

## NOTICE OF MEETING

<b>Meeting</b>	Cabinet
<b>Date and Time</b>	Monday, 8th April, 2019 at 10.30 am
<b>Place</b>	Wellington Room, Ell Court, The Castle, Winchester
<b>Enquiries to</b>	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 3 - 12)

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. LOCAL INDUSTRIAL STRATEGIES** (Pages 13 - 22)

To receive a report of the Director of Economy, Transport and Environment regarding the development of local industrial strategies for the two Hampshire LEP areas.

**7. SYSTEMS RESILIENCE AND DELAYED TRANSFERS OF CARE**  
(Pages 23 - 30)

To receive a report of the Director of Adults' Health and Care updating Cabinet on the key issues and activities related to system resilience.

**8. BREXIT PREPAREDNESS UPDATE – REPORT NUMBER 2** (Pages 31 - 46)

To receive a report of the Chief Executive regarding the County Council's preparations for 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](mailto:members.services@hants.gov.uk) for assistance.**

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

# Agenda Item 3

AT A MEETING of the Cabinet of HAMPSHIRE COUNTY COUNCIL held at the Castle, Winchester on Monday, 11th March, 2019

Chairman:

\* Councillor Roy Perry

- |                            |                                |
|----------------------------|--------------------------------|
| * 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    |                                |

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

## 107. **APOLOGIES FOR ABSENCE**

All Members were present and no apologies were noted

## 108. **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.

## 109. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed

## 110. **DEPUTATIONS**

No requests to make a deputation had ben received.

## 111. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman highlighted the flag raising ceremony that had taken place before the Cabinet meeting and expressed his thanks to Hampshire Music Service for their support. Referencing a recent speech by the Lord Lieutenant, he

emphasised the importance of international relationships and of international trade, particularly with the port of Southampton.

It was noted that at a recent meeting with Network Rail the Leader had taken the opportunity to stress the importance of rail links to London.

With regard to ongoing Brexit discussions, it was confirmed that the Hampshire resilience forum had undertaken work to prepare for the use of the A31 as a contingency for any disruption to freight traffic through the port of Portsmouth.

It was announced that having listened to the evidence, the Commission of Inquiry would now move to a new phase to begin formulating recommendations.

The Chairman confirmed that as Executive Member for Policy and Resources he had recently awarded grants to two hospices, one in Havant and one in Winchester.

## 112. **TRANSFORMATION TO 2019: REPORT NO. 6**

Cabinet considered a report of the Chief Executive regarding the Transformation to 2019 Programme.

In introducing the report it was noted that the end period for the Transformation to 2019 (T19) programme was 31 March 2019. It was confirmed that whilst savings remain on target, there would still be some £40m of savings to secure over the following two financial years. This programme overshoot had been planned from the outset of T19 in order to safely land some of the more complex savings in the two Social Care Departments. The programme overshoot was being cashflow funded through reserves approved at the inception of T19.

The ongoing challenges of delivering the programme, particularly with respect to demand and inflationary pressures in Adults' and Children's social care were highlighted and recognised. The high cost of supporting looked after children was noted. A number of significant successes were also highlighted, including the onboarding of three London Boroughs to the IBC and the completion of rolling out the SharePoint across the organisation.

Cabinet considered the difficulties of the overlaps between T19 and the successor, T21 programme and were keen to ensure that a distinction remained between them and they didn't conflict with each other. It was confirmed that T19 and T21 would be separately monitored by the Corporate Management Team and that Cabinet would continue to be updated on progress with the respective programmes. The Leader emphasised the importance of having discipline in achieving efficiencies across all service areas and then balancing this with support for those areas facing particular pressure.

The recommendations were considered and were agreed with an additional recommendation to note the increased budget for children in care and to acknowledge the importance and priority of providing for children in the Council's care. The decision record can be found as an appendix to these minutes.

113. **ATTAINMENT OF CHILDREN AND YOUNG PEOPLE IN HAMPSHIRE SCHOOLS 2018**

Cabinet considered a report of the Director of Children's Services regarding educational attainment in Hampshire in 2018.

In introducing the report, Hampshire's strong performance at early years and primary levels both nationally and in comparison with statistical neighbours was highlighted. The demographic basis of comparison was set out. It was reported that secondary performance was also good, being above national average and above the median level of statistical neighbours on a number of measures. It was noted that the complex nature of calculating performance meant that in some cases high achievement wasn't directly reflected.

Cabinet welcomed the report and noted the work of the school improvement service to add value and achieve results. The high quality of facilities at schools in Hampshire was also welcomed. The strong performance of Hampshire schools in comparison with neighbouring authorities noted and it was acknowledged that the demographic nature of each area was different.

The recommendations in the report were proposed and agreed and the decision record can be found as an appendix to these minutes.

114. **COUNTRY PARKS TRANSFORMATION UPDATE**

Cabinet considered a report of the Director of Culture, Communities and Business Services regarding the transformation of Hampshire's Country Parks.

A presentation was received setting out the opportunity that the transformation programme had given, the focus on self-sustainability, the process of change and key successes around the use of technology and the development of the catering offer.

The report and presentation were welcomed and a number of points discussed. There was support for the commercial opportunities presented in the parks and it was felt that the parking charge was akin to an entry price to the facilities available and should be set accordingly. It was confirmed that following the completion of transformation a long-term business case for the parks, to include maintenance and future investment requirements would be developed.

The recommendations in the report were proposed and agreed and the decision record can be found as an appendix to these minutes.

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Chairman,

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# HAMPSHIRE COUNTY COUNCIL

## Executive Decision Record

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	11 March 2019
<b>Title:</b>	Transformation to 2019: Report No. 6
<b>Report From:</b>	Chief Executive

**Contact names:** John Coughlan

**Tel:** 01962 846400

**Email:** [john.coughlan@hants.gov.uk](mailto:john.coughlan@hants.gov.uk)

### 1. The Decision

#### 1.1 That Cabinet:

- i) Notes the latest Tt2019 programme risk assessment, including the early securing of £69m of savings - section 5.
- ii) Notes that the last of the six-service specific Tt2019 public consultations, Learning Disabilities Respite Care Services has been completed and that the Executive Member for Adult Social Care and Health has deferred a decision to close the Orchard Close service pending further work to be completed by the end of this calendar year - section 5.
- iii) Notes the on time and on budget on-boarding of the three London Boroughs to the Council's shared services platform at the beginning of December and the positive early operational performance over the first three months – section 5.
- iv) Notes the continued progress and strong contributions being made by the three enabling projects to the programme; Digital, Productivity and Procurement – section 6.
- v) Notes that programme progress will continue to be monitored closely and that (at least) quarterly updates will be provided to Cabinet during 2019/20 – section 5 and 8.
- vi) Notes the update on the planning work and forward timescales for the successor £80m Tt2021 programme – section 7.
- vii) 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.
- viii) Notes the increased budget for children in care and acknowledges the importance and priority of providing for children in the Council's care.

**2. Reasons for the decision:**

2.1 To provide an update on progress with Transformation to 2019, including the early achievement of savings.

**3. Other options considered and rejected:**

3.1 None.

**4. Conflicts of interest:**

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

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

**5. Dispensation granted by the Conduct Advisory Panel: None**

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

**7. Statement from the Decision Maker:**

**Approved by:**

**Date:**

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**Chairman of Cabinet  
Councillor Roy Perry**

**11 March 2019**

## HAMPSHIRE COUNTY COUNCIL

### Executive Decision Record

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	11 March 2019
<b>Title:</b>	Attainment of children and young people in Hampshire Schools 2018
<b>Report From:</b>	Director of Children's Services

**Contact names:** David Hardcastle

**Tel:** 01252 814755

**Email:** [david.hardcastle@hants.gov.uk](mailto:david.hardcastle@hants.gov.uk)

#### **1. The Decision**

- 1.1 That Cabinet note the positive attainment outcomes being achieved by Hampshire's schools as outlined in the report.

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

- 2.1 To provide an update on the performance of Hampshire schools in 2018 at the key points in children's education: the end of the Foundation Stage (the end of early years), the end of Key Stage 2 (the end of primary education) and at the end of Key Stage 4 (the end of secondary education).

