

## SUMMONS

To the Members of the County Council

**You are hereby summoned to attend the County Council to be held at The Castle, Winchester at 10.00 am on Thursday 29th November 2018 to consider and resolve upon the business set out in the Agenda below.**

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

Enquiries to: Debbie Vaughan, Deputy Head of Governance & Head of Democratic & Member Services: [members.services@hants.gov.uk](mailto:members.services@hants.gov.uk)

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

### AGENDA

1. **APOLOGIES FOR ABSENCE**

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** (Pages 5 - 14)

To confirm the Minutes of the meeting held on 20 September 2018.

4. **CHAIRMAN'S ANNOUNCEMENTS**

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

5. **LEADER'S REPORT**

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

6. **DEPUTATIONS**

To receive a deputation from Charlotte Fisher, regarding a pedestrian crossing on Worthy Road, Winchester.

7. **QUESTIONS UNDER STANDING ORDER 16.1.1**

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

**Part I: Matters for Decision**

8. **APPOINTMENTS**

There are no appointments on this occasion.

9. **TREASURY MANAGEMENT MID-YEAR MONITORING REPORT**  
(Pages 15 - 30)

To consider a report of Cabinet setting out the mid-year treasury management activity.

10. **2018 REVIEW OF THE HAMPSHIRE MINERALS AND WASTE PLAN**  
(Pages 31 - 42)

To consider a report of the Executive Member for Environment and Transport, recommending to the County Council that an update to the Hampshire Minerals and Waste Plan (2013) is not required at this time, but that a further review takes place in 2020.

11. **NOTICE OF MOTION**

To consider the following Notice of Motion, submitted in accordance with Standing Order 18.1.

Notice of Motion submitted by Councillor Gavin James, seconded by Councillor Martin Tod:

“Council notes that it is now more than two years since the Referendum and the Government still has no coherent Brexit plan that has the support of a majority in Parliament. Since the vote in 2016:

a) The performance of the UK economy has fallen behind. It is now the

slowest growing economy in Europe with productivity slipping further and competitiveness reliant on the declining value of the Pound;

- b) Hampshire residents – particularly those on lower incomes - are being hit hard by rising inflation and squeezed pay rates;
- c) Confidence among investors and established businesses is ebbing with jobs moving away from the UK;
- d) Many non-UK EU nationals resident in the county have had their lives, and those of their UK-national families, destabilised by the uncertainty of Brexit. On top of the social impacts, local businesses and, above all the NHS are losing vital staff;
- e) New investment, which Hampshire relies on for future prosperity, is being jeopardised and new job opportunities are being lost;

Council believes that a 'hard' or 'no deal' Brexit will seriously harm the long-term prosperity of all Hampshire residents. With only 20 weeks to go before the UK leaves, it is vitally important that Hampshire County Council speaks up on their residents' behalf.

Council calls on the government to abandon plans for a hard Brexit and to give the people of Hampshire a vote on the final deal, along with the opportunity to vote on keeping the irreplaceable benefits Britons currently enjoy by staying in the European Union.”

## **Part II: Matters for Information**

### **12. HAMPSHIRE FIRE AND RESCUE AUTHORITY**

a) HFRA Questions

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

b) HFRA Report (Pages 43 - 44)

To receive a report from the Authority.

### **13. EXECUTIVE AND COMMITTEE REPORTS**

To receive for information the reports of the following:

a) The Leader/Cabinet (Pages 45 - 46)

b) Executive Lead Member for Children's Services (Pages 47 - 48)

c) Executive Member for Public Health (Pages 49 - 50)

**John Coughlan CBE  
Chief Executive  
The Castle  
Winchester**

**Wednesday 21 November 2018**

# Agenda Item 3

AT A MEETING of the County Council of HAMPSHIRE COUNTY COUNCIL held  
at the castle, Winchester on Thursday, 20th September, 2018

Chairman:

\* Councillor Elaine Still

Vice-Chairman:

\* Councillor Charles Choudhary

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

\*Present

Honorary Alderman Michael Woodhall was also in attendance.

**85. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Rhydian Vaughan, Malcolm Wade and Bill Withers and from Honorary Aldermen Patricia Banks, Keith Chapman, Phrynnette Dickens, Roger Kimber and Marilyn Tucker.

**86. 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 Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 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.

**87. MINUTES**

The Minutes of the Annual General Meeting held on 18 May 2018 were agreed and signed by the Chairman.

**88. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had circulated the list of engagements carried out by the Chairman and Vice-Chairman since the last Council meeting which reported on the wide range of duties undertaken to represent and promote the County Council and its strong community leadership role.

The Chairman welcomed Honorary Alderman Michael Woodhall to the meeting and also welcomed Councillor Peter Edgar to his first Council meeting following a period of illness. The Chairman also congratulated Councillor Kirsty North (nee Locke) on her recent marriage.

The Chairman reported on a recent visit to The Bluebells family respite holiday home in North Waltham, the hosting of a Civic Day on 5 September at Royal Victoria Country Park and Manor Farm and 40 Year Long Service Awards.

It was with sadness the Chairman reported the passing for former County Councillor and Honorary Alderman Edith Randall who represented Totton Division from 1977 to 1981 and Totton South from 1981 to 1993 and again from 1997-2005. Councillors Roy Perry and David Harrison paid tribute to Edith for her dedication to the community she represented. The Council observed a minute's silence as a mark of respect.

The Chairman's full report is appended to these Minutes.

## 89. LEADER'S REPORT

In presenting his report, the Leader reflected on finance matters and the possible effect on the County Council in the event of a 'no deal' Brexit. In regard to the latter, an assessment was being carried out and would be reported to Council when the national position crystallizes.

The Commission of Inquiry – Vision for Hampshire 2050 was up and running. Two meetings had been held to date, the first of which received presentations from the Ordnance Survey and Office of National Statistics, and the second looked at the economy and the importance of place in shaping.

The County Council continues to maintain close links with Hampshire MPs, and continues to alert ministers and MPs to the financial pressures on local authorities especially those with the statutory social care responsibilities.

The Leader confirmed that a decision had been taken by the Cabinet on 17 September regarding a new recruitment venture for temporary agency staff in partnership with Kent County Council to recruit good quality, skilled, temporary staff to supplement the Council's permanent workforce to meet unprecedented demand for services, particularly in adult and children's social care.

The Leader had pleasure in reporting on a number of successes:

- recent GCSE and A Level results in Hampshire were once again above the national average
- a reminder to Members about the concert in November in Romsey Abbey to be given by the County Youth Orchestra and a School Choir from Giessen in Germany
- the opening of the Lookout at Lepe Beach and the refurbished Chapel at the Royal Victoria Country Park at Hamble – a concert will be held on 10<sup>th</sup> November as part of the County Council's commemoration events to mark the centenary of the end of World War I.
- The head of the Hillier Gardens at Ampfield, Mr Wolfgang Bopp, had left the County Council in August to take up a role with the New Zealand National Botanical Service August

It was with sadness the Leader reported:

- attendance, on behalf of the County Council, at the funeral of Mr Stephen Lugg, Chief Executive of the Hampshire Association of Town and Parish Councils; and.
- the funeral of Enda Ryan, Head of the Outdoor Service who, among his many outstanding contributions to the County Council, was a driving force behind the Poppy Pods at Tile Barn Brockenhurst, made available to military personnel and their families at weekends – a contribution by the County Council to the Military Covenant.

