Country Parks have been accredited for allergy awareness by Food Service Allergy Management Ltd during 2018.
Annual kitchen audits	HC3S internal audit covering various aspects of catering operation i.e. health and safety, training, finance.	Internal	Healthy Kitchen Assessments (HKA's) are undertaken throughout the year and records are held of all those completed per academic year, Sept to Aug. For Sep 17 to Aug 18 there were 372 HKA's completed.
Accreditation from the Soil Association	HC3S	External	Food For Life Served Here (Bronze) was achieved in May 2018 having been assessed against their criteria as providing freshly made, locally sourced food.
European Notified body Status for measuring instruments and Non-automatic Weighing machines	Trading Standards	External	Status maintained. Latest external surveillance audit undertaken on 24 September 2018. (reported to Regulatory Delivery at the Department for Business, Energy & Industrial Strategy).
Corporate Services			
National Inclusion Standard	Council-wide, inclusion and diversity	External – Inclusive Employers	<i>Bronze Standard</i>
Accreditation to ISO20000 Service Management and ISO27001 Information Security for IT services	IT services	External	ISO20000 maintained from February 2017 to February 2020 ISO27001 maintained from August 2016 to August 2019
Public Sector Internal Audit Standards	Audit services	External - Institute of Internal Auditors	Awarded for 2015-2020

Integral Appendix A:

Travellers audit	Audits of insurance claim handling by Legal Services.	External – Travellers (insurance)	Maintained – 2018
Lexcel inspection – law Society’s standard for legal practice	Legal Services.	External – Lexcel	Accredited until December 2018

Appendix Two: Q2 2018/19 key performance achievements

Serving Hampshire priority	Achievement
<p>Outcome one: Hampshire maintains strong and sustainable economic growth and prosperity</p>	<p>The County Council allocated £1.3 million to help improve quality of life and employability among specific target groups. More than 9,000 adults will be by given opportunities for free learning to develop their literacy, maths, and digital skills, or improve their health and wellbeing. These subsidised courses will be offered at venues across Hampshire</p>
	<p>£1.6 million funding was awarded to improve Romsey's Market Place. The total allocation is made up of the County Council's Market Town and Public Realm Improvement funding, developed contributions, and funding from Test Valley Borough Council</p>
	<p>Highways maintenance work completed during 2018 to date included:</p> <p>448 planned highways maintenance schemes,</p> <p>66 safety engineering schemes to specifically reduce traffic collisions, and</p> <p>21 bridge joint replacement repairs at Redbridge, to avoid future weight restrictions</p>
	<p>The County Council allocated £3 million match funding to finance additional resources to tackle potholes on Hampshire roads. This includes purchasing two new dragon patcher machines, which can repair defects five times faster than traditional methods</p>
<p>Outcome two: people in Hampshire live safe, healthy and independent lives</p>	<p>99% of parents in Hampshire with children aged 4 and 5, who are due to start school in September, were offered a place at one of their preferred primary schools (compared to 98% in 2017/18). 94% were allocated a place at their first choice of school, up from 91% last year</p>
	<p>£9 million funding was allocated to fund 480 new school places through a new primary school in Eastleigh, and expansion of two existing county schools (Four Marks Church of England Primary School, East Hampshire, and Colden Common Primary School, Eastleigh)</p>
	<p>68% of Hampshire's primary school children taking Key Stage 2 SATs in 2018 met the required standards for reading, writing and mathematics, compared with 64% nationally. This represents a 2% improvement on Hampshire's results for 2017</p>

Serving Hampshire priority	Achievement
	<p>The average (provisional) grade per A-level entry has improved from C+ (2017) to B- (2018) – compared to the 2017 national average of grade C</p> <p>Students following advanced Tech-level qualifications also improved their average grade to <i>Distinction</i> - an improvement on the 2017 national average of <i>Distinction minus</i></p>
	<p>The Care Quality Commission reported the findings of its review of Hampshire’s Health and Social Care Systems, undertaken in March 2018. Areas of strength included:</p> <ul style="list-style-type: none"> • consistent and shared vision and strategy across partners • strong understanding of the needs of Hampshire’s population • inter-agency working, enabling service users and their carers to influence service development • advanced use of digital tools. <p>Recommendations for improvement included streamlining the hospital discharge process and improving the recruitment and retention of key staff groups. Actions to address these areas are set out in a detailed multi-agency plan which is regularly reviewed by the Health and Wellbeing Board and Health and Adult Social Care Select Committee</p>
	<p>The County Council allocated £750,000 to update facilities at 17 of its sites, including residential and nursing homes for older people and day services’ buildings for adults with learning disabilities. Improvements form part of a wider programme of investment in long term accommodation to support Hampshire’s most vulnerable residents</p>
	<p>The County Council allocated £67 million to be invested in care technology over the next ten years to support the growing number of elderly people and younger adults with disabilities in Hampshire. This will include launching a ‘private pay’ service enabling residents to purchase a wide range of care technology available to the County Council’s social care clients. Third parties, including other local authorities and NHS partners, will also be able to buy Technology Enabled Care services from Hampshire.</p>