#### **3. Other options considered and rejected:**

- 3.1 None.

#### **4. Conflicts of interest:**

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

#### **5. Dispensation granted by the Conduct Advisory Panel: None**

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

#### **7. Statement from the Decision Maker:**

**Approved by:**

**Date:**

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**11 March 2019**

**Chairman of Cabinet  
Councillor Roy Perry**

## HAMPSHIRE COUNTY COUNCIL

### Executive Decision Record

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	11 March 2019
<b>Title:</b>	Country Park Transformation Update
<b>Report From:</b>	Director of Culture, Communities and Business Services

**Contact names:** Felicity Roe

**Tel:** 01962 847876

**Email:** [felicity.roe@hants.gov.uk](mailto:felicity.roe@hants.gov.uk)

#### **1. The Decision**

##### 1.1 That Cabinet:

- i) welcomes the success of the Country Parks Transformation (CPT) Programme to date and its contribution to both service transformation targets, and major customer improvements;
- ii) endorses the positive impacts achieved in terms of visitor numbers and income generated;
- iii) supports the ongoing roll out of the approved programme and planned feasibility work on further developments that may further enhance the Country Park offer.

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

- 2.1 To provide an update on the progress and achievements of the Country Parks Transformation Programme and to provide information on the strong financial performance associated with the rollout of the programme.

#### **3. Other options considered and rejected:**

- 3.1 Not applicable.

#### **4. Conflicts of interest:**

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

#### **5. Dispensation granted by the Conduct Advisory Panel: None**

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

**7. Statement from the Decision Maker:**

**Approved by:**

**Date:**

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**Chairman of Cabinet  
Councillor Roy Perry**

**11 March 2019**

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Committee</b>	Cabinet
<b>Date:</b>	8 April 2019
<b>Title:</b>	Local Industrial Strategies
<b>Report From:</b>	Director of Economy, Transport & Environment

**Contact name:** David Fletcher

**Tel:** 01962 846125

**Email:** david.fletcher@hants.gov.uk

#### 1. Purpose of this Report

- 1.1 The purpose of this report is to brief Cabinet on the process for the development of local industrial strategies for the two Hampshire LEP areas, Solent and Enterprise M3, and for Cabinet to consider the nature of key priorities the County Council would wish to have incorporated across both strategies for the benefit of Hampshire.

#### 2. Recommendation(s)

- 2.1 That Cabinet notes the ongoing development of local industrial strategies by the two Hampshire LEPs, and the need to ensure that the wider future economic needs of Hampshire are appropriately considered.
- 2.2 That Cabinet gives approval for full engagement with the processes put in place by the two LEPs to develop their respective local industrial strategies.
- 2.3 That Cabinet approves the key economic priorities set out in this report, which need to be considered on a Hampshire-wide basis, and are largely derived from the submissions to the Vision for Hampshire 2050 Commission of Inquiry, to inform the preparation of the local industrial strategies for the Solent and Enterprise M3 LEP geographies.
- 2.4 Given the Government's stated policy of one local industrial strategy per LEP area, and Hampshire County Council's assertion that we require a consistent strategy across Hampshire, that Cabinet gives approval for the development of proposals for collective governance arrangements in relation to the local industrial strategies with the Solent and Enterprise M3 LEPs, in order to enable the required consistency of approach to best serve the

needs of the Hampshire economy, with proposals and further updates to be reported to Cabinet for approval as necessary.

### **3. Executive Summary**

This report seeks to:

- 3.1 Set out the background to the Government's policy for local industrial strategies to be developed for all LEP areas, the key characteristics of the proposed strategies, and some key guiding principles in their development;
- 3.2 Set out the latest headline priorities expressed by both Hampshire LEPs in relation to their anticipated local industrial strategies;
- 3.3 Consider the County Council's stance in relation to key economic priorities and interventions which need to be considered across the whole of Hampshire and thereby to be reflected in the local industrial strategies for both LEP areas.

### **4. Background**

- 4.1 *"We will work in partnership with places to develop Local Industrial Strategies, which will be developed locally and agreed with government."*

Industrial Strategy: Building a Britain fit for the future (November 2017)  
HM Government

Within the Government's national industrial strategy, it has been proposed that a local industrial strategy is developed for each LEP area.

- 4.2 Local industrial strategies are proposed to set out clearly how places will maximise their contribution to improvements in UK productivity, with key characteristics being:
  - To provide a distinctive and long term vision;
  - Based on strengths and assets, and addressing barriers to growth and economic inclusion;
  - Supported by robust and granular evidence;
  - Aligned to the national industrial strategy;
  - To guide future Government funding;
  - To identify opportunities for future collaboration between LEPs, national and local government, and public and private stakeholders to achieve shared priorities.
- 4.3 Government have supported the development of local industrial strategies in 3 waves:

- Wave 1 – Greater Manchester, West Midlands, Oxford-Milton Keynes-Cambridge corridor
- Wave 2 – North East, Tees Valley, West of England, Leicester/Leicestershire, Cheshire and Warrington, Heart of South West
- Wave 3 – all remaining LEP areas including Solent and Enterprise M3

4.4 All local industrial strategies need to be in place by early 2020 and the Government have stated that all future Local Growth Fund allocations will be dependent on local industrial strategies being in place.

## 5. Guiding Principles

5.1 *“.....the best local industrial strategies will show how places have brought together partners to achieve shared ambitions within and across boundaries”*

Local Industrial Strategies – Policy Prospectus (October 2018)

5.2 In its Policy Prospectus, the Government has set out a number of key guiding principles for the development of local industrial strategies. These include:

- That they should remain strategic – prioritising specific, achievable and long term ambitions - and not contain proposals that require new funding or have spending implications outside of existing budgets available to local areas;
- That they need to be a product of extensive consultation with businesses, a broad range of public partners and the ‘civil society sector’;
- Where assets, opportunities and challenges extend beyond their geographies, LEPs are encouraged to collaborate across these boundaries – “they will better co-ordinate economic policy at the local level and ensure greater collaboration across boundaries”;
- In terms of scope of the local industrial strategy, this should be tailored to the specific needs of the area – “This may involve an emphasis on skills, whilst in others it may be land supply, congestion, or working with relevant local authorities in the delivery of housing where it is a barrier to growth.....it may involve identifying weaknesses in productivity across their local areas or communities, such as in isolated rural or urban communities.”

## 6. Solent LEP

6.1 In its initial considerations around a local industrial strategy, the Solent LEP has set out a vision “to create a dynamic, vibrant, inclusive and internationally competitive region” with key themes around:

- Securing the prosperity of this key coastal gateway to unlock growth in the region and wider UK;
- Securing and enhancing the position of the Solent as a global maritime hub and as a centre of maritime innovation;
- Promoting our world class natural environment and heritage assets;
- Supporting the renaissance of our coastal communities;
- Enabling the development of sustainable new communities;
- Developing the skills and talents of the resident labour market;
- Supporting the acceleration of digital transformation in the Solent coastal gateway.

6.2 In terms of the process to develop their local industrial strategy, the Solent LEP will utilise the Solent Growth Forum to consult with local authorities at a senior political level, and has also committed to meeting regularly with a group of regeneration and economic development officers from all the local authorities within the Solent LEP area – including Hampshire County Council.

## **7. Enterprise M3 LEP**

7.1 Having already published in September 2018 a refreshed Strategic Economic Plan, this effectively sets the ‘course’ in broad terms for their local industrial strategy. With an ambitious annual growth target of 4% (historic average growth is circa 2.9%), the Strategic Economic Plan set out priorities around:

- 5G region - A step change in digital connectivity;
- Mobility and connectivity - better connections between businesses and their staff, supply chains and markets offer one of the best means of enhancing productivity;
- Heathrow gateway region - A gateway to global markets. Heathrow expansion is a unique opportunity to grow the sub-regional economy and our exports;
- Clean growth and energy - Articulating the full potential for the EM3 area to make better use of energy to improve productivity and promote an innovation, skills and employment dividend from clean growth;
- People - Workforce transformation to respond to the implications of new business models, particularly increased digitisation and working for a better supported and healthier workforce;
- Housing - Increasing supply and greater diversity of housing is fundamental to improving recruitment and retention of the people business needs;
- Towns - Creating homes and vibrant communities for healthy, sustainable lifestyles in the network of relatively small but successful places which is a major feature of the EM3 area;
- Smart specialisation - A high tech, high value area. More innovation and greater commercialisation of knowledge in our leading sectors is critical

to increasing output and supporting the most productive, high value add SMEs;

- Exporting - Selling beyond local markets – particularly by high value add businesses – significantly increases demand and helps stimulate more investment.