The Leader advised Members of his election as Chairman of South East Councils - a grouping of over 80 councils (districts, counties and unitaries) across the south east of England. One of his key objectives is to foster closer working between this body, South East Strategic Leaders and South East 7. announced that the next full Council Meeting on 29 November will be the last day of Karen Murray's service to the Council as our Director of Culture, Community and Business Services. The Leader placed on record the Council's appreciation of Karen's 40 years unrivalled service to Hampshire.

The Leader's full report is appended to these Minutes.

**90. DEPUTATIONS**

Deputations were received as detailed on the Summons.

**91. QUESTIONS UNDER STANDING ORDER 16.1.1**

Executive Members responded to questions submitted in accordance with Standing Order 16.1.1, as published with the exception of questions 9 and 10 on the list for which a written answer would be provided in accordance with Standing Order 16.1.5.

**92. APPOINTMENTS**

The Council considered the report of the Chief Executive (Item 8 in the Minute Book), as presented by the Leader, proposing a number of appointments to the County Council's committees and advisory panels.

RESOLVED:

That the County Council approved the following:

- a) That Councillor Stephen Philpott be appointed as the second Conservative Substitute Member on the Audit Committee.
- b) That Councillor Fred Birkett be appointed to replace Councillor Geoff Hockley as the second Conservative Substitute Member on the Economy, Transport and Environment Select Committee.
- c) That Councillor Jackie Branson be appointed to the Education Advisory Committee in place of Councillor Peter Edgar.
- d) That Councillor Peter Edgar be appointed as the second Conservative Substitute Member on the Children and Families Advisory Panel.
- e) That Councillor Trevor Cartwright, Fareham Borough Council be appointed to the Hampshire Pension Fund Panel and Board as a Co-opted member representing Hampshire District Councils to replace Councillor Peter Giddings. This appointment has been recommended by the Hampshire and Isle of Wight Local Government Association at their meeting held on 15 June 2018.



- f) That Sarah Manchester be appointed to the Hampshire Pension Fund Panel and Board as the Substitute Representative for the Scheme Members.
- g) That Councillor Jeanette Smith (Portsmouth City Council) be appointed as her Council's Employer Representative on the Hampshire Pension Fund Panel and Board. In accordance with the Appointments Policy for the Hampshire Pension Fund Panel and Board the respective appointees from Southampton and Portsmouth City Council rotate between being the full member and substitute member on an annual basis.
- h) That Graeme Rowe and Julie Kelly be appointed as representative and substitute representative, appointed by the Teachers' Liaison Panel, to Group C of the Standing Advisory Committee for Religious Education.
- i) That Rob Sanders be appointed as a substitute representative, appointed by the Church of England, to Group B of the Standing Advisory Committee for Religious Education.

**93. END OF YEAR FINANCIAL REPORT: 2017/18**

The Council considered the report of the Cabinet (Item 9 in the Minute Book) setting out the end of year financial position for 2017/18. The Leader presented the report and handed over to Councillor Mel Kendal, Executive Member for Economic Development who highlighted key areas of the report.

The Council's debate focused on the pressures the Council continues to face and the measures in place to deal with these pressures. The policy of planning well ahead coupled with the prudent use of the Council's reserves and robust treasury management has resulted in the Council being in a good position going forward.

In summing up the Leader responded to Members' questions and confirmed that the Government was being lobbied about local government funding.

**RESOLVED:**

That the report on the County Council's treasury management activities and prudential indicators set out in Appendix 2 of the End of Year Financial Report at Annex 1 be approved.

**94. MEDIUM TERM FINANCIAL STRATEGY**

The Council considered the report of the Cabinet (Item 10 in the Minute Book) recommending a number of decisions in regard to the medium term financial strategy. The Leader presented the report and moved the recommendations.

During the course of the debate, it was recognised that the financial landscape in which the Council was operating required difficult decisions to be taken. Good planning would continue to be essential to meet service demands and address other pressures on the Council's budget such as rising inflation and the

uncertainty around Brexit. It was noted that the Government is considering important proposals to change current funding arrangements such as business rates and the Fair Funding Review. The Green Paper on Social Care Reform to try to find a solution to the issue faced throughout the country of how to cope with an increasing elderly population is anticipated by the end of the year.

RESOLVED:

That the County Council approves:

- a) The allocation of recurring funding totalling £19.7m from 2019/20 onwards to be met from a further round of corporate efficiencies, achieved from a review of treasury management activity, inflation allowances, contingencies and reserves, is approved to provide for the following:
  - £5m for the revenue consequences of the Digital Programme and the expanding use of technology that underpins the delivery of transformation.
  - £1.2m to re-align the Strategic Procurement income allowing corporate prioritisation of this resource to take place.
  - £13.5m for the forecast growth in Children Looked After numbers.
- b) An initial allocation of £200m is added to the capital programme for Adults' Services Bed Based Programme to be funded from prudential borrowing.
- c) A sum of £1.8m is added to the capital programme in 2018/19 and £0.5m in 2019/20 to be funded from departmental reserves to proceed with the next phase of the Country Parks Transformation Programme and specific proposals for the Empire Room at Royal Victoria Country Park, the farm attractions at Staunton and Manor Farm and for Queen Elizabeth Country Park.
- d) £4m is added to the capital programme to fund the replacement of the current social care IT system to be met from existing funding set aside for this purpose.
- e) A sum of £9.53m is added to the capital programme to progress the completion of phase 1 of the Eclipse Busway from Fareham to Gosport and that funding of up to £2.5m is approved to underwrite the scheme in the event that further grant funding cannot be secured.

95. **CHANGES IN RESPONSIBILITY FOR EXECUTIVE AND SCRUTINY FUNCTIONS**

The Council considered the report of the Cabinet (Item 11 in the Minute Book) seeking approval of changes to the responsibilities of the Policy and Resources Select and the Culture and Communities Select (Overview and Scrutiny) Committees as a result of revised Executive responsibilities reported to the Cabinet by the Leader on 18 June 2018. The Leader presented the report and moved the recommendations.

RESOLVED:

That the County Council:

- a) Notes the changes in responsibility for Executive Functions as set out in Annex 1 to the report.
- b) Approves the amendment of the responsibilities of the Policy and Resources Select (Overview and Scrutiny) Committee to include responsibility for Skills as set out in Annex 2 to the report.
- c) Approves the amendment of the responsibilities of the Culture and Communities Select (Overview and Scrutiny) Committee to include responsibly for Rural Hampshire and Countryside and Rights of Way as set out in Annex 2 to the report.
- d) Delegates authority to the Monitoring Officer to amend the Constitution to give effect to the recommendations at (b) and (c) above.

96. **CONSTITUTIONAL MATTER - DELEGATION OF APPROVAL OF ABSENCE**

The Council considered the report of the Conduct Advisory Panel (Item 12 in the Minute Book) seeking approval of absence of an elected Member of the County Council, pursuant to Section 85 of the Local Government Act 1972, be delegated to the Conduct Advisory Panel.