Serving Hampshire priority	Achievement
	<p>The County Council's catering service (HC3S) was awarded the <i>Food for Life Served Here</i> accreditation from the Soil Association. The award recognises the quality and freshness of school meals provided to 444 primary schools and 21 secondary schools in Hampshire</p>
<p>Outcome three: People in Hampshire enjoy a rich and diverse environment</p>	<p>The County's five country parks were awarded the Green Flag for 2018. Lepe, River Hamble, Queen Elizabeth, Royal Victoria and Staunton country parks received the award, which recognises their high environmental standards and excellent visitor facilities.</p>
	<p>CO2 emissions have continued to fall year on year, down to 78,685 in 2017/18 (the most recent data). This is a decline from 83,992 in 2016/17 and meets the 2025 target of 79,080</p>
	<p>A three-year programme to improve Lepe Country Park was completed. The scheme included building a new restaurant, improving existing facilities and working with volunteers to develop a sensory garden. The programme aims to make the park more financially self-sufficient in the long term.</p>
<p>Outcome four: people in Hampshire enjoy being part of strong, inclusive communities</p>	<p>Hampshire's Youth Offending Service was judged as <i>Good</i>, with <i>Outstanding</i> features by Ofsted. The report notes that the service provides '<i>an excellent range of interventions to reduce the likelihood of offending</i>'.</p>
	<p>The County Council and the NHS in Hampshire launched the first Hampshire Carers' Charter, as part of a new five-year strategy for supporting adults in Hampshire who voluntarily help or look after a friend or family member. The Charter, developed with carers and voluntary organisations, sets out a series of commitments for how organisations will work with carers to support them in their caring role.</p>

Serving Hampshire priority	Achievement
	<p>The County Council agreed to contribute up to £10.5 million to commission a new service from April 2019 to support victims of domestic abuse and tackle the behaviour of perpetrators in Hampshire.</p> <p>The County Council, the Office of the Police and Crime Commissioner and Southampton City Council are working together to fund the service as part of a new contract with a value of up to a maximum of £13.5 million over seven years.</p>
<p>The way we work:</p> <ul style="list-style-type: none"> • Develop accessible and efficient online services • Work closely with our partners • Use taxpayers' money wisely 	<p>Customer satisfaction with Shared Services continued to improve, with 68% of customers who completed a feedback survey during June scoring their experience as highly satisfied (score of 8-10) and 79% as satisfied (score of 6-10). This represents the highest satisfaction levels since monthly feedback surveys were introduced in June 2017.</p> <p>HC3S, the County Council's catering service secured nine new catering contracts. This includes two in Hampshire, four in Dorset, and three in Wiltshire (including the first 6th form college to be catered for by the service). The income generated by this service allows skills to be retained within Hampshire, as well as contributing to the Council's budget.</p> <p>The County Council and Commercial Services Kent Ltd (a trading company owned by Kent County Council) agreed to embark on a joint venture for the recruitment of temporary agency staff. The joint agency will enable the County Council to meet growing demand for services, particularly social care, and to better manage and control the sourcing and retention of skilled, high quality agency staff.</p>

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	10th December 2018
Title:	Brexit: the potential impact on the County Council's resources and services
Report From:	Chief Executive

Contact name: Deborah Harkin, Assistant Chief Executive

Tel: 01962 845006

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1. Recommendations:

- 1.1. To note the high-level findings from the scoping exercise on the potential impact Brexit may have on the County Council's resources and services.
- 1.2. To endorse the County Council's current activities in relation to Brexit, including contingency planning for a 'no deal' scenario.
- 1.3. To agree proposed future actions to strengthen Hampshire's resilience to any risks associated with Brexit, in collaboration with public and private sector partners, to help ensure the county's continued economic prosperity.

2. Executive Summary

2.1. The purpose of this report is to:

- provide an update on current and planned activities by the County Council in response to the evolving Brexit landscape;
- report on headline findings from the scoping exercise to assess the potential scale of impact that Brexit could have on the County Council's resources and services, and the subsequent steps being undertaken;
- identify areas of national policy development which the County Council, working through the Local Government Association and other strategic bodies, may wish to inform.

2.2. The report provides an overview of the **potential scope and depth of impact** the UK's exit from the EU (Brexit) could have on the County Council following an early scoping exercise. That provided a **snap shot in time** of the position within an uncertain and fast-moving landscape. That process primarily focussed on the potential impact to the **County Council's own resources and services**, as opposed to the wider affects it could have on the county of Hampshire.

- 2.3. However, the County Council is mindful of the strong interdependencies between the organisation and the local economy. A downturn in the national economy that might be triggered by a 'no deal scenario' or a 'hard Brexit' would have unwanted consequences for both the business community and the public sector. Therefore, additional separate work will be undertaken by the County Council, with local partners, to help support Hampshire's wider preparations for Brexit and beyond.
- 2.4. Due to the complex and evolving landscape, the County Council's scoping exercise was in effect a 'snap shot' in time, which **focused on the most relevant issues to the County Council**. The topics considered, and which are summarised in this report, are as follows:
- a. Potential impact on the County Council's workforce
 - b. EU settlement scheme and future immigration
 - c. Border changes – potential impact on port health, traffic management and transport infrastructure
 - d. Border changes – potential impact on Trading Standards
 - e. Border changes – wider implications for imports and exports
 - f. Current EU funding
 - g. Future EU funding and replacement funds
- 2.5. Given the high degree of uncertainty over whether a deal would be secured and approved before 29th March 2019, and without having clarity over what the future arrangements would be, it was **not feasible for the County Council to produce a detailed risk assessment**, nor to draw conclusions about the likely impact of Brexit.
- 2.6. However, the high-level scoping exercise has provided a basis for the County Council to undertake **more in-depth assessments as the landscape becomes clearer**. It has also helped highlight those areas where attention is needed to ensure the County Council is as resilient as possible to the potential risks associated with a no deal scenario.
- 2.7. Findings from the scoping exercise suggest that, post Brexit, there may be **more risks in the short to medium term**. The potential opportunities for local government, such as securing a more favourable legislative framework, and opportunities for the wider economy, for example realising benefits from new trade deals, are more likely to be delivered over the medium to longer term.
- 2.8. An **adverse impact on the national economy** could have serious consequences for the County Council, including even higher demand for its services and further reductions in its funding.
- 2.9. In addition to any negative macroeconomic impacts, the most pressing concerns for the County Council relate to the impact a 'no deal' scenario could have on **border operations**, including resource pressures for **Trading Standards**, and consequences for Hampshire's **transport network**, with the risk of serious congestion on routes to and from the Port of Portsmouth particularly if, as part of national contingency plans, traffic is diverted away from the Port of Dover to other roll-on/roll-off ports, including to the Port of Portsmouth.

