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Hampshire County Council

NOTICE OF MEETING

Meeting	Cabinet
Date and Time	Tuesday, 14th July, 2020 at 10.30 am
Place	Remote Meeting
Enquiries to	members.services@hants.gov.uk

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

FILMING AND BROADCAST NOTIFICATION
This meeting is being held remotely and will be recorded and broadcast live via the County Council's website.

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

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

3. MINUTES OF PREVIOUS MEETING (Pages 5 - 24)

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. A PROGRESS REPORT OF THE COUNTY COUNCIL'S RESPONSE TO THE COVID-19 CRISIS (Pages 25 - 50)

To consider a report of the Chief Executive regarding the County Council's continuing responses to and process (and leadership) of recovery from the COVID-19 pandemic.

7. HAMPSHIRE LOCAL OUTBREAK CONTROL PLAN AND LOCAL OUTBREAK ENGAGEMENT BOARD (Pages 51 - 66)

To consider a report of the Chief Executive regarding the Local Outbreak Control Plan and Local Outbreak Engagement Board

8. MEDIUM TERM FINANCIAL STRATEGY (Pages 67 - 124)

To consider a report of the Director of Corporate Resources regarding the Medium Term Financial Strategy

9. 2019/20 - END OF YEAR FINANCIAL REPORT (Pages 125 - 172)

To consider a report of the Director of Corporate Resources regarding the 2019/20 End of Year Financial Report

10. CLIMATE CHANGE STRATEGY (Pages 173 - 446)

To consider a report of the Director of Economy, Transport and Environment regarding the Climate Change Strategy

11. TRANSPORT FOR THE SOUTH EAST (TFSE) (Pages 447 - 614)

To consider a report of the Director of Economy, Transport and Environment regarding Transport for the South East's Proposal to Government

12. SERVING HAMPSHIRE - 2019/20 PERFORMANCE REPORT (Pages 615 - 656)

To consider a report of the Chief Executive regarding the Council's performance in 2019/20

ABOUT THIS AGENDA:

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

ABOUT THIS MEETING:

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

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

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AT A MEETING of the Cabinet of HAMPSHIRE COUNTY COUNCIL held remotely on Friday, 15th May, 2020

Chairman:
* Councillor Keith Mans

* Councillor Rob Humby
* Councillor Roz Chadd
* Councillor Liz Fairhurst
* Councillor Judith Grajewski
* Councillor Edward Heron
* Councillor Andrew Joy
* Councillor Stephen Reid
* Councillor Patricia Stallard
* Councillor Seán Woodward

Also present with the agreement of the Chairman: Councillors Bennison, Collett, Glen and House.

176. **APOLOGIES FOR ABSENCE**

All Members were present and no apologies were noted

177. **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.

178. **MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting were reviewed and agreed

179. **DEPUTATIONS**

No requests to make a deputation had been received.

180. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed Members to Hampshire County Council’s first remote meeting. He recognised the extent of the Covid-19 crisis and its impact on Hampshire and the world and the importance of joint working to resolve the crisis.

181. **AN EARLY REVIEW OF THE COUNTY COUNCIL'S RESPONSE TO THE COVID 19 CRISIS**

Cabinet considered a report of the Chief Executive regarding the County Council's response to the Covid-19 crisis.

With the agreement of the Chairman, Councillor House addressed Cabinet, welcoming the report, thanking HCC staff for their recent efforts and highlighting the common issues faced by all local authorities.

With the agreement of the Chairman, Councillor Porter addressed Cabinet, highlighting the challenges of re-opening schools and the pressure on childcare setting. She welcomed the support that had been available for Members to continue to operate in their communities.

The report was introduced and key corporate and departmental issues were highlighted, acknowledging the rapidly changing nature of the crisis. The benefit of Public Health being integrated in the County Council was noted, in particular the relationship with the Isle of Wight Public Health and the development of the track and trace programme. It was confirmed that the pandemic in Hampshire matched the national picture of slowly reducing from the peak.

Cabinet heard that the Director of Economy, Transport and Environment was leading on the recovery phase for the County Council. He provided some initial thoughts on this, noting that it would run alongside the response phase and that the pace of recovery would be governed by the progress of the virus. The split between national and local drivers for recovery was recognised and the importance of strong community engagement and of innovation in areas such as transport detailed. .

Members welcomed the report and acknowledged that the County Council must do everything possible to reduce the spread of the virus. The hard work of HCC officers across all departments was recognised and a number of prominent examples were cited. The role and benefit of partnership working was highlighted and Members noted how communities had come together in tackling the impact of the virus.

The recommendations set out in the report were considered and agreed. A decision record is attached to these minutes.

182. **COVID-19 FINANCIAL IMPACT**

Cabinet considered a report of the Director of Corporate Resources regarding the financial impact of the Covid-19 crisis.

With the agreement of the Chairman, Councillor House addressed Cabinet, highlighting the promises of the Secretary of State to provide financial support, the severe impact across local government and urging the County Council to share financial data with the LGA to contribute to the national picture.

The report was introduced and it was explained that it gave the first snapshot of the financial consequences of the crisis. It was confirmed that data would be provided to MHCLG and shared with the LGA. The unfunded three month shortfall of £21.6 million was highlighted and it was noted that this was expected to increase by £18.5 million for each subsequent month. Members heard that if these cost pressures remained unfunded then the impact on the County Council would have to be met from reserves, including from the pension fund windfall. The impact on the markets of a recession made further windfalls from the pension fund less likely. These pressures came on top of the existing financial stresses planned for in the Transformation programme.

Cabinet welcomed the report as providing robust documentation of the full financial consequence of the crisis. Members agreed with holding the Government to their commitment of support and felt that this should be based on the full financial impact on the Council.

The recommendations in the report were considered and agreed. A decision record is attached to these minutes.

183. **COVID-19: TEMPORARY CHANGES TO THE COUNTY COUNCIL'S DUTIES UNDER THE CARE ACT 2014**

Cabinet considered a report of the Director of Adults' Health and Care regarding temporary changes to the County Council's duties under the Care Act 2014.

The report was introduced including an overview of the work underway within Adults Services and the options within the legislation to enact the Care Act easements. The process of doing so was outlined and it was confirmed that this was a temporary position and would be used as a last resort and not a blanket approach. It was furthermore clarified that the recommendations were being made pro-actively and there was no current expectation of the delegated authority being required.

Cabinet welcomed the report and considered and agreed the recommendations. A decision record is attached to these minutes.

184. **DOMESTIC VIOLENCE**

Cabinet considered a report of the Chief Executive regarding specific concerns and activities related to domestic abuse and violence during the Covid-19 crisis.

With reference to the report, the background and key concerns were outlined. The full picture of the impact on children was not likely to be clear until after lockdown, when it was expected that referrals would increase.

Members welcomed the report, noting the importance of the issue and asking that a further update be presented sooner than six months.

The recommendations in the report were considered and agreed. A decision record is attached to these minutes.

185. **THE LOCAL AUTHORITIES AND POLICE AND CRIME PANELS (CORONAVIRUS) (FLEXIBILITY OF LOCAL AUTHORITY AND POLICE AND CRIME PANEL MEETINGS) (ENGLAND AND WALES) REGULATIONS 2020 - AMENDMENT TO STANDING ORDERS AND EXECUTIVE PROCEDURES**

Cabinet considered a report of the Director of Transformation and Governance regarding the impact of new legislation as a result of the Covid-19 crisis.

In introduction to the report, the Chairman proposed an update to the recommendations in the report to: delete existing recommendations c and e. He also proposed a new recommendation: "Cabinet requests that the Chief Executive, in consultation with the Group Leaders, undertakes a review of the County Council's Executive decision making process, and that a further report on the outcome of the review is brought to Cabinet after the Covid-19 crisis"

With the agreement of the Chairman, Councillor House addressed Cabinet, welcoming the updated recommendations, noting the success of remote meetings and the importance for transparency at this time.

The revised recommendations were considered and agreed. A decision record is attached to these minutes.

186. **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED:

That the press and public be excluded from the meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present, there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, being information relating to the financial or business affairs of any particular person (including the authority holding the information). which should not be disclosed for the reasons set out in the report.

187. **FARNBOROUGH INTERNATIONAL LIMITED - INTEREST RATE DEFERRAL AND LOAN REPAYMENT TIMETABLE - EXEMPT**

Cabinet considered an exempt report of the Director of Corporate Resources regarding Farnborough International Limited.

With reference to the exempt report, the context of the cancellation of this year's airshow and the consequential financial pressure was outlined to Cabinet. It was confirmed that any adjustments to the loan repayment to the County Council would still result in full repayment.

Cabinet noted the pressures on the aviation industry and that an adjustment to the loan repayment timetable would assist with the viability of the airshow and therefore be of benefit to the wider north-Hampshire economy.

The recommendations in the report were considered and agreed. A decision record is attached to these minutes.

188. **BLACKBUSHE AIRPORT: PROGRESS OF JUDICIAL REVIEW AND ASSOCIATED POTENTIAL COSTS**

Cabinet considered an exempt report of the Director of Culture, Communities and Business Services and the Head of Law and Governance regarding Blackbushe Airport.

The background and progress of the judicial review was set out alongside the next steps and potential financial implications. The national significance of the case for future planning matters involving common land was highlighted.

With the agreement of the Chairman, Councillor Collett addressed Cabinet, setting out his involvement as the local Member and asking that the recommendations be supported.

The recommendations in the report were considered and agreed. A decision record is attached to these minutes.

Chairman,

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HAMPSHIRE COUNTY COUNCIL

Decision Record

Decision Maker:	Cabinet
Date:	15 May 2020
Title:	An Early Review of The County Council's Response to the Covid 19 Crisis
Report From:	Chief Executive

Contact name: John Coughlan

Tel: 01962 845252 **Email:** John.coughlan@hants.gov.uk

1. The decision:

That Cabinet:

1.1. Note the contents of the report as a summary of the exceptional events and responses by the County Council to the Covid 19 crisis, bearing in mind that this can only be a top-level assessment of a massive and fast changing situation;

1.2. Approve the immediate emphasis on the County Council's recovery work, on behalf of the County Council and the local Hampshire economy, notwithstanding the long-lasting nature of the crisis;

1.3. Acknowledge the continuing extraordinary and at times heroic efforts of the staff of the County Council as the crisis has progressed.

2. Reasons for the decision:

2.1. To note the ongoing response to the Covid 19 crisis and recognise the exceptional efforts of all involved.

3. Other options considered and rejected:

3.1. None.

4. Conflicts of interest:

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

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

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

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

7. **Statement from the decision maker:**

Approved by:	**Date:**
----------	15 May 2020
Chairman of Cabinet Councillor Keith Mans	

HAMPSHIRE COUNTY COUNCIL

Decision Record

Decision Maker:	Cabinet
Date:	15 May 2020
Title:	Covid-19 Financial Impact
Report From:	Director of Corporate Resources

Contact name: Rob Carr

Tel: 01962 847508 **Email:** Rob.carr@hants.gov.uk

1. The decision:

That Cabinet:

1.1. Notes the current position in respect of the financial impact of Covid-19 as set out in detail in Appendix 2 of the report.

1.2. Notes the current level of unfunded spend and losses as detailed in paragraph 32 of the report.

1.3. Notes the current impacts and issues for Schools as set out in Appendix 3 of the report.

1.4. Delegates authority to the Deputy Chief Executive and Director of Corporate Resources to allocate the additional £24.3m of grant funding as required in consultation with the Chief Executive and Leader of the Council.

1.5. Notes the impact on the medium term financial position as set out in the final section of the report.

2. Reasons for the decision:

2.1. To note the financial impact of the Covid 19 crisis on the County Council and allocate grant funding as required.

3. Other options considered and rejected:

3.1. None.

4. Conflicts of interest:

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

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

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

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

7. **Statement from the decision maker:**

Approved by:	**Date:**
---------- Chairman of Cabinet Councillor Keith Mans	15 May 2020

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	15 May 2020
Title:	Covid-19: temporary changes to the County Council's duties under the Care Act 2014
Report From:	Director of Adults' Health and Care

Contact name: Jessica Hutchinson

Tel: 01962 847966 **Email:** jessica.hutchinson@hants.gov.uk

1. The decision:

1.1 That Cabinet approve the use of the amendments to the County Council's duties under the Care Act 2014 if required.

1.2 That authority is delegated to the Director of Adults' Health and Care in consultation with the Executive Member for Adult Social Care and Health to implement, in line with Government guidance and as referenced in this report, all or any powers provided under Section 15 and Schedule 12 of the Coronavirus Act 2020 and to decide on timescales and manner of any implementation.

2. Reasons for the decision:

2.1 As this is important legislation involving one of the County Council's most significant service areas, Members should be briefed at an early stage on the extensive work that Adults' Health and Care is currently doing to manage the Covid-19 situation and the forward planning it is undertaking, should the situation become even more challenging than it currently is. This is in line with the Government's guidance and updated Ethical Framework for adult social care which stresses the ongoing importance of accountability, involvement and transparent, robust decision making.

2.2 To seek approval for delegated authority to the Director of Adults' Health and Care in consultation with the Executive Member and Principal Social Worker to implement, if required, the temporary changes to the County Council's Care Act duties.

3. Other options considered and rejected:

3.1 To not report to Cabinet in advance of any easements being taken. This option was rejected as it is not in line with the County Council's aim for transparency and robust decision making.

3.2 To present to Cabinet the decision to enforce the easements. This was rejected as it is clear that use of the easements should be a last resort and that Care Act 2014 duties should continue to be met for as long as possible.

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:**
----------	15 May 2020
Chairman of Cabinet Councillor Keith Mans	

HAMPSHIRE COUNTY COUNCIL

Decision Record

Decision Maker:	Cabinet
Date:	15 May 2020
Title:	Domestic Violence
Report From:	Chief Executive

Contact name: John Coughlan

Tel: 01962 845252 **Email:** John.coughlan@hants.gov.uk

1. The decision:

That Cabinet:

1.1. Notes the report, endorse the various activities described therein and approve the current and evolving inter-departmental approach to addressing domestic abuse and violence.

1.2. Receive an update report on the progress of these activities within a period of approximately six months.

2. Reasons for the decision:

2.1. To note the approach to addressing domestic violence and abuse and to monitor the updates going forward.

3. Other options considered and rejected:

3.1. None.

4. Conflicts of interest:

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

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

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

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

7. Statement from the decision maker:

Approved by:	**Date:**
----------	15 May 2020
Chairman of Cabinet Councillor Keith Mans	

HAMPSHIRE COUNTY COUNCIL

Decision Record

Decision Maker:	Cabinet
Date:	15 May 2020
Title:	The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 - Amendment to Standing Orders and Executive Procedures
Report From:	Director of Transformation and Governance

Contact name: Barbara Beardwell

Tel: 01962 845157 **Email:** Barbara.beardwell@hants.gov.uk

1. The decision:

That Cabinet:

1.1. Notes the provisions contained in the Regulations as outlined in the report, and how they might be applied to County Council business, in particular full Council, Committee and Cabinet Meetings.

1.2. Recommends to full Council, in light of the Coronavirus epidemic and its consequential impact on the holding of Individual Executive Member Decision Days, that the Constitution should be amended in order to allow Individual Executive Member Decision Days ordinarily held in public, to be held remotely for the duration of the Regulations.

1.3. Recommends to full Council in consequence of 1.2 above that amendments as indicated at Appendix One and Appendix Two to the report be made to Standing Orders and Executive Procedures and Role of the Executive, contained respectively within Part 3, Chapter 1, and Part 3, Chapter 2 of the Constitution.

1.4. Requests that the Chief Executive, in consultation with the Group Leaders, undertakes a review of the County Council's Executive decision making process, and that a further report on the outcome of the review is brought to Cabinet after the Covid-19 crisis.

2. Reasons for the decision:

2.1. To agree the provisions made under the Regulations so far as they affect the County Council's governance arrangements and decision making processes and to agree the amendment to Standing Orders for recommendation to Full Council.

3. Other options considered and rejected:

3.1. None.

4. Conflicts of interest:

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

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

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

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

7. Statement from the decision maker:

Approved by:	**Date:**
---------- Chairman of Cabinet Councillor Keith Mans	15 May 2020

HAMPSHIRE COUNTY COUNCIL

Decision Record

Decision Maker:	Cabinet
Date:	15 May 2020
Title:	Farnborough International Limited – Interest Rate Deferral and Loan Repayment Timetable
Report From:	Director of Corporate Resources
Summary of an Exempt Decision	

Contact name: Jonathan Hurford-Potter

Tel: 01962 667991 **Email:** Jonathan.hurford-potter@hants.gov.uk

1. The decision:

1.1. That Cabinet notes the proposed approach as set out within the exempt report to Farnborough International Limited's interest rate deferral and loan repayment timetable and agree recommendations contained within the exempt report accordingly.

2. Reasons for the decision:

2.1. To agree the proposals in regard to the interest rate deferral and loan repayment timetable as set out within the exempt report.

3. Other options considered and rejected:

3.1. None.

4. Conflicts of interest:

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

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

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

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

7. Statement from the decision maker:

Approved by:	**Date:**
---------- Chairman of Cabinet Councillor Keith Mans	15 May 2020

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	15 May 2020
Title:	Blackbushe Airport: Progress of Judicial Review and associated potential costs
Report From:	Director of Culture, Communities and Business Services Head of Law and Governance
(Summary of an Exempt Decision)	

Contact names: **Felicity Roe / Barbara Beardwell**

E-mail: felicity.roe@hants.gov.uk / barbara.beardwell@hants.gov.uk

1. The decision:

1.1 That the Recommendations set out in the report are approved by Cabinet.

2. Reason(s) for the decision:

2.1 To enable funding for the County Council to defend legal challenge to the decision of the High Court.

3. Other options considered and rejected:

3.1 To not progress the case in the Court of Appeal – this was rejected as it was considered that there was a compelling public interest in the case being heard in the Court of Appeal.

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: .

6.1 To enable the County Council to respond to the appeal against the decision of the High Court within the statutory timescales.

7. Statement from the Decision Maker:

Approved by:	**Date:**
----------	**15 May 2020**
Chairman of Cabinet **Councillor Keith Mans**	

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	14 July 2020
Title:	A Progress Report of The County Council's Response to the COVID-19 Crisis
Report From:	Chief Executive

Contact name: John Coughlan, Chief Executive

Tel: 01962 845252 **Email:** John.coughlan@hants.gov.uk

Purpose of this Report

1. This is the second in what will from now be a series of regular reports to Cabinet, summarising the County Council's continuing responses to and process (and leadership) of recovery from the COVID-19 pandemic.

Recommendations

It is recommended that Cabinet should:

2. Note the contents of this report as a further summary of the exceptional events and responses by the County Council to the COVID-19 crisis, bearing in mind that this can only be a top-level assessment of a massive and fast changing situation;

3. Note in particular the additional developing initiatives that have been introduced since the past report including the support to the wider care home sector, the preparations for increasing access to schools, and in particular the beginning of the outbreak recovery planning;

4. Acknowledge the continuing extraordinary and at times heroic efforts of the staff of the County Council as the crisis has progressed.

Executive Summary

5. This report further summarises the range of exceptional steps that have been taken corporately and departmentally by the County Council to respond to the current national emergency stemming from the COVID-19 pandemic, from early May 2020. The report summarises progress so far particularly with regard to the local authority's crucial public health and social care duties. The report focusses on the core responsibilities of Hampshire County Council itself, through continuing departmental updates, but heavily reflects our formal partnership with the sub-regional and interagency arrangements under the Local Resilience Forum (LRF). The report also summarises and the local authority's developing recovery processes.

6. An unprecedented national crisis has demanded an unprecedented set of responses from across the public sector, most notably the NHS, but also local government. The County Council's response has particularly included:

- a rapid but managed re-designation, and reprioritisation of services;

- close work with the schools' community in its general (partial) closure but targeted retention of services for vulnerable and key workers' children, and more latterly the complex implementation of plans to gradually return schools to a wider re-opening;

- a mass movement to remote working by council staff (enabled by what has proven to be a visionary approach to IT improvements in the past year);

- an extraordinary mobilisation of staff and services in Adults' Health and Care that has enabled the HIOW NHS acute sector to create significant new capacity to cope with victims of the disease while at the same time changing the operating model for care homes to manage their and their residents' vulnerability to the disease;

- leadership of the new duties for support to the "shielded" individuals identified as vulnerable and in need of social isolation by the NHS;

- the beginning of the phased reintroduction of a range of "place" services from the oversight of construction projects and waste disposal services, through to the managed re-opening of country parks and open spaces facilities in the light of the changes in lockdown measures nationally;

- A summary of the very rapid and effective work between HCC and the private, voluntary and independent care home sector to mobilise support for that sector and transfer some £18 million of funds directly to providers;

- A brief explanation of the introduction of the County Council's new leadership role with regard to the development and implementation of Outbreak Management Plans as the key methodology for safely managing potential further reductions in general lockdown (which is also a subject of a separate report to this Cabinet);

- An update the County Council's leadership, on behalf of the LRF and through our oversight of the Coroner Service, of the "excess deaths" strategy including the progress of emergency provision of additional mortuary capacity.

7. As a statutory body and democratic institution, a core principle of the County Council's approach to the crisis so far was to adhere closely to Government guidance and medical advice, summarised initially by the maxim that we should all: stay safe; protect the NHS; and save lives. This approach has served the organisation and the County well so far, though inevitably there have been and will continue to be testing moments and issues, given the scale, dynamism and complexity of the crisis and the unprecedented circumstances creating tensions on all parts of government and the public sector. In this context it has proved invaluable that the County Council is the public health authority for the county and the leadership and performance of local public health services remains exceptional throughout. Of course, in the period covered by this report that Government advice has shifted to: stay alert; control the virus; save lives; and as a responsible local authority and public health body that maxim and the changing measures that have come with it, continue to inform and guide these responses. Alongside these critical public health and safety duties, the County Council is also mindful of its responsibilities with regard to the profound economic implications of the crisis, on behalf of HCC the institution and especially upon the welfare of the Hampshire Community.

8. This report will summarise the initial progress of the "recovery phase" which is the key component of any crisis management. One of the distinguishing features of this crisis is its length in time. Therefore, the overlap between crisis response and crisis recovery will be equally critical. The County Council and the county's residents cannot afford (quite literally) for recovery to await the conclusion of the response.

9. Finally, by way of summary, the financial implications of the crisis on the County Council's own budgets and financial planning remain profound. Separate summary financial papers will continue to map those increasingly challenging issues.

Contextual Information

10. The following sections of this report will offer a summary of the responses so far by department and where necessary by service. Corporately, and in line

with the activities of the inter-agency, pan-Hampshire Local Resilience Forum, the County Council introduced its emergency planning structure on 18 March 2020. This includes a strategic Gold Command, chaired by the Chief Executive and made up of the Corporate Management Team and relevant key officers, an operational corporate Silver Command and departmental Bronze Commands offering tactical service leadership. That structure is now supplemented by two key additional groups, one for recovery and one for the outbreak management planning.

Public Health - Context

11. The current COVID-19 outbreak is due to a new coronavirus from animals, which first came to light in China in late 2019. The first cases in the UK were identified in January 2020. With more and more countries around the world experiencing outbreaks, the World Health Organization declared a global pandemic in March 2020.

12. Coronaviruses are a large family of viruses which, in humans usually cause mild illness, including common colds. The COVID-19 disease is spread through cough droplets either directly from an infected person or from touching surfaces contaminated with the virus through someone coughing onto them. The virus is estimated to last for up to 72 hours on hard surfaces.

13. The symptoms of coronavirus disease (COVID-19) are typically (but not exclusively) a cough, a high temperature and shortness of breath. It is now additionally advised that a loss of sense of smell may also be a key symptom. The virus can affect anyone and for most people the symptoms will be mild, and people will recover in around two weeks. However, the individuals at highest risk for severe disease are those over 70 years and those with underlying health conditions where symptoms could require hospitalisation. There is further developing evidence about possible increased risks to BAME communities and those individuals with obesity. It remains difficult to accurately estimate the mortality rate because not all cases are identified. However, data from around the world suggests it is likely to be around less than 1%. The disease in children appears to be mild in most cases, though there have been instances of deaths.

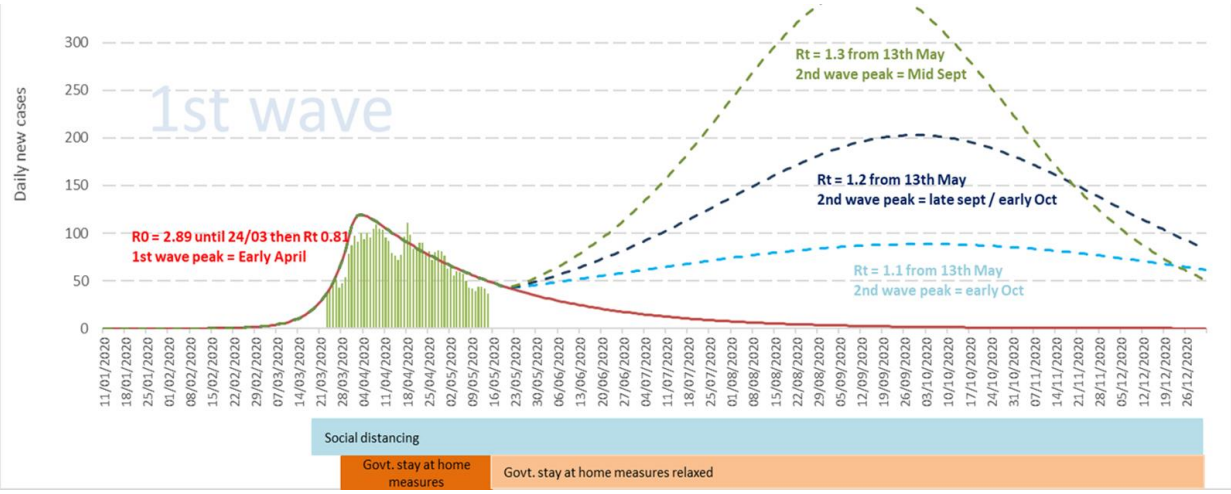
14. Within Hampshire there has been a steady rise in cases and deaths in line with the national spread and epidemic. As of 7 July 2020, there are 3,392 diagnosed cases in Hampshire. The first peak was well managed through social distancing and effective planning. The modelling of the virus suggests further waves of disease will develop during the Autumn. We are working to manage further waves of disease.

15. Due to the lack of immunity in the population the disease can easily spread between people causing a large outbreak and ‘peak’ in cases. If allowed to spread without intervention the resulting level of disease would overwhelm our health and social care services due to the extreme volume of those requiring

specialist care and support. Therefore, a number of measures, many of which were based on existing national plans to respond to influenza pandemics, were put in place by the government to manage the outbreak. The first phase was to **CONTAIN** the disease, tracking those who had the disease and contact tracing those they had been in close contact with. Working with Public Health England, the County Council's public health team supported this through connecting with and supported key settings affected.