Councillor Mark Kemp-Gee, Chairman of the Conduct Advisory Panel presented the report and in so doing drew Members attention to paragraph 1.3 of the report clarifying that this delegation was not replacing that of the County Council but was in addition.

RESOLVED:

- a) That the County Council agrees that the responsibility for approval of Absence of an elected Member of the Council pursuant to Section 85 of The Local Government Act 1972 be delegated to the Conduct Advisory panel.
- b) That delegated authority be given to the Monitoring Officer to amend the Constitution to give effect to the recommendation at a) above.

97. **DRAFT CONSULTATION RESPONSE: PROPOSED CREATION OF A NEW COMBINED FIRE AUTHORITY FOR HAMPSHIRE, ISLE OF WIGHT, PORTSMOUTH AND SOUTHAMPTON**

The Council considered the report of the Chief Executive (Item 13 in the Minute Book). The Leader presented the report and moved the recommendations.

RESOLVED:

That the County Council approves the draft response set out in the Annex to the report.

98. **HAMPSHIRE FIRE AND RESCUE AUTHORITY**

a) HFRA Questions

No questions had been received in accordance with Standing Order 16.3.

b) HFRA Report

The Council received and noted the report of the Hampshire Fire and Rescue Authority as presented by Councillor Chris Carter in his capacity as Chairman of the Fire Authority.

99. **ANNUAL REPORT OF POLICY AND RESOURCES SELECT COMMITTEE**

The Council received the Annual Report of the Policy and Resources Select Committee as presented by Councillor Glen in his capacity as Chairman of the Committee.

100. **ANNUAL REPORT OF HEALTH AND ADULT SOCIAL CARE SELECT COMMITTEE**

The Council received the Annual Report of the Health and Adult Social Care Select Committee as presented by Councillor Roger Huxstep in his capacity as Chairman of the Committee.

101. **CONSTITUTIONAL ARRANGEMENTS: APPOINTMENTS TO THE HEALTH AND WELLBEING BOARD FOR HAMPSHIRE**

The Council received the report of the Health and Wellbeing Board for Hampshire, as presented by Councillor Liz Fairhurst in her capacity as Chairman of the Committee. The changes to the membership of the Board were noted.

102. **EXECUTIVE AND COMMITTEE REPORTS**

The Council received the reports of the following Executive Members:

103. **THE LEADER/CABINET**

a) Serving Hampshire – 2017/18 Performance Report

104. **EXECUTIVE MEMBER FOR PUBLIC HEALTH**

- a) Local Welfare Assistance (LWA) Funding (2018-20)
- b) NHS Health Checks
- c) Approval to spend for Domestic Abuse Services

105. **EXECUTIVE LEAD MEMBER FOR CHILDREN'S SERVICES**

- a) Regional Adoption Agency

106. **EXECUTIVE MEMBER FOR ADULT SOCIAL CARE AND HEALTH**

- a) Technology Enabled Care Partnership Arrangements - permission to spend

The meeting closed at 12.52pm.

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Chairman,

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COUNCIL MEETING, 29 NOVEMBER 2018

REPORT OF THE  
**Cabinet**  
PART I

## **1. TREASURY MANAGEMENT MID-YEAR MONITORING REPORT**

- 1.1. The Cabinet received a mid year monitoring report on Treasury Management at its meeting on 5 November 2018, in accordance with the CIPFA code that is required to be report to full County Council.
- 1.2. Treasury management in the context of the report is defined as:  
“The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 1.3. Cabinet heard that all treasury activity has complied with the County Council’s TMS (Treasury Management Statement) and Investment Strategy for 2018/19, and all relevant statute, guidance and accounting standards. In addition the County Council’s treasury advisers, Arlingclose, provide support in undertaking treasury management activities. The County Council has also complied with all of the prudential indicators set in its TMS.

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

- [Cabinet 5 November 2018](#)

## **RECOMMENDATIONS**

That the County Council:

- a. Notes the mid-year report on treasury management activity.

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## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Cabinet County Council
<b>Date:</b>	5 November 2018 29 November 2018
<b>Title:</b>	Treasury Management Mid-Year Monitoring Report
<b>Report From:</b>	Deputy Chief Executive and Director of Corporate Resources

**Contact name:** Rob Carr – Head of Finance

**Tel:** 01962 847508

**Email:** [Rob.Carr@hants.gov.uk](mailto:Rob.Carr@hants.gov.uk)

#### 1. Recommendation

##### **RECOMMENDATIONS TO CABINET**

**It is recommended that Cabinet recommends to County Council that:**

- 1.1. The mid-year report on treasury management activity be noted.

##### **RECOMMENDATIONS TO COUNCIL**

**Council is recommended to note:**

- a) The mid-year report on treasury management activity.

#### 2. Executive Summary

- 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.
- 2.2. This report fulfils the County Council's legal obligation to have regard to the CIPFA Code.
- 2.3. The County Council's Treasury Management Strategy (TMS) for 2018/19 was approved at a meeting of the County Council in February 2018. The County Council has borrowed and invested sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the County Council's TMS.

- 2.4. Following consultation in 2017, CIPFA published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice but has yet to publish the local authority specific Guidance Notes to the latter. In England the Ministry of Housing, Communities & Local Government (MHCLG) published its revised Investment Guidance which came into effect from April 2018.
- 2.5. The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by full council covering capital expenditure and financing, treasury management and non-treasury investments. The County Council will be producing its Capital Strategy later in 2018/19 for approval by full County Council.
- 2.6. Treasury management in the context of this report is defined as:  
*“The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*
- 2.7. Overall responsibility for treasury management remains with the County Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the County Council’s treasury management objectives.
- 2.8. All treasury activity has complied with the County Council’s TMS and Investment Strategy for 2018/19, and all relevant statute, guidance and accounting standards. In addition the County Council’s treasury advisers, Arlingclose, provide support in undertaking treasury management activities. The County Council has also complied with all of the prudential indicators set in its TMS.

### **3. External Context**

- 3.1. The following sections outline the key economic themes currently in the UK against which investment and borrowing decisions have been made to date in 2018/19.

#### **Economic Commentary**

- 3.2. UK Consumer Price Inflation (CPI) index fell to 2.4% in June, a 12-month low, as the effects of sterling’s large depreciation in 2016 began to fade. However CPI ticked back up marginally to 2.5% in July, mostly due to higher energy prices, and up again to 2.7% in August from cultural services, where theatre admission prices rose by more than a year ago, and games, toys and hobbies, where prices for computer games rose this year but fell a year ago. The most recent labour market data for July 2018 showed the unemployment rate at 4%; the lowest since 1975. The three month average annual growth rate for regular pay, i.e. excluding bonuses, was 2.9%. However, real wages (i.e. adjusted for inflation) grew only by 0.4%, a marginal increase unlikely to have had much effect for households.

- 3.3. The rebound in Gross Domestic Product (GDP) growth in Quarter 2 of 2018 to 0.4% confirmed that the weakness in economic growth in Quarter 1 was temporary and largely due to weather-related factors. The Bank of England made no change to monetary policy at its meetings in May and June, however hawkish minutes and a 6-3 vote to maintain rates was followed by a unanimous decision for a rate rise of 0.25% in August, taking the Bank Rate to 0.75%. No further change was made to monetary policy at the Bank of England's meeting in September.