## **8. Achieving a coherent strategy for Hampshire**

- 8.1 The County Council's response to the recent LEP Review was to promote the concept of a single LEP for the whole of Hampshire, this stance being derived from our view that this would serve the needs of the local economy in a more coherent manner and simplify associated governance arrangements. As the Government appears to have accepted the proposals submitted jointly by the two Hampshire LEPs, it is even more critical that we are able to articulate the economic priorities which are relevant across the wider county geography.
- 8.2 The Vision for Hampshire 2050 Commission of Inquiry has highlighted the clear economic interdependence of Southampton and Portsmouth and the wider Hampshire area. And the newly revised LEP areas still do not reflect the reality or complexity of the Hampshire economy – for example, within Hampshire itself, around 81,000 people commute daily between the two LEP areas, with significant in and out commuting between Winchester (in Enterprise M3), Southampton and Eastleigh (both in Solent).
- 8.3 As both the Solent and Enterprise M3 LEPs embark on their respective processes to develop local industrial strategies, this is therefore a pertinent time to clarify the County Council's views in relation to:
- The appropriate level of vision and ambition that the strategies should articulate – for example the Greater Manchester local industrial strategy is aligning with significant multi-billion pound elements of their devolution deal, including budgets associated with health and social care and adult education;
  - What key proposed interventions the individual local industrial strategies should prioritise – which will have a lasting positive impact on our local productivity and prosperity. The County Council supports the view that the most appropriate role of the public sector in improving the business environment in Hampshire is to focus on the 'wider drivers of growth' – that is planning, housing, skills and transport – plus in a 21<sup>st</sup> century context digital infrastructure;
  - How the strategies should collectively and coherently embrace critical agendas across the wider Hampshire geography – for example, we have a number of key sectors which span across the two LEP geographies, such as digital, financial services, and aerospace and defence – and many major infrastructure needs (transport and digital) have cross border implications;

- Appropriate governance arrangements both for the development of the local industrial strategies and future oversight of programmes associated with the strategies – a Hampshire ‘prosperity board’ could incorporate both LEPs and other key stakeholders and ensure that Hampshire’s needs are fulfilled through these strategies.

## 9. Headline Priorities

9.1 The ongoing Hampshire 2050 Commission of Inquiry has highlighted some critical factors to ensure the future prosperity of the county and hence is a useful starting point in relation to headline priorities which we would want to see featuring in the emerging local industrial strategies. Below are listed some critical agendas which are relevant at a pan Hampshire level:

- Building on our strengths and assets as an adaptable, knowledge intensive economy – including further growth of our specialisms in developing and deploying enabling digital technologies, supported through leading digital infrastructure and investment in digital skills. We need to ensure that Hampshire is home to a highly effective innovation ecosystem to enable the commercialisation locally of emerging technologies – leveraging our leading universities and other research assets, our outstanding lifestyle offer, international connectivity and clusters of innovative businesses;
- To further enhance our competitiveness as an international gateway and globally connected economy – making Hampshire more attractive to foreign direct investment, especially in knowledge intensive sectors, and to sustain our status as a key conduit for UK exports (including growing the capacity of Southampton Port, a key element of the UK’s export infrastructure and positioning Southampton as the UK’s first smart port and maritime innovation hub - part of the recent Maritime 2050 proposals from Government). This agenda should also incorporate supporting the growth of Southampton Airport and its potential as a multi-modal transport hub;
- Investment in strategic transport connectivity – especially in relation to faster access to both London and Heathrow which will contribute to our future competitiveness;
- To ensure that our key urban centres fulfil their roles as key economic drivers, as hubs of commercial and innovation activity, and as magnets for talented individuals and knowledge intensive businesses. This includes provision of high quality grade A office space (including co-working space) and outstanding public realm to encourage interaction and collaboration. As mentioned above, the economies of Southampton and Portsmouth have a clear interdependence with the rest of Hampshire, and the two cities represent significant economic growth potential for the wider region;
- Rural Hampshire – we need to ensure that the rural parts of Hampshire contribute more effectively to the wider economy of the county, with effective mechanisms and infrastructure in place to support and enable

growth in knowledge intensive employment. For example, our strategy to support the establishment of managed innovation centres across the county is contributing to this objective. Local transport provision, digital connectivity and housing affordability are clearly key factors;

- Skills and employability – in the future it will be critical that as well as digital skills, development of interpersonal and analytical skills are effectively embedded in the education curriculum. Aligned with that, we need a more coherent and visible careers strategy, particularly related to STEM and our key sectors.

## **10. Conclusions**

- 10.1 That Hampshire County Council should continue to play an active part in the development of the local industrial strategies for both the Solent and Enterprise LEP areas;
- 10.2 That, in engaging in the development of the local industrial strategies, Hampshire County Council should promote the key economic priorities listed above, which are largely derived from the findings of the Vision for Hampshire 2050 Commission of Inquiry;
- 10.3 That Hampshire County Council should, in conjunction with the Solent and Enterprise M3 LEPs, develop proposals for collective governance arrangements to enable the required consistency of approach to best serve the needs of the Hampshire economy.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u> Local Industrial Strategies – Policy Prospectus  <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/744544/local-industrial-strategies-policy-prospectus.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/744544/local-industrial-strategies-policy-prospectus.pdf</a>	<u>Date</u> 1 October 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>
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## **EQUALITIES IMPACT ASSESSMENT:**

### **1. Equality Duty**

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

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

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

This proposal will have minimal impact on groups with protected characteristics, as the local industrial strategies are being developed to enable our local economy to contribute positively to the growth of UK productivity.

However, we do anticipate that, if effective, these strategies will have a positive effect on poverty levels in Hampshire, as growth in the local economy should create more and better value employment opportunities.

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## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	8 April 2019
<b>Title:</b>	Systems Resilience and Delayed Discharges
<b>Report From:</b>	Director of Adults' Health and Care

**Contact name:** Graham Allen

**Tel:** 01962 847200

**Email:** [Graham.allen@hants.gov.uk](mailto:Graham.allen@hants.gov.uk)

#### Purpose of the report

1. The purpose of this paper is to update Cabinet on the key issues and activities related to system resilience.

#### Recommendation

2. For Cabinet to note this progress update in respect of system resilience and delayed discharges and for the actions being taken in relation to this work to be noted.

#### Executive Summary

3. System resilience in this context refers to the ability of the health and social care system to respond to changes and surges in demand related to care both in hospital and community settings.
4. This area of work is addressed through focused attention from Chief Officers, senior officers and managers across all health and social care services in Hampshire including Adults' Health and Care and remains a key system priority.
5. The focus being maintained on this challenging area has resulted in steady performance improvement since summer 2018, represented by Hampshire's improved position nationally. Hampshire as a local authority area has risen by over 35 places during this time.
6. However, it is a particularly critical time due to winter pressures and capacity challenges in all acute systems. The Christmas and New Year period was notable due to a significantly improved position on recent years, but since mid January the position has been challenging for all of the acute hospital systems.
7. At a system level the Director of Adults' Health and Care and his lead officers work closely with system leaders and key managers to address this challenging area. In addition, to oversee operational demand, performance improvement and increased market capacity required an internal Adults' Health and Care Delayed Transfers of Care (DToC) Improvement Board meets regularly to monitor the set of actions required internally.