- 2.10. Whilst the number of non-UK EU staff employed by the County Council is, in overall terms, low there is a risk that Brexit could increase the **challenges of retaining and recruiting staff shortage occupations**. For example, it may become harder to retain and recruit non-professionally qualified domiciliary care workers due to changes in settled status and the UK's immigration policy, both of which have yet to be clarified by the Government. Brexit also poses a risk to the **construction industry**, particularly in the South East where it employs a high number of non-UK EU workers, and therefore could affect the County Council's Capital Programme.
- 2.11. With less than five months until Brexit, the **pace of change is accelerating**, with several policy announcements due. With so much political uncertainty at the time of writing, it is important for the County Council to continue to **monitor developments and assess implications** of any changes for its resources and services.
- 2.12. Looking beyond March 2019, the County Council will want to continue working with local and regional partners, and through the Local Government Association and the County Council's Network, **to inform the Government's policy and legislative framework**.
- 2.13. The County Council will also wish to keep abreast of developments within Europe through its established mechanisms, including membership of the Assembly of European Regions (AER), to ensure Hampshire is well-placed to maximise any opportunities that may arise.

3. Contextual information about the evolving Brexit landscape

- 3.1. The County Council is mindful that the impact of Brexit will only start to become clear once the current political process to consider the draft Withdrawal Agreement has been worked through. The full impact is unlikely to be known for several years. Therefore, the County Council continues to closely monitor the evolving landscape and timelines, as set out in appendix one.
- 3.2. Whilst the Government remains confident it will be possible to deliver a smooth exit on 29th March 2019, concerns about a 'no deal scenario' have increased over recent months, primarily due to the Irish backstop issue. If the UK were to leave without an approved deal, there would be no transition / implementation period.
- 3.3. From August, the Government stepped up its contingency planning for a 'no deal' scenario, including issuing over a 100 [technical notices](#). A [summary](#) of those notices, including implications for local authorities has been produced by the LGA. In a recent communication to local authority leaders, the Secretary of State confirmed there would be continued engagement with local authorities on 'no deal' scenario planning, including a series of regional events organised by its Local Government EU Exit Delivery Board.
- 3.4. The high level of uncertainty has been exacerbated by the fact that the negotiations have been carried out under the principle ***"that nothing is agreed until everything is agreed"***. The detailed negotiations about the

future relationship are only able to commence once the UK has left the EU. This uncertainty, and the lack of clear information from central government, may account for why most local authorities have not yet undertaken any detailed work to assess the potential impact Brexit could have on their organisations and their local areas.¹

3.5. The complex and rapidly changing landscape could have significant implications for the County Council and the wider sector, for example:

- it is very difficult for the County Council to form a detailed, evidence-based assessment of the potential risks and opportunities of post Brexit arrangements whilst those arrangements have yet to be agreed;
- Brexit is likely to dominate the UK's legislative programme well beyond March 2019 leaving little room (or appetite) for central government to bring forward the type of radical long-term policy developments that may be required by local councils and the wider public sector;
- the possibility of the UK leaving the EU on 29th March without a deal would increase the risk of adverse national macroeconomic impacts and could produce a policy vacuum, both of which could have negative consequences for the County Council;
- even if a deal is approved, next year's Spending Review is unlikely to be based on a robust understanding of the economic implications of Brexit which will take time to emerge, therefore close monitoring will be important to ensure that funding is sufficient to meet any future service and financial pressures²

4. Current and planned activities in response to Brexit

4.1. Despite all the uncertainties the County Council has been undertaking early work with local partners and national agencies to ensure the necessary local contingency plans are put in place. It is also working through its strategic regional and national partnerships to influence and inform the Government's approach to Brexit and the UK's post Brexit policy framework.

4.2. Current and planned activities include:

- Ongoing work with the LGA's Post Brexit Commission³; on the future of non-metropolitan areas, including participation in the Commission's South

¹ The LGC Confidence Survey 2018 found 70% of local authorities had yet to put in place any Brexit preparations.

² The OBR's Fiscal Sustainability [Report](#) (July 2018) concluded that "Brexit is more likely to weaken public finances than strengthen them over the medium term due to its likely effect on the economy and tax revenues.

³ The Commission has highlighted a range of challenges applicable to Hampshire relating to housing, skills, digital connectivity, transport and infrastructure and is keen to avoid powers becoming more centralised after Brexit.

East roadshow on 18th December, having previously helped inform its [interim report](#) (June 2018);

- working through the LGA to influence MHCLG's Local Government [Brexit Delivery Board](#);
- working through CIPFA to advise MHCLG's EU Exit Advisory Board;
- attending DEFRA-led workshops on Environmental Regulations and Trading Standards;
- participating in the Government's Local Authorities and Port Health Authorities Border Planning Group;
- ongoing work through Hampshire and Isle of Wight's Local Resilience Forum (HIOW LRF) to assess risk and develop appropriate local civil contingency plans;
- participating in Enterprise M3 LEP's Brexit Intelligence Gathering meetings which are focused on developing effective mechanisms to communicate relevant advice and support for SME businesses;
- working with the LGA and Portsmouth City Council to run a regional Brexit [sounding board](#) on 7th December;
- hosting a Hampshire-wide event in the New Year to consider the broader implications Brexit could have on the county and what will be required in future to strengthen the region's economic resilience;
- working with Hampshire and Isle of Wight Local Government Association (HIOWLGA) partners to consider Brexit related risks and opportunities that are specific to local government in Hampshire.