#### **Credit background**

- 3.4. The big four UK banks are progressing well with ringfencing. Barclays Bank PLC and HSBC Bank PLC have created new banks (Barclays Bank UK and HSBC UK Bank) and transferred ringfenced (retail) business lines into the new companies. Lloyds Bank PLC has created Lloyds Bank Corporate Markets as a new non-ringfenced (investment) bank. RBS has renamed existing group entities and transferred accounts to leave NatWest Markets as the non-ringfenced bank and NatWest Bank, Royal Bank of Scotland and Ulster Bank as the ring-fenced banks. The County Council's day-to-day banking contract remains with NatWest Bank.

#### **4. Local Context**

- 4.1. On 31 March 2018, the County Council had net borrowing of £29.1m arising from financing its historical capital programme. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below:

**Table 1: Balance Sheet Summary**

	<b>31/03/2018 Balance £m</b>
CFR	(764.0)
Less: Other Debt Liabilities*	164.2
<b>Borrowing CFR</b>	<b>(599.8)</b>
Less: Resources for Investment	570.7
<b>Net Borrowing</b>	<b>(29.1)</b>

\* Finance leases and PFI liabilities that form part of the County Council's debt.

- 4.2. The County Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position as at 30 September 2018 and the year-on-year change is shown in Table 2 overleaf:

**Table 2: Treasury Management Summary**

	<b>31/03/2018 Balance £m</b>	<b>Movement £m</b>	<b>30/09/2018 Balance £m</b>	<b>30/09/2018 Rate %</b>
Long-term Borrowing	(280.0)	1.6	(278.4)	(4.66)
Short-term Borrowing	(7.9)	4.8	(3.1)	(3.30)
<b>Total Borrowing</b>	<b>(287.9)</b>	<b>6.4</b>	<b>(281.5)</b>	<b>(4.65)</b>
Long-term Investments	289.3	15.0	304.3	2.89
Short-term Investments	240.5	(9.6)	230.9	1.34
Cash & Cash Equivalents	32.4	(2.3)	30.1	0.69
<b>Total Investments</b>	<b>562.2</b>	<b>3.1</b>	<b>565.3</b>	<b>2.14</b>
<b>Net Investments</b>	<b>274.3</b>	<b>9.5</b>	<b>283.8</b>	

Note: The figures in the table above are from the balance sheet in the County Council's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

- 4.3. The increase in net investments of £9.4m shown in Table 2 above reflects the combination of repayment of Public Works Loan Board (PWLB) borrowing of £6.3m, and a small increase in investment balances of £3.1m. The repayment of borrowing is in line with the County Council's policy on internal borrowing, whilst the increase in total investments since 31 March 2018 reflects the annual position of 31 March bearing the lowest investment balances, due to many government grants being front-loaded.

## **5. Borrowing Activity**

- 5.1. As shown in Table 2, at 30 September 2018 the County Council held £282m of loans, a decrease of £6m to 31st March 2018, as part of its strategy for funding previous years' capital programmes. This varies from the mid-year treasury management borrowing position and movement since 31 March 2018 shown in Table 3 overleaf; as the treasury management borrowing position excludes borrowing taken out on behalf of others.

**Table 3: Borrowing Position**

	<b>31/03/2018 Balance £m</b>	<b>Movement £m</b>	<b>30/09/2018 Balance £m</b>	<b>30/09/2018 Rate %</b>	<b>30/09/2018 WAM* years</b>
PWLB	243.4	(6.2)	237.2	4.69	12.16
Banks (LOBO)	20.0		20.0	4.76	15.29
Banks (Fixed Term)	21.0		21.0	4.21	21.91
<b>Total Borrowing</b>	<b>284.4</b>	<b>(6.2)</b>	<b>278.2</b>	<b>4.66</b>	<b>13.12</b>

\* Weighted average maturity

Note: the figures in the table above as at 31/03/2018 are from the balance sheet in the County Council's statement of accounts, but adjusted to exclude borrowing taken out on behalf of others, and accrued interest.

- 5.2. The County Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the County Council's long-term plans change being a secondary objective.
- 5.3. In keeping with these objectives, no new borrowing was undertaken in the period, while £6.2m of existing loans were allowed to mature without replacement. This strategy enabled the County Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 5.4. The benefits of internal borrowing are monitored regularly against the potential for incurring additional costs by deferring borrowing into future years, when long-term borrowing rates are forecast to rise. Arlingclose assists the County Council with the monitoring of internal and external borrowing.
- 5.5. The County Council continues to hold £41m of market loans (£20m of which are Lender's Option Borrower's Option (LOBO) loans, and £21m of which were LOBO but have now been converted to fixed term loans by the lender). LOBO loans are where the lender has the option to propose an increase in the interest rate at set dates, following which the County Council has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the first half of 2018/19.

## **6. Investment Activity**

- 6.1. The County Council holds invested funds representing income received in advance of expenditure plus balances and reserves. The County Council's investment holding was £565m at 30 September 2018, which was £8m (1.4%) lower than the same time last year. During the six month period from 1 April to 30 September 2018, the County Council's investment balance ranged between £562m and £665m due to timing differences between income and expenditure. Table 4 overleaf shows investment activity for the

County Council as at 30 September 2018 in comparison to the reported activity as at 31 March 2018:

**Table 4: Investment Position (Treasury Investments)**

<b>Investments</b>	<b>31/03/2018 Balance £m</b>	<b>Movement £m</b>	<b>30/09/2018 Balance £m</b>	<b>30/09/2018 Rate %</b>	<b>30/09/2018 WAM* years</b>
<b><i>Short term Investments</i></b>					
Banks and Building Societies:					
- Unsecured	11.7	8.8	20.5	0.76	0.09
- Secured	55.0	(2.6)	52.4	1.11	0.39
Money Market Funds	25.7	(4.6)	21.1	0.68	0.01
Local Authorities	160.5	(38.5)	122.0	1.36	0.45
Registered Provider	20.0		20.0	2.30	0.33
Cash Plus Funds		20.0	20.0	0.67	n/a
	<b>272.9</b>	<b>(16.9)</b>	<b>256.0</b>	<b>1.22</b>	<b>0.36</b>
<b><i>Long term Investments</i></b>					
Banks and Building Societies:					
- Secured	78.3		78.3	0.99	2.57
Local Authorities	61.0	20.0	81.0	1.29	2.43
	<b>139.3</b>	<b>20.0</b>	<b>159.3</b>	<b>1.14</b>	<b>2.50</b>
<b><i>Long term Investments – high yielding strategy</i></b>					
Local Authorities					
- Fixed deposits	20.0		20.0	3.96	15.47
- Fixed bonds	10.0		10.0	3.78	15.27
Pooled Funds					
- Pooled property**	55.0		55.0	4.35	n/a
- Pooled equity**	40.0		40.0	6.47	n/a
- Pooled multi-asset**	20.0		20.0	4.13	n/a
Registered Provider	5.0		5.0	3.40	0.58
	<b>150.0</b>		<b>150.0</b>	<b>4.76</b>	<b>13.29</b>
<b>Total Investments</b>	<b>562.2</b>	<b>3.1</b>	<b>565.3</b>	<b>2.14</b>	<b>2.20</b>

\* Weighted average maturity

\*\* The rates provided for pooled fund investments are reflective of the average of the most recent dividend return as at 30 September 2018.