8. The NHS operates within NHS England Operational Pressure Escalation Levels (OPEL) Framework which is used in the event of compromises to patient safety and/or capacity. This results in system partners participating in daily system calls to review capacity and flow through the hospitals. Due to the size of Hampshire and the number of hospitals there is currently considerable demand being placed on senior management time to service a high volume of escalation calls which relate to overall patient flow.
9. DToC can be attributable to operational processes, the availability and flow of onward care for people requiring a period of short term or longer term clinical or social care support following a hospital admission. There are significant system wide workforce issues that impact upon both the provision of in-hospital care and the availability of onward care delivered by a suitably trained and supported workforce.
10. The Care Quality Commission (CQC) undertook a Local System Review in 2018. The review took place in March 2018 and concluded with the publication of the report in July 2018. The Hampshire Health and Care System was required to produce an action plan to address the findings of the review in July 2018. This process was led by the Director of Adults' Health and Care, liaising with system leaders in the NHS to ensure that all actions were jointly agreed, with leads assigned and clear arrangements in place to monitor progress. It is worth noting that the CQC review team identified Hampshire as being the largest and most complex 'whole' system they have reviewed. This complexity given the multiple acute hospitals supporting the population, the ageing demographic, the number and scale of independent sector providers and the challenges of a large and mainly rural geography underline the challenges of supporting residents that had brought the CQC to review services across Hampshire for our over 65 population.
11. The action plan developed as a result of the CQC Local System Review was signed off by the Chair of the Hampshire Health and Wellbeing Board and progress on implementing the action plan is being overseen by the Health and Wellbeing Board and regularly reviewed by the Health and Adult Social Care Select Committee.
12. The action plan has been developed and recently updated with engagement from system leaders and key groups to address several work streams and programmes including patient flow and onward care.

#### **Update on System Delayed Transfer of Care performance**

- 13 The latest nationally reported delayed transfers of care performance for December published by NHS England shows Hampshire County Council's performance is continuing to show positive improvement.
14. Delays are reported following the national guidance set out by the Department of Health and Social Care and NHS England, following the introduction of the Care Act 2014. This legal framework replaced the Delayed Discharges Act 2003.
15. Delays are recorded as being attributable to social care reasons, NHS reasons or due to reasons recorded as a joint responsibility between the NHS and social care.

16 The following (Figures 1 and 2) represent the breakdown of whole system Acute delays per 100,000 population per month for Hampshire, Figure 1, and also by social care delays, Figure 2..

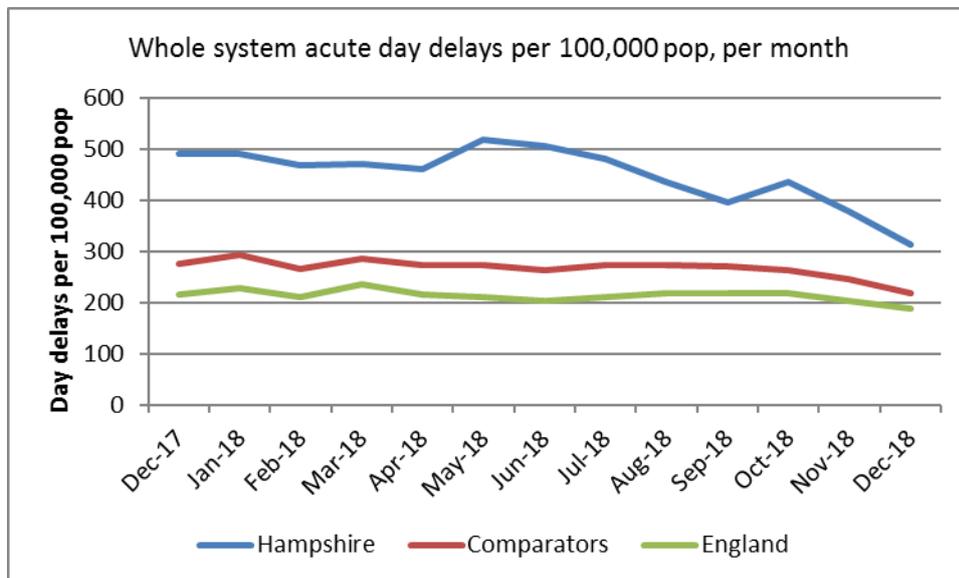


Figure 1: Whole System acute delays per 100,000 population per month

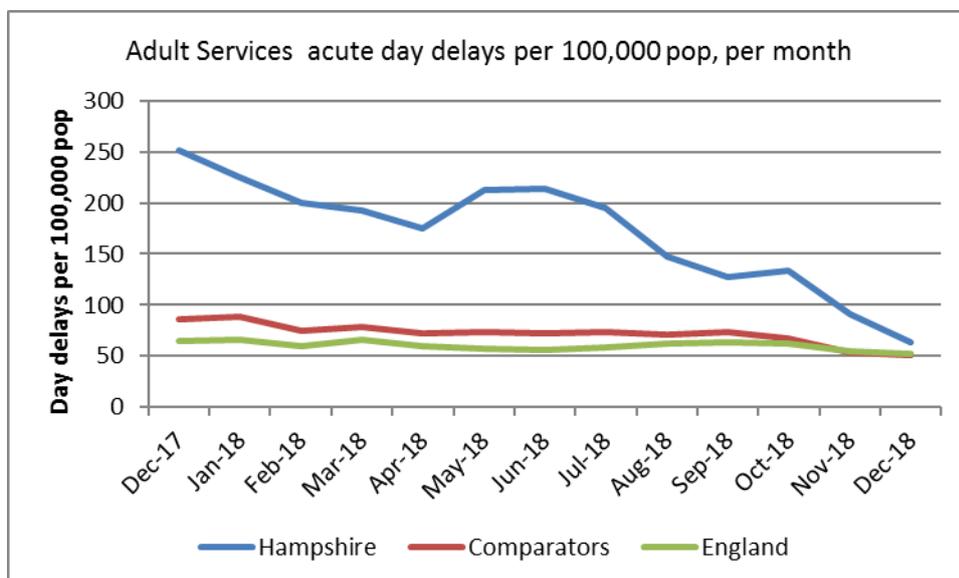


Figure 2: Adult Services acute delays per 100,000 population per month

17. Adult Services acute day delays reduced by 303 days in December 2018, in comparison to November 2018, to 685 days (a 30% reduction). When compared to December 2017 acute hospital delays reduced by some 75%.
- 18 Figure 3 shows the ranking of Hampshire as a local authority area, based on December performance across all upper tier Local Authority's.

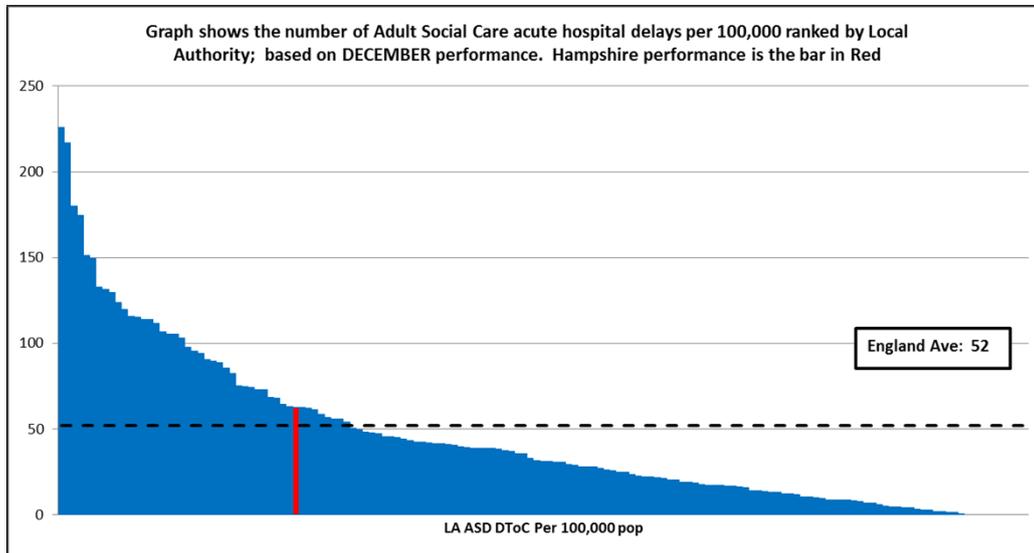


Figure 3: Adult Social Care acute hospital delays per 100,000 population ranked by local authority

19. As already stated above in 3.5 - delays in December 2108 were 75% lower when compared to December 2017, when there were 2,721 AHC day delays reported. It is important to recognise that our performance was far from good during the period 2014 onward and performance in this key arena has been and continues to be subject to much management action. We are now at a point where as a large and complex area, supporting a growing ageing demographic across multiple acute and community hospital systems seeing a level of performance returning to where it needs to be. The majority of those areas to the right of Hampshire in the graph above will be relatively small unitary / metropolitan areas with a different and younger demographic being served by a single acute hospital.