5. Initial scoping of the potential impact on the County Council's workforce

5.1. Over recent months the County Council has begun to scope the potential impact Brexit could have on the County Council's workforce. The Employment in Hampshire County Council Committee received a report on 11th July summarising the potential impact Brexit could have on the Council's workforce. That report, [published on Hantsweb](#), concluded there were no immediate significant concerns nor actions needed and highlighted the following points:

- the full impact of Brexit on the labour market will take time to emerge and may change due to a Brexit transition / implementation period;
- the exact number of non-UK EU nationals employed by the County Council was difficult to quantify due to SAP limitations at the time;
- out of the 12,762 staff employed (excluding schools) an estimated 322 staff were non-UK EU citizens;
- migrant workers (both EU and non-EU) were primarily recruited into 'shortage occupations' (including: teachers, nurses, engineers, and low skilled workers such as non-professionally qualified care assistants, cleaners, caterers and waste operators);

- HR would continue to monitor the County Council's workforce demographics and any future changes to UK employment legislation.
- 5.2. The County Council is now collecting nationality data for all new employees in order to enable assessment of the County Council's reliance on EU (and non-EU) candidates and identify where there are recruitment and retention issues.
- 5.3. Despite the uncertainty about the impact Brexit could have on the County Council's ability to retain and recruit staff, the initial scoping suggests that risk to the workforce is, in overall terms, relatively low.
- 5.4. The following observations have been noted:
- the social care sector may be vulnerable to changes in migration rules given that, nationally, 7% of EU nationals make up its workforce. The position in Hampshire is similar, although initial scoping by Adults' Health and Care (February 2018) showed that Hampshire has a higher reliance on migrant non-EU workers (12%) as compared to EU workers (8%);
 - the UK's post Brexit immigration policy is likely to apply equally to all migrant workers and favour high skilled workers. Consequently, the main area of risk to Adults' Health and Care's workforce is likely to be filling non-professionally qualified care worker roles, such as those in domiciliary care and also impact on its extended workforce. However, as there is already an annual 30% churn in the department's workforce, Brexit may simply exacerbate current challenges. Adults' Health and Care are already seeking to exploit technology to help address workforce challenges, whilst improving the efficiency and outcomes of its services.
 - Of greater concern to Adults' Health and Care is the potential impact a 'no deal' or 'hard Brexit' could have on the national economy, and the knock-on affect that would have on local government. An economic downturn could increase budget pressures, add to service costs, and exacerbate the rising demand for services. It might also pose risks to external agencies / providers and other key stakeholders, such as the local voluntary and community sector.
 - The potential impact on the workforce of other services, such as IT and Education Services (e.g. modern language teachers), is currently perceived to be relatively low. For example, Children's Services workforce, particularly children's social care, is a largely skilled sector that is heavily language and culturally specific.
 - Of greater concern to Children's Services is that a 'no deal' scenario, or a 'hard Brexit,' may increase the risk of more unaccompanied asylum-seeking children entering the UK due to a refusal or inability to carry out enough checks at borders and, more generally lead to a rise in demand for its services.
 - Brexit also poses a risk to the UK's construction industry, as it employs a high number of non-UK EU workers, especially in London and the South East. This fact, combined with the risk of an economic downturn post Brexit, may be of concern to the County Council's Property Services and to the Department for Economy, Transport and Environment, as it could have implications on the County Council's Capital Programme, including its

schools and road building programmes. (A report to the Executive Member for Childrens' Services in January 2018 noted there was considerable uncertainty in the market due to Brexit).

6. EU settlement scheme and future immigration

- 6.1. Assuming the draft Withdrawal Agreement is ratified by end of March 2019 there will be a transition period during which time all workers' rights and current settlement status under EU law will be maintained.
- 6.2. The draft Withdrawal Agreement provides scope to make future rights to reside conditional on registration under a national scheme. Therefore, the Home Office has developed an EU Settlement Scheme. It will require all non-UK EU citizens who wish to continue living and working in the UK to register with the scheme for settled status by July 2021. It is the Government's stated default position to grant, rather than refuse, settled status. This [registration scheme](#) is expected to be in full operation by March 2019. As part of an initial pilot, all those working in the NHS or social care will be able to register from 29th November⁴. The County Council has already issued a notice to staff about the scheme and further communications are planned in order to keep staff informed of developments. Additional advice and support will be provided where needed.
- 6.3. The Prime Minister and the Home Secretary have indicated that, in the event of a 'no deal', the Government would protect the rights of EU citizens working in the UK and a formal statement on this matter is expected.
- 6.4. With regard to future immigration, the Government has indicated it is minded to accept the [recommendations](#) from the Migration Advisory Committee (MAC). This would end the preference given to EEA migrant workers and instead establish a new skills-based system open to all. A White Paper on a future immigration policy is expected later this year, with legislation to be brought forward next year.
- 6.5. Despite evidence from the sector, including from the County Council, about the high number of non-UK EU nationals who work in services such as social care, construction and tourism, MAC recommends introducing a policy that prioritises high skilled workers without any explicit work migration route for low-skilled workers, except for seasonal agricultural workers. However, the Secretary of State for Health has indicated that discussions were underway over whether there should be some exceptions in the future immigration policy to ensure a sufficient supply of care workers.
- 6.6. If all the recommendations within MAC's report are adopted, it could lead to pay pressures for low-skilled posts which, up to now have been largely been filled by non-UK EU workers.

7. Border changes – initial scoping of potential impact on port health, traffic management, and transport infrastructure

⁴ The Home Office has produced a [toolkit](#) for employers and an LGA briefing note on the subject is expected imminently.