Note: the figures in the table above are from the balance sheet in the County Council's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

- 6.2. Both the CIPFA Code and government guidance require the County Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The County Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 6.3. During the first half of 2018/19, £38.5m of short-term local authority investments have matured, and opportunities were taken to reinvest £20m into longer term local authority investments, and £20m into cash plus funds. Cash plus funds provide a further avenue of diversification of investment instruments to the County Council and are expected to provide higher returns over the medium term.
- 6.4. Security of capital has remained the County Council's main investment objective. This has been maintained by following the County Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2018/19.
- 6.5. Counterparty credit quality was assessed and monitored with reference to credit ratings, for financial institutions analysis of funding structure and susceptibility to bail-in, credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.
- 6.6. The County Council will also consider the use of secured investments products that provide collateral in the event that the counterparty cannot meet its obligations for repayment.
- 6.7. The County Council maintained a sufficient level of liquidity through the use of call accounts and money market funds. The County Council sought to optimise returns commensurate with its objectives of security and liquidity. The UK Bank Rate increased by 0.25% to 0.75% in August 2018 and short-term money market rates have remained at relatively low levels which has continued to have a significant impact on cash investment income.
- 6.8. The progression of credit risk and return metrics for the County Council's investments managed in-house (excluding external pooled funds) are shown in the extracts from Arlingclose's investment benchmarking in Table 5 overleaf:

**Table 5: Investment Benchmarking (Investments Managed In-house)**

	<b>Credit Rating</b>	<b>Bail-in Exposure</b>	<b>WAM* (days)</b>	<b>Rate of Return</b>
Hampshire performance:				
- 31/03/2018	AA	8%	735	1.36%
- 30/09/2018	AA	9%	810	1.41%
Similar Local Authorities	AA-	48%	1,026	1.00%
All Local Authorities	AA-	66%	37	0.55%

\* Weighted average maturity

- 6.9. As part of the Investment Strategy the County Council agreed an amount targeted towards high yielding investments of £200m. Investments yielding higher returns will contribute additional income to the County Council, although some come with the risk that they may suffer falls in the value of the principal invested.
- 6.10. Of the £200m available £150m has been invested, and an additional £10m has been committed but not called.
- 6.11. The County Council's £115m portfolio of externally managed pooled multi-asset, equity and property funds generated an average total return of 7.81%, comprising a 4.79% income return which is used to support services in year, and 3.03% of capital growth. As these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the County Council's investment objectives are regularly reviewed.
- 6.12. The investments in pooled funds allow the County Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. The funds, which are operated on a variable net asset value (NAV) basis, offer diversification of investment risk, coupled with the services of a professional fund manager; they also offer enhanced returns over the longer term but are more volatile in the short term. All of the County Council's pooled fund investments are in the respective fund's distributing share class which pay out the income generated. The County Council's intention is to hold them for at least the medium term.
- 6.13. MHCLG released a consultation on statutory overrides relating to the introduction of IFRS 9 Financial Instruments accounting standard from 2018/19. The consultation recognises that the requirement in IFRS 9 for certain investments to be accounted for a fair value through profit and loss may introduce "more income statement volatility" which may impact on budget calculations. The consultation proposes a time-limited statutory override and has sought views whether it should be applied only to pooled property funds. The County Council has responded to the consultation which closed on 30 September. The County Council's response stated that the County Council agrees that there should be a statutory override, but that it should not be time



limited, as the circumstances meaning an override is appropriate now will still apply in April 2021 and beyond. The statutory override should apply to all pooled investment funds, as the County Council sees no reason for the Government to incentivise property funds over other pooled funds. Good treasury risk management requires long-term investments to be diversified over a range of asset classes, and the government should support this by extending the proposed override to all types of collective investment scheme.

## 7. Non-Treasury Investments

- 7.1. The definition of investments in CIPFA’s revised Treasury Management Code now covers all the financial assets of the County Council as well as other non-financial assets which the County Council holds primarily for financial return. This is replicated in MHCLG’s Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
- 7.2. Although not classed as treasury management activities the County Council may also make loans and investments for service purposes, for example loans to Hampshire based businesses or the direct purchase of land or property. Such loans and investments will be subject to the County Council’s normal approval processes for revenue and capital expenditure and need not comply with the treasury management strategy. The County Council’s existing non-treasury investments are listed in Table 6 below:

**Table 6: Non-Treasury Investments**

	<b>30/09/2018 Asset value £m</b>	<b>30/09/2018 Rate %</b>
Loans to Hampshire Based Business	9.5	4.00
<b>Total</b>	<b>9.5</b>	<b>4.00</b>

## 8. Compliance Report

- 8.1. The County Council confirms compliance of all treasury management activities undertaken during the period with the CIPFA Code of Practice and the County Council’s approved TMS. Compliance with specific investment limits, as well as the authorised limit and operational boundary for external debt, are demonstrated in Tables 7 and 8 overleaf:

**Table 7: Debt Limits**

	<b>2018/19 Maximum £m</b>	<b>30/09/2018 Actual £m</b>	<b>2018/19 Operational Boundary £m</b>	<b>2018/19 Authorised Limit £m</b>	<b>Complied</b>
Borrowing	290	282	700	760	✓
Other Long-term Liabilities	164	164	170	210	✓
<b>Total Debt</b>	<b>454</b>	<b>446</b>	<b>870</b>	<b>970</b>	✓

**Table 8: Investment Limits**

	<b>2018/19 Maximum</b>	<b>30/09/2018 Actual</b>	<b>2018/19 Limit</b>	<b>Complied</b>
Any Single Organisation, except the UK Central Government	£30m	£30m	£70m	✓
Any Group of Organisations under the same ownership	£30m	£30m	£70m	✓
Any Group of Pooled Funds under the same management	£30m	£30m	£70m	✓
Registered Providers	£25m	£25m	£70m	✓
Money Market Funds	15%	2%	50%	✓

**9. Treasury Management Indicators**

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

**Interest Rate Exposures**

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

**Table 9 – Interest Rate Exposures**

	<b>30/09/2018 Actual</b>	<b>2018/19 Limit</b>	<b>Complied</b>
Upper limit on fixed interest rate investment exposure	£119m	£375m	✓
Upper limit on variable interest rate investment exposure	£447m	£700m	✓
Upper limit on fixed interest rate borrowing exposure	£278m	£970m	✓
Upper limit on variable interest rate borrowing exposure	£3m	£970m	✓

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

#### **Maturity Structure of Borrowing**

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

**Table 10 – Maturity Structure of Borrowing**

	<b>30/09/2018 Actual</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Complied</b>
Under 12 Months	0%	50%	0%	✓
12 Months and Within 24 Months	3%	50%	0%	✓
24 Months and Within 5 Years	11%	50%	0%	✓
5 Years and Within 10 Years	20%	75%	0%	✓
10 Years and Within 20 Years	55%	75%	0%	✓
20 Years and Within 30 Years	11%	75%	0%	✓
30 Years and Above	0%	100%	0%	✓

#### **Principal Sums Invested for Periods Longer than 364 days**

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

**Table 11 – Principal Sums Invested for Periods Longer than 364 days**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Actual principal invested beyond year end	£304m	£231m	£206m
Limit on principal invested beyond year end	£375m	£300m	£300m
Complied	✓	✓	✓

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

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
Revenue Budget and Precept 2018/19 and Capital Programme 2018/19 – 2020/21 <a href="http://democracy.hants.gov.uk/ieDecisionDetails.aspx?AllId=6228">http://democracy.hants.gov.uk/ieDecisionDetails.aspx?AllId=6228</a>	Cabinet – 5 February 2018 County Council – 22 February 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.)