### **Actions being undertaken to improve performance**

20. There are several cross cutting workstreams across the system addressing system resilience. Many of these are represented in the CQC Local System Review action plan.
21. Following the CQC Local System Review new governance arrangements were introduced in the form of an Improvement and Transformation Board which is chaired by the Director of Adults' Health and Care. This forum meets bi monthly and brings together all system leaders with a key workstream being Patient Flow and Onward Care.

22. To ensure coordinated attention and alignment across organisations a new role of Director of Transformation, Patient Flow and Onward Care has been introduced with the support of a Clinical Lead role.
23. During the week beginning 3 December 2018 Adults' Health and Care led a 'DToC Challenge Week' across all the hospitals accessed by Hampshire residents. The exercise involved mobilising resources and specialist skills from across the department to focus on hospital discharge pathways and can account for the positive Christmas and New Year position. This initiative was similar to intensive exercises which take place frequently in hospital settings such as 'MADE' events (multi agency discharge exercise).
24. The learning from the Adults' Health and Care week has been incorporated in closer working between the various teams that have a key role in relation to DToC beyond the hospital teams themselves. These include brokerage, commissioning, HCC Care residential and nursing homes, performance, quality and reablement.
25. A key issue for Adults' Health and Care is the availability of onward intermediate support for people who require short term social care input to assist them with maximising independence following a hospital stay. This service is largely provided by our reablement service.
26. A decision has been taken to reposition the management of our reablement services to ensure greater alignment and collaboration. The Head of Reablement is now reporting to the Assistant Director for Older Adults. This Departmental Management Team post is currently being recruited to, confirmation of this permanent appointment is expected to be at the end of March 2019. Interim arrangements have been agreed to allow for the integration of the reablement service into the structure in the meantime. This will assist greatly with the continued development improving patient flow out of acute hospital settings and also in avoiding unnecessary admissions and through continued coordination between teams working directly in hospital settings.
27. As a department we have also seen really positive improvements and performance gains over the last 8 months in the way in which we contract with the independent sector, particularly domiciliary care providers. This has brought about much stronger and positive relationships with providers leading to increased capacity countywide. This means that the time from referral to provision of care packages having reduced considerably and new payment and assurance processes implemented.
28. Winter resilience plans confirmed in each system have contributed to wider system capacity planning. The improved planning for this winter has meant that through additional capacity being generated much earlier in the season the system(s) have been in a safer position through December and the first half of January. Based on work undertaken throughout the year, the strength of relationships across organisations is supporting our collective effort with many of our staff and teams receiving regular plaudits from NHS partners.
29. However, despite the positive improvement of patient flow and onward care and the attendant reduction in delayed transfers of care it is important to note the pressures this improvement is causing. Pressure is manifesting both in an increase in the overall number of care hours being commissioned by Hampshire County Council and in increased staff activity. The additional commissioned

hours of domiciliary care will lead to increased cost pressures within the available budget envelope. A longer term funding solution beyond the short-term injections of winter pressures funding seen in recent years is urgently needed. Staff actively can be witnessed by many staff in Adults' Health and Care routinely going above and beyond to support people and keep the overall system safe. It is important to recognise the efforts of staff in this regard.

## **Conclusion**

30. The demands and pressures in all the acute systems our residents attend continues, with surges in referrals being a feature of this area of work. Despite the current surge the DToC position is largely being maintained on a downward trajectory.
31. With the concerted and accelerated efforts being placed upon this challenging area progress and performance improvements are being seen in terms of social care delays and we were in a far better position entering the Christmas and New Year period. It is important that the progress achieved over the last 6 months is sustained and that the areas requiring continued focused attention are progressed in close collaboration with our partners.
32. Cabinet is asked to note this improvement in our overall performance and to recognise the work undertaken by staff in this achievement.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

**Other Significant Links**

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

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

- The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited 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.

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

This report is an update so no Equalities Impact Assessment has been undertaken.

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	8 April 2019
<b>Title:</b>	Brexit preparedness update – report number 2
<b>Report From:</b>	Chief Executive

**Contact name:** Deborah Harkin, Assistant Chief Executive

**Tel:** 01962 845006

**Email:** [Deborah.harkin@hants.gov.uk](mailto:Deborah.harkin@hants.gov.uk)

**Please note that this report was published on 29<sup>th</sup> March and therefore does not reflect the very latest national developments regarding Brexit.**

#### 1. Purpose of this report

1.1. The purpose of this report is to:

- provide an updated position on the impact of Brexit on the County Council's resources and services, covering both risks and opportunities, and building on the previous report to Cabinet in December 2018;
- set out the key risks of a no deal Brexit to the Hampshire and Isle of Wight region;
- outline the activities being taken, or planned, to mitigate known risks in line with the Ministry of Housing, Communities and Local Government's (MHCLG) Brexit preparedness check list.

#### 2. Recommendations

2.1. Cabinet is asked to note:

- the progress made since December 2018 to understand the impact of Brexit on the County Council's resources and services; and
- the main risks and mitigating actions being undertaken by the County Council, and with its partners, to prepare for Brexit (including a delayed or no-deal EU exit scenario).

#### 3. Executive summary

3.1. At the time of writing this report there is significant uncertainty as to the timing and nature of the UK's exit from the European Union (EU), with the possibility of a no deal EU exit on 12<sup>th</sup> April remaining. Amidst this uncertainty, the County Council continues to work with, and through, its strategic partners to develop contingency plans and mitigate risks. Internally, a cross-departmental Brexit Officer Working Group has been established, alongside programme

management arrangements. Fortnightly highlight reports are also being provided to the County Council's Cabinet and Corporate Management Team.

- 3.2. The Government has announced a total of £56.5m funding for local authorities to support Brexit preparations. The County Council received £87,500 in 2018-19 and will receive a further £87,500 this financial year (2019-20), which is likely to contribute towards the costs of programme management and governance arrangements.
- 3.3. Additional funding has also been provided to Hampshire's two unitary authorities to fund Brexit preparations associated with their ports. The County Council continues to work with partners to seek funding to cover the costs of establishing no deal EU exit contingency plans for the Hampshire and Isle of Wight (HIOW) region which, in total, is estimated to be c.£4m. Development of these plans were considered necessary by the HIOW Local Resilience Forum (LRF) to avoid the risk of severe traffic congestion on the local and strategic road network due to likely delays at Portsmouth International Port. The LRF is a statutory partnership, established under the Civil Contingencies Act (2004), and one in which all Category One Responders, including the County Council, are required to participate in and work to its emergency, response, and recovery plans. HIOW LRF's Terms of Reference are available to [view](#) on Hantsnet.
- 3.4. Building on information provided to Cabinet in December 2018, section six of this report outlines the main risks to the County Council and to Hampshire more widely, alongside mitigating actions. Further impact assessments will be undertaken as the national context becomes clearer. The main areas of risk so far identified are as follows:
  - **Traffic congestion at Portsmouth International Port and in the surrounding area, including on both local and strategic roads**, impacting residents, businesses, emergency and other public services, and the flow of imports and exports, including food supplies to the Channel Islands.
  - **Downturn in Hampshire's economic growth and prosperity** with knock-on effects for residents, potentially leading to higher demand for statutory council services.
  - **Discontinuity of some council services (directly provided and commissioned) due to:**
    - **disruption to supply chains, commissioned services and price increases** affecting the County Council's capital programme, and health, social care, catering, transport management, property and other services;
    - **data issues affecting the flow from European data centres to the UK;**
    - **workforce shortages due to recruitment and retention challenges** - these risks are likely to have a higher impact on Trading standards, Planning and Highway services, Education services and other council services with a high dependency on shortage occupancy roles (e.g. HC3S, County Supplies, Facilities Management, and social care).