- 7.1. Border changes and post Brexit trade arrangements pose both potential risks and opportunities to Hampshire given the relevance of the Port of Portsmouth, which deals primarily with roll-on/roll-off traffic to and from Europe, and the national economic importance of the International Port of Southampton, which is already the UK's primary port for car exports, with over 90% of exports going to non-EU markets. Looking ahead, the County Council will want to ensure the region's transport infrastructure secures the required investment to support the efficient flow of traffic to and from both ports, as well as to and from Southampton Airport.
- 7.2. The immediate risk posed by a 'no deal' scenario is to the capacity at UK borders to manage customs and regulatory checks and the consequences any delays would have on the wider transport network. There is also concern about post Brexit operations at French ports which could have a knock-on effect – for example, disrupting the flow of traffic to and from the UK or, potentially, leading to an increase in the number of unaccompanied asylum-seeking children arriving at Portsmouth from Caen.
- 7.3. New customs and regulatory checks could not only increase pressure on local authority trading standards but would likely cause delays to the flow of traffic. This raises wider concerns about the capacity of port infrastructure, the impact on the wider transport network, and the infrastructure that could be required to facilitate and service lorry parks.
- 7.4. Hampshire's infrastructure and port operations could also be affected if Kent were to experience disruptions at Eurotunnel and at the Port of Dover which is the UK's largest roll-on/roll-off entry point for HGVs arriving from Europe. Whilst the type and scale of operations at the Port of Dover are different from those at the ports of Portsmouth and Southampton, in the case of a 'no deal' scenario, the Government intends to divert traffic away from Dover to other UK ports, including to the Port of Portsmouth and, potentially, to the Port of Poole.
- 7.5. Even if a deal is approved, Brexit will bring new challenges to the Port of Portsmouth because, unlike the Port of Southampton which regularly deals with non-EU freight, Portsmouth currently manages roll-on/roll-off traffic to and from Europe, which due to EU's freedom of movement, has been able to flow freely with minimal checks. Post Brexit Third Country regulatory and custom checks are likely to be applied, with the full implications yet unknown. Under a 'no deal' scenario it will also have to manage additional volumes of traffic from Dover.
- 7.6. Similarly, under a 'no deal' scenario, all animal exports will have to be checked at a Border Inspection Posts (BIP). At present, one fifth of UK exports go across the Dover Strait to Calais where there is currently no BIP. If animal exports need to be re-routed this would have consequences for UK roads and other ports.
- 7.7. Due to these risks, the Government's Border Delivery Group has been developing contingency plans focussing on ports it considers to be most at risk, including the Port of Portsmouth. The County Council is involved in the 'Local Authorities and Port Health Authorities Border Planning Group' which is a cross departmental group focussed on 'no deal' scenario planning. Its

objective is to ensure the borders work from 'day one' in terms of security, flow of goods and people, and the collection and protection of revenue.

- 7.8. Linked to this, Hampshire and Isle of Wight's Local Resilience Forum (HIOW LRF) has been provided with national contingency planning assumptions which have been underway since July. The County Council's Emergency Planning team have confirmed that the locally identified immediate and emergency impacts of a no deal scenario would be transport disruption, particularly around the Port of Portsmouth. The national planning assumptions are for up to 12 weeks of disruptions to roll-on/roll-off ports, including to the Port of Portsmouth, following a 'no deal' Brexit. It also has given indications that, in a 'no deal' scenario, airlines may not be able to fly to European destinations for up to seven days after Brexit.
- 7.9. The HIOW LRF has undertaken an initial risk assessment. It will continue to refine its assessment as impacts become clearer. Early actions have involved consideration of where lorries may need to be parked should there be significant delays at the Port of Portsmouth. The HIOW LRF continues to liaise closely with Kent's LRF to share intelligence.

8. Border changes – initial scoping of potential impact on Trading Standards

- 8.1. Whilst the Government's 'no deal' technical notices acknowledge the resource implications for Trading Standards, they lack the detail required to enable local authorities to undertake robust impact assessments. Trading Standards will need to retain knowledge of the current European requirements and understand any new equivalent UK legislation. Additional training will be required and, in the short-term, could impact on the team's productivity.
- 8.2. Kent County Council believes they may need to recruit an additional 14 officers to respond to the scale of change at the Port of Dover. Unlike local authority Trading Standards, the Food Standards Agency has been given a substantial uplift in funding due to risks associated with Brexit. This uplift will be used to recruit around an extra sixty food fraud officers, duplicating what is already in place at local government level.
- 8.3. Compliance risks may also increase over the medium to longer-term, leading to further service pressures on Trading Standards as businesses potentially struggle in the post Brexit climate. Unless the Government assists in meeting the additional resource pressures, there could be regulatory failures.

9. Border changes – potential wider implications for imports and exports

- 9.1. **Implications for Public Health** - Public Health understand that work is being undertaken at a national level regarding the supply of medicines (NHS England) and vaccines (Public Health England). The Secretary of State has confirmed that under a no-deal scenario hospitals, GPs and community pharmacies in the UK do not need to take steps to stockpile additional drugs or medical devices. Public Health is in close contact with the NHS England and Public Health Executive awaiting further advice and direction.

9.2. Implications for Waste & Resource Management - There has been some concerns expressed about cessation of the Waste Shipment notifications that will require waste exporters to be reapproved in order to ship waste to the EU - a process that normally takes three to six months. Exporters may have to wait until after the UK leaves the EU before they can apply to be reapproved. A three to six-month hiatus in waste exports could mean 1.8 million tonnes of waste stranded in the UK. This is unlikely to impact the County Council's waste management operations as, unlike some of its neighbours who are reliant on EU incineration capacity, the majority of the County Council's residual waste is sent to its own Energy Recovery Facilities. The County Council does not export residual waste to Europe. However, the County Council is working with its waste contractor, Veolia, to ensure that any recyclable materials that are exported, either for processing in the EU or to transit through the EU, would have alternative options under a 'no deal' scenario.