16. Following this phase and once the disease was understood to be spreading in the community, the country as a whole moved to the **DELAY** phase. This phase has increasingly involved measures to slow the spread through social distancing for the whole population and shielding for the most vulnerable. These measures have been largely successful, and we appear to have now seen a predicted peak much reduced and delayed, albeit with many people experiencing severe disease and significant numbers of COVID-19 related deaths. As referenced above, while recognising the success of these significant measures in terms of lives protected and saved, the County Council has also to be concerned about the economic impact of this crisis upon the welfare of the Hampshire population.

17. The following graph depicts a predictive assessment of the potential severity and timing of a second peak or wave of the outbreak, relative to the first in April 2020. This is based on three scenarios linked to the future "R number" (the analysis of the reproductive pace and spread of the virus) and the prevalence of infection. Firstly, it should be stressed that it will not be feasible to construct an R value for localities or even the county of Hampshire. It is a broad statistical analysis over time and a wide population – it is likely we may see regional R values in time. We know that the first peak was based on a very high R number but from what was a low base of prevalence at that time. Crucially, that first peak, for all of the challenges and tragedies it brought, was contained within the capacity of the NHS so the worst national calamity was avoided. We also know, as we have come gradually down from the first peak through near total lockdown, that to avoid any second wave (as per the lower red line in this graph) would depend on continued high levels of lockdown that keep R well below the value of 1. But the closer the R number gets consistently towards or beyond a rate of 1.2, the more severe would be the second peak and the more intense would be the pressures upon the NHS and wider services. That is why the new local authority public health duties of outbreak control planning, discussed further in this report and separately to this Cabinet, will be so critical to the management of and recovery from the crisis.



18. As the pandemic has developed and the impact of the interventions is becoming better understood we have seen an easing of some of the lockdown measures but importantly the two metre social distancing rule has remained in place to date. There is now a general consensus that the country is currently in a period towards the middle of the end of the first peak or surge in the spread of the virus. However, in the absence of an effective vaccine, as long as there are cases of infection in the community, the likelihood of a resurgence of spread remains. As restrictions are eased, the UK may then see a rise in the disease again leading to a second wave. This will need to be managed in a similar way to the current measures, with increased local leadership through the Outbreak Control plan.

19. The programme of testing for COVID-19 is key for understanding the spread of disease and prevent further cases. The testing programme has been developed over the life of the epidemic. In the 'contain' phase testing was for people who had travelled to affected areas or those in contact with cases who were symptomatic. The next phase testing was for those admitted to hospital who were symptomatic and for potential outbreaks in care homes. A programme of testing for key workers has commenced in Hampshire recently to support business continuity. Finally testing was made available for everyone symptomatic. Testing programmes have developed through a variety of delivery models. Under the Director of Public Health these models are being reviewed to ensure they meet local needs. The progress and coordination of testing, and a stronger local authority role in that coordination will be key to the effective management of outbreak control plans.

20. We have now moved to a phase, as the start of outbreak management, of testing and tracing community cases. This involves increased testing in the community, tracing those who have been in contact with a case and supporting people to self-isolate with symptoms and NHS care where needed. It is intended to be a more targeted and "surgical" approach to management of the spread of the disease which can apply controls which do not have such widespread and economically as well as socially disruptive effects. The contact tracing will be the NHS Test and Trace programme overseen by

Public Health England and Local Directors of Public Health. . The Director of Public Health was helping to lead the early implementation of the Test and Trace and Mobile phone app programme through his leadership role on the Isle of Wight. At the time of writing the pilot app used on the Isle of Wight is now being rejected in favour of a different model which will take further time to develop and implement.

21. In line with Government guidelines an Outbreak Control Plan for Hampshire is being developed (and is subject of a separate report before this Cabinet meeting). The leadership of this approach has been devolved to the upper tier (public health) authority. The Government has allocated £600 million nationally to support implementation. An officer board (akin to a health protection board) has been established as has a parallel political and leader-led board. The Plan is centred around 7 themes:
    a. Planning for local outbreaks in care homes and schools
    b. Identifying and planning how to manage other high-risk places, locations and communities of interest
    c. Identifying methods for local testing to ensure a swift response that is accessible to the entire population.
    d. Assessing local and regional contact tracing and infection control capability in complex settings
    e. Integrating national and local data and scenario planning through the Joint Biosecurity Centre Playbook
    f. Supporting vulnerable local people to get help to self-isolate
    g. Establishing governance structures.

22. A vaccine is still being researched which would enable society to gain population immunity, preventing the spread of disease and protecting the vulnerable from illness. This is most likely to be available during 2021, if a vaccine can be developed.

Public Health - Leadership

23. Through the Local Resilience Forum (LRF), Hampshire County Council has provided public health leadership to the multiagency response to ensure that the emergency is managed in a way that is proportionate and ensures that the local system, especially in health and care, is able to cope with the pandemic. The Director of Public Health (DPH) is the Deputy Chair of the Strategic Command Group of the LRF, working to the Chief Fire Officer. (The LRF is the umbrella term for the formal legal partnership of key statutory agencies in a given area, in our case that is Hampshire and the Isle of Wight, including the two cities and the island. The LRF is not a legal entity in itself and holds no direct budgets or accountabilities but is the sum of its constituent statutory partners in the area who must work together during a time of crisis).

24. The public health team, working with Southampton and Portsmouth Directors of Public Health, has ensured that the data on the disease is understood by the partners for effective response. Key workstreams led directly by the County Council's DPH include preventing the spread of infection through effective social distancing, setting up testing with national government and ensuing national guidance on PPE is communicated and interpreted for effective use by local agencies. Members of the public health team have also supported the workstream to protect the most vulnerable led by the HCC's Director of Adult Social Care on behalf of the LRF. Throughout all stages of the pandemic, support and advice has been given to all parts of the council dealing with different aspects of the public health emergency.

Adults' Health and Care

25. The department has moved positively to maintain its critical functions throughout the on-set of the COVID-19 crisis. Staff have resolutely and positively moved to the new working from home and social distancing arrangements; providers are making support in the community available through our Brokerage services and all providers are being supported and paid in advance to maintain their cash-flow and resilience. We are regularly liaising with the whole sector to ensure that direct care is continuing to be provided in line with the published guidance.

26. On 14 May the Minister for Care, Helen Whately MP, published a letter identifying the support required to the care sector, with particular emphasis on support to the care home sector. Alongside a range of support offers ranging from clinical support, through to infection prevention and control training and access to other support through social care and health partners a national fund of £600m was announced. The first tranche of money has been distributed largely on a per capita basis of care home beds, with some £7.9m distributed to care homes by 29th May. The monies were distributed as quickly as possible in recognition of the pressures on the sector, including through short term use of County Council reserves ahead of payment from Government. Hampshire County Council received positive endorsement of the approach and detailed plan in support of the care home sector. This funding has been used to support a range of key areas of permissible spend; 23% has been used to safely isolate residents within care homes, 27% to restrict staff movements,23% to ensure staff self-isolating receive their full wages, with the remaining 27% used on a range of measures to keep care homes Covid-19 safe. Plans are now being developed by Hampshire County Council, working with Hampshire CCG Partnership, Hampshire Care Association, HealthWatch Hampshire and local CQC inspectors for the second tranche of funding due to be distributed in July.

27. Our direct care provision, alongside NHS partners, has seen a significant amount of acute hospital provision freed-up in anticipation of COVID-19 cases. Initially, some 40–50% of the available acute hospital beds were made available. The restoration of some elements of NHS service delivery has now commenced and bed occupancy has increased as the incidence of COVID-19

care in hospitals has decreased. Currently some 20% of acute hospital provision remains available. Capacity planning and modelling has identified the need to ensure any future waves can be accommodated and work remains ongoing across all our acute hospital systems to plan for such an eventuality, as well as ensuring the restoration of NHS services.

28. Our in-house care homes, in the main, have maintained good levels of staffing and care for residents. These achievements in themselves cannot be underestimated and the ongoing consequences and impacts upon care homes, residents, families and staff will continue to be significant in the coming months.

29. Impacts upon the wider social care sector continue to be felt and pressures are increasing, given the duration of the lockdown. There is growing evidence of family distress – particularly for younger adults supported by family carers. The suspension of many usual services, including day opportunities and respite are going to be increasingly important to reinstate in the coming weeks. Staff and provider partners continue to offer regular contact to individuals and their families, this especially offers vital safeguarding support but cannot act as replacement for the restoration of usual services and support.

30. As referenced above, the leadership of HIOW's "Shielding" arrangements has been taken on by HCC's Director of Adults' Health and Care and the Departmental Management Team. Shielding is the term used to support those members of the community who are identified by the NHS as in need of social isolation by virtue of their underlying health conditions. The process involves GPs and hospital Consultants notifying NHS England about individual patients and then the NHS contacting those individuals and asking them to register for support if needed. Those who register for support are then notified onwards to the local hub arrangements, which are run by HCC for Hampshire County. Food deliveries are arranged centrally but the hub, partly through a helpline (HantsHelp4Vulnerable; 0333 3704000) ensures other forms of support, such as collecting prescriptions, are made available. This takes place through a range of community local response centres coordinated in partnership with district councils and the local voluntary sector.

31. These arrangements, brought into place with exceptional rapidity, continue to operate well. However, there are a number of key challenges that are being actively managed, given announcements made in late April that the national programme would cease at the end of July. All partners across Hampshire continue to work positively together in supporting shielded and vulnerable residents, with a particular focus upon transitioning those in receipt of the national shielding programmes direct food delivery arrangements into local arrangements. Overall, during our response to date some 80,000 people have been subject to support in a variety of ways, across Hampshire. **A link to the data dashboard can be found at;**
https://hants.sharepoint.com/sites/AHC/Shared%20Documents/Forms/AllItems.aspx?id=%2Fsites%2FAHC%2FShared%20Documents%2FCOVID-19

%2D19%2DHantshelp4vulnerable%20Helpline%2FWelfare%20Support%20Team%20External%20Scorecard%2Epdf&parent=%2Fsites%2FAHC%2FShared%20Documents%2FCOVID-19%2D19%2DHantshelp4vulnerable%20Helpline

Children's Services

32. With regards to the County Council's critical children's social care services, a three-phased approach has been developed, with each phase based on prioritising key areas (e.g. residential care) in the event of having fewer staff available to work should the situation worsen.

33. The services are currently operating in phase one meaning essentially doing 'business as usual but doing it differently'. All statutory timescales for safeguarding visits and meetings remain the same (and are being met) but with enhanced use of technology to ensure officers see children and families through digital means – WhatsApp, Teams and a number of other similar approaches as appropriate and required. Working digitally has been part of the Children's Services transformation programme and staff were already familiar with mobile and flexible working. The service is fully operational and continues to operate as near to normal as possible. A small number of face-to-face home visits are being undertaken, where there is confidence that staff can safely socially distance themselves while fulfilling their duties. This is usually in relation to urgent child protection work.

34. At this stage, the numbers of staff ill or self-isolating for various reasons has remained stable at between 10-15% and there is confidence that safeguarding services will remain as reported above. The approach is being closely communicated with partners, including through the MASH so they are aware of this business as usual approach in the interests of protecting vulnerable children during the crisis. The Hampshire MASH continues to function to high standards which is essential to the safe running of children's services generally. Children's vulnerability has not diminished and requires the local authority's constant vigilance and intervention. Furthermore, there is a legitimate concern that the true impact of the crisis on children's social care services is yet to come. We can expect (and are beginning now to experience) a later "bow wave" of delayed referrals about vulnerable children brought about by the combined effects of the lockdown and the reduction of routine universal service accessibility or attention. Work is well underway to ensure additional resources can be redeployed within the service to address this increased demand. Work is also underway to increase face to face visits with children and families as lockdown measures begin to ease.

35. Since the formal closure of schools was announced on the 20 March 2020, practically all schools have remained at least partially open to provide levels of education and emergency childcare to children of critical workers and those children who are vulnerable. During the week prior to half term around 7,400 pupils were attending daily which is around 4% of the total school population.

Schools remained open over the Easter period and the services maintained good coverage to provide childcare, including on Good Friday and Easter Monday, although the number of parents taking up that offer for their children fell to around 800. In addition, a large number of schools remained open during the May half-term period and we had good geographical coverage of available spaces for parents of critical workers.

36. Primary schools have been asked to broaden their offer and open for more children from the 1 June 2020. Schools have been following the public health guidance around this phased and limited re-opening. Recognising that younger children are unlikely to be able to socially isolate schools were asked to put in place “bubbles of no more than 15 pupils in a classroom”. The children and staff within each bubble then remain separate from the rest of the children and staff within the school by having separate start, finish, play and lunchtimes. Schools have planned diligently creating the maximum number of bubbles the teaching spaces allow taking into account the numbers of staff they have available to teach. When allocating spaces to children the DfE has set clear expectations. The children of critical workers and vulnerable children are given priority, followed by children in reception year, followed by Year 1, then Year 6 in that order. In the first week back after half term around 25,000 children have been in attendance in Hampshire schools. The general attendance in Hampshire has been much higher than the national average throughout the pandemic.

37. The School Improvement Team, supported by Education Personnel Services, has been particularly busy providing ongoing advice and guidance to headteachers to ensure schools could remain open safely and offer a high-quality experience to children. A system has been put in place to ensure that all schools report weekly on the support they are giving every individual child who has a social worker such as those on a child protection plan or those in care. Over 1400 children open to children’s social care are attending school regularly which is around 30% of the cohort. Where such children are not in school, then schools are keeping in regular contact with them to ensure pastoral needs are being met. This system is being monitored through weekly conversations between each headteacher and a member of the School Improvement Team. Colleagues from both social care and education are jointly working to increase the numbers of children attending school from this specific cohort.

38. Secondary schools are being asked to prepare for some face to face contact with Year 10 from 15 June. The guidance is that no more than 25% of the Year 10 should be on the site at any one time and the main delivery model should continue to be on-line learning and working at home.

39. The Homes to School Transport (HTST) service have shared a set of principles with schools to support planning for wider opening of education settings. These principles included parents being encouraged to take children to school wherever possible, in line with Government guidance; accordingly, some children eligible for HTST are being taken to school by parents, with

mileage rates are being paid to those parents by the County Council . Prior to Easter, approximately 100 routes were operating and by the end of the first week of June, more than 300 routes were running. It is anticipated that the majority of the remaining capacity in the HTST system will be used next week as year 10 students return to school as a result of the need to socially distance wherever possible on transport. This means, for example, that a 54-seat coach will only be able to transport 17 children.

40. 72% of Early Years childcare providers are now open and providing childcare, with a further 4.5% able to open when there is parental demand. Children's Services continue to support the sector through webinars, updating and sharing regular frequently asked questions and through responding to individual requests. Childcare is being provided to all vulnerable and keyworker children who have requested it, however, as numbers of children attending increase, some providers will reach capacity in terms of the places they are able to offer whilst maintaining 'bubbles' and social distancing. Financial uncertainty continues to be a significant issue for the sector. Of particular concern are:

    - Smaller settings with restricted space who face challenges in managing occupancy and infection controls. Restricting the number of children attending will result in sustained loss of income.

    - Community run provision where the complexity and volume of tasks faced by volunteers/parents running such settings in the new context may result in closure as they feel ill equipped to cope.

    - The medium-term sustainability of childcare providers given the complexity of business and financial planning during such uncertain times.

    The County Council continues to raise the concerns of the childcare sector to central government.

41. In terms of the major Children's Services capital construction projects, the majority of sites remained in operation and the limited number of contractors that suspended work are now back progressing. All construction sites are adhering to government guidance which currently states that "Construction can continue where it is done in line with public health guidance". Adherence to published industry protocols will be overseen and risks regularly assessed. All contracts are being closely monitored. Non- essential schools repair and maintenance work was, at first, suspended but projects are now restarting. All schemes are being reviewed on a case by case basis and, when we are comfortable about being able to undertake the work safely, work will commence. It is expected that productivity will be lower than before the crisis and projects will be programmed in collaboration with the industry to ensure resources and management arrangements are suitable for COVID-19 safe compliance. This is likely to have an effect on some end-dates, but the

industry is working with HCC to minimise the impact. We will consult with individual schools to agree the scope of work and planned delivery.

Economy Transport and Environment (ETE)

42. Most staff in ETE remain able to work remotely, with many utilising the County Council's new technology platform to work from home. However much direct service delivery work is carried out through service contracts such as those with Skanska for Highways maintenance and Veolia for waste management, including Household Waste and recycling Centre (HWRC) operations. The County Council, along with most other upper tier authorities, re-opened the HWRCs in early May, following revised Government Guidance and regulations in respect of essential travel. The sites have been re-opened with provisions to ensure safe working and to enable social distancing requirements to be maintained on the sites, which means in effect significantly reduced site capacity, with limited numbers of vehicles and people allowed on site at the same time; this has effectively reduced volumes to around 25% of levels of throughput for the equivalent time last year. The re-opening of the HWRCs has, as expected, attracted very significant levels of demand for access, despite advice to limit visits to essential trips only. The resulting access pressure on sites led to significant queuing and opening hours were increased and additional security and traffic management measures were implemented in May. However the queueing issues continued to present both road safety problems and issues for access to businesses and local residents in areas around the sites, and therefore further steps were therefore needed to reduce queuing at sites, and work began on bringing forward proposals for a booking system. The long queues also led to some minor public order issues as well as aggression to site and security staff. Hampshire Constabulary have been consulted throughout.

43. A new pre-booking system for HWRCs was introduced from 15th June, initially providing around 30,000 appointments each week for HWRC visits, which could be booked up to 48 hours ahead. The booking system has now been extended to allow booking further ahead, and increase available slots to 35,000 each week. This appears to have significantly reduced queueing and helped to better balance demand and supply, though there remain some issues with confusing system messages about future slot availability and demand remains very high, whilst capacity is 25% of pre-covid levels in order to provide safe working and social distancing.

44. Highways Maintenance work was initially restricted to essential and safety related works, partly due to reduced material supplies. Both planned and reactive maintenance work has now been re-started and has particularly sought to take advantage of reduced traffic to progress certain schemes.. Traffic volumes started to rise with the easing of lockdown restrictions at the beginning of June, and they are expected to rise significantly once town centres and other businesses re-open on 15th June. Whilst levels were still below pre-COVID-19 volumes in May and early June, it provided greater

opportunities to complete maintenance work with reduced disruption before the full easing of lockdown measures.

45. Work was also stopped on County Council infrastructure construction projects mainly due to material supply restrictions. Work has now restarted across the County on Transport Capital Programme projects, and the private sector construction industry is also returning to greater levels of activity, albeit with restrictions to support safe working and social distancing. It is too early at this stage to establish the full impacts of social distancing and 'COVID-19 safe' working practices on construction activity, but productivity will be reduced and it is likely that this will lead to lengthening construction times and additional costs on many schemes.

46. Public transport services have been significantly reduced, following huge falls in passenger numbers, but core services are still running to provide access for essential journeys. The County Council has agreed to maintain support for subsidised services and also community transport. Bus operators are also being supported through temporary additional Government funding to maintain essential service operations. As the return to work becomes more widespread with businesses and retailers re-opening, public transport demand will increase, which will need to be managed with reduced capacities on trains and buses to maintain social distancing. It is expected that further increases in service level will happen from 6th July onwards, as more businesses, leisure activities and shops re-open.

47. The County Council is actively developing and implementing proposals for temporary measures to support greater walking and cycling around towns and employment areas, which facilitates social distancing (e.g. increasing footway/cycleway capacity). The first tranche of Government funding from the Department of Transport has been received and an ambitious programme, averaging around 12 schemes per week is being delivered in the initial period. This programme supports the Town Centre recovery work being promoted by the Government and locally through the LEPs. In a particular initiative HCC has been instrumental in coordinating support to help sustain the Gosport Ferry given the exceptional nature of that service to its local communities.

48. Planning applications are still being registered and processed. In environmental services, work continues, including site survey activities, where they can be carried out in full accordance with social distancing and safe working practices. Finally, the Economic Development service continues to play a critical role in preparations for recovery and supporting local businesses, in consultation with district council partners and the Local Enterprise Partnerships (see below). As the economic impact of the pandemic on Hampshire becomes clearer, the direction of economic support and interventions will need to become more focussed and evidence led. Unemployment will rise sharply nationally, and the south east will be more affected than in the last recession. The local economy was hit harder than the national average at the outset of the crisis in March and has some hard-hit sectors such as aerospace/aviation and the visitor economy. Retaining assets

such as Southampton Airport and securing big planned infrastructure improvements such as M3 Junction 9, will also need to be at the forefront of our longer term thinking in the economic recovery response. There are some encouraging signs of the start of economic recovery, including interest in investment in Hampshire, but it is very early in the recovery process, and the depth of lost economic activity and outputs is unprecedented in modern times.

Culture Community and Business-Related Services (CCBS)

49. From mid-May the focus within CCBS moved to recovery of the many services that either had to shut completely or significantly changed their delivery processes as lockdown occurred. All recovery is taking place in line with the government's timeline and announcements. However, it is important to emphasise that many services have continued to operate throughout the lockdown period and have provided invaluable support to the COVID-19 response across the County Council.

50. The planning for the recovery of services has involved extensive work on site-specific risk assessments within the overarching County Council approach to COVID-19 and other risk more generally. The emphasis is on staff and customer safety. This activity, led for the County Council across all sites by Facilities Management, is critical to the local authority's phased return to increased physical occupation of its buildings. For those services who depend almost entirely, or entirely, on income generation, this is a vital period and everything possible is being done to ensure that services can become fully operational again as quickly as possible while maintaining a safe environment for staff and users. In many cases this is involving changes to the service offer and a diversification of activities.

51. The Country Parks opened their carparks and toilets on Wednesday 13 May, in line with the government announcement that people could travel further to exercise. The food outlets are also now open, following government guidelines. Car parking was initially limited to 60% capacity which then was raised to 85% capacity once all systems and processes had been tested. The bank holiday weekend brought challenges at Lepe which was full by 9:30am with parking on double yellow lines. Further planning was undertaken with Highways to assure road safety in the area. Both the farm attractions and Titchfield Haven will open on 6 July in line with government guidance on ticketed visitor attractions. Countryside teams are very busy undertaking seasonal vegetation clearance and rights of way maintenance.

52. Hampshire Records Office remains closed to the public, but is making preparations and finalising risk assessments prior to re-opening. The records management staff have been continuing the service of urgent file retrievals for legal and social care and have given considerable support to the Registration service in certificate management and issue.

53. Calshot car park and slip ways are now fully open as are the toilets. Camping is re-opening imminently at Calshot, Tile Barn and Runways End. Indoor 'sports' facilities at the Centres remain closed but are prepared to re-open as soon as government guidance allows. All residential courses at the Outdoor Centres remain closed and postponements or full refunds have been offered to all school bookings through to the end of July and will continue on a rolling basis until re-opening can be achieved. This has been very well received by schools. Plans are well developed to make alternative 'COVID-19-proof' activity offers to the public over the summer. The café at Calshot has now re-opened. The Hampshire Mountain Centre in Wales remains completely closed in line with Welsh policy at this time.

54. Hamble Harbour is now fully open and operating normally. Activity from boat owners and other small craft is predictably high and is leading to good slipway launch revenues which will help to offset other COVID-19 losses if the activity continues at a high level.

55. The Sir Harold Hillier Gardens opened to visitors on 8 June. Initially numbers of visitors are being managed through an online booking system with time slots. The restaurants and shop remain closed for the time being but plans are in hand for re-opening as soon as practicable.

56. Libraries will be re-opening on 6 July for short visits and with reduced opening hours. However the Library Service has had its digital services open throughout the Covid lockdowns and has been developing further offers throughout the period. These are proving highly successful and are attracting national attention. Demand for on-line services has increased dramatically, currently averaging 12,000 customers actively using Borrowbox to read eBooks each day, an increase of over 58% since the beginning of March. This equates to an 84% increase in daily loans, averaging more than 3,000 a day. The total number of registered Borrowbox users now equates to a quarter of the customers who borrowed a physical book in the year 2019 to 2020.

57. The new Ready Reads' service – where library staff select books according to a reader's preferences which customers can then collect from their local branch – has been used by over 3,000 people since it started in mid June.

58. Many of the services that were previously enjoyed in libraries are now being delivered using social media. The reach of Facebook posts has increased over 4800% since the beginning of March with 18,000 people a day seeing a post from Hampshire Libraries. Videos containing interactive story times and other activities are being watched 1,700 times a day on average.

59. The home library service re-started deliveries in the week of 18 May and these have been extremely well received. All these new and enhanced schemes offer new opportunities for people to access a wide range of library services.

60. The Registration service has now firmly established its Death Registration service as a phone-only process, and this is working well. The service re-started marriage ceremonies and birth registrations on 6 July.

61. Trading standards have developed new processes around market surveillance of PPE equipment and trading during lockdown. Weights and measures inspections continue and Buy with Confidence audits are being carried out.

62. Hampshire Scientific and Asbestos services are all open and functioning effectively. Hampshire Scientific staff have been working flexibly over a seven day week to keep all services running and remain Covid19 compliant within their office and laboratory space. Asbestos are undertaking site visits in line with construction industry needs.

63. All Hampshire Transport Management activities continue to run with appropriate measures in place. This includes essential vehicle maintenance for the highways fleet and Skanska and the courier service which has diversified its activities to accommodate the County Council's COVID-19 response needs. The public MOT service is now fully operational again.

64. HC3S, the County Council's catering operation, has continued to supply all its school customers during the lockdown period, catering for those pupils and teachers who have been in school throughout the lockdown period. The service has continued to support schools through close liaison to provide meals for the additional children who returned to school from 1 June.

65. County Supplies are continuing to support the warehouse operation at Segensworth. They are now also proving invaluable in managing the procurement, in volume, of the materials needed to ensure that service and offices across the County Council, including schools, can provide a safe working environment.

66. Construction and maintenance activity within Property Services has now broadly returned to a business as usual position. The Property Services compliance team are supporting across the HCC and Partner Estates to re-energise building systems in buildings 'hibernated' during lockdown. The Category Management Team are supporting HCC and Partner estates to ensure that service arrangements such as cleaning, waste collection and grounds maintenance keep pace with service recovery and address additional requirements. The Estates Management team is continuing to support discussions and decisions on rent relief and will support planning for recovery of any deferred rent that accrues during the lockdown period. Hampshire Print and Document service is operating as normal.

67. The department is also leading on the work to establish a safe and effective office environment and the procedures governing staff who are currently working at home returning to office-based workplaces. This is a far from

complete picture and the initial emphasis has been placed on those who operationally need to be in the workplace and then on those who, for various reasons, find working at home particularly difficult. Under the COVID-19 guidance on the management of office accommodation it is estimated that a utilisation level of around 25% is around the maximum to provide a safe working environment. That clearly has many implications for a wider return to the workplace for office-based staff and will be considered within a wider review of working patterns and practice in the 'new' paradigm post-COVID-19.