- **Loss of funding, including loss of EU funding streams** with implications for County Council services, e.g. education and youth schemes, and local businesses – especially Hampshire farms.
- 3.5. As well as the above risks, Brexit could present opportunities over the longer-term including, for example: securing additional strategic infrastructure investment; advantageous policy reforms following the repatriation of powers to the UK; and potentially some commercial opportunities, e.g. for Trading Standard's business advice service and for Hampshire Scientific Services.
- 3.6. To minimise potential risks and ensure future opportunities can be maximised, the County Council is working with partners to inform and influence the Government on its approach to Brexit, particularly in relation to the following: funding for contingency measures and new burdens; support for local businesses; the proposed new skills-based immigration system; and the future regulatory framework. Further information on key messages to Government is set out in section seven.
- 3.7. The County Council will continue to develop its Brexit programme, including contingency and mitigation planning as required and in response to national developments. Post Brexit, it will work through the HIOW LRF as the Forum moves from its response phase to its recovery phase. It will also continue to influence national policy development in an effort to create a framework that better enables it to protect Hampshire residents, meet local needs, and further advance economic prosperity.

#### 4. Contextual information

##### **National context** [as of 28<sup>th</sup> March]

- 4.1. In March 2017 Parliament voted to invoke Article 50 of the Treaty on European Union which, without an extension, would have required the UK to exit the EU on 29<sup>th</sup> March, irrespective of whether an EU withdrawal agreement had been ratified. However, the negotiated draft Withdrawal Agreement has so far been unable to secure majority support in the House of Commons. The deadlock has led to growing concerns in the public and private sector, with the Confederation of British Industry and the Trade Union Congress recently describing the situation as a "national emergency". The Brexit debate has also led to a number of resignations from both the main political parties, leading to the establishment of a new independent group of MPs.
- 4.2. A Government Motion to approve the draft agreement was initially rejected by MPs in January 2019. Although further assurances on the Northern Irish backstop were provided, the deal was again rejected on 12<sup>th</sup> March by a majority of 149 votes. MPs also voted, by a slim majority, to rule out the UK exiting the EU without a deal under any circumstances. However, that vote was non-binding and the UK's exit remains subject to European law.
- 4.3. Due to the parliamentary impasse, the Prime Minister was forced to request an extension to Article 50. On 22<sup>nd</sup> March the EU27 agreed to extend Article 50 up

till 22<sup>nd</sup> May, on condition that the draft Withdrawal Agreement was approved by MPs. If that is not possible, the EU27 have agreed to extend Article 50 up till 12<sup>th</sup> April, by which time the UK Government must have put forward an alternative plan that has majority support in the House of Commons. The EU27 have also made clear that any request for a longer delay will require the UK to participate in European Parliamentary elections.

- 4.4. At the time of writing, it is unclear whether it will be possible for the Prime Minister to bring back the draft Withdrawal Agreement to the House of Commons for a further vote on 29<sup>th</sup> March.
- 4.5. Unless the draft Withdrawal Agreement is approved, it is expected MPs will use business time on Monday 1<sup>st</sup> April to hold preferential votes and the Prime Minister may be required to seek a further extension or face a Vote of No Confidence.
- 4.6. Crucially, the risk of a no deal EU exit on 12<sup>th</sup> April, or at some later stage, remains until an EU Withdrawal Agreement is ratified, or the UK Government revokes Article 50.

#### **Local and regional context**

- 4.7. Amidst ongoing uncertainty, the County Council continues to work through its strategic partnerships to develop contingency plans to mitigate risks to the Authority and the wider region including:
  - **Hampshire and Isle of Wight Strategic Leaders' Group** - which has met regularly since December 2018 to assess risks and support Hampshire and Isle of Wight Local Resilience Forum (HIOW LRF) response planning phase. On 8<sup>th</sup> February, the County Council hosted a meeting for a wide range of local stakeholders, including all Hampshire local authorities, the Local Government Association (LGA), Solent and Enterprise M3 Local Enterprise Partnerships (LEPs), port operators and Hampshire and Isle of Wight MPs. A summary of the key points discussed was circulated to all invitees.
  - **Hampshire business 'umbrella' organisations, including Local Enterprise Partnerships** – who are supporting the business sector in preparing for Brexit. The County Council has helped to fund a series of business advice clinics for Small and Medium Sized Enterprises (SMEs) within each district of the Enterprise M3 LEP area. A conference was also held on the 19<sup>th</sup> March to update public and private sector partners on the latest preparations and to collectively consider what strategic interventions may be required to further strengthen Hampshire's economy and support national productivity beyond Brexit.
  - **Regional and national networks** - which have provided routes for escalating issues and disseminating information. The County Council continues to raise awareness of key local challenges with the LGA, which has created a [Brexit Advice Hub](#) for councils. The Leader also chaired a [South East England Councils workshop](#) in January to consider the practical implications of Brexit.

- Since January, the County Council has also collated and provided input from Hampshire two-tier authorities to a weekly South East information return to MHCLG, in order to help improve the Ministry's advice to local councils on Brexit preparedness.

### **Internal Brexit programme management arrangements**

4.7. The County Council has established a cross-departmental Brexit Officer Working Group, chaired by the Assistant Chief Executive. A corporate programme management structure has been put in place to co-ordinate activities and report on risks and mitigating actions. Ad-hoc support is also being offered to departments as more in-depth Brexit impact assessments on resources and services are being undertaken. Fortnightly highlight reports, including departmental and HIOW LRF updates, are provided to the County Council's Cabinet and Corporate Management Team.

## **5. Finance**

### **MHCLG Brexit funding for local authorities**

- 5.1. On 28<sup>th</sup> January MHCLG announced £56.5m of new funding for local authorities to support Brexit preparations. MHCLG will distribute £20m of this funding this financial year (2018/19), with a further £20m in 2019/20.
- 5.2. The County Council will receive a total of £175,000 (£87,500 in 2018/19 and £87,500 in 2019/20). Over the same two-year period, each district council will receive £35,000 and each unitary authority will receive £210,000. Further details are set out in Appendix A.
- 5.3. The funding is likely to be used by the County Council to support growing governance and programme management demands – as the amount is insufficient to address departmental revenue and capital resources required to manage the impact of Brexit.

### **Additional Brexit funding**

- 5.4. On 20<sup>th</sup> February, the Government announced £3.1m for local authorities with major ports, including Southampton (due to receive £272,724, covering its general and container ports) and Portsmouth, which is the second busiest UK/EU roll-on, roll-off port after Dover (due to receive £136,362).
- 5.5. HIOW LRF is also being allocated £76,000 for Brexit preparations. However, at the time of writing, there has been no specific funding allocated to the HIOW region to fund the LRF's contingency plans for a no deal EU exit. This includes costs for works to avoid severe traffic congestion due to possible disruption at sea ports, including delays at Portsmouth International Port, which the HIOW LRF estimates to be in the region of £4m. Details are provided in section six below.
- 5.6. As part of the HIOW LRF contingency plans for a no deal EU Exit on 29<sup>th</sup> March, the County Council began enabling works on the A31 on the 4<sup>th</sup> March. The works were completed, ahead of schedule, by 25<sup>th</sup> March. Should full implementation of the A31 plan be required, the total cost, including triage

services and six-weeks' of running costs, would be an estimated £1m. If the plan were required beyond that point, the additional running costs would be an estimated £70,000 per week.

5.7. The Government has indicated that additional resources will be provided to help local councils fund new pressures related to Brexit. Whitehall is expected to assess and, where appropriate, provide funding for new burdens. The County Council continues to work with the LGA and others in calling for further information on additional funding and the new burdens assessment framework.