10. Current EU funding

- 10.1. Over the last year the local government sector has stressed the importance of EU funding to the UK, especially the need to protect EU Structural Investment Funds (ESIF) that have been allocated to the UK, through the EU's multi-annual financial framework (MMF) covering the period 2014-2020. Earlier this summer the Government confirmed it will guarantee those funds irrespective of whether or not a deal is secured.
- 10.2. European Structural and Investments Funds (currently worth €17.2bn to the UK), are designed to reduce regional disparities. They include the European Regional Development Fund (ERDF), focused on business support and innovation, and the European Social Fund (ESF), which concentrates on social inclusion. The ERDF and ESF have been value to the County Council, supporting economic growth and inclusive communities.
- 10.3. Structural Funds also include the European Agricultural Fund for Rural Development (EAFRD), which has supported the development of rural areas and reforms within the agricultural sector.
- 10.4. In England Structural Funds are managed on behalf of the EU by Whitehall departments with different regions being allocated different amounts, via the LEPs. For example, Wales receives the largest share of ESF and ERDF funding (approximately €340 million per annum), whereas the South East region receives the least amount (approximately €40 million per year). Despite the regional disadvantage, these funds are still very important for the economic prosperity of Hampshire. During the 2014 – 2020 period the total amount of Structural Funds allocated to the Enterprise M3 LEP was €53.9m, and the total amount allocated to the Solent LEP was €42.9m.
- 10.5. In addition to Structural Funds, the other most significant EU funding channel to the UK is the European Agricultural Guarantee Fund – worth €22.5bn to the UK during this funding period. This is the primary mechanism used for implementing the EU's Common Agricultural Policy (CAP) and involves direct payments and market measures to support the agricultural sector.

- 10.6. It is estimated that the County Council has directly secured around £13m of EU funding over the last 12 years, broken down as follows:
- £6.3m from European Structural Funds (including ESF, EARDF and EAFRD);
 - £5.7m⁵ from Common Agricultural Policy (CAP) funding;
 - £1.3m from Interreg Channel and the 2 Seas programmes.
- 10.7. European Structural Funds have financed some important local projects, such as the LEADER 2014-20 Programme, which supports Hampshire's rural communities, as well as a series of education and training projects targeted at those Not in Education, Employment or Training. European Interreg funding has also supported a variety of projects that have been of benefit to the county. For example, the Eco2mobility scheme which promoted green travel, and the current Step by Step Public Health project that aims to improve mental health support.
- 10.8. European CAP funding plays an important role in enabling the stewardship of Hampshire's countryside. It also supports the 700 plus farms within the county. A farm business survey by Rural Business Research shows that on average Hampshire farms receive £32,082 per annum in Basic Payment Scheme monies. Those same farms, on average, make an annual net profit of £38,402. Therefore, without a replacement to CAP funding the viability of the farms is likely to be put at risk.

11. Future EU funding and replacement funds

- 11.1. As mentioned above, the Government has agreed to underwrite the full 2014-20 EU programme period and allocation of funds, even if there is a 'no deal' scenario. This means that Whitehall will continue to sign new projects after the EU exit, during 2019 and 2020, up to the value of programme allocations.
- 11.2. LEPs are continuing to issue call windows for ERDF and ESF. Provided projects are contracted by 31st December 2020, the funding will be guaranteed to enable projects to run up to 31st December 2023. Enterprise M3 LEP is currently on track to allocate the remaining sums of ERDF (approximately £12m) and ESF (approximately £2.5m). This is despite national concerns that the Government has been slow to allocate funding after it was recently reported that only 48% of ESF funding for the 2014-20 period has been so far allocated by the DWP.
- 11.3. Looking to the future, it will be important to ensure that the design and allocation of the UK Shared Prosperity Fund (UKSPF) which will replace EU structural funding, is more efficient, fair and transparent than the current EU funding arrangements. Government indications are that it will be targeted at reducing regional disparities. However, it is still unclear how much funding

⁵ This includes Basic Payment Scheme monies received by HCC but excludes monies received by tenanted County Farms estate receives as those payments are claimed for directly by the tenant farmers.

will be made available, how it will be allocated, what activities will be eligible, and who will take decisions over how the funding is spent. Early indications suggest that LEPs or Combined Authorities may have a key role in the allocation of funding. The Government is due to formally consult on the UKSPF before the end of the year.

- 11.4. The LGA has called for this replacement funding to be set in the context of English devolution⁶, having drawn attention to the fact that Greater Manchester already has partially devolved EU funding which is worth £322m. The sector is also anxious to ensure the Government learns from the flaws in the administration and implementation of the current system, which most recognise as unnecessarily complex and bureaucratic.
- 11.5. The County Council may also wish to monitor progress of the Agricultural Bill as it sets out plans to replace CAP funding which, as mentioned above, has contributed significantly to Hampshire's rural communities and is of direct relevance to County farms. The draft legislation aims to give stability to farmers as the UK exits from the Common Agricultural Policy and becomes compliant with the World Trade Organisation Agreement on Agriculture. It also includes measures to change the way farmers and land managers are supported in the longer term.
- 11.6. The Government has pledged to continue to commit the same cash total in funds (some €4bn per year) for farm support across the UK until the end of this Parliament. The Bill is designed to allow government policy to "evolve" in response to "changing environmental priorities and changing social and economic circumstances". The bill makes provision for the Government to provide financial assistance to those managing the land and delivering public benefits, such as air and water quality and public access. It proposes to phase out direct payments over a seven-year agricultural transition period from 2021, bringing an end to direct payments in 2027.