Corporate Resources

68. Corporate Resources' key focus is enabling colleagues in front line services to provide vital services to the public. This includes Hampshire County Council, Oxfordshire County Council, including schools across both Counties, Hampshire Constabulary, Hampshire Fire & Rescue, the three partnered London Boroughs and a variety of other public sector organisations reliant on HCC corporate support. The substantial majority of staff have been successfully working from home, albeit this does in some areas affect the quality of service and productivity. All services are holding up strongly but that could decline if significant staff numbers are affected by the virus or if the situation continues for a significantly lengthy period. Following the Prime Minister's Announcement on 10 May and fully reviewing the guidance, there is only one change to current work arrangements for staff, which is the un-pausing of HR casework face-to-face meetings otherwise all remains unchanged and this will be kept under review in line with any changes in Government requirements and/or Public Health advice.

69. In the Integrated Business Centre (IBC) the focus is on ensuring staff and suppliers continue to be paid and income collected. A small group of staff rotate coming into the office to deal with "hard" mail but predominantly the service is operating on-line, including having had to switch off the telephony. Payment performance to suppliers remained at normal levels in April and May (99% of invoices were paid within 30 days from the receipt of a valid invoice) and payroll accuracy continues to be in excess of 99%. Customer Satisfaction is at c85% for the two-month period, demonstrating the on-going success of the contact model and customers engaging effectively in the significantly expanded digital channels such as webchat.

70. In Finance the focus is on properly recording and projecting additional expenditure and loss of income, plus the impact of non-delivery of savings with departments, ensuring sufficient cashflow on a daily basis as well as continuing with the year-end closure of the accounts which have just been submitted within days of the early closure period, we did not need to make use of the extended timescale which is a significant achievement. The Pension Team are ensuring that Local Government pensioners are paid across over 300 employers with some staff still having to be office based. The introduction of Teams external calling has allowed an improved approach to the contact centre. In HR, the focus is on supporting managers and staff to operate using adapted HR policies to meet the current challenging operating

model whilst also focussing on the health & wellbeing of employees now and into the recovery period and beyond. HR Casework was paused for 'face to face' aspects during lockdown and plans are now in place to re-instate this sensitive work from the end of June utilising meeting rooms in line with normal practice although also offering the staff members the opportunity to meet 'virtually' as an alternative There is also a focus on creating additional digital learning materials to support the swift rollout of new Digital Technology to support new ways of working.

71. At this time, IT and connectivity have never been more critical. Credit is due to IT colleagues who have been focussed on significantly speeding up the roll out of new technologies which are now supporting our new ways of working, particularly Teams and external calling. Without this move the organisation would not be in such a strong position, particularly regarding working from home. Many County Council staff were working on home devices due to the swift move to home working and initial anticipation that this would be short lived, as it is now clear that for a significant number of staff home working will continue for a lengthy time period, IT are in the process of procuring and deploying appropriate IT kit to make this new operating model sustainable, ensuring staff wellbeing and maximising performance. Most IT staff are providing support through home working. The support desk is keeping on top of requests, a rota of 6 specialist roles are still office based in case a critical IT incident occurs. Internal Audit have worked with all partners to reprioritise current plans and also amend them to take account of the significant new risks COVID-19 has introduced to each organisation's operating model.

72. HantsDirect is now offering a 100% on-line service to enable non-essential customer contact activity to be delivered remotely. This includes the County Council's "front door" customer enquiries for General Enquiries, School.

73. Admissions, Blue Badge, Concessionary Travel, Libraries, Countryside, Highways and Waste Services. The telephone lines for Children's Services and Registrations remain open and operating effectively (and safely) by an on-site team based at Fareham Parkway. The agreed restructure and geographical relocation of the HantsDirect Service has been postponed from May 2020 until September 2020, with the exception of the Children's Services teams which moved in May for service reasons.

Human Resources – Our People

74. The implications of the COVID-19 situation continue to be felt for our people and our organisation, as they do the wider community. We remain mindful of both the length and depth of this crisis, particularly now that the Government have launched their recovery strategy and the timelines are longer term and contingent on factors largely outside of our or our people's control. That said it is worthy of note that our staff continue to demonstrate the best of themselves in these difficult times.

75. Well-being (physical and emotional) continues to be a feature of our HR activity with improved access and provision now available on the front pages of our intranet, including signposting to other services. All the content available to our staff has been assured by colleagues in Public Health so that we can be confident we are providing relevant and appropriate support to our staff. In addition, we are now specifically looking at further support that may be required, particularly to front-line staff, who have sadly had greater exposure to the loss of life than they would normally do. It was agreed by CMT that internal support mechanisms already available within AHC and CSD could be extended to other impacted Departments with some limited investment in additional training and resource required. Demand for these support services will be kept under review. Furthermore, our Recovery programme has a designated workstream for People and Organisational Health and Effectiveness, explicitly including 'wellbeing' which is being led by our AD HR+WFD with the support of PH. Through this workstream more detailed proposals will be established to support our people as they emerge. HR Business Partners continue to work closely with Directors and service managers to ensure emerging people issues are appropriately considered and addressed. This involves continued close working with our HR Policy team to enable timely advice and policy creation or adaptation as is necessary. As a result of this relationship we have been able to progress work quickly to support the re-commencement of HR casework.

76. As previously noted, Trade Union relationships continue to be key to our HR activities. More regular meetings are on-going during this crisis are going well and enabling a range of issues to be discussed and resolved meaningfully and at pace.

Communications and community engagement

77. Communication and engagement are recognised as critical tools to support the ongoing work throughout the *response, stabilisation, and recovery* phases. Effective public engagement to build trust is also crucial to the success of the County Council's Local Outbreak Strategy. Accordingly, the Authority continues to deliver a comprehensive and targeted communications and engagement strategy across external and internal audiences, which ensures the delivery of proactive, planned and consistent information, and in support of the LRF partnership.

- **Social media** campaigns remain a highly effective element of the County Council's communications approach. They continue to be well-received and enable the Authority to successfully deliver timely key information - reaching and engaging with audiences directly, as well as providing an effective platform for dialogue and resident engagement.

- The dedicated Covid-19 **webpages** created and published on the County Council's website at the start of the pandemic remain an essential portal, attracting a high number of hits to www.hants.gov.uk. Content and layout are regularly reviewed and updated to reflect the evolving nature of the pandemic, and the County Council's ongoing recovery activity and local outbreak planning measures – as well as to optimise access to the most in-demand pages. Since

their launch, the Covid-19 webpages have received a total of almost **88,000 views** (as at 1 July) – including **17,800 views** of the *Welfare support* webpage. Now the most visited section on the site, the pages to book a visit to a Hampshire Household Waste Recycling Centre have received **454,000 views** since June alone. Almost three quarters of all visitors to the overall Covid-19 webpages stay on the site to view the service updates or visit other pages on hants.gov.uk.

- As lockdown restrictions increasingly ease, and the County Council's services adapt and respond accordingly, information continues to be proactively communicated to residents and stakeholders **via regular press releases, media interview opportunities and news media liaison**, alongside effective management of, and response to, heightened reactive media contact. Take-up of key messaging across all media (newspapers, online publications, radio and TV) remains consistently high, with a 93% positive/neutral profile achieved from over 600 items of news coverage secured since the start of the pandemic.

- Covid-19 tailored **e-briefings** remain well received by Hampshire MPs, Hampshire County Councillors and district councils' Chief Executives. These briefings are circulated three times a week, and shared internally, as well as with the County Council's key partners, and all town and parish councils, via the Hampshire Association of Local Councils, who also receive Covid-19 related updates via our regular e-bulletin for local councils. This channel is a key tool to help the County Council maintain public trust and confidence in how the emergency continues to be managed. It also provides ongoing reassurance and demonstrates its community leadership role.

- The County Council is proactively engaging residents to gain **insight and evidence** to inform communication messages, campaigns and recovery planning. For example, working with the University of Winchester and Hampshire's VCS (via Community First), the County Council ran a survey to understand how Covid-19 is impacting volunteering, how residents who have stopped volunteering may be supported back into voluntary service, and how volunteer capacity might be sustained over the medium-longer term. The survey, which closed on 26 June, received 1001 responses and the findings are due to be presented to the Corporate Recovery Group on 16 July. Initial findings will be built upon through in-depth interviews undertaken by the University as part of a longitudinal study.

- Recovery planning will also be informed by an early indicator dashboard bespoke to Hampshire, designed to highlight areas of risk. Work is underway to identify key metrics, which will complement those used at LRF level.

- Importance is placed on all forms of direct **internal communication** to County Council staff via corporate channels, to provide critical messaging; operational guidance and updates; supporting employee cohesion and wellbeing; and countering the potentially isolating implications of ongoing remote working.

- A staff survey ran between 1-16 June to understand the impact of Covid-19 on staff wellbeing, ways of working and attitudes towards any potential return to

working in an office environment. Take-up of the survey was high, with over 7,000 responses (57% of the workforce) – providing valuable insight into how staff are adapting to new ways of working. Key findings include: 66% of staff really enjoying or enjoying working from home, and around 80% of staff reporting that they are as effective or more effective, than in the office. The results have been considered by the Corporate Management Team, Inclusion and Diversity Steering Group, Corporate Office Accommodation Board as well as individual departments to ensure findings help to shape the County Council's future working plans.

Recovery

78. As explained above, the recovery phase is the critical aspect of any crisis management process, which must follow at least immediately after, or run concurrent with the latter stages of the response phase. In the case of this exceptional crisis, while we know that the response phase almost certainly has many weeks if not months still to run, particularly if there is a second peak of the infection later in the year. The scale of the immediate impact on the economy is becoming clearer, with the quarter one output figures confirming a sharp fall in the economy at the end of March, which continued through April. Early indications suggest some levelling off during May, and there are early signs of positive indications for the housing market and parts of the industrial economy following the initial easing of lockdown restrictions in May. However, the long-term position of employment may see significant deterioration as the Government Furlough scheme comes to an end later this year. The damage that high unemployment levels will cause to the wider economy, as well as the finances of the Government and the County Council are significant risks to the overall Recovery.

79. The LRF recovery processes continue on behalf of the wider HIOW partnership, led by Portsmouth City Council, with HCC officers populating a number of key roles. The position of the County Council continues to be to do all in its powers and capability to support the wider recovery, under the shared understanding that each agency must prioritise its own recovery programme and activity. In economic terms this includes the two Local Enterprise Partnerships (LEPs) that cover the county of Hampshire.

80. The Recovery work continues to aim to embrace the opportunities afforded to advance the pre COVID-19 priorities of the County Council around responding to the Climate Emergency and delivering the Hampshire 2050 work. These objectives will help Recovery to deliver a healthier and more resilient County post COVID-19, seeking to address some of the major risks to long term prosperity and quality of life in the County.

81. The Recovery process is expected to take place over an extended period, and the pace will be dictated to a large extent by the need to balance risk and progress against managing and containing covid-19 infection rates and spread. It is expected that the local outbreak control mechanisms now being developed in Hampshire will help to support and manage this process locally,

whilst it is also acknowledged that the levers of recovery, such as fiscal policy, are largely operated at the national level.

Conclusion

82. This is the latest in what will be a necessarily detailed series of reports to brief Cabinet about the scale, extent and longevity of the impact of the COVID-19 crisis as it impacts on the County Council, its services and its community. In truth, even in this level of detail, the report cannot comprehensively describe the full picture of the way the County Council and especially its front line managers and staff, have risen to this challenge, in all cases with tremendous commitment, skill and resolve.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

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

Section 100 D - Local Government Act 1972 - background documents

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

Document	Location
None	

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:

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- 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 disproportionally low.

2. **Equalities Impact Assessment:**

See guidance at https://hants.sharepoint.com/sites/ID/SitePages/Equality-ImpactAssessments.aspx?web=1

*Insert in full your **Equality Statement** which will either state:*

(a) why you consider that the project/proposal will have a low or no impact on groups with protected characteristics or

(b) will give details of the identified impacts and potential mitigating actions

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	14 July 2020
Title:	Hampshire Local Outbreak Control Plan and Local Outbreak Engagement Board
Report From:	Chief Executive

Contact name: Barbara Beardwell/ Simon Bryant

Barbara.Beardwell@hants.gov.uk

Tel: **Email:** Simon.Bryant@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to update and seek the Cabinet's endorsement for the steps taken by the County Council to put in place a Local Outbreak Control Plan for Hampshire.

2. This report recommends the establishment of a Local Outbreak Engagement Board, as a sub-committee of Cabinet chaired by the Leader of the County Council, to provide political oversight of the local delivery of the Test and Trace Service, to lead the engagement with local communities and to be the public face of the County Council's response in the event of any local outbreaks of COVID-19.

3. This report also recommends the establishment of a Hampshire Covid-19 Health Protection Board chaired by the Director of Public Health to manage the COVID-19 pandemic in Hampshire, particularly with regard to identifying and dealing with future outbreaks of the disease, and the report delegates to the Director of Public Health authority to allocate the funding provided accordingly.

4. The report also recommends a revision to the title of the existing Cabinet Advisory Sub-Committee on Economic Development to the Cabinet Sub-Committee on Economic Growth and Recovery to better reflect the parallel challenges and responsibilities of economic recovery that face the county and the County Council further to this crisis.

Recommendation(s)

It is recommended that Cabinet:

5. Endorses the steps taken so far to establish a Local Outbreak Control Plan for Hampshire attached at Appendix A (anticipated first iteration at end of June for inclusion in Cabinet papers). This plan will be subject to regular update and review under the direction of the Director of Public Health and the Hampshire Covid-19 Health Protection Board.

6. Approves the establishment of a Local Outbreak Engagement Board for Hampshire on the basis set out in this Report and the Terms of Reference for the Board set out in Appendix B including the appointment of County Council Cabinet Members to the Board, and the invitation to Opposition representative, District Council Rep, CCG Non Exec Rep)].

7. Approves the establishment of a Hampshire Covid-19 Health Protection Board on the basis as set out in this Report and the Terms of Reference and Membership for the Board as set out in Appendix C

8. Delegates to the Director of Public Health the authority to spend the funding allocated to the County Council in accordance with the Local Authority Covid-19 Test and Trace Service Support Grant Determination, and the County Council's existing financial regulations, the Constitution and departmental scheme of delegation, including consultation with the Chief Executive where appropriate.

9. Approves the change of name from the existing Cabinet Advisory Sub-Committee on Economic Development to the Cabinet Sub-Committee on Economic Growth and Recovery.

Executive Summary

10. This report explains the requirement for the establishment of a Local Outbreak Control Plan for Hampshire, updates Cabinet on the progress made towards the creation of the Plan, and seeks Cabinet's endorsement of the first iteration of the Local Outbreak Control Plan attached at Appendix A.

11. This Report also explains why the County Council needs to establish a Local Outbreak Engagement Board and a Hampshire Covid-19 Health Protection Board and seeks approval for the draft Terms of Reference for the Boards set out in Appendices B and C.

Contextual Information

12. The Government has recently launched the Test and Trace service, which is a central part of the Government's Covid-19 Recovery Strategy. The primary objectives of the Test and Trace service are to control the Covid-19 rate of reproduction, reduce the spread of infection and save lives, and in doing so help to return life to normal as soon as possible, for as many people as

possible, in a way that is safe, protects our health and care systems and releases the economy.

13. Achieving these objectives will require a co-ordinated effort from local and national government, the NHS, Public Health England, businesses and employers, voluntary organisations and other community partners, and the public. Local planning and response are an essential part of the Test and Trace service, and the County Council has a central role to play in the identification and management of infection as an “upper tier” authority with responsibility for public health through the statutory Director of Public Health.

14. Based on the foundation of the role of the Director of Public Health at the County Council, and working with Public Health England’s local health protection teams, the County Council will build on existing health protection plans to put in place measures to identify and contain outbreaks and protect the public’s health. The response will be delivered at different levels and by different organisations, however these will need to be directed and brought together at upper tier local authority level under the leadership of the Director of Public Health to optimise place-based planning, monitoring and response.

15. The Director of Public Health is responsible for defining these measures and producing the Local Outbreak Management Plan, working through the newly established Hampshire Covid-19 Health Protection Board. The Director of Public Health will be supported by and work in collaboration with Gold command of Hampshire County Council, Local Resilience Forum and the Hampshire Local Outbreak Engagement Board. The Local Outbreak Engagement Board, led by the Leader of the County Council, will provide political ownership and public-facing engagement and communication relating to outbreak response.

16. Government Guidance has indicated that Local Outbreak Control Plans should be centred around seven themes:

Care homes and schools - planning for local outbreaks in care homes and schools (e.g. defining monitoring arrangements, identifying potential scenarios and planning the required response).

High risk places, locations and communities - identifying and planning how to manage other high-risk places, locations and communities of interest including sheltered housing, dormitories for migrant workers, transport access points (e.g., ports, airports), detained settings, rough sleepers etc (e.g. defining preventative measures and outbreak management strategies)

Local testing capacity - identifying methods for local testing to ensure a swift response that is accessible to the entire population. This could include delivering tests to isolated individuals, establishing local pop-up sites or hosting mobile testing units at high-risk locations (e.g. defining how to prioritise and manage deployment

Contact tracing in complex settings - assessing local and regional contact tracing and infection control capability in complex settings (e.g. Tier 1b) and the need for mutual aid (e.g. identifying specific local complex communities of interest and settings, developing assumptions to estimate demand, developing options to scale capacity if needed

Data integration - integrating national and local data and scenario planning through the Joint Biosecurity Centre Playbook (e.g., data management planning, including data security, data requirements including NHS data linkages

Vulnerable people - supporting vulnerable local people to get help to self-isolate (e.g. encouraging neighbours to offer support, identifying relevant community groups, planning how to co-ordinate and deploy) and ensuring services meet the needs of diverse communities

Local boards - establishing governance structures led by a Covid-19 Health Protection Board and supported by existing Gold command forums and a new member-led Board to communicate with the public

The Local Outbreak Control Plan for Hampshire

17. The Plan has been developed based on the work of 11 early adopter Local Authorities and also in partnership with key agencies including thematic leads from the County Council, District Councils and CCG representatives.

18. The rapid development of the Plan has been undertaken with a theme lead working to develop action cards to identify key processes and guidance for each setting. These action cards are informed by Standard Operating Procedures for local outbreak control alongside the specific application to the setting and national and local learnings so far in Covid-19 response. The outline Plan is attached in Appendix A.

19. Testing, contact tracing and data integration are key strands in monitoring the incidents, informing decisive and timely local responses and ultimately stopping the spread of the virus. The Plan will bring together these cross-cutting aspects to ensure an efficient, informed and joined up approach. This aspect will be in collaboration with other relevant partners.

20. Given the fast changing nature and on-going learning of Covid-19 incidents, it is imperative that the Plan is dynamic and regularly updated under the oversight of the Hampshire Covid-19 Health Protection Board.

21. Access to national data has been given to the Director of Public Health and the Chief Executive through a secure web-based portal, and protocols are

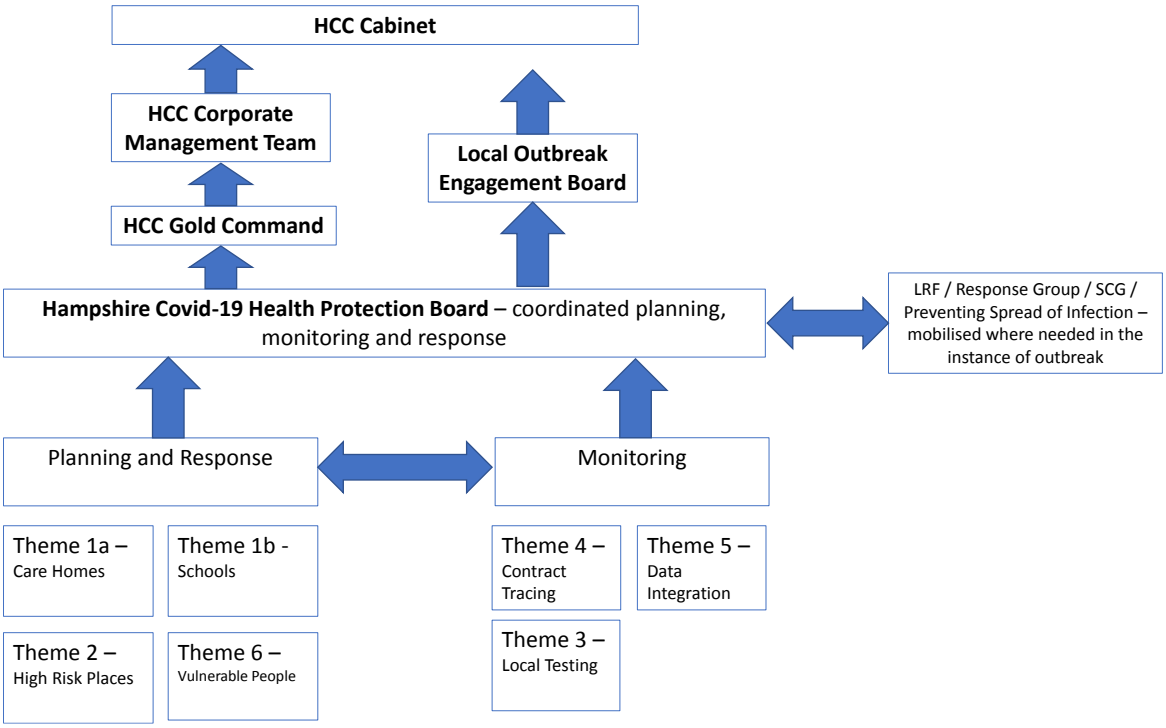
already established for holding and sharing this data. Where additional personally identifiable data will need to be shared between organisations for purposes of outbreak response, it is anticipated that this will be performed under existing data sharing arrangements and powers. If new arrangements are required as part of the development of outbreak control plans these will be subject to Data Protection Impact Assessments (DPIA).

Governance Structure

22. As detailed in the diagram below, the governance has been built on the key thematic areas identified in the Local Outbreak Control Plan, recognising the importance of coordinating planning and response and ensuring the alignment of testing, contract tracing and wider data integration. Each theme has a nominated lead, who will be responsible for aligning requirements to existing governance structures and standard operating procedures for outbreak control.

23. The thematic leads will report into the Hampshire Covid-19 Health Protection Board, which will draw on additional response groups, such as the Local Resilience Forum (LRF), as necessary and in accordance with triggers set out in the Local Outbreak Control Plan.

24. The Hampshire Covid-19 Health Protection Board will then be accountable to the HCC Gold Command and the Local Outbreak Engagement Board.



The Hampshire Local Outbreak Engagement Board

25. The Hampshire Local Outbreak Engagement Board will provide political oversight of the local delivery of the Test and Trace Service, lead engagement with local communities and be the public face of the County Council's response in the event of an outbreak of COVID-19. The terms of reference for the Board are included in Appendix B.

26. The Board will be formally constituted as a County Council Cabinet Sub-Committee and will be chaired by the Leader of the County Council. The County Council members will be the Leader of the County Council, The Executive Member for Public Health, The Executive Lead Member for Children's Services and Young People and the Executive Member for Adult Social Care and Health. In addition, a representative of the main Opposition Group at the County Council, a representative of the District and Borough Councils in Hampshire and Non Executive Board Member from Hampshire IoW Partnership of Clinical Commissioning Groups (CCGs) will be invited to attend meetings of the Board.

27. The County Council's Standing Orders and Executive Procedures will apply to the proceedings of the Board, with the exception that the Opposition Group representative and the District Council representative will have the right to speak at any meeting of the Board.

28. The Board will seek to reach a consensus on any matters or decisions which come to be made by the Board. However, for the avoidance of doubt in the event that a vote is required on any item, as a Sub-Committee of Cabinet voting rights will be restricted to the County Council Cabinet Members of the Board in accordance with Executive Procedures.

29. Separately, there currently exists a Sub-Committee of Cabinet, the Cabinet Advisory Sub-Committee on Economic Development. The purpose of that Sub-Committee has been to assist Cabinet in its work to understand and help improve the economy of the county of Hampshire on behalf of its residents. It is immediately apparent that alongside the grave risks to the wellbeing of the population brought about by the risks of the Covid-19 pandemic in and of itself, the risks represented by the severe economic implications are arguably at least as grave. It is proposed here that while this sub-committee must be retained at this critical time, it should be re-named Cabinet Sub-Committee on Economic Growth and Recovery. The purpose of this name change, and some potential future amendments to terms of reference of this Sub-Committee, is to ensure there is clarity of focus for the County Council and its stakeholders with regard to its parallel duties on economic development generally, and especially in the context of recovery from the impact of the virus.

The Hampshire Covid-19 Health Protection Board

30. The Covid-19 Health Protection Board is responsible for strategic oversight and delivery of health protection regarding Covid-19 in Hampshire including prevention, surveillance, planning and response, to ensure the needs of the population are met. The Terms of Reference for the Board are included in Appendix C, and the Board will support local delivery of the primary objectives of the Government strategy to:

    - control the Covid-19 reproduction number (R);
    - reduce the spread of infection;
    - lower the incidence of cases and save live; and
    - in so doing help return life to as normal as possible, for as many people as possible, in a way that is safe, protects our health and care systems and our economy.

31. Under the leadership of the Director of Public Health the Board will be responsible for the on-going development and delivery of the Local Outbreak Control Plan, including the specific thematic areas. The Board will comprise of officer representatives from Hampshire County Council, District Councils and the NHS to ensure collaborative oversight and engagement.

Local Authority and Public Health Protection Powers

32. Generally there is no need to compel people to take action to protect their own and other people's health. Occasionally, however, voluntary measures are insufficient and legal powers are needed to deal with infections or contamination that present a significant risk to human health. The powers now available to local authorities include powers that can be exercised without judicial oversight and other powers that involve an application to a JP for a Part 2A Order. Regulations also include provision for enforcement actions covering the closure of premises and business during the emergency. The measures are contained in the Public Health (Control of Disease) Act 1984 (as amended) together with the Health Protection (Local Authority Powers) Regulations 2010, the Health Protection (Part 2A Orders) Regulations 2010, the Coronavirus Act and Regulations made thereunder.

33. The powers will usually be exercised in consultation with other organisations, such as Environmental Health, Public Health England, the NHS or the emergency services and are detailed in the Outbreak Control Plan, including the criteria and assessment of the potential for significant harm to human health, risk of spread to others and necessity for action to be taken in order to reduce or remove that risk. This is a fast moving area of the law which is likely to be amended further by Government as the emergency moves into different stages.

Finance

34. The County Council has been awarded £4,789,993 under the Local Authority Covid-19 Test and Trace Service Support Grant.

35. The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred in relation to the mitigation against and management of local outbreaks of COVID-19. The Director of Public Health will be responsible for utilising and allocating this funding in accordance with the Local Authority Covid-19 Test and Trace Service Support Grant Determination, and it will be administered within the County Council's existing financial regulations, the Constitution and departmental schemes of delegation.

36. In two tier areas such as Hampshire, this grant is conditional on upper tier authorities working closely with their lower tier partners and ensuring those partners are given opportunities to deliver the outcomes this grant is meant to support where delivery by those partners would be the most efficient and cost-effective means of delivery.