## 6. Key risks and mitigating actions

6.1. This section provides an overview of key risks to both the County Council and Hampshire more widely, alongside mitigating actions. This summary builds on information provided to Cabinet in December 2018 and is primarily drawn from the HIOW LRF contingency planning and assessment work being undertaken by County Council departments.

6.2. More detailed impact assessments will be undertaken as the national context becomes clearer. Even if a Withdrawal Agreement is ratified, certainty will still be needed on a range of policy areas. For example, the Government has yet to confirm details about the future immigration and skills policy, to finalise plans for EU replacement funds, and to clarify future product safety regulations. Such policies will have direct consequences on the County Council's resources and services.

<b>(1) Risk to:</b>	<b>Traffic flow to and from Portsmouth International Port, affecting both local and strategic roads</b>
<b>Description</b>	<p>Under a no deal scenario, the HIOW LRF has identified a high risk of significant traffic congestion due to delays at Portsmouth International Port. The causes of delay are anticipated to be threefold:</p> <ul style="list-style-type: none"> <li>• customs and regulatory checks as the UK is treated as a third country;</li> <li>• the knock-on effect of delays in ferry turnaround times;</li> <li>• greater use of the port by EU-destined freight traffic as an alternative to Dover Port, due to disruption at Dover and because, at this stage, Calais does not have a Border Inspection Post.</li> </ul> <p>Delays at Portsmouth International Port would cause lorry queues onto the M275, M27, A3(M) within a short timescale, impacting both local and strategic roads. Under current projections, in a reasonable worst-case scenario, disruption could last for up to six months.</p> <p>Traffic disruption and delays would impact road users (including residents, businesses, emergency and other public services), and affect the flow of exports and imports, including food supplies to the Channel Islands.</p>

<p><b>Mitigations</b></p>	<p>The County Council is actively involved in the HIOW LRF which, under its statutory duty, has been working since July to plan for all reasonable worst-case scenarios.</p> <p>A traffic management plan has been devised, which relies on the ability to effectively monitor, triage and direct Spanish and French destined freight entering Portsmouth from the M27 and M275. The plan involves a mix of triage and holding sites for HGVs that could otherwise be delayed at Portsmouth International Port, as summarised out below:</p> <ul style="list-style-type: none"> <li>• <b>A31</b> - using a 5km section of the A31 between the Percy Hobbs roundabout (near Winchester) and the Ladycroft roundabout (near Arlesford), including a triage point and the capacity to hold between 200 and 300 Heavy Goods Vehicles along the southbound carriageway, destined to the port travelling from the A34/M3 and A3.</li> <li>• <b>Junction 1 M275 and Tipner West</b> - a triage point off Junction 1, with an option to divert lorries to the Tipner West site where approximately 40 Heavy Goods Vehicles (from the M27 and A27) could be held.</li> <li>• <b>Junction 2 M275 (Rudmore Roundabout)</b> – creating a further triage point off Junction 2, located close to the port, to check relevant traffic has already gone through the earlier triage points with sailing times confirmed and paperwork completed.</li> </ul> <p>Due to the initial risk of a no deal EU exit on 29<sup>th</sup> March, and the time required to prepare works, including installing a contraflow on the eastbound carriageway of the A31 – the enabling works commenced in early March. If full implementation is required, the estimated cost would be £1m, including running costs for the first six weeks following a no deal EU exit.</p> <p>Initial works at Tipner West, off Junction 1 of M275, commenced towards the end of February, at an estimated cost of £1.5m.</p> <p>Due to the extension of Article 50, activation of these plans is currently on hold. Full implementation would take just 48 hours. Given the risk of a no deal EU exit on 12<sup>th</sup> April, potential activation will be considered during the week commencing 8<sup>th</sup> April.</p>
<p><b>(2) Risk to:</b></p>	<p><b>Hampshire’s economic growth and prosperity</b></p>
<p><b>Description</b></p>	<p>SMEs make a significant contribution to the county’s economic growth and prosperity and it has been reported that they are struggling to navigate the challenges presented by Brexit.</p> <p>Moreover, uncertainties and complexities surrounding the UK’s EU exit could lead to Hampshire-based businesses relocating outside of the UK. For similar reasons, there could be a decline in foreign direct investment to the region. Furthermore, any contraction to the</p>

	<p>economy could have a negative impact on public expenditure and reduce the amount of business rates levied, thus adversely affecting local government funding.</p> <p>Together these factors could have a detrimental impact on Hampshire's economy, with knock-on effects for residents and local services. If, for example, Brexit triggered a national economic downturn, it is likely deprivation would increase, together with demand for public services, particularly local government services for vulnerable groups, such as children in care or unaccompanied asylum-seeking children.</p> <p>As businesses struggle to meet new regulatory burdens post Brexit, there is a risk that over the medium to longer-term there could be non-compliance regulatory failures. This would have resource implications for the County Council's Trading Standards services and could pose wider risks to the county in terms of product and food safety.</p>
<p><b>Mitigations</b></p>	<p>The County Council is working with Solent and Enterprise M3 LEPS to understand the scale and likelihood of these risks and to raise relevant issues with the Government.</p> <p>Targeted support is being provided to local businesses across Hampshire, through LEP initiatives. This has included running SME 'clinics' in each EM3 LEP district area and establishing an <a href="#">online toolkit</a>.</p> <p>Mapping work is also being undertaken to identify companies with EU or international headquarters based in Hampshire in order to be better able to target economic development support.</p>

<p><b>(3) Risk to:</b></p>	<p><b>Future funding, including the loss of EU funding streams</b></p>
<p><b>Description</b></p>	<p>In addition to the potential adverse macro economic risk outlined above, the viability of local businesses and some County Council initiatives could be put at risk if EU funding streams are not replaced. The following two areas have been highlighted:</p> <ul style="list-style-type: none"> <li>• Education and youth schemes, which depend on EU Investment and Structural Funds: and</li> <li>• Hampshire's 700+ farms, which receive subsidies from European Common Agricultural Policy funding. These includes direct income payments to farmers based on the size of the eligible landholding. In 2015, UK farmers received almost £2.4bn in direct payments according to the National Farmers' Union. 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</li> </ul>

	£38,402. Therefore, without a replacement to CAP funding the viability of the farms is likely to be put at risk.
<b>Mitigations</b>	The County Council continues to seek clarity from the Government over EU replacement funds. In the meantime, Hampshire Futures team continues to maximise current European Social Fund opportunities.

<b>(4) Risk to:</b>	<b>Continuity of service provision due to disruption to supply chains and/or commissioned services, alongside price increases</b>
<b>Description</b>	<p>The County Council has identified several areas of risk to service continuity in the case of provider failure or disruption to supply chains. These include:</p> <ul style="list-style-type: none"> <li>• The Capital Programme (including Children’s Services Schools building programme) - price increases due to sensitivity of the construction sector to Brexit and heavy reliance on EU workers.</li> <li>• Health and Care services, including commissioned Public Health services - supply of medicines and equipment.</li> <li>• Hampshire Catering Service (HC3S) – price increases on food.</li> <li>• Hampshire Transport Management – availability and price increases on vehicle spares.</li> <li>• Hampshire Property Services – availability and price increases on building materials, including labour.</li> <li>• Highways – availability of materials and labour.</li> </ul>
<b>Mitigations</b>	<p>The County Council is engaging with its providers and seeking assurance regarding the preparedness of supply chains. For example, the Authority’s highways contractor has confirmed that their primary suppliers are stockpiling EU sourced materials as part of contingency planning. An annual contingency figure of 3.3% has been incorporated into the Capital Programme for all schemes to mitigate against immediate inflationary impact.</p> <p>Adults’ Health and Care has updated its equipment inventory and is engaging with suppliers on contingency planning.</p> <p>The HIOW Local Health Resilience Partnership, co-chaired by the Director of Public Health, has checked the readiness of providers and received assurance from key suppliers on business continuity plans. Wider public health risks, including any potential shortage of medicines and vaccines, continue to be monitored.</p> <p>The County Council’s contracted wholesale food distributor has issued a statement on its Brexit planning providing assurance on:</p> <ul style="list-style-type: none"> <li>• the process of transition;</li> </ul>