12. Informing national policy development

- 12.1. The LGA's [Brexit Taskforce report](#), (June 2018) set out the key issues for local councils and the future legislative reforms that would help the sector.
- 12.2. Similarly, the LGA's Post Brexit Commission's [interim report](#) on the future of non metropolitan England (June 2018) raised a number of policy issues which the County Council may wish to assist with, in order to inform the Commission's final recommendations next year.
- 12.3. Working through the LGA, and in partnership with others, the County Council may also wish to influence:
- the development and allocation procedures for the UK Shared Prosperity Fund (UKSPF) to ensure the South East receives its fair share and that county councils, given their democratic mandate and delivery capacity, are given a greater role in the distribution of future local growth funds;

⁶ See the *Moving the Conversation On* [report](#) of the LGA's Brexit Taskforce, chaired by Cllr Kevin Bentley (Essex County Council)

- the Government’s approach to enabling the UK will be able to ‘buy in’ to other EU funding programmes post Brexit, such as Horizon 2020 and the Erasmus student exchange programme, to support local universities and future prosperity;
- future legislative reforms in areas such as State Aid rules following the repatriation of legislation into domestic law;
- the development of a new immigration policy and a future skills policy to support the delivery of an effective local based industrial strategy and Hampshire’s continued economic prosperity;
- further devolution post Brexit and to seek greater flexibility over local charging policies and wider fiscal freedoms.⁷

13. Subsequent actions following the initial scoping exercise

- 13.1. Following the initial scoping exercise, a cross departmental officer Brexit Advisory Group is being established to assess developments and inform the County Council’s response. It will also advise on what service specific impact assessments may be required and give further attention to ‘no deal’ scenario planning in order to strengthen Hampshire’s resilience against associated risks.
- 13.2. The County Council, in its community leadership role, and in consultation with local business organisations and Whitehall Departments, is developing plans for a whole Hampshire event to be held in the New Year. It aims to bring together local business representatives, colleagues from the wider public sector and Government officials, to discuss the potential risks and opportunities that Brexit poses to the local economy. This event will follow on from a December LGA sounding board, which will be held in Portsmouth. By facilitating the whole Hampshire event, the County Council will provide the county with a platform to discuss its concerns and ambitions and draw attention to actions needed to maintain the county’s continued economic prosperity.

⁷ The LGA has argued that Brexit provides the opportunity for a new local/central settlement in a post-Brexit UK, ensuring that powers from Europe are devolved beyond Whitehall to local communities – see https://www.local.gov.uk/sites/default/files/documents/5.39%20Brexit_v06WEB.pdf

CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

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

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:

1.3. The recommendations in this report would not have any direct impact on the equality of protected groups. Any subsequent recommendations that may follow in due course would be subject to the County Council's equality impact assessment procedures.

2. Impact on Crime and Disorder:

2.1. The recommendations are not considered to have any direct impact on crime and disorder although the work of the HIOW LRF with regard to Brexit takes seeks to address various risks, including possible public disorder.