37. The Chief Executive and Chief Internal Auditor will be required to sign and return to the Department for Health and Social Care a declaration, with timings in line with normal MHCLG reporting processes as follows:

    "To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the LOCAL AUTHORITY TEST AND TRACE SERVICE SUPPORT GRANT DETERMINATION 2020/21: No 31/5075 have been complied with".

Conclusions

38. This report sets out the steps taken by the County Council under the leadership of the Director of Public Health to develop a Covid-19 Local Outbreak Control Plan and establish the necessary governance and oversight arrangements.

39. These steps are critical in delivering the objectives of reducing the spread of infection and ultimately saving lives through the coordinated local efforts of a range of organisations across local and national government, the NHS, Public Health England, businesses and employers, voluntary organisations and other community partners, and the public.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

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

Direct links to specific legislation or Government Directives	
Title	Date

Section 100 D - Local Government Act 1972 - background documents

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(b) will give details of the identified impacts and potential mitigating actions

Appendix A

Local Outbreak Control Plan for Hampshire

Appendix B

Hampshire Local Outbreak Engagement Board Terms of Reference

Overall Purpose

The Hampshire Local Outbreak Engagement Board will:

- Provide political oversight of the local delivery of the Test and Trace Service,
- Lead the engagement with local communities,
- Be the public face of the County Council's response in the event of an outbreak of COVID-19.

Membership

The County Council members of the Board will be:

- The Leader of the County Council,
- The Executive Member for Public Health,
- The Executive Lead Member for Children's Services and Young People and
- The Executive Member for Adult Social Care and Health.

In addition, a representative of the main opposition group at the County Council, a representative of the District and Borough Councils in Hampshire and a Non Executive CCG representative will be invited to attend meetings of the Board.

The Leader of the County Council will be the Chairman of the Board.

Procedure rules

The Board is a County Council Cabinet Sub-Committee and will be chaired by the Leader of the County Council.

The County Council's Standing Orders and Executive Procedures will apply to meetings of the Board with the exception that the Opposition Group representative and the District and Borough Council representative will have the right to speak at meeting of the Board

The Board will seek to reach a consensus on any decisions which come to be made by the Board but in the event that a vote is required on any item only the County Council Cabinet Members of the Board will be able to vote in accordance with the County Council's Standing Orders and Executive Procedures.

Frequency of Meetings

The Board will meet as and when considered necessary by the Chairman of the Board

Appendix C

Hampshire Covid-19 Health Protection Board Terms of Reference

Overall Purpose

The Covid-19 Health Protection Board is responsible for strategic oversight of health protection regarding Covid-19 in Hampshire/ IOW, including prevention, surveillance, planning and response, to ensure they meet the needs of the population.

The Board will support the local delivery of the primary objectives of the Government strategy to control the Covid-19 reproduction number (R), reduce the spread of infection, lower the incidence of cases and save lives, and in doing so help to return life to as normal as possible, for as many people as possible, in a way that is safe, protects our health and care systems and releases our economy.

The response will be delivered at different levels and by different organisations, however these will need to be brought together at Upper Tier local authority level under the leadership of the Director of Public Health to optimise place-based delivery. In addition to the place-based approach overseen by the Board the levels will include:

- Oversight of NHS Test and Trace – national and regional; and
- Links to and collaboration with organisations working at for delivery of Local Outbreak Control Plans across local authorities.

Membership

Director of Public Health (Chair) HCC
Consultants in Public Health and Public Health Principal HCC
Head of Public Health Intelligence HCC
District/ Borough Representative
Programme Manager – Covid 19 HCC
Communication Lead HCC
Emergencies and Resilience Team HCC
Relevant Directorate leads HCC Childrens Services, Adult Services and ETE
Finance HCC
Public Health England Consultant in Communicable Disease Control
CCG Managing Director
CCG Quality Lead
Testing lead (may be covered by another role)
A defined post-holder will act as ‘Secretariat’ to the Group – ***to be agreed***. Specific invitations to persons in other roles may be made where warranted by the business of the meeting.

Objectives

The Board will:

- Be responsible for the ongoing development and delivery of the Local Covid-19 Outbreak Control Plan, including:
    - Planning to prevent and respond to local outbreaks in settings such as care homes and educational settings
    - Identification and management and prevention of outbreaks in other high-risk places, locations and communities of interest
    - Identifying methods for local testing and directing resource as appropriate to ensure a swift response that is accessible to the entire population.
    - Oversight and support to contact tracing and infection control capability and capacity in local complex settings and identifying and escalating requirements
    - Ensuring local services can support vulnerable people to self-isolate
- Make recommendations for allocation of resources to support the effective delivery of the Plan
- Receive and act on data and intelligence, including epidemiology and Early Warning indicators, provided from sources including Covid-19 Data and Modelling Cell, Public Health England, NHS Test and Trace and the national Joint Biosecurity Centre (JBC)
- Ensure integration of the NHS Test and Trace programme with local communities and services in line with the Local Outbreak Control Plan
- Advise and agree on community engagement, including with vulnerable and/or higher risk communities of interest
- Advise on communications strategy, including informing the Covid-19 Comms Cell and the Covid-19 Member Led Group
- Approve implementation measures (or make recommendations to other bodies where appropriate) that will prevent virus transmission, for example those contained within the JBC ‘playbook’.
- Monitor the response to local outbreaks and ensure learning informs future practice
- Make recommendations for the wider Covid-19 response and policy agenda including the Recovery workstream and NHS Recovery and Restoration programme
- Identify, monitor and escalate risks and issues as appropriate.

Accountability

The group will be accountable to HCC Gold in its role as overseeing the local authority response at local level.

It will also have reporting relationships to:

- Local Outbreak Engagement Board.

Where appropriate the group will liaise with:

- Health Protection Boards in the other Local Authorities in Hampshire and IOW on cross boundary issues;
- The Hampshire and IOW Resilience Forum and Hampshire and IOW Integrated Care System;
- Local Integrated care Partnerships.

Frequency of Meetings

Meetings will be held weekly at first, but with extraordinary meetings convened if required. Meetings are not open to the public. An agenda and papers will be circulated at least 1 working day before the meeting. Conflicts of interest must be declared by any member of the group.

Quoracy

There will be least six representatives, one of whom will be the Chair or nominated Co-chair.

Review

Terms of reference will be reviewed on a bi-monthly basis.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet County Council
Date:	14 July 2020 16 July 2020
Title:	Medium Term Financial Strategy Update
Report From:	Deputy Chief Executive and Director of Corporate Resources

Contact name: Carolyn Williamson

Tel: 01962 847400 **Email:** Carolyn.Williamson@hants.gov.uk

VALID AS AT 1 JULY 2020

Section A: Purpose of this Report

1. The purpose of this report is to provide an update on the medium term financial prospects for the County Council to 2022/23, in particular in view of the impact of the Covid-19 pandemic.

2. Under normal circumstances it would be usual to provide a fully updated Medium Term Financial Strategy (MTFS) in July that would cover a forward three year period. However, in the absence of any settlement figures beyond the current financial year and a further delay in the Comprehensive Spending Review (CSR) it is difficult to predict with any certainty what the financial prospects for the public sector will be beyond the current financial year.

3. On top of this, the financial uncertainty caused by the Covid-19 pandemic means that short term financial sustainability is called into question and it is therefore not practical to try to produce a 'normal' MTFS at this point. The main purpose of this report therefore is to outline what is considered to be as realistic a medium term financial scenario as possible and to assess the County Council's ability to agree a strategy that at least ensures our continued financial sustainability until the end of 2022/23.

4. The report also takes advantage of the opportunity to seek several new approvals including social workers for Children's Services, resources for Special Educational Needs and underwriting for capital schemes that are currently in progress. Furthermore, the report summarises the urgent financial decisions that have been taken so far in response to the pandemic.

Section B: Recommendation(s)

It is recommended that Cabinet:

5. Notes the current level of unfunded costs and losses of approaching £103m, as detailed in paragraph 14.

6. Notes that the County Council will continue to lobby the Government to underwrite all of the financial consequences of the crisis and that as part of this lobbying, the Leader of the County Council will write to the Government requesting that they honour their commitment to fully fund the financial consequences of Covid-19.

7. Notes the urgent decisions taken to date in respect of a number of key issues relating to the County Council's response to the Covid-19 pandemic, as set out in Appendix 1.

8. Approves additional ongoing funding of up to £1.7m to be met from general contingencies to enable the Special Educational Needs service to meet the rising demands they are facing and help them meet their statutory duties.

9. Approves an additional £3.783m for additional social workers in the current year to be met from Covid-19 grant funding and up to £6.7m in 2021/22 subject to a review of demand and caseloads at the end of this financial year.

10. Approves further payments to social care providers of £5.910m to be met from Covid-19 grant funding and delegates authority to the Deputy Chief Executive and Director of Corporate Resources in consultation with the Director of Adults' Health and Care to agree a further month's payments at a cost of £2.418m.

11. **Recommends to County Council that:**

    a) A capital underwriting of up to £5m be approved to be met from capital receipts to enable existing schemes to continue where there may be increased costs and to delegate authority to the Deputy Chief Executive and Director of Corporate Resources to allocate this funding as appropriate.

    b) The timetabling options for a successor savings programme as set out in paragraph 163 be approved.

    c) The Departmental savings targets as set out in paragraph 165 be approved.

RECOMMENDATIONS TO COUNCIL

This single report is used for both the Cabinet and County Council meetings, the recommendations below are the Cabinet recommendations to County Council and may therefore be changed following the actual Cabinet meeting.

Council is recommended to approve:

a) A capital underwriting of up to £5m to be met from capital receipts to enable existing schemes to continue where there may be increased costs and to delegate authority to the Deputy Chief Executive and Director of Corporate Resources to allocate this funding as appropriate.

b) The timetabling options for a successor savings programme as set out in paragraph 163.

c) The Departmental savings targets as set out in paragraph 165.

Section C: Executive Summary

12. Members will be fully aware of the significant financial impact locally, nationally and globally of the Covid-19 pandemic, not least due to the level of spend that has already been necessary to respond to the crisis and support the economy but also as a result of the long term impact on the economy and public finances going forward.

13. The speed of lockdown which came at the end of March had implications for decision making within the County Council and in the absence of the ability to hold virtual meetings, the key decisions that were made in respect of response costs were taken under the urgent provisions within Financial Regulations. These allow the Chief Financial Officer in consultation with the Leader and Chief Executive to take urgent financial decisions where necessary as long as these are reported to Cabinet or County Council in due course. Appendix 1 provides a summary of these decisions and provides links through to the formal decision records.

14. The latest return to the Ministry for Housing Communities and Local Government (MHCLG) in June saw a decrease in the net position of £14.7m, but still leaves the County Council with unfunded costs and losses in the region of £103m, before the impact on future years is taken into account. This figure includes income losses which for the most part relate to the consequential losses arising from lockdown (country parks, outdoor centres, registration services etc) or relate to trading type services that the County Council provides in areas such as school catering, county supplies, school improvement services and property services.

15. Of the total £20.7m reported as income or commercial losses in the June MHCLG return only £3.5m relates to lost investment income linked to the stock market crash at the end of March 2020. Whilst some of this relates to our pooled property funds, we hold no direct property assets and are not therefore suffering the significant hardships in this area as many other authorities are doing and for which the Government has made it clear that any bail out will be ‘painful’. This once again underlines that the Council’s prudent investment approach in this area was the correct one.

16. Covid-19 has also impacted on both the Transformation to 2019 (Tt2019) and the Transformation to 2021 (Tt2021) Programmes and an early assessment of the cash flow impact of this was included in the report to Cabinet in May and totalled more than £30.8m across the three years. This exercise has been repeated taking into account the greater levels of information available at this time and a revised figure of approaching £37.8m has been forecast which has been fed into the financial assessment outlined in the report.

17. This is clearly a concerning time for public sector finances and most authorities will be trying to assess what the medium term impact is for their organisation and what it means for their financial sustainability. Indeed, Chief Financial Officers (CFOs) in their Section 151 role are required to make such an assessment and the purpose of this report is to consider the County Council's position over the period to the end of 2022/23.

18. In assessing our financial viability, we have the taken the view that it is not sufficient just to be able to survive the current crisis, we must at least be in a position to also respond to the challenges that lie beyond 2022/23, within what will almost certainly be a period of further challenge for public sector finances, on top of the usual inflationary and growth pressures that we face.

19. In this context, we have made the assumption that in order to be financially viable, the County Council must at least be in the same financial position at the end of 2022/23 as it was expecting to be in the last Medium Term Financial Strategy (MTFS) approved in November 2019. Even this position showed a shortfall of funding available to support a successor programme beyond Tt2021 but given the significant uncertainty on all aspects of costs and funding, this was thought to be a reasonable position against which to assess our financial sustainability.

20. One of the most difficult but important aspects of the process is to come up with a base case for costs, income losses and spending pressures. This has been developed using a range of specific assumptions that have been prepared by departments in relation to their services, which are detailed in Appendix 2. At this stage, the base case has been developed by looking at only the key services that we believe have been or will be, impacted by Covid-19 over the next few years. As ever, adults' and children's social care account for the major proportion of the additional costs based on the assumptions that are set out in detail in Appendix 2.

21. The report then considers three potential scenarios in terms of further government funding against this base case for 2020/21, 2021/22 and 2022/23 as a result of Covid-19. The base case also assumes that the pre Covid-19 projections of a £40.2m gap each year after 2021/22 still hold true and the scenarios deal with the marginal changes over and above this position. Finally, a Reasonable Worst Case Scenario (RWCS) has also been calculated at a very high level to provide further context to the sustainability assessment.

22. In summary, the impact of each of the scenarios is outlined overleaf:

Scenario	Scenario Description	Financial Sustainability Impact
1	No further government funding announcements or support for council tax and business rate losses.	There is still a small deficit even after all of the General Fund Reserve has been used**. The County Council is not considered to be financially viable.**
2	Additional government funding to meet response, recovery and demand costs in 2020/21, but no support for council tax and business rate losses.	£3.7m of General Fund Reserves would need to be used, which would need to be replaced in future years. Given the extra strain that this would cause, and the sensitivity of this scenario to any other financial shocks, **the County Council is not considered to be financially viable.**
3	The best case scenario assuming both additional government funding and council tax and business rate support is provided for the current year only.	Requires no use of the General Fund Reserve and still retains £30.9m of headroom in swapping out existing capital funding for prudential borrowing. **The County Council is considered to be financially viable.**
Reasonable Worst Case	Reasonable Worst Case Scenario for costs / losses and highest level of government funding / support as per Scenario 3 above.	There is still a significant deficit of £11.3m after the use of all General Fund Reserves**. The County Council is not considered to be financially viable.**

23. It should be noted that the assumptions and forecasts that underpin this assessment are very high level and are a snapshot at a point in time - they are not of the same accuracy that we would normally expect to find in an MTFS. In essence, the process of assessment will need to be constantly updated as more information becomes available and in light of changing circumstances and assumptions based on the progress of the infection, the Government's response and all of the other factors that influence the overall position.

24. It is also very important to note that whilst these response packages have been developed in a crisis situation and significant sums have been pulled together as a result, it must be understood that for all scenarios, **this makes the County Council VERY vulnerable to any future financial shocks!**

25. In Capital Programme terms there has not been a significant impact arising from Covid-19. Some programmes of works were temporarily suspended but most of these re-started again soon after. We anticipate that there may be some claims for compensation together with potential increased costs for social distancing measures, but overall, the immediate financial impact is expected to be less than £5m. This report seeks a capital underwriting up to this value to

enable existing schemes already in progress to continue without the need to seek further financial approvals.

26. Given the overall financial position and the future impact of Covid-19 on some of our asset base, it is also not considered the right time to be considering options for new capital investment outside of any urgent health and safety works which may be required, which will be brought forward for consideration in due course.

27. Later sections of the report consider the financial prospects beyond 2022/23 and the timing of any potential successor savings programmes. The financial landscape is so uncertain at the moment that keeping to normal timescales is neither practical nor possible and two options for a revised timetable are therefore considered but are dependent on our financial position at budget setting time in February 2021.

28. The final section of the report considers financial resilience and sustainability in the context of the current environment. The key purpose of this report is to assess our financial sustainability going forward and as outlined above there are scenarios where the County Council is not considered to be financially viable in the medium term that would require the County Council to take appropriate action.

29. There has been discussion across the sector about the issuing of Section 114 Notices and revised guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) encourages CFO's to discuss the potential issue of Section 114 Notices with the Government prior to issuing them. However, this is a last resort position assuming that the CFO does not think that appropriate action is being taken by the authority, which is not expected to be the case in Hampshire County Council.

30. What this report demonstrates is that once again the strong financial performance of the County Council in the past means that it has sufficient 'firepower' in the short term to deal with the impact of Covid-19 whilst it waits for further information on government funding and the prospects for next year's settlement.

31. The intention is to continue to provide regular updates to Cabinet on the overall position, but a key decision point will be reached in February 2021 when we set the budget for 2021/22. At that point we can take stock of everything that is known at that time and consider how it influences the assessments made within this report and the timing of any successor savings programme.

Section D: Contextual Information

32. The financial strategy which the County Council has been successfully following since 2010 works on the basis of a two year cycle of delivering departmental savings targets to close the anticipated budget gap. This provides the time and capacity to properly deliver major savings programmes

every two years, with deficits in the intervening years being met from the Budget Bridging Reserve (BBR) and with any early delivery of resources retained by departments to use for cost of change purposes or to cash flow delivery and offset service pressures.

33. The model has served the authority well to date and the County Council's strategy placed it in a very strong position to produce a 'steady state' budget for 2020/21 and safely implement the next phase of changes through the Transformation to 2021 (Tt2021) Programme to deliver further savings totalling £80m.

34. The outturn position for 2019/20, which is set out in the 2019/20 - End of Year Financial Report presented elsewhere on the Agenda, highlighted the strong financial performance across the County Council with the achievement of a net saving against the budget of £19.1m; despite having taken a further £140m of savings from the budget that year.

35. Both the Transformation to 2019 (Tt2019) and Tt2021 Programmes were progressing to plan and there were clear signs that the strategies being applied in the more complex areas of adults' and children's social care were having an impact on controlling demand. This is particularly true for Children Looked After (CLA) where reductions in the overall number of children in care have been achieved against the trends nationally and our own experience of increasing demand.

36. However, since the budget was set in February an unprecedented national crisis, in the shape of the Covid-19 pandemic has demanded a similarly unprecedented set of responses from across the public sector, most notably the NHS, but also local government. The County Council's response to the Covid-19 crisis has been wide ranging both in terms of its own service provision and in supporting a number of partners both directly and through the Local Resilience Forum (LRF).

37. In view of the urgent requirement for the County Council to respond at pace to emerging events, especially during the early stages of the crisis, a number of urgent financial decisions were needed to facilitate timely action. Where an urgent financial decision is required that falls outside of the defined process or limits within Financial Regulations or Financial Procedure Rules, but is felt to be in the wider interests of the County Council, the Chief Financial Officer (CFO) in consultation with the Leader and Chief Executive can make the decision subject to it being reported back to the appropriate decision making body.

38. All of these decisions are described briefly in Appendix 1 and the approved spend can be met either from existing budgetary provisions or from the Covid-19 grant funding allocated by the Government.

39. The financial implications of the crisis on the County Council's own budgets and financial planning will be profound based on where we are today and at this stage it is difficult to predict when we might see a return to normality.

40. Response costs and consequential losses arising from reduced income, trading losses and lost investment income are significant and continue to grow as more issues are uncovered and require actions. In line with the Government's guidance we have also been providing support to various providers to ensure sufficiency of provision now and into the future.

41. A separate exercise has been undertaken to assess the impact of the crisis on the Tt2019 and Tt2021 Programmes, to take account of the delay in implementation.

42. A summary was presented to Cabinet on 15 May setting out the known position as at the close of play on Monday 4 May and this was reflected in the first return to the Ministry of Housing, Communities and Local Government (MHCLG) setting out the financial impact. At that point, the estimated total cost of the response for the three month period to the end of June, together with the impact on savings programmes was £96.2m of which we predicted £74.6m would be met from existing budgets, government grant and savings in some services.

43. In the absence of further government funding the net unfunded cost was estimated to be £21.6m and whilst it would have been possible to cover this level of gap from existing reserves, it would have had an impact on our financial sustainability in the medium term. The intention therefore was and remains to continue to lobby the Government to underwrite all of the financial consequences of the crisis. As part of this lobbying, the Leader of the County Council will write to the Government requesting that they honour their commitment to fully fund the financial consequences of Covid-19.

44. It was made clear that this initial estimate did not include recovery costs, demand increases or losses in council tax and business rates and it was highlighted that the estimated cost of response for each extra month at that point was judged to be nearly £18.5m. It was also flagged that as we moved out of response and into recovery, we would face further financial challenges arising not least from increased demand for services across adults' and children's social care, which would not be fully quantified for some time to come. Therefore, it was clear at that stage that the financial pressure was only going to get worse.

Section E: MHCLG Return and Assumptions

45. The first return to the MHCLG was submitted early in the crisis and the guidance provided to local authorities on a 'Common Operating Picture' (COP) was almost non-existent at that time. Unsurprisingly, as a result, the approach adopted by individual authorities was very different and analysis and discussion across the sector after the submission highlighted that this initial data collection was almost unusable at a national level.

46. Since that time, MHCLG have been consulting with the sector and issued a draft second form and guidance to the different Treasurers Societies to seek

feedback before the next return was due. Hampshire fed back on the form on behalf of the Society of County Treasurers (SCT) and highlighted that the key issue was to set a timeframe for Council's to work toward and a COP against which to base revised forecasts.

47. Separately, the County Council's Network (CCN) commissioned PricewaterhouseCoopers (PwC) to run two workshops just prior to the submission date in order to try to agree a common approach at least across CCN members to the completion of the form.

48. Taking all of these factors into account, it was therefore agreed to produce figures based on the following scenario:

- Extend the figures reported to Cabinet for an extra month to the end of July.
- Add a further month of costs and losses to allow for a phased recovery period of a further two months (assuming that we return to 'normal' over the course of that period on a straight line basis).
- Add high level guesses for recovery and demand costs for major services where we expect there to be an impact.
- Assume a percentage loss of business rates and council tax yield for the current year only (the form does not deal with future years impact).
- As with the first form only including the impact of savings programme delays for the current year only.

49. In addition to these global assumptions, we have also been considering service specific assumptions as part of this MTFS Update and these are contained in Appendix 2. This includes generic assumptions that apply to all services and one of the most important of these is that we do not expect a second peak and complete lockdown later in the year as any increase in community infection will be managed through the outbreak plans that have been developed.

50. For the May return, better information was available on response costs and income losses but the impact on trading areas was less clear and only very high level estimates were provided for future recovery and demand costs.

51. In May, the revised estimated total cost of the response for the extended four month period to the end of July, together with the impact on savings programmes was more than £195.5m of which we predicted £85.9m would be met from existing budgets, government grant and savings in some services. In the absence of further government funding the net unfunded cost was estimated to be approaching £109.7m which is clearly significantly more challenging to the financial sustainability of the County Council.

52. In developing forecasts for this Medium Term Financial Strategy (MTFS) Update, further more detailed work has been undertaken on recovery and response costs and specific workshops were arranged by the Deputy Chief Executive and Director of Corporate Resources with the Directors of both

Adults' Health and Care and Children's Services, in order to consider what assumptions it is reasonable to make and the consequential impact on demand forecasts both in the short and medium term.

53. We also have the benefit of two months of monitoring data and have reviewed and changed major assumptions as outlined later in the report. A key assumption that impacts on many areas is the position of schools once we reach September. Whilst there is significant national debate around this issue, a prudent financial approach has been adopted in each of the key services which are impacted by the extent of school opening and the total numbers of children returning.

54. It is also important to note that many of the May forecasts were based on a five month response period in line with government guidance and yet in some areas such as country parks income losses have been mitigated by the ability to open in line with the easing of lockdown restrictions that continue to be announced.

55. This information has all been fed into the MHCLG return for June and in some areas is very different to the original high level figures that were submitted as outlined below. This serves to underlines the complex environment in which we are working and the iterative nature of financial forecasting as we learn more and things change on a month by month basis.

Financial Summary

56. The following table shows a summary of the figures for the May and June returns broken down over the key areas requested by MHCLG:

	May £'000	**June £'000**	**Change £'000**
Response and Recovery Costs	68,024	71,805	3,781
Lost Savings – 2020/21 only	9,996	9,996	0
Business Rate / Council Tax Losses – 2020/21 only	34,600	34,600	0
Lost Income / Investments	16,016	11,474	(4,542)
Commercial / Trading Losses	23,122	9,182	(13,940)
	151,758	**137,057**	**(14,701)**

57. The main differences between the two returns are shown in the table overleaf, but in the main relate to reduced response costs and losses in some areas due to easing of the lockdown measures and the end of the peak in infections, together with changed assumptions and forecasts in recovery and demand costs:

	£'000
Reduced adults' social care demand	(10,000)
An extended period for supporting the adult social care market and other associated costs (7 months)	7,665
Increased children's social care costs, including increased social workers	5,109
Home to School Transport reduced demand pressures on the assumption that social distancing will only apply for SEN children	(2,800)
Reduced income losses across CCBS based on early monitoring information and eased lockdown	(3,747)
Reduced Trading Losses based on early monitoring information, wider schools opening and current activity levels	(13,940)
Purchase of IT kit to enable extended home working	2,800
Other net changes	212
	(14,701)

58. As explained above the changes in the return relate to the iterative nature of financial forecasting during this unstable and completely unprecedented period. Where possible we have looked to fully align the current years data in the MHCLG return with the forecasts on financial sustainability presented later in this report.

59. The table in paragraph 56 shows that losses in income, investments and commercial / trading losses total £20.7m. The categories follow the MHCLG guidelines which do not properly represent the kinds of losses that we have experienced. A more appropriate breakdown for the County Council would be as follows:

Type	Description	Loss £'000
Client contributions	Adult's social care client income due to reduced package numbers	2,500
Fees and Charges	Lost fees, charges, sales income, event income, permits, licenses, room hire, parent contributions all as a consequence of lockdown	5,474
Traded Services	Net losses arising from trading activity in HC3S, County Supplies, Property Services, HIAS, School Music Service, Hampshire Transport Management etc.	9,182
Investment income	Losses in the investment of cash balances in pooled property, pooled equity and other higher yielding returns as a result of the stock market crash and economic conditions	3,500
Total		**20,656**

60. What this table shows is that almost £17.2m of the income loss is entirely due to the impact of Covid-19 and the lockdown measures that have been put in place. The lost investment income is as a result of the stock market crash and the general economic conditions surrounding Covid-19. It does not relate to any losses from direct property investment that the Government has been concerned about for some time. In considering the impact on what the Government terms 'unwise investments' they have suggested that there may be some help available, but it will be 'painful' for the sector given the previous warnings that have been issued.