	<ul style="list-style-type: none"> <li>• safeguarding security of supply and product availability;</li> <li>• planning for operational and logistical efficiency;</li> <li>• managing the impact on product pricing;</li> <li>• minimising the impact on currency fluctuation; and</li> <li>• operational costs and workforce recruitment and retention.</li> </ul>
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<b>(5) Risk to:</b>	<b>Service continuity, due to workforce shortages</b>
<b>Description</b>	<p>Post Brexit, service delivery could be impacted by a shortage of EU labour and result in further recruitment challenges. Additional demand for some services will place increased strain on the workforce. The following service areas have been highlighted:</p> <ul style="list-style-type: none"> <li>• Trading Standards – changes to the regulation and inspection of imported and domestic goods, alongside the introduction of new procedures requiring different systems and related staff training.</li> <li>• Planning and Highway services – challenges in recruiting planners and highway technicians.</li> <li>• Education services – shortage of teachers, especially Modern Foreign Language teachers, as Non-UK EU citizens are deterred from seeking employment.</li> <li>• HC3S, County Supplies, Facilities Management, Social Care - recruitment and retention challenges, due to a range of issues including higher turnover in lower paid roles and a significant reliance on agency staff.</li> </ul>
<b>Mitigations</b>	<p>The County Council continues to monitor staff nationality profiles to identify trends and inform workforce recruitment and retention strategies.</p> <p>Employees, including agency staff, are being kept informed about the Government’s EU settlement scheme, which fully opened on 30<sup>th</sup> March. Engagement continues with the Home Office to understand local authority obligations, particularly with regard to Looked After Children and Adult Social Care service-users.</p> <p>In addition, the Authority has established <i>Connect2Hampshire</i> (a Joint Venture Agency with Kent County Council), which will aid the recruitment and nationality recording of temporary staff to inform future strategies. Steps are also being taken to make vacancies more attractive to agency staff, working with <i>Connect2Hampshire</i> and NHS partners (e.g. making movement between NHS and County Council social care services easier for employees).</p> <p>In other areas, e.g. delivery of the County Council’s Capital Programme, the County Council is focusing more on ‘growing its own’ skilled workforce e.g. through civil engineering apprenticeships.</p>

<b>(6) Risk</b>	<b>Service continuity, due to disruption to data flow back to the UK from European data centres</b>
<b>Description</b>	Disruption to the flow of data back to the UK from EU data centres has been identified as a low risk by the Government who have advised local councils to take precautionary measures. Under a no deal scenario, any contracts held by the County Council which rely on a supplier acting as a controller and processing data in the EU, would need to be amended. Access to critical European databases could also become difficult.
<b>Mitigations</b>	Staff have attended several national workshops to understand the risks and mitigations. Work is underway to identify and review any contracts which relate to personal data being stored or used in the EU and to make any necessary amendments.

## 7. Potential opportunities

- 7.1. The main areas of risks outlined in this report would most likely to be felt in the immediate to short-term period. Over the longer-term, Brexit could present opportunities for the County Council and its partners. For example, working through Transport for the South East, the County Council may be able to secure additional investment in the region's strategic transport network given the expected national drive to increase the UK's global exports post-Brexit. Many of those exports will depend on having good, reliable access to the International Port of Southampton, via road and rail networks that run through Hampshire.
- 7.2. There may also be the opportunity to secure policy reforms following the repatriation of powers from the EU to the UK, e.g. the potential devolution of skills funding or further regulatory reforms.
- 7.3. Finally, more immediate border changes could present some commercial opportunities through, for example, rising demand for Trading Standards' paid-for business advice service and for Hampshire Scientific Services. There could also be an opportunity for Hampshire local authorities to assist the Government if it were to require an additional Border Inspection Posts in the region.

## 8. Key messages to central Government

- 8.1. The County Council, working with and through local and regional partners, continues to raise Brexit-related issues with central government. Key messages to include:
- **Government communications:** there is a need for a national communication campaign to inform citizens and businesses about Brexit and to clarify guidance on national contingency plans
  - **Ports/borders:** with initial enabling works already commenced, for example on the A31, the Government should commit to reimbursing local authorities for

the cost of putting in place the required contingency plans for a possible no deal EU exit.

- **Food:** clarity is sought on food supply plans, including dealing with longer term shortages and any unregulated imports.
- **Regulatory services:** clarity is needed on the nature of future regulations, with funding provided to meet any new burdens (e.g. for Trading Standards services). Assurance is also sought that the large number of Statutory Instruments required will be delivered prior to the UK's withdrawal, in order to ensure service continuity.
- **Social care workforce:** Government is urged not to introduce a £30k salary threshold for social care staff as part of any new skills-based immigration system due to the negative impact this could have on the sector.
- **Vulnerable groups:** there is growing concern amongst South East authorities on the cumulative impact Brexit may have on vulnerable groups, including the support they may require in order to register for settled status.
- **Local economic impact:** greater join-up is needed between Whitehall and local areas to provide certainty to businesses and ensure that tools and resources are available to maximise future investment opportunities, e.g. from the UK Shared Prosperity Fund.
- **Local authority capacity:** there is a requirement for Government to work closely with the sector to understand the cumulative impact of Brexit, assess priorities and provide necessary resources to meet new burdens.

## 9. Future direction

- 9.1. The County Council will continue to develop its Brexit programme, including its contingency and mitigation plans as required, in line with national developments. It will also continue its strategic leadership through the HIOW LRF recovery planning phase which is set to shadow the LRF's response phase up to 12 weeks post a no deal EU exit. Following that period, under a no deal EU exit scenario, the HIOW upper-tier authorities will co-ordinate the LRF's recovery activities, taking account of the various EU exit impacts, for example on public health and wellbeing, local services, infrastructure, the economy, and the environment.
- 9.2. Post Brexit, the Authority will also focus its efforts on informing and seeking to influence national policies, with the aim of creating a framework that better enables it to protect residents, meet local needs, and advance further economic prosperity.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<a href="#">Brexit: the potential impact on the County Council's resources and services</a>	<u>Date</u> 10 December 2018
<b>Direct links to specific legislation or Government Directives</b>	
<a href="#">European Union (Withdrawal) Act 2018</a>	<u>Date</u> July 2018

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

## **EQUALITIES IMPACT ASSESSMENT:**

### **1. Equality Duty**

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

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

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

The recommendations in this report have been assessed and are considered to have no specific impact on groups with protected characteristics as the report merely seek to update Cabinet on progress being made to prepare the County Council for any potential risks with the UK's Exit for the European Union. However, the nature of the preparations are designed to support the resilience of the County Council and therefore be of benefit to all residents.

## Appendix A - Ministry of Housing, Communities and Local Government Brexit Funding for Local Authorities

On 28<sup>th</sup> January, the Ministry of Housing, Communities and Local Government (MHCLG) confirmed that £56.5m would be allocated to local authorities to support preparations for Brexit. £20m will be allocated in 2018/19, with a further £20m for 2019/20.

Across the two financial years, each County Council will receive £175,000. Over the same period District Councils will receive £35,000; Unitary Authorities will receive £210,000; and Combined Authorities will receive £182,000. £10m is currently being retained by MHCLG for allocation next year and £5m will be divided across areas within MHCLG and the local government sector, including for support on resilience and community cohesion.

**Table 1: Overall funding allocations**

	2018/19 (£m)	2019/20 (£m)	Total (£m)
<b>Upfront funding for all councils*</b>	20	20	40
<b>Authorities affected by ports</b>	1.5		1.5
<b>Retained for specific local costs which arise</b>		10	10
<b>Split between Departmental teams and local government sector</b>		5	5
<b>Total</b>			<b>56.5</b>

**Table 2: Split of £40m upfront funding by type of authority**

	2018/19 (£)	2019/20 (£)	Total (£)
<b>Combined Authorities (11 including London (GLA))</b>	91,000	91,000	182,000
<b>District councils</b>	17,500	17,500	35,000
<b>County councils</b>	87,500	87,500	175,000
<b>Unitary authorities*</b>	105,000	105,000	210,000

\* Unitary authorities will receive the sum of the county and district allocations.

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