3. Climate Change:

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

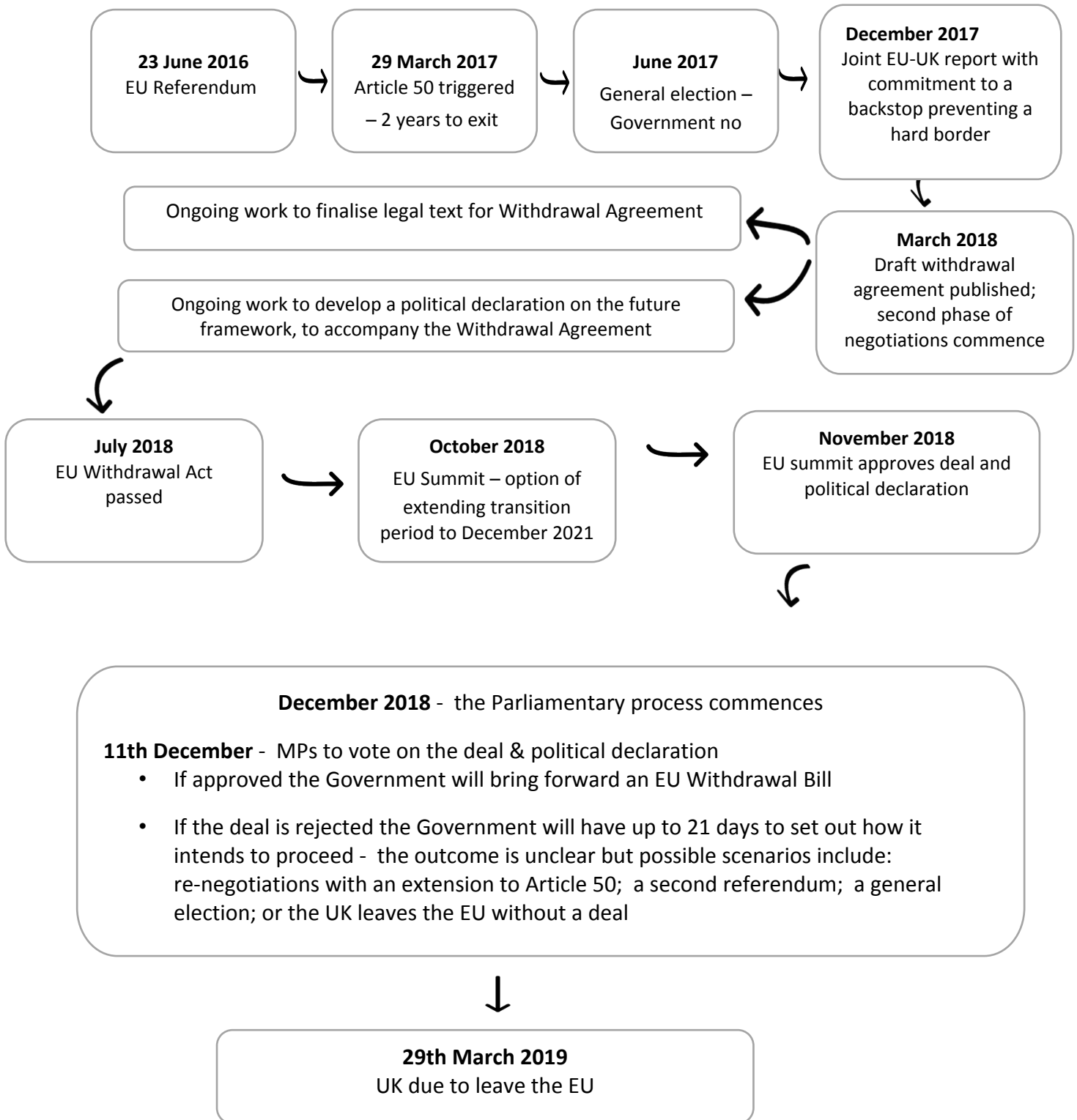
n/a

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

Appendix One - The evolving landscape

Overview of Brexit Timeline



Detailed Summary of Brexit Timeline

June 2016 - UK vote to leave the EU by 51.9% to 48.1% (the first time a national referendum in the UK had gone against the stated preferred option of the government)

13th July 2016 - Theresa May becomes Prime Minister

29th March 2017 - UK Parliament invokes Article 50 on the Treaty of European Union, triggering the two year withdrawal process

June 2017 - The PM calls a snap General Election (aimed to strengthen her Brexit negotiating hand but the Government's loses its overall majority so establishes a 'confidence and supply' arrangement with the DUP)

December 2017 - Joint EU UK report on an outline for the Withdrawal Agreement, including the agreement that, if necessary, a 'backstop' plan to avoid a hard border between the Republic of Ireland and Northern Ireland would be put in place.

12th January 2018 - PM's speech at Lancaster House in which she set out her 12 priorities for negotiating a Brexit deal with the EU

March 2018 - UK and EU published the draft Withdrawal Agreement – having reached agreement on the terms of a two year implementation / transition period; the financial settlement (£39bn) and citizens rights, including an 'EU settlement status scheme' and for a political declaration on future framework to accompany the Withdrawal Agreement.

March 2018 - PM's speech at Mansion House in which she set out her vision for the UK's future economic partnership with EU

July 2018 - The EU (Withdrawal) Act 2018 received Royal Assent – this ensures the vast majority of EU laws will be transposed into UK law post Brexit. It makes provision for the Government to amend retained EU law post 2020 which opens up possible opportunities to improve regulations that affect local government functions e.g. State Aid and procurement rules

July 2018 – Government's White Paper on the future relationship with the EU, based on controversial Chequers plan (led to two senior Cabinet resignations)

July 2018 - Inaugural meeting of the Brexit Local Government Delivery Board, chaired by James Brokenshire, Secretary of State for HCLG, and attended by the LGA and CCN. (still awaiting second meeting which had been due to be held towards the end of November)

24th July 2018 - White Paper on legislating for the Withdrawal Agreement (EU Withdrawal Agreement) Bill, including all procedures required before ratification

23rd August 2018 - UK publishes the first batch of technical notices to advise businesses on what action they should take to prepare in the event of a 'no deal' scenario. (topics included EU funded programmes, farming, importing and exporting, State Aid, and workers rights but not immigration)

19th /20th Sept - Salzburg EU Summit - EU27 rejected the PM's Chequers proposal and a clear impasse between the UK and EU27 over the Irish border backstop

13th & 24th September –UK publishes more technical notices for preparation in case of a 'no deal' scenario

25th September – Labour Party Conference - the leadership indicates they are likely to vote down any deal negotiated by the PM unless it meets their 'six tests' and, if unable to secure a GE, is likely to back its membership's call for a second referendum

Early October - Conservative Party Conference - considerable pressure on the PM to "chuck Chequers" as the PM pleads to her Party to hold its nerve during the most critical stage of the negotiations, suggesting a good deal would bring an end to austerity

12th October 2018 - final batch of technical notices issued

18 October 2018 - EU Council – no significant progress made but suggestion of extending the proposed transition period was floated.

29th October 2018 - UK Budget Statement - (brought forward to avoid clashing with final stages of the Brexit negotiations)

14th November 2018 - Negotiated deal considered by Theresa May's Cabinet – after five hours collective agreement was reached

15th November 2018 - Two Cabinet resignations, including Brexit Secretary, Dominic Raab, with further government resignations considered likely.

25th November 2018 - EU Summit agree the negotiated deal and political declaration on the future relationship

11th December 2018 - 'meaningful vote' for MPs before legislation can be introduced to give effect to a Withdrawal Agreement and future framework

NB - if Parliament rejects the deal the Government will have up to 21 days to set out how it intends to proceed. The Commons will then have a short period to consider the statement and vote on a motion. The outcome is yet unclear but could include re-negotiations with the EU27, a 2nd referendum, a General Election or result in the UK leaving the EU without a deal.

21st December 2018 – 4th January 2019 - **Parliamentary Recess**

Late 2018/ Early 2019 – EU (Withdrawal Agreement) Bill to be considered by both Houses of Parliament, followed by consideration by the EU Parliament and the EU Council

29th March 2019 - UK is due to leave the EU by 11pm local time.

May 2019 - European Parliamentary Elections

31st December 2020 End of the proposed transition period (unless a single, time limited extension is agreed between the EU and the UK)