61. The County Council's strategy has always been to seek pooled investments to help spread the risk and this is a strategy that has served it well in the current circumstances. We will continue to lobby the Government for assistance towards the lost income that is purely consequential to Covid-19 and lockdown measures, but the financial analysis detailed later in the report does not assume that this will be received as clearly a more prudent view needs to be taken in assessing our financial sustainability.

62. In order to complete the financial snapshot using the same methodology as reported to Cabinet and separately to all Members of the County Council we need to include Market Underwriting costs and the second two years of savings programme losses. This increases gross losses to £188.2m, which are offset by grants, budgets and other savings as outlined in the following table:

	£'000
MHCLG Return	**137,057**
Market Underwriting	23,355
Lost Savings – 2021/22 and 2022/23	27,775
Total Costs and Losses	**188,187**
Specific Funding (CCG's and Government)	(4,392)
Covid-19 Grant Allocations	(53,968)
Forecast Savings	(3,600)
Market Underwriting (budgeted)	(23,355)
Net Unfunded Costs and Losses	**(102,872)**

63. At the end of May, the net unfunded costs and losses were forecast to be £109.7m. Although some of the individual elements have changed (for example some offsetting savings are now reflected in the figures submitted to the MHCLG), the net snapshot position for June is around £6.8m lower than May, mainly as a result of the changes outlined in paragraph 57 above, offset by the worsening position for Tt2019 and Tt2021 delivery.

64. It is worth re-iterating though that this is simply a snapshot and is based on assumptions for response outlined in paragraph 48 and on recovery and demand costs that are detailed later in this report. It is inevitable that as our knowledge grows about what has already happened and we respond to changing assumptions about what might happen, that the figures reported for the current year will continue to fluctuate on a monthly basis.

Section F: Transformation to 2019 and Tt2021 Programmes

65. It would be usual as part of an MTFS Update report to provide a summary of progress on our transformation programmes, which are important in understanding the medium term cash flow support requirements that are needed either from departmental Cost of Change Reserves or the BBR.

66. Clearly, over the last three months departments have been focussed on responding to the crisis and the majority of activity on the transformation programmes was suspended, as were the normal reporting arrangements.

67. Early on in the crisis, an assessment was made of the impact of a delay in implementation of the Tt2019 and Tt2021 Programmes based on a four month delay in most areas and six months in the more complex services, recognising that it would take time to re-build momentum in these areas.

68. These figures have now been further reviewed as part of the preparation for this MTFS Update and are already included in the table set out in paragraph

62. The more detailed analysis by department and financial year is shown in the table below:

	2020/21	2021/22	2022/23	Total
	£'000	£'000	£'000	£'000
Adults' Health and Care	5,829	4,951		10,780
Children's Services	2,697	4,887	1,047	8,631
ETE	1,222	9,770	5,275	16,267
CCBS	143	1,630		1,773
Corporate Services	105	215		320
	9,996	**21,453**	**6,322**	**37,771**

69. The total impact has increased by more than £6.9m from the £30.8m previously reported to Cabinet. This reflects the latest assessment by departments and takes into account the impact of recovery and demand activities which were not considered the last time the exercise was undertaken, which was essentially in the first 2 weeks of April.

70. It is also worth noting that at this stage these figures are all assumed to be cashflow impacts and that savings will all eventually be delivered but on a longer time frame. In social care areas it is very difficult to understand the consequences of Covid-19 for potential future demand and how this will impact on the savings programmes. However, on the basis that current transformation activity in these areas is controlling or reducing demand, this should continue to be the case irrespective of whether or not there is a future spike in demand.

71. It is likely that in many areas transformation activity can be resumed within the next four to six weeks and it is expected that formal monitoring of the Programme will also start later in July with a view to providing greater levels of information on the Tt2019 and Tt2021 Programmes to Cabinet in September.

Section G: Financial Update

72. Significant work has been undertaken at speed to build an even more comprehensive financial picture of the impact of the pandemic, including extending the picture to 2022/23. Whilst this is crucial to enable the County Council to plan for the medium term, due to the uncertain and very complex environment which is evolving on a day to day basis and for which there is no past comparator it is unavoidably based on a wide range of assumptions made at this particular point in time.

73. Appendix 2 sets out for each department the key assumptions that have been used to prepare the latest and more comprehensive financial picture, and a

summary of the main issues and impacts are set out in the following paragraphs:

Adults' Health and Care

74. Adults' Health and Care have been at the forefront of the County Council's response to the crisis and unsurprisingly faces the largest cost pressures as a result of the Covid-19 pandemic. There are a number of immediate issues / cost drivers including:

- Increased demand from the acceleration of patients transferred from NHS care into various social care settings, albeit these are currently being met by the CCG's.
- Significant cost of providing Personal Protective Equipment (PPE) across all social care settings.
- Reduced income from new adult social care self-funders and fee payers coming into the system.
- Payments to private and third sector providers delivering day care and respite where this income loss is having to be compensated to support the market but where no service is being delivered.
- The need to increase unit prices paid to providers to enable them to cover their additional costs.
- Additional staffing costs to cover illness and enable social distancing measures, in addition to security and deep cleaning.

75. Whilst the future is uncertain, a return to a "normal" social care environment is unlikely. Across the wider sector plans to re-configure care delivery and invest in infrastructure have been paused until the new landscape is better understood.

76. A number of issues could drive additional pressures in the medium term. These remain hard to quantify and will vary in degree and impact in different localities. The assumptions that we have applied are set out in Appendix 2 but some of the issues are as follows:

- Costs associated with PPE, shielding and social distancing are expected to become embedded.
- Under occupancy of residential care places is a risk, with a corresponding shift towards domiciliary and other care settings. This is attributed to Covid-19 making traditional forms of residential care less attractive to new clients, particularly in regard to self-funders who may have a broader choice of options.
- While this could boost efforts to shift demand away from residential care to potentially less expensive settings such as domiciliary or day care, any benefit is likely to be offset by the increased complexity of needs, some of which may be directly related to Covid-19 (for example additional

vulnerability that will need to be mitigated and an increased reluctance to seek hospital care in the early stages of illness).

- A structural reduction in demand for residential care, particularly for self-funders, triggered by Covid-19 is likely to impact the viability of providers and drive up unit costs.

77. Early on in the crisis the County Council made additional payments to social care providers to help them with extra costs in respect of PPE, cleaning, waste disposal and overtime or agency staff for sickness cover among other things, in line with government guidance. These payments were made to the end of July and whilst the first peak of infection has now passed, care providers are still facing a very challenging environment to ensure that staff and clients remain safe and to limit the spread of the infection as far as possible.

78. Although the Government has also provided additional funding to providers, this was specifically for infection control measures and cannot be used on basic costs such as PPE or the additional costs of agency workers. Furthermore, as highlighted above, many care providers are struggling financially as income from self-funders has significantly reduced and there is a danger that providers could go into administration placing potential strain on the market.

79. Given all of these factors, this report proposes a further two months of payments totalling £5.910m with the option for a further month costing £2.418m to be agreed under delegation if considered necessary. Both of these sums are contained within the financial forecasts set out in this report and can be met from the Covid-19 grant funding provided by the Government, albeit that this does not cover all of our current costs at this stage.

Children's Services

80. Children's Services faces pressure across a range of service areas but notably children's social care and home to school transport.

81. Some of the key drivers include:

- Increased costs to providers and in-house services leading to increased unit price. Areas include for example PPE, social distancing, shielding and deep cleaning of facilities.
- A lower than expected level of referrals during the lockdown period, but this is expected to rise sharply as lockdown eases and when children return to school.
- Expectation that lockdown will exacerbate current challenges for some families (for example increased domestic violence), leading to additional demand. In addition, the fact that those who would previously have been care leavers are currently remaining within the County Council's care.
- A downturn in the supply of fostering places and an increase in placement breakdowns, with carers increasingly unwilling or unable to take on cases.

This is considered likely to have an inflationary effect on the unit cost for foster care.

- In terms of home to school transport the cost pressure arises largely from having to implement social distancing, in addition to supporting local providers during school closures from current budgets.

82. In the longer term there are a number of financial pressures as follows:

- Covid-19 is likely to exacerbate the current shortage of foster care placements in some areas, leading to the use of more expensive care options.
- Any increase in demand caused by Covid-19 reflects a longer term commitment which will have to be funded over several years.
- The impact of the resulting economic downturn is likely to cause further demand and this longer term impact along with changes to the provider market are very difficult to predict but are significant. Any increase in demand will also impact the requirement for social workers and support staff to ensure the maintenance of reasonable caseloads.
- If home to school transport has to continue to observe some form of social distancing and protective measures, there will be further costs but the availability of transport assets to enable such a policy may be a limiting factor.

83. One of the key factors in being able to respond positively to the anticipated future increase in demand is having adequate social worker capacity to deal with increased referrals and cases, not to mention the positive impact this also has on staff wellbeing if caseloads are controlled effectively. It is important that this capacity is in place before demand starts to spike and this report therefore requests funding of £3.783m in this financial year to increase social worker capacity and can be met from the Covid-19 grant funding provided by the Government, albeit that this does not cover all of our current costs at this stage. Funding of up to £6.7m is also requested for next financial year subject to a review of demand and caseloads at the end of this financial year the funding for which would need to be addressed as part of budget setting for 2021/22. Both of these sums are contained within the financial forecasts set out in this report.

84. In addition, as part of regular meetings held by the Deputy Chief Executive and Director of Corporate Resources with the Director of Children's Services there has been on-going focus on the Special Educational Needs (SEN) service which has been dealing with an increasing workload.

85. Additional one off investment has been provided by the Department through the use of Cost of Change to enable the service to deal with rising demand and much has been achieved since June 2019 when this interim funding was agreed. The service has completed recruitment, improved its operating procedures and has good performance management data which is well utilised.

86. However, on-going funding of up to £1.7m is now required to ensure that the service can maintain the current performance and help them meet their statutory duties. This additional business as usual pressure has been included in the financial position set out in this report, subject to approval by Cabinet and would need to be funded from existing contingency provisions on an ongoing basis.

Economy, Transport and Environment (ETE)

87. In the main, response costs have not been significant within ETE, although allowance has been made for potential compensation claims in some contract areas. Market underwriting has been a key feature within transport and concessionary fares in line with the Government's guidance and there may be recovery costs associated with social distancing measures.

88. The position for waste disposal is complex but the best current estimate assumes the additional cost of a revised approach to payments is expected to be offset by other savings arising from the different operating environment. For highways maintenance any financial impact can only be mitigated by reducing the amount of highway works undertaken during the year.

89. Some of the key drivers include:

- Social distancing requirements will limit recycling volumes through Household Waste Recycling Centres for the rest of the current financial year.
- Alternative payment approaches across a range of services will continue in line with government guidance.
- The impact of social distancing on highways works and costs.

90. At this point there are not expected to be any longer term pressures that impact on the scenarios outlined later in the report.

Culture Communities and Business Services (CCBS) and Corporate Services

91. Within CCBS there has been a major impact on income generation and on trading areas such as HC3S, the County Council's catering service, and County Supplies who have had significantly reduced trading activity as a result of the reduced numbers of children at school.

92. Some of the key drivers include:

- The continuation of lockdown measures and social distancing, albeit some areas such as country parks saw easing some time ago.
- The numbers of children able to attend school, which impacts in particular on the provision of school meals through HC3S and the purchase of goods through County Supplies.

- The extent to which events such as marriages and the use of buildings will be relaxed in the future, some indications on which were given in the announcements on 23 June.

93. At this point there are not expected to be any long term pressures, but this is dependent on there being no further lockdowns. The reasonable worst case scenario for CCBS assumes that further disruption to income streams could be experienced during any future peak infection period.

94. There are also small income losses predicted across Corporate Services but no other short or long term pressures and so a separate set of assumptions are not included in Appendix 2 for this Department.

Risks in the Forecast

95. It would be usual as part of the MTFS to state the key assumptions that have been used around government grants, council tax and social care demand etc. and to highlight the potential risks and sensitivities within those assumptions.

96. However, given the complex nature of the forecasts we are producing during these unprecedented times and without any historical information to act as a guide, in essence we must treat all of the forecasts in this report as high risk in nature.

97. Later in the report we set out several funding scenarios and a Reasonable Worst Case Scenario (RWCS), in order to consider the potential medium term impact on the County Council. However, it must be recognised that many of these figures are speculative in nature and are based firmly on the individual departmental assumptions set out in the Appendix 2.

98. A prime example of the complexities we face relates to assumptions around social distancing. We had assumed that the “2 metre social distancing rule” would be in place for some time and this has implications for a range of services. On 23 June, the day after the initial financial analysis had been completed, the Government announced a relaxation of the social distancing measures. Given the timing of this and the fact that it would only improve the financial position, we have not re-worked the numbers, but this is a prime illustration of the difficulties we have in producing sensible forecasts in an ever evolving and rapidly changing environment.

99. Similarly, an announcement was made in respect of marriages re-commencing which equally impacts on the assumptions included for the Registration Service.

100. As time progresses and as more information becomes available, it will be possible to continually refine these figures and the expectation is that we will report regularly to Cabinet on the latest figures as we lead into budget setting for 2021/22.

101. In overall financial risk terms however, it is very important to note that whilst the response packages set out below have been developed in a crisis situation and significant sums have been pulled together as a result, it must be understood that for all scenarios, **this makes the County Council VERY vulnerable to any future financial shocks!**

Financial Forecasts

102. The above summaries of departmental issues and assumptions have been used to produce a base case for costs, losses and pressures in key service areas for 2021/22 and 2022/23. This has been combined with the unfunded costs and losses for the current year as set out above and the revised cashflows for Tt2019 and Tt2021.

103. All of this has been fed into the financial scenarios outlined later in the report. In addition, work has also been undertaken at a very high level to predict what a RWCS might look like as part of our assessment of the County Council's financial sustainability over the next three years.

Schools Funding

104. The Covid-19 Financial Report presented to Cabinet in May provided an update on the financial implications for schools resulting from the pandemic. In particular, there are concerns within the sector about income levels and the extent to which these support core activities within schools. Whilst there has been some government funding it is likely that Covid-19 will put some schools into deficit or will impact on financial recovery plans that were already in place.

105. Last month, a further £1bn pounds was announced for schools but this is targeted at making up for lost teaching time during the pandemic. A one off grant of £650m will be shared across state primary and secondary schools over the 2020/21 academic year. Whilst head teachers will decide how the money is spent, the Government expects it to be spent on small group tuition for whoever needs it.

106. Separately, a National Tutoring Programme, worth £350m, will increase access to high-quality tuition for the most disadvantaged young people over the 2020/21 academic year. It aims to reach up to two million pupils.

107. Whilst welcome, this does not help to improve the overall financial position of schools and it may be some time before the full impact at a local level is understood.

108. In terms of other impacts, the County Council has been putting in measures to support Early Years Providers, by continuing to pay budgeted amounts to them, irrespective of the number of children they are looking after. In addition, extra payments have been made to ensure key worker and vulnerable children have suitable placements where their normal care setting is closed or unable to take

them. We are also working closely with the sector where they are experiencing specific financial difficulties.

109. In all of these areas, the ultimate impact will be on spend measured against this years Dedicated Schools Grant (DSG) and could lead to further deficits over and above those being experienced within the High Needs block, which includes SEN. In line with government guidance, these deficits must be addressed through recovery plans and future years DSG, and therefore do not feature as a pressure within the forecasts outlined in this report.

Section H: Local Government Funding

110. Prior to the Covid-19 pandemic, local government has had to adapt to significant reductions in funding during the period of austerity and Members will be fully aware of the County Council's response to these reductions.

111. In broad terms, through our transformation programmes we have responded by driving out efficiency savings, reconfiguring services and generating additional income. This means that the County Council, along with other local authorities entered the pandemic with reduced financial resilience and fewer options available to absorb the significant increased costs and income reductions caused by Covid-19.

112. The period immediately before the Covid-19 crisis was one of considerable uncertainty. A lack of multi-year funding settlements already made it hard for local authorities to develop longer term financial plans. The key areas were:

- Funding for adults' social care was already a major challenge, with significant growth in demand projected alongside increasing complexity of need and a fragile provider market which was in need of additional investment. Government had started to address this in the form of ad-hoc, though significant, funding allocations but the longer term solution had yet to emerge, along with the anticipated social care green paper.
- Equally pressures in children's social care were growing and again whilst one off funding (albeit insufficient to meet the rising costs) had been made available, no longer term solution had been advocated.
- It had been recognised by government that the current system for calculating business rate allocations was also in need of review, and while different levels of retention had been piloted there had not been a definitive decision on the longer term for Business Rate Retention (BRR). The system for calculating rateable values was also due for review at a time when the value of business activity was increasingly removed from the value of their premises.
- The system for calculating relative needs and the allocation of central government funding was also due to be revised. The 'Fair Funding Review' has been delayed a number of times.
- The future for specific grants, such as the New Homes Bonus.

113. These were among a number of factors that were already creating considerable uncertainty as to the future funding model for local government. The Covid-19 crisis has now exacerbated the need for these long standing funding uncertainties to be addressed.

114. The County Council is still in the position of having no visibility of its financial prospects beyond the 2020/21 year, which clearly makes any accurate financial planning difficult to achieve and the Comprehensive Spending Review (CSR) which was planned for this year is fully expected to be postponed (although this has yet to be officially confirmed) and replaced with a further one year Spending Round; extending the period of uncertainty.

115. Whilst there are some signs that the key messages on funding requirements are getting through, local government as a sector will continue to push the Government for a programme of multi-year rolling settlements that avoid the inevitable cliff edge that we face at the end of every Spending Review period.

116. For now, one of the key messages we have been giving to local MPs and the Government is the need for an urgent single year Spending Round that provides provisional settlement figures for 2021/22 in order that we can start to plan for budget setting for next year. We are in a very similar position to last year where our exit from the EU created considerable uncertainty and the Government responded by announcing a Spending Round in September that provided upper tier authorities with the certainty they needed for the year ahead. Arguably, the current uncertainty and immediate financial instability within the sector provides an even greater impetus for a similar announcement this year.

Section I – The Council's Challenge to 2022/23

117. In the current MTFS approved in November 2019 the forecasts that were set to inform the Tt2021 target of £80m were affirmed. However, what is particularly pertinent for the forecast is the lack of any detail around the Government's intentions beyond the current financial year. The two year position to 2021/22 presented in the MTFS assumed that all government funding announced for 2020/21 (including the extra £1bn for social care) would be built into the base position going forward. However, no further increases in funding for the growth in social care costs that we know we will face in 2021/22 were assumed.

118. The key risks within the forecast at that point can be summarised as follows:

- Grant reductions or funding re-distribution are greater than expected following the Fair Funding Review and extended BRR.
- The assumption of ongoing core council tax increases of 2% plus a further 2% for the adult social care precept.
- The assumption that there will be continued government funding allocated towards social care pressures at least at 2020/21 levels.

- That growth in adults' and children's social care is even greater than forecast.
- Potential changes resulting from the long awaited Green Paper (or possibly a White Paper) on social care for older people and the parallel work being undertaken looking at social care for working age adults.
- Pay and price inflation exceed the provisions contained in the forecast.

119. Since then the environment in which we are operating has changed fundamentally and the financial implications of the Covid-19 crisis on the County Council are profound.

120. As outlined in Section G, the key departmental issues and assumptions (as set out in Appendix 2) have been used to produce a base case for costs, losses and pressures in key service areas for 2021/22 and 2022/23. This has been combined with the unfunded costs and losses for the current year, in line with the latest MHCLG return set out in Section E, and the revised delivery profile for Tt2019 and Tt2021.

121. One additional business as usual pressure in respect of the SEN service has also been included as described in paragraph 90 subject to approval of this funding.

122. The impact of all of these items has been profiled across the financial years to 2022/23 to understand the cash flow impact. The delay in savings programmes was already profiled over the three years and in technical terms, the council tax and business rate losses for this year will not have an impact on the County Council until next financial year through the collection fund mechanism.

123. Further forecasts have also been provided on the possible future impacts on council tax and business rate income, given that the economic downturn will mean that many households will apply for the local council tax support schemes, which has the impact of reducing our income. Combining all of these factors gives a base case for costs, losses and pressures across the years as follows:

	2020/21 £'000	**2021/22 £'000**	**2022/23 £'000**	**Total £'000**
Net Unfunded Costs and Losses	40,497	56,053	6,322	102,872
Departmental Pressures		32,331	30,997	63,328
Business Rates and Council Tax		21,000	14,000	35,000
Other Pressures	1,700	4,200	3,200	9,100
Total Costs, Losses and Pressures	**42,197**	**113,584**	**54,519**	**210,300**

124. Three scenarios have then been applied to the base case for total costs, losses and pressures as follows:

    1. No further government funding and no underwrite for council tax and business rate income
    2. Further government funding to meet all Covid-19 response, recovery and demand costs (£17.8m) but no underwrite for council tax and business rate income.
    3. Further government funding to meet all Covid-19 response, recovery and demand costs (£17.8m) and underwriting for council tax and business rate income for the current year's losses (£34.6m).

125. None of the scenarios assume that income losses (beyond council tax and business rates), future years costs or lost savings will be covered by the Government. This is necessarily prudent given that the purpose of this report is to assess the County Council's future financial sustainability; and this is certainly not a time for optimistic forecasting.

126. These scenarios form the base position for a potential financial response package which is explained in detail in Appendix 3 and summarised in the next section.

Section J: Financial Response Package

127. Options to develop a financial response package have been considered in order of the severity of their impact on the County Councils existing financial strategy and approved plans as outlined in the following paragraphs and set out in detail in Appendix 3.

128. Initially work has been undertaken to review all potential sources of funding that can be applied to meet the total costs, losses and pressures, without any impact on commitments or plans that have already been approved. These miscellaneous items include:

    - Historic un-earmarked non-specific grants.
    - Provision for the cash flow of Tt2019 and Tt2021 savings delivery pre-Covid-19 which has now been superseded as the new profile of delivery is included in the base case.
    - Provision within General Fund Balances which is marginally in excess of the level recommended by the CFO of 2.5% of the budget requirement.

129. Subsequently, a review has been completed to assess any opportunities to release corporate funding, either one off or on-going, through a review of contingency provisions, in respect of inflation and risks in the budget, and potential treasury management savings. This has been done as safely as possible and ensures we can continue to manage key risks to some degree, but it does limit our ability to manage further new shocks that may arise.

130. Work has then been completed to identify corporate reserves that can be released without impacting currently approved commitments, recognising that drawing this funding will significantly reduce the County Council's ability to fund future investment and / or develop initiatives which to date has continued to be possible. These corporate reserves encompass the Invest to Save Reserve, the Corporate Policy Reserve and the Organisational Development Reserve.

131. A General Capital Reserve is available which, albeit fully committed to existing spend programmes, can be utilised where the planned spend meets the definition of capital expenditure and can be replaced by prudential borrowing. This option would not be utilised unless it was really needed as any resulting borrowing would create additional revenue costs to cover interest and loan repayments and so would add to any future budget gap.

132. As a last resort the use of General Fund Balances can be considered. The General Fund Balance in effect represents a working balance of resources that could be used in the event of a major financial issue. However, any draw that takes the level below that recommended by the CFO needs to be replaced and so will add to any future budget gap that needs to be bridged.

133. Finally, the BBR can be used to cash flow the position, recognising that we need to replenish this to enable us to maintain our financial strategy and develop and implement a successor transformation programme to take us to 2022/23 and beyond.

134. The individual tables outlining the financial response package for each scenario are contained in Appendix 3. It is difficult to provide a summary of these given the complex interaction of drawing from and contributing to the BBR in order to manage the cash flows. However, the key variable elements of the scenarios are the use of the General Capital Reserve (by releasing existing funding through replacement prudential borrowing) and General Fund Balances to balance the position.

135. The table below summarises these key elements for each scenario along with the final position forecast at the end of 2022/23:

	Scenario 1 £'000	**Scenario 2 £'000**	**Scenario 3 £'000**
Use of the General Capital Reserve	80,012	80,012	49,089
Use of General Fund Balances	21,098	3,677	0
Final Year Deficit / (Surplus)	416	0	0

136. Elsewhere in this report the criteria for financial sustainability were described as being in the same position at the end of 2022/23 as we were pre Covid-19, as this would mean we maintained our capacity to respond to the challenges that

lay ahead, including ensuring that the BBR has been 're-paid' to put it back into the same position.

137. The need to use General Fund Balances in full for Scenario 1 means that this would have to be replaced in subsequent financial years. Achieving this on top of maintaining cash flow support in the BBR is not considered to be viable and under this scenario the County Council is not financially sustainable.

138. For Scenario 2 the use of £3.7m of General Fund Balances is required, which would need to be replaced and would put additional strain on future years to achieve this. Scenario 2 also effectively uses up all of our remaining 'firepower' and means there is no contingency and we therefore have no ability to deal with any further financial shocks. Given the very high level nature of the assumptions and forecasts this is not a prudent position and on that basis the County Council is not considered to be financially viable under this scenario.

139. The final scenario does not require the use of General Fund Balances and only draws on circa 60% of the flexibility within the General Capital Reserve, so is within the boundaries set for financial sustainability.

140. Figures have also been modelled for a RWCS, which would increase the total cost pressures from £210.3m to £273.6m. Even if the best case funding assumptions were applied to this position, there is still a deficit of £11.3m after using all of the General Capital Reserve flexibility and all General Fund Balances. Clearly the County Council is not financially viable under this scenario.

141. Not surprisingly, in the face of a potential £200m impact, the County Council is not financially sustainable in three out of the four scenarios considered. It is possible under Scenario 3 that we would be able to stay on track, but this is dependent on two further elements of government funding.

142. Early on in the crisis, Government Ministers made various commitments to local government:

    "We will do whatever it takes" – Rishi Sunak, Chancellor of the Exchequer

    "Spend what you need to spend and we will reimburse you" – Robert Jenrick, Secretary of State for Housing, Communities and Local Government

143. Since then there have been statements around local government 'sharing the burden' with government, which are in stark contrast to what went before. This thinking is flawed as local government has no local tax raising powers beyond council tax, which is restricted by the Government and is likely to reduce as a result of the crisis and the reduced earning capacity of residents. Government on the other hand can borrow to support revenue spend and can increase taxes to raise revenue across a number of different areas.

144. Based on the scenarios presented in this report and impact on our financial sustainability, it is clear that the Government needs to honour its previous

commitment to fund the financial consequences of Covid-19. The County Council will therefore continue to lobby strongly through existing channels such as the CCN and the SCT, and directly to the Government, to ensure that the full range of extra costs are reimbursed by the Government as initially promised.

Section K: Capital Programme

145. The Capital Programme was last approved in February 2020 as part of the budget setting process and an update on the capital outturn position is included in the 2019/20 - End of Year Financial Report presented elsewhere on the Agenda.

146. Cabinet will be aware that in a similar process to that carried out a number of years ago, the Corporate Infrastructure Group (CIG), which is chaired by the Director of Economy, Transport and Environment have been capturing departmental priorities for capital investment over the next few years.