DocumentLocation

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:**

Equalities objectives are not considered to be adversely affected by the proposals in this report.

### **2. Impact on Crime and Disorder:**

2.1. This proposals in this report are not considered to have any direct impact on the prevention of crime.

### **3. Climate Change:**

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

No specific impact.

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

No specific impact.

COUNCIL MEETING, 29 NOVEMBER 2018

REPORT OF THE  
**Executive Member for Environment and Transport**  
PART I

## **1. HAMPSHIRE MINERALS & WASTE PLAN**

- 1.1. The Hampshire Minerals & Waste Plan ('the Plan') was adopted in 2013. The National Planning Policy Framework (2018) requires that Local Plans should be reviewed to assess whether they require updating at least once every five years. A recent update to the Planning Practice Guidance suggests that if a local planning authority decides not to update its policies, they should publish the reasons for this decision within five years of the adoption date of the Plan.
- 1.2. In line with the National Planning Policy Framework a review has been carried out and a report considered by the Executive Member for Environment and Transport on 13 November 2018. The report set out the background to, and the findings of the review; considered the factors which influence the future of the Plan; outlined the financial status of the Plan together with the budgeting implications of a Plan update and outlined the timetable for a future review.
- 1.3. The review of the Plan concluded that the 34 policies enables the development Hampshire requires, supported by a suite of management development policies that protect Hampshire's residents and environment. It is therefore recommended that an update to the Plan is not necessary at this time.

The full report to the Executive Member for Environment and Transport can be found at the following link:

- [2018 Review of the Hampshire Minerals & Waste Plan](#)

## **RECOMMENDATIONS**

That the County Council:

- a) That an update to the Hampshire Minerals & Waste Plan (2013) is not required at this time, but that a further Review takes place in 2020.
- b) That a summary of the review process and the decisions be consolidated and published as a publicly available report, to be entitled the '*2018 Review of the Hampshire Minerals & Waste Plan*'.
- c) That a programme of on-going engagement with interested parties commences following publication of the '*2018 Review*' and prior to the further Review in 2020.
- d) That authority is delegated to the Director of Economy, Transport and Environment, in consultation with the Executive Member for Environment and

Transport, to update the Minerals & Waste Development Scheme to reflect the decisions of the County Council.



## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Environment and Transport
<b>Date:</b>	13 November 2018
<b>Title:</b>	2018 Review of the Hampshire Minerals & Waste Plan
<b>Report From:</b>	Director of Economy, Transport and Environment

**Contact name:** Melissa Spriggs

**Tel:** 01962 846330

**Email:** melissa.spriggs@hants.gov.uk

#### 1. Recommendations

- 1.1. That it is recommended to the County Council that an update to the Hampshire Minerals & Waste Plan (2013) is not required at this time, but that a further Review takes place in 2020.
- 1.2. That it is recommended to the County Council that a summary of the review process and the decisions be consolidated and published as a publicly available report, to be entitled the '*2018 Review of the Hampshire Minerals & Waste Plan*'.
- 1.3. That it is recommended to the County Council that a programme of on-going engagement with interested parties commences following publication of the '*2018 Review*' and prior to the further Review in 2020.
- 1.4. That it is recommended to the County Council that authority is delegated to the Director of Economy, Transport, and Environment, in consultation with the Executive Member for Environment and Transport, to update the Minerals & Waste Development Scheme to reflect the decisions of the County Council.

#### 2. Executive Summary

- 2.1. The purpose of this paper is to provide the reasons for not updating the Hampshire Minerals & Waste Plan (2013) following the completion of a Review as required by the National Planning Policy Framework (NPPF).
- 2.2. This paper seeks to
  - Provide the background to why a Review of the Hampshire Minerals & Waste Plan is required;
  - Highlight the findings of the Review;
  - Look at factors which influence the future of the Hampshire Minerals & Waste Plan;
  - Outline the financial status of the Hampshire Minerals & Waste Plan (2013) and budgeting implications of an update to the Plan; and

- Outline the timetable for a future Review of the Hampshire Minerals & Waste Plan (2013).

### **3. Background to the Review**

- 3.1. The National Planning Policy Framework (2018) requires that Local Plans should be reviewed to assess whether they require updating at least once every five years<sup>1</sup>. The Hampshire Minerals & Waste Plan (the 'Plan') was adopted in October 2013. Therefore, a Review has been undertaken of the Plan to determine whether it requires to be updated.
- 3.2. A recent update to the Planning Practice Guidance suggests that if a local planning authority decides not to update their policies, they should publish the reasons within 5 years of the adoption date of the plan<sup>2</sup>.
- 3.3. The Plan was produced in partnership with Portsmouth and Southampton City Councils and the New Forest and South Downs National Park Authorities. Since adoption, there has been an on-going relationship between Hampshire County Council and these Authorities regarding the monitoring and implementation of the Plan. Therefore, a decision on the future of Hampshire Minerals and Waste Plan needs to be made by each authority.

### **4. Findings of the Review**

- 4.1. The Review assesses each policy to determine its effectiveness based on the data contained within the relevant Monitoring Reports<sup>3</sup> produced since the adoption of the Plan. Each policy was provided with a RAG (Red, Amber or Green) Monitoring Summary to determine how it has performed against the relevant monitoring indicator. The Hampshire Minerals & Waste Plan contains 34 policies. Of these, seven policies were initially categorised as 'Monitoring shows some issues to be reviewed' (Amber) and seven as 'Monitoring shows issues to be reviewed and may need to be addressed' (Red). The remaining 20 policies were categorised as 'Monitoring shows no issues' (Green).
- 4.2. The Development Management policies (Policies 1 – 14) which control the impacts of development are considered to be working effectively; with only one Amber and one Red rating amongst them. Policy 14 (Community benefits) was categorised as Red as implementation of this policy has highlighted that it does not relate directly to work done by the Minerals and Waste Planning Authority (MWPA), as it refers to bilateral agreements that do not include the MWPA. Should the Plan be updated, it is considered that this

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<sup>1</sup> National Planning Policy Framework (2018) (Para. 33): [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740441/National\\_Planning\\_Policy\\_Framework\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf)

<sup>2</sup> Planning Practice Guidance (Paragraph: 051 Reference ID: 61-051-20180913) (Revision date: 13 09 2018): <https://www.gov.uk/guidance/plan-making>

<sup>3</sup> Hampshire Minerals & Waste Plan – Monitoring Reports (2013-2017): <https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan>

policy could be removed and support for community benefits provided in the supporting text of Policy 1.

- 4.3. The mineral development policies (Policies 15 - 24) have a number that were initially categorised as Red relating to the landbank or permitted reserves of several minerals.
- 4.4. The NPPF requires 25 years of permitted reserves of brick-making clay and 10 years of permitted reserves of individual silica sand sites<sup>4</sup>. Whilst it is recognised that these permitted reserves are not currently provided, the existing policy wording for these minerals (Policy 21: Silica sand development and Policy 22: Brick-making clay) seek to enable development in order to reach the necessary requirements. Indeed, a recent application has been submitted for an extension to Kingsley Quarry for the provision of silica sand.
- 4.5. The NPPF also requires a minimum landbank of seven years for sand and gravel to maintain a steady and adequate supply<sup>5</sup>. Again, monitoring data highlights that this landbank is not currently being achieved. However, more detailed investigation shows a number of large sand and gravel sites are either in the planning process pipeline or likely to be submitted in the next two years. Where the landbank falls short, the existing wording of Policy 20 (Local land-won aggregates) enables development to come forward subject to criteria. Therefore, it is considered that this policy does not require updating at this time.
- 4.6. An issue that is of regional, if not national, interest is that of soft sand supply. It is being considered regionally through a position statement being drafted by the South East Minerals Planning Authorities which will form the basis of Statements of Common Ground. Soft sand supply is also considered under Policy 20, and therefore development required to address a shortfall in the landbank can be enabled subject to criteria. The soft sand allocations contained within the Plan are coming forward on the timescales proposed by their developers with a significant resource (4 million tonnes) still due to come forward at Purple Haze, Ringwood Forest site allocation beyond 2018<sup>6</sup>.
- 4.7. The waste management development policies (Policies 25 – 34) have a number categorised as Amber relating to variations in the type of waste facilities that have come forward (with more recovery than recycling than expected) and to the usability of the waste criteria policy which has been shown to lack clarity in certain instances.
- 4.8. Policy 32 (Non-hazardous waste landfill) has been categorised as Red due to the very low level of capacity (permitted void space) caused by an existing site closing early and not taking up the option to develop an extension allocated in the Plan. A further reserve landfill site is allocated at Purple Haze.

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<sup>4</sup> National Planning Policy Framework (2018) (Para. 208c):  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740441/National\\_Planning\\_Policy\\_Framework\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf)

<sup>5</sup> National Planning Policy Framework (2018) (207f)

<sup>6</sup> Hampshire Minerals & Waste Plan (2013) (Para. 6.77):  
<http://documents.hants.gov.uk/mineralsandwaste/HampshireMineralsWastePlanADOPTED.pdf>

As the policy allocates landfill space which has not yet been taken up by commercial operators and contains criteria for the consideration of any unplanned opportunities, it is considered that the policy has the necessary flexibility to still enable the required landfill development to come forward. The issue of landfill provision and the changes in this waste management area are being considered regionally through a position statement.

- 4.9. Following further investigation into the policies that were initially highlighted through the Monitoring Status, each policy was categorised with a RAG Review Status. Seven policies were categorised as 'Green' (Review shows that the policy does not need to be updated), nine policies were categorised as 'Amber' (Review shows that the policy does not need to be updated but should be kept under review), none of the policies were categorised as 'Red' (Review shows that the policy triggers the need for the Plan to be updated).
- 4.10. The Review also sets out the relevant policy drivers such as government policy publications or announcements which are relevant to the Plan since it was adopted. There are also current government consultations on oil and gas development which may have implications for the Plan. It is recognised that these drivers would need to be taken into account should an update to the Plan be undertaken.
- 4.11. The 2018 Review of the Hampshire Minerals & Waste Plan concludes that the policies themselves enable the development Hampshire needs, while having a raft of well functioning development management policies that protect the environment and residents.
- 4.12. The reasons for not updating the Plan are summarised as follows:

#### *Waste*

- In general, the waste forecasts have been relatively accurate;
- Landfill capacity is identified as not meeting the forecasted need, however, Policy 32 allows for additional landfill capacity and there is also reserve capacity; and
- The implications of Britain's exit from the European Union ("Brexit") on the waste industry and waste management services are potentially nationally significant but cannot be assessed without more details of Brexit, and until any post-Brexit arrangements are known.

#### *Minerals*

- The landbank and permitted reserves of sand and gravel, silica and brick-making clay are not meeting their required levels. However, review of the mineral supply policies has highlighted that these do not exclude further development proposals to come forward and would be supported where a shortfall in supply is identified. The policies are considered to be flexible and enable development, where required;
- The allocations in the HWMP are coming forward (relatively to the timescales set out in the Plan) as well as unplanned opportunities; and

- The landbank is being affected by a delay in decision-making which is not the result of policy.

## **5. Financial Implications**

- 5.1. Hampshire County Council has a Service Level Agreement with the partner authorities regarding the monitoring and implementation of the Plan. The services provided range from producing the monitoring report and Local Aggregate Assessment to preparing any new agreed documents. The partners pay 8% each of the yearly cost for these services, with Hampshire County Council covering the remaining 68%. Any new work is agreed in advance and previous projects have included the Oil and Gas and Safeguarding Supplementary Planning Documents, and this Review.
- 5.2. Estimates of the cost of an update to the Plan have not been drawn up as it would be highly dependant on the scope of the update, in particular, whether it includes both minerals and waste policies and whether new site allocations would be required. If an update was agreed with the partners, discussions on the continuation of the current financial arrangement would also need to be agreed.

## **6. Next Steps**

- 6.1. The findings of the Review along with the decision on up-dating the Plan need to be published<sup>7</sup> and it is proposed to do this by making the '2018 Review of the Hampshire Minerals & Waste Plan' public as soon as possible.
- 6.2. As some of the issues related particularly to Brexit uncertainty may resolve themselves, or the circumstances around them become clearer in the near future, it is proposed that a further Review is conducted in 2020. The shorter time frame will also allow for the close monitoring of issues and prevent any problems from escalating to unmanageable levels.
- 6.3. Because some of the issues are closely related to changes in industry and issues that industry faces, regionally and nationally, it is also proposed to have an on-going process of exploring these matters in a collaborative way, beginning with a workshop early in 2019.
- 6.4. As all the partners will need to agree to this approach, any proposals will wait for the approval by all partners before action is taken.

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<sup>7</sup> Planning Practice Guidance (Paragraph: 051 Reference ID: 61-051-20180913) (Revision date: 13 09 2018): <https://www.gov.uk/guidance/plan-making>



**CORPORATE OR 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>	No
<b>People in Hampshire enjoy a rich and diverse environment:</b>	Yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	No

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u> Adoption of the Hampshire Minerals & Waste Plan (Full Council decision).	<u>Date</u> 15 October 2013
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u> National Planning Policy Framework <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740441/National_Planning_Policy_Framework_web_accessible_version.pdf</a>	<u>Date</u> July 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>
2018 Review of the Hampshire Minerals & Waste Plan (2013)	

## **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:**

As the plan is not to be updated at this time, the impact has been assessed as neutral.