147. The intention was to bring these departmental investment priorities, together with those identified by Councillors to Cabinet and on to full County Council for consideration and approval in due course, dependant on the funding that was available**.**

148. The impact of Covid-19 has not only delayed this process but the medium term financial impact as set out in this report highlights the need to delay any significant decisions in respect of capital investment until more certainty over the financial landscape is secured going forward. This makes sense not only from a financial viewpoint but also in respect of some of the proposed investments themselves which could be heavily impacted by Covid-19, particularly in some of the building based assets such as care homes and office accommodation.

149. Departments have been asked to look at any urgent health and safety related priorities that may still need to be progressed with a view to bringing those to Cabinet and County Council in September this year.

The Impact of Covid-19

150. At this stage, the impact of Covid-19 on the Capital Programme has not been significant. Some highway projects were stopped for a brief time, but these resumed again shortly after and most building related projects have continued whilst complying with government guidance.

151. There are expected to be some compensation claims from contractors and an initial estimate was included within the MHCLG returns for May and June, but these are not significant in the context of the overall total.

152. Whilst going forward there may be some impact on the capital costs of schemes, this is not certain at this stage and in fact in some areas tenders have been coming in below what was expected. However, the long term

impact is clearly less certain and would need to be considered as part of any future updates of the Capital Programme.

153. More recently a very high level exercise has been undertaken to consider response costs such as site closures and compensation claims and the potential additional costs over the next six months for re-mobilising and measures that have had to be put in place by contractors to comply with government guidelines.

154. Initial figures suggest that up to £5m may be required after mitigations have been put in place by departments. These are very high level figures at this stage and will be refined as more information is collected. In order that existing schemes that are already in progress are not halted as a result of revised cost estimates, this report seeks approval of a 'capital underwriting' of up to £5m that will be allocated as appropriate by the Deputy Chief Executive and Director of Corporate Resources.

155. This would only be applied where absolutely necessary and only after other measures to mitigate the impact have been explored or additional funding sought from other partners linked to the schemes where appropriate (e.g. the Government, Local Enterprise Partnerships etc.). The spend of up to £5m can be accommodated from smaller capital receipts that have accrued corporately over recent years but have never been committed.

Section L: Beyond 2022/23

156. It has previously been highlighted that each year the County Council faces a shortfall to meet cost and demand pressures that historically were provided for by the Government and looking ahead, the predicted shortfall in the interim year of 2022/23 is forecast to be £40.2m.

157. There remains a lack of detail around the Government's intentions beyond 2020/21, and the current crisis has significant financial implications at a national level which will no doubt impact on all public finances for many years to come. The impact on our reserves in respect of the financial scenarios highlighted above will mean we are less well placed to meet any delays in a successor savings programme and therefore, what is clear is that any programme will need to be delivered in full within the requisite timescales, as continuing to provide large scale corporate support will not be possible based on our current knowledge of the financial landscape ahead.

158. This report considers the period up to the end of 2022/23 and assumes that the forecast gap (pre Covid-19) for that year remains at £40.2m. It is impossible at this stage to predict what the annual deficit beyond this might look like, but it is highly unlikely that a position of less than £80m of savings will be required.

159. The normal timescales for considering what would be a Transformation to 2023 Programme are set out in the following summary:

Item	Date
High level opportunity assessment carried out by Departments	October 2020 – March 2021
High level opportunity assessment considered by Corporate Management Team and Executive Members	Spring 2021
Public consultation on proposals	Summer 2021
Final savings programme approved by Executive Members, Cabinet and County Council	September – November 2021

160. At this stage, there are a number of significant issues that would impact on this normal timeline:

- The delay in the Tt2019 and Tt2021 Programmes due to Covid-19 means that these programmes are further extended beyond the previous timelines.
- The next peak in Covid-19 infections is expected in October / November this year and may require some similar elements of response from the County Council during this period.
- The CSR is not expected to take place at least until Summer 2021.
- We are unlikely to know the detailed impact on the County Council going forward, assuming it is a multi-year settlement, until December 2021.

161. Given these factors, it would therefore make sense to delay any successor programme for a full year, but this would be dependent on there being sufficient reserves to cover an additional interim year and crucially that the programme would need to be fully delivered by 1 April 2024.

162. At this stage, given the significant range of financial uncertainties it is recommended that this position be reviewed at the point the County Council sets the 2021/22 budget and council tax in February 2021, as by this time we will better understand the picture for 2021/22. We should have more certainty as to the ongoing costs and losses associated with Covid-19 and also what government support might be available in both the short and longer term in response to this.

163. If at that point it is not considered viable to extend any successor programme to 1 April 2024 then a separate timetable will be needed to pursue options in a shorter timescale. The two options for timetables are therefore set out in the following table:

Item	1 April 2023 Implementation	1 April 2024 Implementation
High level opportunity assessment carried out by Departments	February 2021 – June 2021	October 2021 – March 2022
High level opportunity assessment considered by Corporate Management Team and Executive Members	Summer 2021	Spring 2022
Public consultation on proposals	Autumn 2021	Summer 2022
Final savings programme approved by Executive Members, Cabinet and County Council	January – February 2022	September – November 2022

164. Whilst the earlier timetable reduces the timescales for implementation compared to our normal arrangements, it offers the best compromise under the circumstances and still gives the opportunity to review the position before final decisions are made in light of the CSR outcome, the detail of which should be available in December 2021 at the latest.

165. In the absence of any detailed information, the best forecast we have at the moment is an annual gap of £40.2m per annum. This would give a further £80m target for a successor savings programme on the assumption that it covers only a two year period. Based on the County Council's current financial strategy this would be allocated on a straight line basis in proportion to Departmental cash limits for 2020/21, which would give the following distribution:

	£'000
Adults' Health and Care	40,695
Children's Services – Non Schools	20,595
ETE	10,523
CCBS	3,253
Corporate Services	4,934
Total	**80,000**

166. Cabinet and County Council are requested to approve these targets, but the aim would be to review the overall financial position once the detailed outcome of the CSR is known for the County Council. Should the programme be extended to be implemented from 1 April 2024, then this would cover three years' deficits and would require total savings of £120m but clearly this position would also be impacted by the CSR due out next year.

Section M: Financial Resilience and Sustainability

167. Financial resilience describes the ability of local authorities to remain viable, stable and effective in the medium to long term in the face of pressures from growing demand, tightening funding and an increasingly complex and unpredictable financial environment.

168. Whilst the County Council has always fared well against measures of financial sustainability, in particular CIPFA's measures of financial stress and their financial resilience index, it has been made clear that without a change in the quantum and distribution of government funding, in particular in respect of social care services, the County Council is not financially sustainable in the medium term.

169. This was the position prior to Covid-19 and arguably, as a result, national and local government is about to enter the most uncertain economic and financial period since the end of World War II.

170. It is therefore no longer appropriate to rely on these past measures of resilience and sustainability and the main purpose of this report is to undertake a financial assessment of the County Council up to the end of 2022/23 that the CFO can use to assure herself and the Cabinet and County Council that we remain financially viable during this period and would still be in a reasonable position to face the challenges that will arise beyond it.

171. Section J outlined the financial response package that could be put in place to meet the various financial scenarios outlined and considered what the impact would be against a RWCS.

172. This concluded that under the three scenarios presented, the County Council would not be financially viable for two of them. Similarly, for the RWCS, it was concluded that even under the highest level of assumed government funding that the County Council was not financially sustainable.

173. Cabinet and County Council may be aware that discussions have been going on in the sector and with the Government about the issuing of Section 114 Notices during the Covid-19 crisis and CIPFA have released revised guidance that urges CFOs to consult with the Government prior to them issuing such a notice.

174. At this stage, we must wait until further information becomes available before making any decisions, but the aim is to report regularly to Cabinet and County Council on the position and if necessary provide information directly to Members where this is considered necessary, given the fast moving pace and changing consequences of the crisis. As outlined above and demonstrated in Appendix 3, the County Council has sufficient cash flow resources to meet the predicted short term impact of Covid-19 which places it in a strong position to address any financial issues going forward.

175. In any event, should action need to be taken to address an assumed future deficit, this will be done in good time and will no doubt have the full support of the Cabinet and County Council in dealing with any financial issues in a structured and responsible way. A Section 114 Notice is a last resort action, issued only if the CFO feels that the authority is not taking appropriate action to address the financial situation it faces, and it is not anticipated that a Section 114 Notice would therefore be required within Hampshire County Council that has a strong track record of addressing its financial issues.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

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

Other Significant Links

Links to previous Member decisions:	
	Date
Direct links to specific legislation or Government Directives	
Title	Date

Section 100 D - Local Government Act 1972 - background documents

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

Document	Location
None	

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 disproportionally low.

2. **Equalities Impact Assessment:**

Given that this report deals with a large number of options and proposals for savings as part of the Transformation to 2021 Programme, the individual EIAs have been appended to this report to aid the decision making process.

Urgent Decisions

1. Where an urgent financial decision is required that falls outside of the defined process or limits within Financial Regulations or Financial Procedure Rules, but is felt to be in the wider interests of the County Council, the Chief Financial Officer in consultation with the Chief Executive and the Leader can make the decision subject to it being reported back to the appropriate decision making body.

2. In view of the urgent requirement for the County Council to response at pace to emerging events, especially during the early stages of the crisis, the decision reports therefore sought approval to facilitate timely action. All of the decisions are described briefly below and the approved spend can be met either from existing budgetary provision of from the funding allocated by the Government.

Members' Devolved Grants Budget (Decision Date 1 April 2020)

3. The Policy and Resources portfolio includes provision for a range of grants to the voluntary and community sector. Given the heightened importance of these grants at this time it was agreed to increase the amount available in 2020/21 to £10,000 per Member.

4. This is an increase of £156,000 and will bring the budget in 2020/21 to £780,000, to be funded from a combination of savings on the Leader's grant pot and the Members' Devolved Grants Budgets in 2019/20 and the Leader's 2020/21 grant pot.

Temporary Mortuary Provision (Decision Date – 2 April 2020)

5. Unlike neighbouring counties, Hampshire and the Isle of Wight has no public mortuary provision. Therefore, all mortuary capacity is situated with the NHS Acute trusts. As a consequence, there was a need for temporary mortuary provision to deal with the potential for excess deaths that were predicted as part of early modelling undertaken on behalf of the Local Resilience Forum (LRF).

6. The award of a contract for the provision of refrigerated haulage container units was approved as were the County Council's share of the associated one-off cost.

Personal Protective Equipment – Strategic Reserve (Decision Date 6 April 2020 and 21 April 2020)

7. The supply market has faced unprecedented levels of demand for PPE, making it extremely challenging to secure supplies, and to do so in the quantities required and at appropriate prices.

8. Failure by the Council to secure this equipment has significant risks in terms of the resultant operational pressures that will be generated for partners within the

LRF (including Hampshire Fire, Police, NHS and the County Council) where services have inadequate supplies to carry out their functions. This would otherwise impact adversely directly on members of the public affected by the non-delivery of such services at a time of local and national crisis.

9. A significant contract was awarded to secure critical PPE supplies and to provide a strategic reserve of equipment for use by partners across Hampshire and Hampshire County Council's In-House service, in light of the Covid-19 pandemic. In addition, given the international position in relation to PPE, to enable the organisation to respond in an agile way further spend was also approved in order that opportunities to purchase further supplies were not missed, including any specific Single Tender Approvals required.

10. There remains the risk that the County Council could pay for PPE reserves that are either not used or are not paid for by other partners who are drawing down on the stock. To mitigate this, it is proposed to put in place a financial underwrite across all partners within the Local Resilience Forum that are making use of the reserve, such that any unrecovered costs are shared appropriately between them.

COVID-19 Emergency Funding for Local Government (Decision Date 7 April 2020)

11. A sum of £1.6bn of additional funding to support local authorities in responding to the Covid-19 pandemic was announced in March 2020 – Hampshire County Council's allocation was £29.6m. This funding was intended to help local authorities address the pressures they are facing in response to the Covid-19 pandemic across all the services they deliver.

12. Approval was given to delegate authority to both the Deputy Chief Executive and Director of Corporate Resources and the Head of Finance to allocate this funding in line with the intended purpose for decisions below £1m to ensure timely response to swiftly changing circumstances.

13. The current urgent decision arrangements under financial regulation 2.31 continue to apply for decisions over £1m, including the requirement for the Deputy Chief Executive and Director of Corporate Resources to make the decision and to consult with the Chief Executive and Leader.

Adults' Health and Care - Response to Covid-19 (Decision Date 9 April 2020)

14. The funding, as referenced in paragraphs 11 to 13, is intended to meet the increased demand for adult social care and also enable councils to provide additional support to social care providers. It was anticipated by the Government, following feedback from local authorities that the majority of this funding would need to be spent on providing the adult social care services required to respond to the Covid-19 crisis.

15. The County Council suspended normal payment processes and principles and subsequently we have amended the way we transact with providers and considered both what we could offer and how that would be undertaken. A set of proposals was approved in respect of principles for how we pay for adults' social care and how we make those payments.

16. In addition, plans for the provision of a first point of contact as part of the broad welfare response to vulnerable people (for example, the over 70's, people with underlying health conditions, etc.) who have been advised by the Government to shield themselves for an extended period were approved along, with the associated costs of these changes and services.

Grant to Hampshire and Isle of Wight Trust (Decision Date 16 April 2020)

17. The Trust has been offered first refusal on the purchase of Deacon Hill (a 10.6 Ha chalk grassland Site of Importance for Nature Conservation) for a total purchase cost £250,000. They launched a public fund raising appeal which at the end of March 2020 had raised £230,000 of which £100,000 was made by a single benefactor. The deadline for the Trust to raise the full funds and complete the purchase has been extended to the end of April 2020.

18. A grant of up to £20,000 from the Investing in Hampshire fund was approved, with the actual amount depending on any final shortfall in funds generated by the Hampshire and IOW Trust land purchase appeal, to enable the purchase of this land.

19. Ownership of the site by the Trust will provide public benefit by opening up a new area of land close to Winchester for public access and to develop a connection with nature that is so important for their health and wellbeing.

Managing Hampshire's Built Estate (Decision Date 27 April 2020)

20. To ensure that the highest maintenance priorities are addressed and to avoid an increase in future condition liabilities, Property Services is seeking to minimise delays to the repairs and maintenance programme due to Covid-19 as far as possible, in line with central government guidance and construction industry protocols. Reactive or lower cost repair options have been considered and, in many cases, implemented over a period of time, before the named schemes come forward for more significant investment. In the longer term these options are unsustainable and lead to further deterioration of the building impacting on its operational use.

21. Therefore, to progress these priority works through design, pre-construction and on-site delivery, approval was given for the carry forward of unspent budgets from 2019/20, the high level allocation of 2020/21 budgets and project appraisals for capital schemes with a value of £250,000 or above.

Purchase of IT Equipment to Enable Better Home Working (Decision Date 4 June 2020)

22. Due to the pandemic and the Government's policy of lockdown the majority of County Council staff are currently working from home, facilitated in large part by the HCC IT strategy delivered over the past four years which has meant that staff with IT access have been able to work from home with a high level of efficacy.

23. The original IT provision was intended for a short period of home working, but it is now clear an extended period beyond this is likely to be required. This may be a result of an extended lockdown, repeat local lockdowns, or where staff are compelled to self-isolate as a result of 'track and trace'.

24. Expenditure was therefore approved for a more sustainable solution considering staff welfare and productivity with the following objectives:

- Provide all Fixed staff with suitable equipment to support an extended period of home working with a corporate mobile device as a minimum
- Offer 'Flexible/Field' staff with existing mobile devices with additional equipment to support extended periods of home working.
- Keep expenditure to a minimum, whilst considering the total cost of ownership.

25. This expenditure to purchase additional equipment required will have not only take into account staff welfare and productivity but also ensure our ability to respond effectively during this extended lockdown period.

Adults' Health and Care – Forward View

1. Key Issues

1.1 The Department has and continues to play a fundamental role in the delivery of services to the people of Hampshire in response to Covid-19 and this is not just limited to the predictable provision of care packages and delivery of Public Health services and leadership during this time. In addition, the Department have delivered the welfare services to support co-ordination and delivery of key services to those most vulnerable within our society whilst also supporting our NHS partners to release sufficient acute capacity to provide the much needed health care services to those in need.

1.2 With all this said however the unavoidable truth is that it remains those key care packages and our relationship with providers through the associated price paid and volumes purchased that will most significantly influence the Department's financial resilience both in the immediate and medium term.

1.3 Projecting the cost of care services, which can be particularly volatile during stable periods, is increasingly difficult at present, with the need to take into account a rapidly changing situation and corresponding government advice, often at short notice, with financial commitments as well as general forecasts regarding the likely rates of infection of the virus in the future.

2. Assumptions – Duration of NHS Covid-19 Discharge Funding

- Base assumption is that this funding stream, to meet the cost of ongoing care incurred by the County Council for clients discharged from hospital, will remain until end of October 2020.
- Upon cessation of this funding stream long-term care packages paid for by the County Council but funded through this route will need to be funded by the County Council.
- There are clients placed within interim placements, that the County Council do not pay for. Upon cessation of the funding they will have been allocated a long-term care package at an additional cost to the County Council. This is a temporary step increase in costs that will taper off over 18 months.

3. Assumptions – Duration and Extent of Response Activity

- Base assumption that care providers will continue to require enhanced payments to meet increased costs through to the end of October 2020.
- All other response costs including Welfare and County Council enhanced Personal and Protective Equipment (PPE) purchases will be required through to the end of October 2020.

4. Assumptions – Changes in Future Demand for Care Packages and Market Availability at Affordable Rates

- During the crisis period overall levels of care provided have already reduced, but it is assumed these will recover steadily over the next three years.
- Care volumes, in particular within Residential Care and Nursing, will return to pre Covid-19 levels during 2022/23. This will be further affected by societal attitudes and perception of the health risks to family members entering Residential Care and the impact of the death rate on the volume of, what would have been, Hampshire County Council funded clients in the future.
- Price of care will increase above inflation and previously anticipated levels due to:
    - Changes in market capacity to meet reduced demand, assuming that lower cost providers are more likely to exit the market earlier, leaving available capacity at the higher end.
    - Providers will have received enhanced payments from the County Council for a considerable time as part of the response phase and a response from the market when we seek to return fee rates back to previous levels is highly likely.

5. Assumptions – HCC Care Income

- Changes in demand as highlighted above will be managed by the Department to ensure that County Council care beds are the preferred destination for clients needing Residential or Nursing Care where possible. This will:
    - Avoid, as possible, the cost of additional external packages, through making use of capacity that is already paid for and available in house.
    - Enable Hampshire County Council care income levels to return to budgeted levels as early as possible.

6. Assumptions – Ability to Achieve Reductions on Care Volumes to Meet Budgeted Level

- Due to the changes in unit prices described above the departmental recovery plan to reduce the underlying cost of care to be within the recurring budget is much less likely to be achievable in full within the period reviewed as part of this update.
- 50% of the £9m reduction required is assumed to be achieved in 2022/23 instead of the full saving by end of 2020/21.

7. Beyond 2022/23

7.1 Going beyond 2022/23 the impact is difficult to quantify reliably due to the sheer volume of potential outcomes both locally and nationally over the next three years. However, the key issues and main factors affecting the financial health of the Department remain inextricably linked to the volumes and costs of care provided to eligible clients.

7.2 Whilst the forecast up to 2022/23 has assumed an increase in unit cost over that timeframe, in particular within Residential and Nursing Care, there remains a significant risk that a greater number of lower cost providers continue to exit the market thereby driving unit prices up further.

7.3 The Department purchases approximately 25% of the care capacity in Hampshire. The remaining provision is purchased primarily by private clients, it is the changes in this activity that will drive the economic stability of the market and correspondingly affect changes in supply that in turn will affect the rates paid by Hampshire County Council.

7.4 In addition, the market will have assumed and planned for increased demand over the time period affected and beyond. Therefore, even if the County Council returns to purchasing the same levels of care by 2022/23, this increased capacity issue, alongside the likely reduced demand from private clients is likely to lead to a greater surplus in available provision; thereby further destabilising the market. In turn as the market inevitably continues to match supply against demand further price increases are likely to be faced by the County Council.

7.5 Further changes in the ratio between Residential and Nursing Care and Homecare may significantly affect the financial position beyond 2022/23. Any scenario whereby larger volumes of clients remain at home carries both potential benefits and risks. These potential financial benefits arise from Home Care generally costing less on average, however, disbenefits could arise as current legislation entitles councils to take into account value of property when assessing the charges for Residential Care but not for Home Care resulting in a loss of income.

7.6 The changing landscape of the care market may also make the planned savings to manage future activity within the available budget even more challenging. With potentially less providers in the market and potentially greater reliance on Home Care, the opportunities to affect price are significantly diminished. However, opportunity to control demand and ensure placements are suitable remain in place.

Children's Services – Forward View

1. Key Issues

1.1 There is an expectation of demand increases in children's social care in relation to Child in Need and Child Protection services; and the impact on the number and cost of children in care.

1.2 There will continue to be a loss of income for services sold to schools and other agencies.

1.3 Supporting the early years market in both the short and longer term will be necessary.

1.4 Home to school transport supply during a period of social distancing and unusual school opening patterns will impact cost, capacity and resource.

1.5 By way of context, for children's social care, demand has been supressed during the lockdown. There is also sufficient evidence now internationally, that as restriction measures reduce then demand for children's social care will spike. It is considered there are three possible ways this spike in demand could present:

- short term increase in demand then returning to normal levels (least likely)
- longer term spike that slowly reduces to near normal levels (second least likely)
- longer term spike that does not reduce but becomes the new normal in terms of demand levels (most likely).

1.6 The evidence that the latter will apply is based on the sustained surge in demand seen by children's social care services since the onset of other 'shocks to the system; such as Baby P in 2008 and austerity from 2010. With even greater economic challenges now coming, it is prudent to plan for this highly likely scenario. As of week commencing 8 June 2020, referrals to children's social care were 15% higher than the average for the three months prior to the outbreak, indicating that the spike in activity has begun.

2. Assumptions – Front Door Services - Multi Agency Safeguarding Hub (MASH) and Out of Hours Services

- Initially referrals to children's social care reduced in April 2020 but by May were back to normal levels, despite only 3% of children being in school, which is a main referral source. The predicted sustained surge in demand in referrals is anticipated at between 10 to 20%, so on average 15% for the remainder of the year and into 2021/22.
- To support the above increase additional social work staffing and associated management of 12 FTE will be required in the MASH and for the Out of Hours services which deal with all incoming work to Children's Services. The cost is £850,000 full year effect (£600,000 in

2020/21). Assumed agency at 70% for additional social worker and assistant team manager posts – all other posts assume recruitment to be HCC employed.

3. Assumptions – Social Care Including Children Looked After (CLA)

- Overall increase in CLA (excluding Unaccompanied Asylum Seeking Children) of 15% in 2020/21 (1,753), 7% in 2021/22 (1,871) and 6% in 2022/223 (1,986).
- It is anticipated the costs of placements will increase due to Covid-19, as all local authorities will be seeking to manage similar increases in demand with a limited supply of placements, and that a range of additional cost pressures from providers will emerge across the different placement types for CLA, from in house provision to external residential, with costs ranging from 5 - 20%.
- Combined increases in activity, cost pressures and associated legal costs due to the growth in CLA placements are £2m in 2020/21, rising to £11m in 2021/22 and then £10m in 2022.23
- An increase of 2 FTE placement officers is required to support the identification of placements for the increased numbers of children requiring them at a full year cost of £60,000 (£40,000 in 2020/21).
- Children with disabilities costs such as direct payments, home care and respite to increase by 10% per year for the next two years (£750,000 in 2020/21 and £950,000 in 2022/23).
- 15% increase in Care leavers, in line with CLA, with additional costs of £900,000 in 2020/21 and £950,000 in 2021/22
- Contact costs – additional £250,000 for five additional contact staff and £100,000 for third parties, venues and transport in light of additional CLA activity.

4. Assumptions – Additional Social Workers and Associated Support

- 15% increase in all aspects of children's social care work to support the increased volume of Children in Care, Children in Need, court work and children subject to child protection plans.
- To maintain the current social work practice framework (the Hampshire Approach) and maintain manageable caseloads across Child in Need, Child Protection and CLA, an additional 48 FTE social workers will be required at a full year cost of 5m, including associated management, admin support, travel and IT (£2.7m in 2020/21). This is in addition to the 12 FTE for the front door services. Assumed agency at 70% for additional social worker and assistant team manager posts – all other posts assume recruitment to be HCC employed.

- Additional funding required to support an increase of 16 FTE Intensive Support Workers (including associated management support) to support the highly effective Hampshire Approach model of social work with the additional families who will be requiring interventions, £800,000 full year effect (£450,000 in 2020/21).

5. Assumptions – Home to School Transport

- If all children return to school in September, there will be no additional costs assuming no social distancing.
- If some form of social distancing remains until July 2021, there will be an estimated 20% increase in costs totalling £3m in 2020/21 and £4m in 2021/22. This includes a range of additional costs such as additional parental mileage, dual running of vehicles and other costs.

6. Assumptions – Traded Services & Lost income

- The current lost income for traded services (School Improvement Service, Music Service, Skills & Participation, Hampshire & IOW Education Psychology Service) is around £0.5m per month and if there are no changes to the current situation from September this will continue.
- Even with a partial or even full return of pupils in September there will still be loss of income, which could be in the region of £0.2 – 0.4m per month if social distancing measures continue. Whilst services are developing other strategies to deliver services, reviewing business models and working to develop safety measures; service delivery in many areas will still be at a reduced rate. Estimated figures show lost income in 2020/21 could be between £1m – £2m.
- When services can return to schools, income will remain significantly impacted as support continues to be directed towards underpinning the core effort, rather than income generation.
- Currently the Government's advice does not allow for residential or day trips. The assumption currently is that this will be lifted in September. If this barrier is not removed the income loss for Hampshire Outdoors will be significant.

7. Assumptions – Early Years

- Following Department for Education (DfE) guidance, additional costs relating to double funding for Key Worker and Vulnerable (KWV) and providing financial support to early years providers, to meet our statutory duty of providing sufficiency in the market on reopening of services, are allowable charges to the Dedicated Schools Grant (DSG). Current estimates suggest this could increase the pressure on the DSG by in the region of £0.5 - 1.5m

- Additional Local authority funding of 4 FTE Childcare Development Business Support Officers, costing £200,000, to provide advice and business support to the market, which is particularly important in order to support childminder provision.

8. Beyond 2022/23

8.1 The need to recruit additional social workers will continue to be challenging and consideration will need to be given to factors that promote recruitment and retention among social workers.

8.2 The Department have been very successful in providing sector led improvement work to other local authorities which generates an income and has been beneficial to both our learning and reputation. The focus of this may change as other organisations' face the impact of Covid-19.

8.3 Support from other agencies, i.e. Health, may reduce as the focus shifts inwards. This could increase our need to provide preventative and other services.

8.4 The impact of the economic downturn will be felt particularly in children's social care as poverty deepens. This could take a significant time to reverse and will have an impact on the services provided for some years.

Economy, Transport and Environment – Forward View

1. Key Issues

1.1 Economy, Transport and Environment (ETE) spend is dominated by major contracts (for example waste disposal and highways maintenance) together with payments under the statutory Concessionary Fares scheme. Government guidance on supplier payment where delivery of these services has been affected by Covid-19 has been applied. For passenger transport services including Concessionary Fares this market intervention can either be met from existing budget provision or from additional government grant specifically for this purpose.

1.2 The position for waste disposal is complex but the best current estimate assumes the additional cost of a different approach to payments is expected to be offset by other savings arising from the different operating environment. For highways maintenance the financial impact can only be mitigated by reducing the amount of highway works undertaken during the year.

2. Assumptions – Highways and Construction

- The construction industry moved relatively early to re-start work in accordance with social distancing guidelines, but costs associated with the safe closure and re-start of construction schemes have been factored into current financial year forecasts. It is assumed no similar costs will be incurred in future financial years.
- Alternative payment approaches agreed under the Hampshire Highway Service Contract will continue in line with government guidance.

3. Assumptions – Passenger Transport

- Market underwriting required by the Government over and above that for which budget provision exists will continue to be fully funded by government grant.
- Alternative payment approaches agreed with operators for local bus subsidy, Concessionary Fares and Community Transport will continue in line with government guidance.

4. Assumptions – Waste Disposal

- Social distancing requirements will limit recycling volumes through Household Waste Recycling Centres for the rest of the current financial year.
- Alternative payment approaches agreed under waste disposal contracts will continue in line with government guidance.

5. Beyond 2022/23

5.1 The key service where a longer-term impact is anticipated is waste disposal, with significant delays now expected to the balance of the Transformation to 2019 (Tt2019) and Transformation to 2021 (Tt2021) Programmes, which are now being run in parallel.

5.2 Delivery of these savings programmes depends on complex negotiations, both with Waste Collection Authorities around future operational and financial arrangements for recycling and our commercial partner, Veolia. The outcomes are likely to require the building of new infrastructure with a probable two year lead time to become fully operational. These negotiations in turn are dependent on the outcome of government legislative changes which have been delayed due to the response to Covid-19 and the resulting economic pressures.

5.3 Given the continuing uncertainty in the wider environment a prudent view of the revised delivery profiles for the agreed savings has been taken and it is still hoped that these timescales can be accelerated.

Culture Communities and Business Services – Forward View

1. Key Issues

1.1 Culture Communities and Business Services (CCBS) is characterised by many diverse services ranging from building and facilities maintenance for the corporate estate, management of Country Parks and other countryside sites, to the Hampshire Library Service and the provision of school meals.

1.2 During the decade of austerity, the Department has deliberately pursued a strategy of reducing its call on cash limited resources by meeting an increasing percentage of its costs from other income. By 2020/21 62% of gross costs were planned to be met from income and recharges compared to 38% from cash limited budgets. The department is also home to three trading areas fully funded from earned income with planned turnover in 2020/21 of £55.9m. The strategy has been successful but has recently meant many CCBS services have experienced a significant loss of funding due to the Covid-19 lockdown and continuing restrictions.

1.3 Service recovery plans are in place to safely re-open services to the public and other users as soon as possible. Progress is clearly dependent on:

- Government guidance.
- Public perception and appetite to return to activities.
- The impact of wider economic downturn on people's ability and willingness to pay.

1.4 The overriding assumption is that all restrictions will have been lifted by the end of the current financial year and income levels will have returned to previously planned levels at that point.

1.5 Finally, it is currently still expected that Transformation to 2021 (Tt2021) savings can be delivered in full and on time.

2. Assumptions – HC3S and County Supplies Income

- Schools form a key customer base for both HC3S, the County Council's catering service, and County Supplies and in both cases the number of pupils on site each day is an important driver for income.
- Key assumption: 50% Primary and 5% Secondary pupils on site per day to the end of 2020/21. This is linked to a wider assumption that social distancing at two metres remains in force to the end of this financial year.

3. Assumptions – Other CCBS Income

- Income assumptions for public-facing services have been driven by individual service recovery plans encompassing a phased re-opening of services

- The seasonal nature of demand for some services (e.g. Countryside sites, Outdoor Centre activities, Registration Ceremonies) means most income is achieved by the end of the summer.

4. Beyond 2022/23

4.1 The expectation is that beyond 2022/23 the environment that CCBS are operating within will have returned to a pre-Covid normality in relation to any impact on income levels across all areas of the business.

Financial Position to 2022/23

1. Introduction

1.1 As set out in the main report due to the uncertain and very complex environment which is evolving on a day to day basis and for which there is no past comparator the financial forecasts that follow are unavoidably based on a wide range of assumptions made at this particular point in time.

1.2 Much work has been completed at speed but it should be reiterated that given the complex nature of the forecasts we are producing during these unprecedented times and without any historical information to act as a guide, in essence we must treat all of the forecasts in this report as high risk in nature.

2. Base Case

2.1 For each department assumptions have been applied, as set out in Appendix 2, to produce a mid-case realistic scenario for pressures in key service areas for 2021/22 and 2022/23. This has been combined with the unfunded costs and losses for the current year based on the most recent submission to the Ministry for Housing and Local Government (MHCLG) and the revised cash flow requirements for both the Transformation to 2019 (Tt2019) and Transformation to 2021 (Tt2021) Programmes to produce an overall financial position.

2.2 The impact of these items has been profiled across the current and next two financial years as shown in the table overleaf. The delay in savings programmes was already profiled over the three years and in technical terms, the council tax and business rate losses for this year will not have an impact on the County Council until next financial year through the collection fund mechanism.

2.3 Further forecasts have also been provided on the future impacts on council tax and business rate income, given that the economic downturn will mean that many households will apply for the local council tax support schemes, which has the impact of reducing our income.

2.4 Other key assumptions have also been built into the forecasts including allowance for some other 'business as usual' pressures that have come through as part of the financial Resilience meetings held with the Directors of Adults' Health and Care and Children's Services and an estimate of the ongoing impact on investment income of the economic downturn.

2.5 The table overleaf sets out the complete base case financial position that has been produced over the period to 2022/23 and shows the scale of the challenge that the County Council faces with an overall forecast gap of £210.3m:

	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
Net Unfunded Costs and Losses	40,497	56,053	6,322	102,872
Departmental Pressures		32,331	30,997	63,328
Business Rates and Council Tax		21,000	14,000	35,000
Other Pressures	1,700	4,200	3,200	9,100
Total Costs, Losses and Pressures	**42,197**	**113,584**	**54,519**	**210,300**

2.6 The specific action required to deal with this challenge will be dependent on the provision of any further funding from the Government and the following Sections set out the elements of any financial response package and then for a number of scenarios set out the responses that are proposed.

3. Financial Response Package

3.1 Options to develop a financial response package have been considered in order of impact on the County Councils existing financial strategy and approved plans as outlined in the following paragraphs.

3.2 Initially work has been undertaken to review all potential sources of funding that can be applied to meet the total costs, losses and pressures, without any impact on commitments or plans that have already been approved. These miscellaneous items include:

- Historic un-earmarked non-specific grants.
- Provision for the cash flow of Tt2019 and Tt2021 savings delivery pre-Covid-19 which has now been superseded as the new profile of delivery is included in the base case.
- Provision within General Fund Balances which is marginally in excess of the level recommended by the Chief Financial Officer (CFO) of 2.5% of the budget requirement.

3.3 Subsequently, a review has been completed to assess any opportunities to release corporate funding, either one off or on-going, through a review of contingency provisions, in respect of inflation and risks in the budget, and potential treasury management savings. This has been done safely and ensures we can continue to manage key risks, but it does limit our ability to manage further new shocks that may arise.

3.4 Work has then been completed to identify corporate reserves that can be released without impacting currently approved commitments, recognising that drawing this funding will significantly reduce the County Council's ability to fund future investment and / or develop initiatives which to date has continued to be possible. These corporate reserves encompass the Invest to Save Reserve, the Corporate Policy Reserve and the Organisational Development Reserve.

3.5 A General Capital Reserve is available which, albeit fully committed to existing spend programmes, can be utilised where the planned spend meets the definition of capital expenditure and can be replaced by prudential borrowing. This option would not be utilised unless it was really needed as any resulting borrowing would create additional revenue costs to cover interest and loan repayments and so would add to any future budget gap.

3.6 As a last resort the use of General Fund Balances can be considered. The General Fund Balance in effect represents a working balance of resources that could be used in the event of a major financial issue. However, any draw that takes the level below that recommended by the CFO needs to be replaced and so will add to any future budget gap that needs to be bridged.

3.7 Finally, the Budget Bridging Reserve (BBR) can be used to cash flow the position, recognising that we need to replenish this to enable us to maintain our financial strategy and develop and implement a successor transformation programme to take us to 2022/23 and beyond.

4. Scenario 1 – No Further Government Funding

4.1 Early on in the crisis, Government Ministers made various commitments to local government:

"We will do whatever it takes" – Rishi Sunak, Chancellor of the Exchequer

"Spend what you need to spend and we will reimburse you" – Robert Jenrick, Secretary of State for Housing, Communities and Local Government

4.2 Since then there have been statements around local government 'sharing the burden' with government, which are in stark contrast to what went before. This thinking is flawed as local government has no local tax raising powers beyond council tax, which is restricted by the Government and is likely to reduce as a result of the crisis and the reduced earning capacity of residents. Government on the other hand can borrow to support revenue spend and can increase taxes to raise revenue across a number of different areas.

4.3 The County Council will therefore continue to lobby strongly through existing channels such as the County Council Network and the Society of County Treasurers, and directly to the Government, to ensure that the full range of extra costs are reimbursed by the Government as initially promised.

4.4 In the absence of any further funding from the Government, even applying all of the options set out in Section 2 to the maximum extent possible, the County Council cannot fully cover the total costs, losses and pressures as shown in the following table:

	2020/21 £'000	2021/22 £'000	2022/23 £'000
Total Costs, Losses and Pressures	**42,197**	**113,584**	**54,519**
Miscellaneous Items	(5,405)	(3,784)	(5,841)
Corporate Funding	(30,000)	(30,000)	(20,000)
Corporate Reserves		(10,844)	(2,900)
General Capital Reserve		(8,144)	(71,868)
General Fund Balance			(21,098)
Borrow (from) / Contribute to BBR	(6,792)	(60,812)	67,604
Remaining Gap	**0**	**0**	**416**

4.5 Whilst the previously reported position for the BBR is maintained which to some extent limits the impact on the County Councils financial plans, clearly without further support from the Government the County Council cannot at this point meet all of the anticipated costs, losses and pressures, without looking to reduce net expenditure, albeit that point can be staved off until 2022/23.

4.6 In addition, it is important to note that this position fully utilises all possible resources. Therefore, as a minimum any future package of spending reductions would also need to include provision to reinstate the General Fund Balance and meet the revenue costs of borrowing taken in lieu of using the General Capital Reserve.

5. Scenario 2 – Government Funding of Response and Recovery Costs

5.1 Initial government support to local authorities to assist with the response has mainly centred around the announcement on 19 March of £1.6bn grant funding, which for Hampshire equated to an allocation of £29.6m.

5.2 On 18 April, a second announcement was made allocating a further £1.6bn to local government. The final allocations to individual authorities were not released until 28 April due to changes to the distribution methodology used, which saw a move away from a relative needs basis (linked partially to Adults Social Care) to one based more on population and in two tier areas this was split 35% to Districts and 65% to County Councils.

5.3 The County Council's share of the second tranche of funding was £24.3m (bringing the total to approaching £54.0m) which was to be utilised to meet response costs and help fund the other financial consequences of Covid-19 such as lost income and trading losses.

5.4 Should additional funding be provided, by the Government to meet the response and recovery costs in 2020/21 in full the County Council would require a third tranche of funding of just over £17.8m. In this scenario

applying the options available would allow the County Council to meet all of the costs, losses and pressures as shown overleaf:

	2020/21 £'000	2021/22 £'000	2022/23 £'000
Total Costs, Losses and Pressures	**42,197**	**113,584**	**54,519**
Government Funding – Response and Recovery Costs	(17,837)		
Miscellaneous Items	(5,405)	(3,784)	(5,841)
Corporate Funding	(30,000)	(30,000)	(20,000)
Corporate Reserves		(1,151)	(12,593)
General Capital Reserve			(80,012)
General Fund Balance			(3,677)
Borrow (from) / Contribute to BBR	11,045	(78,649)	67,604
Remaining Gap	**0**	**0**	**0**

5.5 If some additional funding is received from the Government the County Council can meet all of the anticipated costs, losses and pressures, whilst also preserving the BBR to use in line with planned financial strategy, but this does require the use of some of the General Fund Reserve, which would need to be replaced, creating further strain post 2022/23.

5.6 The scenario also effectively uses up all of our remaining firepower and means there is no contingency and we therefore have no ability to deal with any further financial shocks. Given the very high level nature of the assumptions and forecasts this is not a prudent position and on that basis the County Council is not considered to be financially viable under this scenario.

5.7 It also comes at the cost of £80m of additional prudential borrowing and the use of all of the available firepower to try to balance our financial position. We will therefore be looking to the Government to properly underwrite the genuine consequential costs and losses we have suffered, which would help to balance this position and reinstate the strong financial position we have worked so hard to achieve over many years.

6. Scenario 3 – Government Funding of Response and Recovery Costs and Underwrite of Council Tax and Business Rates in 2020/21

6.1 Since the start of the Covid-19 crisis there have been many attempts to quantify the costs of the crisis in local government and, considerable effort has been invested into estimating the total costs – primarily via returns to the MHCLG.

6.2 However, there is huge uncertainty around the forecasts and in particular in relation to council tax and business rates income. Despite measures put in

place by the Government to support businesses and also individuals facing hardship the longer term financial stability of local authorities is at risk of they cannot collect council tax and business rates in a post-Covid-19 recession.

6.3 There are growing calls on the Government to provide a guarantee to local authorities by underwriting the potential loss of council tax and business rates. As yet there has been no official response to this but there now seems to be a wider understanding of the issue and full support for one year would see the County Council receive £34.6m based on currently anticipated losses of taxation income.

6.4 In this scenario applying the options available would allow the County Council to meet all of the costs, losses and pressures as shown below:

	2020/21 £'000	2021/22 £'000	2022/23 £'000
Total Costs, Losses and Pressures	**42,197**	**113,584**	**54,519**
Government Funding – Response and Recovery Costs	(17,837)		
Underwrite of Council Tax and Business Rates		(34,600)	
Miscellaneous Items	(5,405)	(3,784)	(5,841)
Corporate Funding	(30,000)	(30,000)	(20,000)
Corporate Reserves			(13,744)
General Capital Reserve			(49,089)
Borrow (from) / Contribute to BBR	11,045	(45,200)	34,155
Remaining Gap	**0**	**0**	**0**

6.5 If the Government underwrite the anticipated impact on council tax and business rate income, the County Council can meet all of the anticipated costs, losses and pressures, whilst also preserving the BBR to use in line with planned financial strategy and retaining over £30m of the flexibility in the General Capital Reserve to deal with other potential shocks.

6.6 Furthermore, this would be achieved without drawing on General Fund Balances and with reduced borrowing costs as part of the Capital Reserve swap, thereby minimising the impact beyond 2022/23.

6.7 Whilst this might be considered to be a more favourable position, it comes at the cost of nearly £50m of additional prudential borrowing and the use of all of the available firepower to shore up our financial position. As a minimum we would still be looking to the Government to properly underwrite the genuine consequential costs and losses we have suffered,

which would help to reinstate the strong financial position we have worked so hard to achieve over many years.

7. Reasonable Worst Case

7.1 In addition to developing a base case or mid-case realistic scenario for pressures in key service areas for 2021/22 and 2022/23 a worst case has also been prepared. This has again been combined with the unfunded costs and losses for the current year and the revised cash flow requirements for both the Tt2019 and Tt2021 Programmes to produce an alternative financial position.

7.2 The worst case scenario sees an overall gap across the three year period of approaching £273.6m due to greater pressures in key service areas, but these are even more speculative in nature than the forecasts outlined in the base case.

7.3 The impact of these items again has been profiled across the current and next two financial years as shown in the following table, along with the application of all available funding set out in Section 2 and assuming government support in line with Scenario 3:

	2020/21 £'000	2021/22 £'000	2022/23 £'000
Total Costs, Losses and Pressures	**55,059**	**142,273**	**76,242**
Government Funding – Response and Recovery Costs	(17,837)		
Underwrite of Council Tax and Business Rates		(34,600)	
Miscellaneous Items	(5,405)	(3,784)	(5,841)
Corporate Funding	(30,000)	(30,000)	(20,000)
Corporate Reserves		(8,102)	(5,642)
General Capital Reserve			(80,012)
General Fund Balance			(21,098)
Borrow (from) / Contribute to BBR	(1,817)	(65,787)	67,604
Remaining Gap	**0**	**0**	**11,253**

7.4 Even with additional government funding to meet all anticipated response and recovery costs and support to underwrite losses in council tax and business rate income in the worst case the County Council cannot meet all of the anticipated costs, losses and pressures, despite applying all of the options set out in Section 2 to the maximum extent possible.

7.5 It is once again important to note that this position fully utilises all possible resources and so future plans will need to include provision to reinstate the General Fund Balance and meet the revenue costs of borrowing taken in lieu of utilising the General Capital Reserve.

7.6 Clearly the County Council is not financially sustainable under this scenario either and it would require additional government funding of at least £32m over the period before this was even considered to be an acceptable position.

8. Summary

8.1 The CFO has already reported that the County Council is not financially viable in the medium term without significant additional government funding and the current crisis accelerates this position unless some form of government underwriting is confirmed.

8.2 The scenarios in this Appendix underline that point, and in addition highlight that it is possible that even with additional funding the County Council is not be able to adequately bridge the gap as we approach 2022/23 in three out of the four scenarios outlined, and is therefore not financially sustainable.

8.3 At this stage, it is not possible to say whether we will reach the reasonable worst case scenario as set out in this report, but the aim is to report regularly to Cabinet and County Council on the position and if necessary provide information directly to Members where this is considered necessary, given the fast moving pace and changing consequences of the crisis.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet County Council
Date:	14 July 2020 16 July 2020
Title:	2019/20 – End of Year Financial Report
Report From:	Deputy Chief Executive and Director of Corporate Resources

Contact name: Rob Carr, Head of Finance

Tel: 01962 847508 **Email:** Rob.Carr@hants.gov.uk

1. Recommendations

RECOMMENDATIONS TO CABINET

It is recommended that Cabinet:

1.1 Approves the outturn position set out in Section 3.

1.2 Approves the increase of service capital programme cash limits for 2020/21 to reflect the carry forward of capital programme schemes and shares of capital

1.3 Approves the transfer of the balance of the net corporate savings of just over £11.9m to the Budget Bridging Reserve (BBR).

1.4 **Recommends to County Council that**:

a) The report on the County Council's treasury management activities and prudential indicators set out in Appendix 2 be approved.

RECOMMENDATIONS TO COUNTY COUNCIL

This single report is used for both the Cabinet and County Council meetings, the recommendations below are the Cabinet recommendations to County Council and may therefore be changed following the actual Cabinet meeting.

County Council is recommended to approve:

a) The report on the County Council's treasury management activities and prudential indicators set out in Appendix 2.

2. Executive Summary

2.1 This report provides a summary of the 2019/20 final accounts. The draft statement of accounts was submitted for audit early in June 2020 and will be reported to the Audit Committee in July, in conjunction with the External Audit report on the accounts.

2.2 Net service cash-limited expenditure was £7.2m lower than expected against an overall gross budget of approaching £2.0bn, a variance of less than 0.4%. This position, which is after substantial transformation costs have been met in year, reflects the County Council's continuing successful financial strategy and the application of strong financial management, This provides funding that can then be used to meet the future costs of change, to cash flow the necessarily slower delivery of some savings or to offset other service pressures, for example within social care.

2.3 The position for each of the departments is summarised in the table below:

	Variance (Under) / Over Budget £'000
Adults' Health and Care	0
Children's Services - Non Schools	0
Economy, Transport and Environment	(1.8)
Policy and Resources	(5.4)
Total Departmental Expenditure	**(7.2)**

2.4 The position for Adults' Health and Care reflects sustained management activity during the year to control spend in the face of well publicised care pressures. In addition, the use of substantial non-recurrent funding including the Cost of Change Reserve to offset significant service pressures that have crystallised in the year.

2.5 As a response to greater emerging service pressures revised funding for growth due to complexity and demography for Adults' Health and Care was provided for as part of the Medium Term Financial Strategy (MTFS) and the Department also developed a cost recovery plan.

2.6 The breakeven position in Children's Services equally reflects the pro-active management of the services. The application of strong management focus to limit pressures in the Children Looked After (CLA) budget as far as possible alongside the early delivery of resources, use of cost of change reserves and agreed targeted corporate support has resulted in a balanced position despite the considerable pressures.

2.7 The final outturn position for Economy, Transport and Environment (ETE) shows planned savings against the budget of just over £1.8m due to delivery of savings primarily in Highways Traffic and Transport of which approaching £0.6m relates to the winter maintenance budget as a consequence of the relatively mild and dry weather. The savings on the winter maintenance budget will be carried forward to be spent in 2020/21 as part of an ongoing programme of maintenance work. As set out in the Revenue Budget and Precept 2020/21 Report approved by County Council in February 2020 this will be supplemented from corporate contingencies to ensure that a minimum allocation of £2.0m is available.

2.8 Policy and Resources achieved a saving against budget of just over £5.4m, mainly due to ongoing efficiency savings, additional income and the early

delivery of aspects of the Tt2021 Programme, notably the addition of three London Boroughs to the Corporate Shared Services Partnership in December 2019.

2.9 The net savings within ETE and Policy and Resources have been set aside for use by the respective services to meet restructuring and investment costs associated with the Tt2021 Programme and beyond, in accordance with the current financial management policy and the MTFS. These net savings do not represent a deterioration of service delivery but do represent careful stewardship.

2.10 In addition, within ETE it is specifically proposed to again reinvest available funding associated with the winter maintenance budget in highways maintenance to provide additional one-off resources to supplement existing maintenance programmes.

2.11 Schools are facing increasing financial pressure, in particular relating to high needs for children with special educational needs and or disabilities (SEND), both at an individual school level and within the overall schools' budget. These pressures are outside the County Council's core budgets, but the County Council retains an active role and interest as the local education authority. In 2019/20 the overall position has once again been balanced through the use of the Dedicated Schools Grant (DSG) Reserve, as allowed by the Department for Education (DfE).

2.12 The resulting DSG deficit of approaching £22.8m (up from £13.7m last year) will be funded from future years DSG funding. A DSG Deficit Recovery Plan was produced last year, at the request of the DfE, and the local authority continues to develop this and implement strategies to reduce the pressure on the High Needs Block.

2.13 Savings on non-cash limited budgets total just over £11.9m and were achieved largely as a result of the ongoing trend of a very prudent approach to capital financing costs and the continuing use of 'internal borrowing' to fund capital expenditure rather than taking out long term loans at this point, additional grant income and unused contingencies. Contingencies were in the main set aside in recognition of the increased risk in the budget due to ongoing pressures within demand led services, such as waste disposal and to cover potential inflationary pressures.

2.14 This report recommends that these corporate savings are added to the Budget Bridging Reserve (BBR), in preparation for any future draw required beyond 2020 as set out in the MTFS which was approved by the County Council in November 2019.

2.15 In addition, in view of the impact of the Covid-19 crisis on the County Council's financial position it is even more important that we continue to make contributions to reserves as in the short term, in the absence of any further commitments from the Government, the County Council will need to look towards existing reserves to meet the unfunded costs.

2.16 More information about the potential impact of the Covid-19 pandemic on the financial position of the County Council and the response that will be needed are set out in the MTFS Update report presented elsewhere on this Agenda.

2.17 The report contains a small section on reserves and balances highlighting that in line with the MTFS, the level of reserves has fallen as planned draws have been made in 2019/20 to fund transformation and cash flow safe delivery of Tt2019 savings over an extended time frame.

2.18 The report also recommends approval of:

- The annual report on the operation of the treasury management strategy and the County Council's end of year prudential indicators, for subsequent approval by the County Council.
- A revised capital financing plan for 2020/21.

3. 2019/20 Revenue Outturn

Service Cash Limits

3.1 The table below summarises the net outturn position for each department compared to the final cash limit for the year. The figures exclude schools spending but include cost of change drawn during 2019/20:

	Variance (Under) / Over Budget £'000
Adults' Health and Care	0
Children's Services - Non Schools	0
Economy, Transport and Environment	(1.8)
Policy and Resources	(5.4)
Total Departmental Expenditure	**(7.2)**

3.2 The monitoring position as at the end of November (Month 8) was presented to Cabinet in February and indicated that all departments were anticipating that they would be able to manage the large-scale investment required to deliver their planned transformation activity and to meet service pressures through the use of cost of change and other reserves, along with agreed corporate funding.

3.3 Strong financial management has remained a key focus throughout the year to ensure that all departments stay within their cash limits, that no new revenue pressures are created and that they deliver the savings programmes that have been approved. Enhanced financial resilience monitoring, which looks not only at the regular financial reporting but also at potential pressures in the system and the early achievement of savings being delivered through transformation, has continued through periodic reports to the Corporate Management Team (CMT) and to Cabinet.

3.4 This focus has ensured that at the end of the year the final position is in line with expectations and that departments have, where safe and practical to do so, delivered savings. These savings have been proportionate given the scale of the Council's finances, and have not been to the detriment of services, but

they will provide invaluable funding that can then be used to meet the costs of change and to cash flow the delivery of savings or offset service pressures.

3.5 Key issues across each of the departments are highlighted in the paragraphs below. Whilst pressures within social care services remain the highest risk and most volatile area of the County Council's budget the impact of successive savings programmes along with other service pressures means that all departments continue to face considerable and developing financial pressures and the financial consequences of the Covid-19 pandemic will exacerbate this.

Adults' Health and Care

3.6 Adults' Health and Care have successfully contained growing care pressures, arising through demography and complexity changes in clients and delivered a breakeven position in 2019/20. However, this is after the utilisation of a substantial proportion of available non-recurrent funds including the Cost of Change Reserve to offset significant service pressures that have crystallised in the year.

3.7 Whilst the net position on the Adult Social Care service budget is balanced there are some key variances. The main recurrent pressures in 2019/20 relate to the provision of care, both purchased and provided in house with pressures of £11.6m and £0.6m respectively, although it should be noted that the latter is a significant improvement on the previous year when the outturn was £2.9m.

3.8 The pressure on purchased care is primarily within the Older Adults service area and has been driven by sustained increases in care volumes and average price increases since the latter half of 2018/19 with the full year effect of those increases becoming apparent in 2019/20. This has largely arisen from the need to support greater throughput of clients out of hospital and the general increase in complexity of clients.

3.9 In response the Department has utilised much of their Cost of Change Reserve to offset these pressures in 2019/20. The Department started the year with a balance of £38.6m in cost of change and have used more than £35.7m to offset planned late delivery of Tt2019 and in year transformation costs, with the remainder being used to offset the recurrent service pressures outlined above.