### **2. Impact on Crime and Disorder:**

2.1. No direct impact

### **3. Climate Change:**

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

The Hampshire Minerals & Waste Plan (2013) contains Policy 13 (High-quality design of minerals and waste development) which requires minerals and waste development to demonstrate, amongst others, opportunities for recycling heat, energy and water consumed as part of the operation. Policy 28 (Energy recovery development) states that relevant development should, where practicable, provide combined heat and power. It is not proposed that these policies are updated at this time.

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



The Hampshire Minerals & Waste Plan (2013) contains Policy 2 (Climate change – mitigation and adaption) which seeks to reduce the vulnerability and provide resilience of minerals and waste development, where applicable. It is not proposed that this policy is updated at this time.

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COUNCIL MEETING, 29 NOVEMBER 2018

REPORT OF THE  
HAMPSHIRE FIRE and RESCUE AUTHORITY  
PART II

## 1. CHAIRMAN'S REPORT

- 1.1. At its meeting of 25 September 2018, the Hampshire Fire and Rescue Authority noted the intended resignation of the current Deputy Chief Fire Officer for June 2019 and approved the establishment of an Appointment Committee to recruit a new Deputy Chief.

Since the last Full Authority meeting took place, the consultation regarding a Combined Fire Authority (CFA) with the Isle of Wight closed, and the feedback is currently being processed. This will go to an extraordinary meeting of the Hampshire Fire Authority on the 24 January 2019.

Further details can be found at the following links:

- [HFRA 26 September 2018](#)
- [March 2018 HFRA report regarding a proposed CFA](#)

**COUNCILLOR CHRIS CARTER**  
Chairman of Hampshire Fire and Rescue Authority

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COUNCIL MEETING, 29 NOVEMBER 2018

REPORT OF THE  
**Cabinet/Leader**  
PART II

**1. ANNUAL SAFEGUARDING REPORT - CHILDREN'S SERVICES**

- 1.1. On 5 November 2018 Cabinet received and noted a report providing an annual update on Children's safeguarding, the activities undertaken to keep vulnerable children across Hampshire safe and identify priorities over the coming year.
- 1.2. Cabinet was given assurance that whilst demand for children's social care services continued to increase year on year, the response to the safeguarding of vulnerable children was both robust and timely. New and emerging risks to children were identified and addressed collaboratively with partners and the wider transformation of children's social care would deliver a modern social work service fit for the future challenges over the next decade.
- 1.3. Cabinet noted the positive progress and the continued consistently high performance with regards to safeguarding children in Hampshire.

**2. ANNUAL SAFEGUARDING REPORT - ADULTS' SERVICES**

- 2.1. On 5 November 2018 Cabinet was updated on developments and actions undertaken by Adults' Health and Care, the County Council and a range of partners in protecting the wellbeing of vulnerable adults in Hampshire.
- 2.2. Cabinet noted 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.
- 2.3. Members were made aware of developments within the department including the PREVENT agenda and the opportunity for closer joint working with Children's Services MASH teams.
- 2.4. Cabinet welcomed the report and the joining up of responses between Children's Services and Adults' Health and Care regarding common areas.

**3. AIR QUALITY**

- 3.1. On 5 November 2018 Cabinet received a report on emerging issues relating to air quality and the County Council's approach to these.
- 3.2. Air quality is an important area of work in which the County Council needed to engage with other statutory authorities to ensure that the transport measures

developed to address poor air quality were deliverable within the powers and budgets available to it as the local highway authority and enable it to meet the duty to improve public health.

- 3.3. In order to help meet the range of challenges presented and potential implications for different County Council service areas, it was agreed to create a new internal cross departmental air quality group to manage and oversee this work within the County Council.
- 3.4. Members were also informed of the key County Council activities related to air quality which included:
  - Delivering measures in locally designated Air Quality Management Areas (AQMA's) and more generally developing local transport strategies and major and minor transport schemes to alleviate congestion, such as park and ride schemes
  - Reviewing speed management policy to consider setting speed limits to support air quality objectives in designated air quality areas
  - Supporting local bus services, including quality bus partnerships with emissions targets
  - Implementing the County Council's Electric Vehicle Charging Point (EVCP) Framework to allow transition to low emission vehicles
  - Improving the safety and reliability of the road network by maintaining roads effectively, managing road works and road safety measures and campaigns and managing traffic flow through traffic signal technology
  - Implementing the Public Health Strategy 2016-2021

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

- [Cabinet - 5 November 2018](#)

**COUNCILLOR ROY PERRY**  
**Leader and Executive Member for Policy and Resources**

COUNCIL MEETING, 29 NOVEMBER 2018

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

**1. EARLY YEARS PROVISION – NEW MILTON**

- 1.1 On 12 September 2018 the Executive Lead Member for Children's Services gave approval to project proposals for the provision of a new 60 place nursery in New Milton, at an estimated total cost of £554,000. Approval was also given to spend and enter into the necessary contractual arrangements to implement the project, including associated external works.
- 1.2 The majority of funding for the project has been secured as a grant directly from the Department for Education at a total cost of £416,000, with the remainder being funded from the Capital Programme.
- 1.3 The project will provide 60 additional nursery early years places arising in response to increased housing development and population changes in the local area. There will also be provision for breakfast and after-school clubs for primary school children, which will support working parents with child care during the working day. On completion, the new nursery building and site will be leased to the YMCA who will run the new early years provision and fund additional furniture and equipment.

Further details can be found at the link below:

[Executive Lead Member for Children's Services - 12 September 2018](#)

**COUNCILLOR KEITH MANS**  
**Executive Lead Member for Children's Services**

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COUNCIL MEETING, 29 NOVEMBER 2018

REPORT OF THE  
**Executive Member for Public Health**  
PART II

**1. LEVEL 2 COMMUNITY SEXUAL HEALTH AND INFLUENZA IMMUNISATION SERVICES**

- 1.1 On 3 October 2018 the Executive Member for Public Health gave approval to spend in relation to Level 2 Community Sexual Health and Influenza Immunisation Services for qualifying frontline Hampshire County Council health and social care staff, staff in Registration Services and those in Emergency Planning roles. These two Public Health services are not connected medically, but through the service providers and procurement mechanism. The approval to spend is up to a maximum value of £13,898,500 from 1 April 2019 with a maximum contract term of 7 years.
- 1.2 The current approved list of qualified providers was established in 2016 to facilitate the commissioning and continued delivery of enhanced public health services across many GP practices, community pharmacies and other qualified providers in Hampshire. A review of the services on the Approved List has been completed by the Public Health team and it has been identified that there is an ongoing need to commission the Long Acting Reversible Contraception service, the Emergency Hormonal Contraception service and the Influenza Immunisation services for frontline staff.
- 1.3 The public risks with not recommissioning these services include increased numbers and rates of unintended pregnancy, including teenage pregnancy and for influenza immunisation an increased risk of morbidity and mortality arising from seasonal influenza in older people and other vulnerable adults with care needs.
- 1.4 The procurement of these services will help ensure continued service delivery, continued improvement in service outcomes and enhanced performance measures including standardised contracts and specifications focused on outcomes.

Further details can be found at the link below:

[Executive Member for Public Health - 3 October 2018](#)

**COUNCILLOR PATRICIA STALLARD**  
**Executive Member for Public Health**

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