3.10 As we entered 2020 there was a stabilising of the position with limited further increases overall, and indeed some reductions, but the impact of the Covid-19 pandemic was felt towards the end of the financial year and will have a fundamental effect in 2020/21.

3.11 The 2019/20 outturn has also been reliant on the availability of both the Winter Pressure Grant of £4.8m and the third year of the additional Integrated Better Care Fund (IBCF) allocation which totalled £6.8m. Both of these amounts have been utilised in accordance with the purpose upon which they were given, namely additional social care activity to alleviate pressures on the NHS.

3.12 Public Health ended the year with a balanced position, after a draw from the ring-fenced reserve of approaching £2.1m. This has been achieved through planned work to deliver efficiencies and innovation within existing services to meet the reduction in grant of over £8.0m over the last four years. This programme of work, including holding vacancies in the Public Health team and

making reductions in contractual and non-contractual spend, continues into 2020/21 to drive out the remaining savings so as to align the recurrent expenditure with the level of grant by the end of 2020/21. The 2019/20 closing balance of the Public Health Reserve is just under £5.5m and it is planned to further utilise this reserve over the short term to provide investment for the further initiatives already highlighted and to provide similar support for the delivery of Tt2021 savings prior to the savings being achieved.

Children's Services

3.13 The outturn for 2019/20 on the non-schools' budget is a balanced position following the additional corporate support provided to Children's Services. There has been significant focus on Children Looked After (CLA) numbers and costs over recent years and trends for average costs, numbers and the mix of placement type have been tracked. Based on this analysis and tracking, additional corporate support has been agreed to address the pressures arising from this growth.

3.14 The Department have applied strong focus to these pressures and the breakeven position reflects the pro-active management of the services together with early delivery of savings, the use of the departmental reserves and agreed corporate support. However, these pressures continue to be areas of some concern in Children's Services and for the County Council as a whole, particularly in light of the potential impact of the Covid-19 pandemic, as a consequence of the prolonged lock down period and the impact on family settings, and will be closely monitored throughout the coming year.

3.15 Other challenges faced by the Department relate to the short supply of qualified social workers and the costs associated with the provision of school transport, mainly relating to those with special educational needs.

3.16 The cost of agency workers continues to be an issue and previous corporate support has been agreed in order to increase the number of social workers which will lead to a reduced caseload for teams and free up capacity to deliver reductions in CLA numbers. A further outcome of this is to ensure that we retain our social workers and avoid the additional use of agency staff, albeit they continue to be used to maintain capacity in the service. Various recruitment avenues and alternative pathways to social work careers are being promoted. Connect2Hampshire, which is looking to address the resource issues over the longer term, should also improve the quality of those agency social workers we do use.

3.17 Swanwick Lodge, our in-house secure unit, is in a period of financial recovery following a major refurbishment. The ability to recruit and retain suitable staff has delayed the opening of beds which impacts that recovery. This is currently under review. There are also pressures on the legal budget relating to external legal costs for counsel and expert witnesses relating to care proceedings going to court, funding for which has been allocated within the MTFS.

Economy, Transport and Environment (ETE)

3.18 ETE continues to maintain a relentless focus on core service delivery around Highways, Waste Management, Transport, Economic Development and statutory planning services. The first two of these being major universal demand led services. To date the Department has been able to make contributions to its Cost of Change Reserve to cash flow planned later delivery of savings and to provide for the necessary enabling investment to deliver transformation. This has been an effective strategy to date although the increased requirement for investment in assets and resources to generate the next phase of savings will place further pressure on the Department.

3.19 Given the significant challenges of the Tt2021 savings programme the Department has adopted a cautious approach to 'business as usual' budgets including a prudent approach to vacancy management and the final outturn position shows a planned in year saving against the budget of more than £1.8m (1.6%). This is due to a combination of holding vacant posts, tightly controlling non-pay budgets and increased income and recharges, offset by increases in agency staff (linked to the higher income and recharges), planned one-off investments and exceptional project development costs not rechargeable to capital.

3.20 Included within this result is an amount approaching £0.6m within the winter maintenance budget which will be carried forward to be spent in 2020/21 as part of an ongoing programme of maintenance work. As set out in the Revenue Budget and Precept 2020/21 Report approved by County Council in February 2020 this will be supplemented from corporate contingencies to ensure that a minimum allocation of £2.0m is available to provide greater certainty over reactive maintenance funding.

3.21 ETE continues to maintain a relentless focus on core service delivery around Highways, Waste Management, Transport, Economic Development and statutory planning services. The first two of these being major universal demand led services. To date the Department has been able to make contributions to its Cost of Change Reserve to cash flow planned later delivery of savings and to provide for the necessary enabling investment to deliver transformation. This has been an effective strategy to date although the increased requirement for investment in assets and resources to generate the next phase of savings will place further pressure on the Department.

3.22 The impact of the Covid-19 crisis in 2019/20 was not material in financial terms, however, a more significant impact is anticipated in 2020/21 with pressures including the costs associated with safely and securely stopping work on transport improvement schemes, reduced income from parking and licences, and additional costs to maintain safe distancing at Household Waste Recycling Centres on their reopening, albeit these pressures may be offset to some extent by initial lower waste disposal costs.

Policy and Resources

3.23 Policy and Resources achieved a saving against the budget of more than £5.4m, after substantial transformation costs have been met in year, mainly due to ongoing efficiency savings, additional income and the early delivery of

aspects of the Tt2021 Programme, notably the addition of three London Boroughs to the Corporate Shared Services Partnership in December 2019.

3.24 The successful implementation of the Tt2021 Programme and the resulting early delivery of savings will be crucial as successive budget reductions mean there is less scope to generate savings across the services and high levels of investment and resources are required over a longer time period to generate further savings, as is the case with other departments.

3.25 The 2019/20 outturn position includes a pressure of approximately £350,000 due to the impact of Covid-19 and the nationwide lockdown, relating to the investment in e-Books within the Library Service and reduced income for example from our country parks. Clearly there will be a significantly higher impact in 2020/21.

3.26 Policy and Resources also includes a range of trading units which rely on income to fully recover the costs that they incur. HC3S is one of these trading units, providing catering services to HCC establishments, in particular the provision of school meals. Since June 2019 there has been a significant downturn in the take up of school meals, coupled with increasing food and staffing costs. Predictions were that a deficit of around £1.0m could be expected by the end of the financial year.

3.27 Actions were being put in place to mitigate the level of the deficit, however, HC3S has been particularly impacted by the Covid-19 pandemic, with the additional pressure due to lost income from school meals calculated at more than £0.9m in 2019/20 alone. The deficit in 2019/20 has been covered by trading unit reserves at this point and the extensive plan which was put in place to ensure that the service returns to a break even position in the future, and was already showing promising results until the pandemic took effect, will be revisited as recovery begins.

3.28 Overall Position

3.29 Detailed explanations for the outturn position for all departmental budgets are provided in Appendix 1.

3.30 The departmental savings will be set aside to meet the future cost of change in line with the current financial policy which incentivises good stewardship.

3.31 In addition, within ETE the remaining resources associated with the 2019/20 winter maintenance budget (approaching £0.6m) will be set aside to provide additional one-off resources in 2020/21 as part an ongoing programme of highways maintenance. As set out in the Revenue Budget and Precept 2020/21 Report approved by County Council in February 2020 this will be supplemented from corporate contingencies to ensure that a minimum allocation of £2.0m is available.

Schools Budget

3.32 The financial pressures facing schools are well documented and in 2019/20 there was a net pressure of £9.0m against the school budget (including a £10.5m pressure on the High Needs Block) which has been offset by a charge to the Dedicated School Grant (DSG) reserve, as allowed by the Department for Education (DfE).

3.33 This year, the charge will increase the deficit on the DSG reserve to a total of approaching £22.8m which will be funded from future years DSG funding. A DSG Deficit Recovery Plan was produced last year, at the request of the DfE, and the local authority continues to develop this and implement strategies to reduce the pressure on the High Needs Block.

Other Budgets

3.34 The outturn for other items contained within in the budget is shown in the following table:

	Variance (Under) / Over Budget £m
Capital Financing / Interest on Balances	(0.6)
Contingencies	(14.2)
Increase in Doubtful Debt Provision	3.3
Specific Grants	(0.4)
Total	**(11.9)**

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

Capital Financing and Interest on Balances (£0.6m Saving)

3.36 These savings reflect the ongoing trend of a very prudent approach to capital financing costs and interest on balances and the continuing use of 'internal borrowing' to fund capital expenditure rather than taking out long term loans at this point.

Contingencies (£14.2m Saving)

3.37 The level of contingencies held as part of the 2019/20 budget reflected the well documented pressures and risk around demand and costs. Through strong management, applied to manage demand and supress the additional costs, savings against these contingency amounts were realised.

3.38 Contingencies which were not required in the year related to waste management, inflation / risk provisions (in particular for energy and business rates) and a central provision for carbon allowances.

Doubtful Debt Provision (£3.3m Increase)

3.39 The County Council's policy is to make a provision against a proportion of debts that could prove to be irrecoverable. The provision is assessed on the basis of the age profile of outstanding debts and partly on the probability of specific larger debts being irrecoverable. There is no annual budgeted amount because the provision varies significantly from year to year. Part of the increase relates to the potential for greater bad debts as a result of the Covid-19 pandemic and organisations and individuals reduced ability to pay.

Specific Grants (£0.4m Saving)

3.40 This relates to the grant payment of £0.4m to Hampshire County Council which represents a surplus of Business Rates Levy income, that the Secretary of State has decided to return to local authorities. This reflects increased growth in business rates income which has generated a surplus in the business rate levy account.

Allocation of Net Saving

3.41 The net saving totals £11.9m and it is recommended that this amount is added to the Budget Bridging Reserve (BBR), in preparation for any future draw required beyond 2020 as set out in the MTFS which was approved by the County Council in November 2019.

3.42 In addition, in view of the impact of the Covid-19 crisis on the County Council's financial position it is even more important that we continue to make contributions to reserves as in the short term, in the absence of any further commitments from the Government, the County Council will need to look towards existing reserves to meet the unfunded costs.

4. General Balances and Earmarked Reserves

4.1 The County Council's reserves strategy, which is set out in the MTFS, is now well rehearsed and continues to be one of the key factors that underpin our financial resilience and ability to provide funding for the transformation of services and give the time for changes to be properly planned, developed and safely implemented.

4.2 We have made no secret of the fact that this deliberate strategy was expected to see reserves continue to increase during the period of tight financial control by the Government, although it was always recognised that the eventual planned use of the reserves would mean that a tipping point would come and we would expect to see reserves start to decline as they are put to the use in the way intended as part of the wider MTFS.

4.3 At the end of the 2019/20 financial year the total reserves held by the County Council together with the general fund balance stand at just over £643.1m a decrease of more than £26.3m on the previous year. The following table summarises by purpose the total level of reserves and balances that the County Council holds and compares this to the position reported at the end of 2018/19:

	Balance 31/03/2019 £'000	Balance 31/03/2020 £'000	% of Total %
General Fund Balance	21,398	22,298	3.5
HCC Earmarked Reserves			
Fully Committed to Existing Programmes	170,157	184,546	28.7
Departmental / Trading Reserves	128,113	92,217	14.3
Risk Reserves	38,817	45,913	7.1
Corporate Reserves	104,225	111,093	17.3
HCC Earmarked Reserves	441,312	433,769	67.4
Non HCC Earmarked Reserves	31,525	20,436	3.2
Total Revenue Reserves & Balances	**494,235**	**476,503**	**74.1**
Total Capital Reserves & Balances	**175,228**	**166,637**	**25.9**
Total Reserves and Balances	**669,463**	**643,140**	**100.0**

4.4 General Balances at the 31 March 2020 stand at £22.4m, following the planned contribution in 2019/20, which is broadly in line with the current policy of carrying a general balance that is approximately 2.5% of the County Council's Budget Requirement (currently a sum of circa £20m).

4.5 In addition to the general balance, the County Council maintains earmarked reserves for specific purposes and to a large extent the majority of these are committed either to existing revenue or capital programmes or to mitigate risks that the County Council faces through self insurance or funding changes by government.

4.6 In overall terms the total value of earmarked revenue reserves has decreased largely due to the planned use of departmental Cost of Change reserves in line with the MTFS. This reflects the continued strategy of achieving savings early and then using those savings to fund the next phase of savings delivery and to allow delivery of the more complex savings to be achieved safely over a longer time period.

4.7 Other earmarked reserves have increased due to the timing of receipt of funds in advance of their planned use for an intended purpose, in particular in funding the Capital Programme.

4.8 Corporate Reserves relate to those reserves which whilst set aside for a specific purpose could be used to limit the impact of savings in services, which is exactly what for example the BBR does on a short term basis giving the County Council the time and capacity to properly and safely implement savings programmes.

4.9 The net impact of the changes in the revenue account during 2019/20 mean that the BBR will stand at just over £78.5m, which is in line with the financial

strategy of supporting the revenue spend position as savings are developed and delivered on a two year cycle; or longer where appropriate. Provision is being made for a draw in 2020/21 in order to give the County Council the time and capacity to implement the Tt2021 Programme and to cash flow the safe delivery of change.

4.10 In addition, in view of the impact of the Covid-19 crisis on the County Council's financial position it is even more important that we continue to make contributions to reserves as in the short term, in the absence of any further commitments from the Government, the County Council will need to look towards existing reserves to meet the unfunded costs. This is considered in more detail in the update to the MTFS Update report presented elsewhere on the Agenda.

4.11 Non HCC reserves include schools' balances, over which the County Council has no direct control, and which have decreased and are expected to decrease further in the medium term, and reserves held for the Enterprise M3 Local Enterprise Partnership (EM3 LEP).

4.12 In addition, a further £166.6m is held within capital reserves and balances, although of this sum almost £25.8m relates to the EM3 LEP which is included in the annual accounts, as the County Council is the Accountable Body. These reserves hold capital grants that have been received in advance of the matched spending being incurred. They are not available for revenue purposes.

5. Treasury Management and Prudential Indicators

5.1 The County Council's treasury management policy requires an annual report to the Cabinet on the exercise of the treasury management function, details of which are set out in Appendix 2. Under the Treasury Management Code of Practice, the end of year report has to be submitted to the County Council.

5.2 The Prudential Code for Capital Finance in Local Authorities requires that the County Council reports its actual performance against the Prudential Indicators that were set in its Treasury Management Strategy. Appendix 2 summarises the relevant indicators for the 2019/20 outturn which are in accordance with the figures approved by the County Council.

6. Capital Spending and Financing 2019/20

6.1 From the 2019/20 Capital Programme, schemes to the value of £217.4m were committed during the year, leaving £157.2m to be carried forward to 2020/21. The approval of Cabinet is required for proposals to carry forward schemes to the value of £127.9m, which are largely committed against named projects. This sum excludes £27.4m of Children's Services and £1.9m of Policy and Resources schemes for which approval to carry forward to 2020/21 has previously been given during 2019/20.

6.2 During 2019/20 capital expenditure of £190.0m was incurred, which can all be financed within available resources. This includes prudential borrowing of just over £42.8m. There will also be a further repayment of prudential borrowing from capital receipts and other funding sources of approaching £10.5m. Further details of the outturn position for capital are provided in Appendix 3.

7. Assurance Statement

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

7.2 The Chief Internal Auditor has concluded that:

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

8. Pension Fund

8.1 The separate accounts for the Hampshire Pension Fund will also be incorporated in the County Council's Statement of Accounts. The accounts for 2019/20 record that the value of the fund's assets reduced from £7.2bn to £6.9bn during the year. The Chief Internal Auditor has provided a separate assurance opinion for the Pension Fund and has concluded that:

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

8.2 For the Local Government Pension Scheme (LGPS) administered by Hampshire County Council, the latest actuarial valuation, as at 31 March 2019, showed it to be 98.9% funded – a significant increase from the position three years prior of 81%. The impact of the Covid-19 pandemic on investment markets has affected the value of the Fund to 31 March 2020. The Fund's investment return for 2019/20 was -2.8% per annum, less than the actuary's target return for the Fund of +4.3% per annum. However the Fund still has the remaining three years of the actuarial period to achieve the target return, and beyond this has agreed a 16 year recovery period in its Funding Strategy Statement should this be necessary to make good an increase in the funding deficit at the next actuarial valuation.

9. Statutory Statement of Accounts

9.1 Usually, the Accounts and Audit Regulations 2015 require local authorities to publish their draft accounts by 31 May, with the audited accounts required to be published by 31 July.

9.2 Due to the disruption caused by Coronavirus, the Government issued legislation (The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020) which gives local authorities more time to prepare their accounts for 2019/20. This year, the draft accounts have to be published by 31 August, with the audited accounts due by 30 November, although authorities are encouraged to publish accounts earlier if possible. The change in publication dates is expected to be temporary, with the deadlines likely to revert to the usual dates for the 2020/21 accounts.

9.3 Given the efficient accounting processes established in previous years and the swift implementation of home working for finance staff during March, Hampshire County Council's draft accounts were published in early June, well before this year's new deadline In consultation with the external auditor, a target date of 31 July 2020 has been set for completing the audit and publishing the final audited accounts. This will ensure this important aspect of corporate governance is concluded within the normal timescale and ensure that maximum focus is on the current and future requirements of the County Council.

9.4 It was not until near the end of 2019/20 that coronavirus began to cause severe disruption, so most of the financial impact will be shown in a year's time in the accounts for 2020/21, rather than those for 2019/20.

CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

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

Section 100 D - Local Government Act 1972 - background documents

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

Document	Date
Revenue Budget and Precept 2020/21 and Capital Programme 2020/21 – 2022/23 https://democracy.hants.gov.uk/ieIssueDetails.aspx?IId=25254&PlanId=0&Opt=3#AI24895	Cabinet – 3 February 2020 County Council – 13 February 2020
Medium Term Financial Strategy Update and Transformation to 2021 Savings Proposals http://democracy.hants.gov.uk/ieIssueDetails.aspx?IId=22267&PlanId=0&Opt=3#AI22852	Cabinet - 15 October 2019 and County Council – 7 November 2019

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 disproportionally low.

2. Equalities Impact Assessment:

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

Adults' Health and Care Department – Revenue Expenditure 2019/20

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

Main variations

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Director	(44)	(2.58)	The savings mainly relate to staffing budgets due to delayed recruitment to vacancies within the management team.
Strategic Commissioning & Business Support	(1,726)	(10.0)	The savings are mainly due to reduced spend on non-care contracts and staff budgets due to the difficulties in recruiting to vacant posts. A significant proportion of the favourable variance has arisen from elements of the non-recurrent work programme slipping into 2020/21 rather than being a genuine saving.
Transformation	149	2.3	The pressure is mainly due to the additional cost of IT kit above what had been budgeted for.
Older People and Physical Disabilities	12,817	8.6	There were significant pressures on residential, nursing and homecare budgets due to higher client numbers and above budgeted average weekly costs. This is an underlying pressure for which a cost recovery plan has been implemented to resolve the position in future years. In this year the pressure has been offset through the use of the cost of change and reduced usage of the REACT contract.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Younger Adults	1,731	1.3	There were pressures on home care and supported living budgets due to the increasing use and cost of supported living arrangements above what was budgeted for. The pressures have been partially offset by savings in residential care due to lower than anticipated inflationary price increases being lower.
HCC Care	719	1.7	The main area of pressure is within the Older Persons in-house homes due to the use of agency staff to cover the vacant posts whilst permanent recruitment is undertaken. This pressure has been partially offset by increased income when compared to the budget. This pressure is a significant reduction from the position in previous years.
Safeguarding, Quality & Governance	(592)	(15.2)	The savings mainly relate to staff budgets due to the difficulty in recruiting to vacant posts and also additional income in relation to deputyship fees.
Contingencies	(13,054)	(78.9)	The savings relate to one off funding that was available to offset the bottom line position including the winter pressures grant and the Department's Cost of Change Reserve.
Public Health	0	0.0	-
Total	**0**	**0.0**	

Children's Services Department – Revenue Expenditure 2019/20

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

Main variations

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Early Years free entitlements	(2,665)	(3.4)	There has been reduction in spend on the free entitlements for two year olds and three and four year olds (universal and extended entitlement for eligible working parents) due to fewer children accessing the entitlements across the year and as a result of £1.9m lagged funding relating to 2018/19 being accounted for in 2019/20.
Growth Fund	(1,793)	(31.9)	The position includes savings for infant class size funding, new / re-organising schools and growing schools, due to fewer schools being eligible for funding than budgeted.
High Needs top up funding	10,336	21.8	The pressure experienced in Hampshire is reflected in many other authorities and relates predominantly to demand led budgets funding pupils with high levels of additional need, where there are increasing numbers of pupils with Education, Health and Care plans (EHCPs); and the result of extending this support for young people up to the age of 25. The includes mainstream schools, special schools, post-16 provisions and education centres. There is also a continuation of the pressure on the service for discretionary and direct payments.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Independent and Non-maintained Special Schools	5,389	27.0	The pressure is due to a 15% increase in the number of pupils placed in out of county provision (from 410 pupils in March 2019, to 472 pupils in March 2020), as well as an increase in the average cost.
Central Schools Services	(1,015)	(9.0)	There is a saving of £510,000 on the premature retirement and redundancy budget funded by maintained schools, which is due to a reduction in activity this year and some staff finding suitable alternative posts through voluntary means. There are further smaller savings on historic commitments, statutory and regulatory services and fees to independent schools for pupils without Special Educational Needs (SEN).
Various other (net)	(1,244)	(0.2)	Various smaller budget savings across the department.
Carry Forward of Dedicated Schools Grant (DSC) Deficit	(9,008)	(1.1)	The total 2019/20 pressure of more than £9.0m has been offset by a charge to the DSG reserve, as allowed by the Department for Education (DfE). This year, the charge will increase the deficit on the DSG reserve to a total of approaching £22.8m which will be funded from future years DSG funding. A DSG Deficit Recovery Plan was produced last year, at the request of the DfE, and the local authority continues to develop this and implement strategies to reduce the pressure on the High Needs Block.
Sub-Total Schools Budget	**0**	**0.0**	

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Children Looked After (including CLA placements, SGOs, adoption and leaving care)	(1,846)	(1.9)	The underlying saving has mainly arisen on Non-County Placements (NCPs) and Independent Fostering Placements (IFPs) with reduced activity and average costs less than budgeted offset by a higher than forecast number of placements within in house fostering. In addition, there is a one-off saving due to backdated health income which relates to previous financial years. This has been closely monitored throughout the year, and as a result additional corporate funding of £18.1m has been given to offset what would otherwise have been a significant pressure. There are significant savings attached to this area as part of the Transformation to 2019 (Tt2019) Programme.
Legal costs	710	77.7	Pressure on external legal fees relating to costs such as counsels (barristers) and expert witnesses have increased with the number of care proceedings going to court.
Swanwick Lodge	723	148.8	Lower income at Swanwick Lodge Secure Unit resulting from a refurbishment programme and issues recruiting to vacant residential care worker posts which restricts the number of beds that can be opened. A recovery plan is in place to increase the income generated along with a recruitment strategy to ensure the unit can be appropriately staffed. Use of agency staff has also added to this pressure.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Safeguarding & Young People's Services	4,657	17.5	The pressure mainly results from the use of social work agency staff. Whilst recruitment through the Graduate Employment Trainee Scheme (GETS) continues, reliance on agency staff to cover for the short supply of qualified social workers and to balance the experience within frontline teams is required. Corporate support has been agreed to increase the numbers of social workers, leading to a reduced caseload for teams and thereby increasing retention of social workers and reducing the need for agency staff. This investment commenced in 2017/18.
Skills & Participation	655	60.7	Activity in the Skills, Training and Engagement Programme (STEP) funded by the European Social Fund (ESF) has been significantly below the first year's profiles in the new contracts that started in April 2019, which has caused a pressure due to the payment-by-results funding mechanism. Costs associated with the supported internship programmes were higher than budgeted and further means of maximising funding for these learners, including Access to Work funds from the DWP, is being explored.
Inclusion Services (Special Educational Needs, Educational Psychology and Services for young children inclusion)	835	15.4	This pressure is mainly due to the cost of agency Educational Psychologists (EP) and a significant decrease in income as EP resources were diverted on a risk assessed basis, away from income generating work towards statutory work; supporting clearing the backlog in SEN assessments. The SEN pressure is mainly from mediation costs and external EHCP writing service

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Family Support Services	(465)	(4.5)	The saving mainly relates to respite and support for disabled children. There has been reduced spend on equipment and adaptions this year and a change in funding whereby adaptations over £5,000 are being funded via the capital budget. In addition, there has been a saving short breaks due to underutilisation of care support in the community and the short breaks exceptions fund, compared to the budget. This is part of the current short breaks consultation for achieving Transformation to 2021 (Tt2021) savings.
Net Early Achievement of T2021 Savings	(4,188)	(100.0)	Planned early achievement of savings used to offset the department's other pressures and contribute towards of change items. The early achievement is in relation to the Tt2021 Programme and £8.1m of additional funding for social care from central government allocated to Children's Services.
Various other (net)	(1,081)	(1.9)	Various smaller budget savings across the Department.
Sub-Total Non-Schools Budget	**0**	**0.0**	
Total	**0**	**0.0**	

Economy, Transport & Environment Department – Revenue Expenditure 2019/20

Major variations in cash limited expenditure – Under Budget by £1.8m (1.6%) against the adjusted cash limit.

Main variations

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Economic Development and Research & Intelligence	(114)	(10.8)	The end of year position reflects savings as a result of delays in planned expenditure, which will now take place in 2020/21.
Waste, Planning & Environment	(260)	(0.5)	The outturn includes £201,000 savings against the Waste budget, achieved from waste prevention measures. The balance predominantly relates to additional income generation from the Specialist Environmental Services teams.
Early Delivery of Tt2021 savings and General Departmental	(289)	(8.0)	In view of the current financial situation for Local Government (excluding the impact of Covid-19), the Department continues to take every opportunity to make savings in 'business as usual' work where possible. The identification of opportunities for the early delivery of Tt2021 activity has resulted in savings of £0.1m being achieved in 2019/20. In addition, further targeted staff and non-pay savings of £191,000 were achieved.

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Highways, Traffic & Transport	(1,162)	(2.0)	In Highways the mild winter weather resulted in savings against the winter maintenance budget, although the storm events towards the end of the financial year created significant additional costs, reducing the overall saving to £0.6m. The saving will be reinvested in highways maintenance in 2020/21 in accordance with established principles, providing additional one-off resources to supplement existing planned maintenance programmes. Higher than forecast staff recharges to capital schemes reflecting the significant scale of the current capital programme for the Department, staff vacancies, and increased income offset by one-off investment to be made to improve the Highways Lab and work to refresh the Integrated Transport for North Hampshire Transport Model study (net saving £1.2m). The budget for other revenue maintenance work continues to be under pressure, exacerbated by the recent storm events which led to additional drainage costs and costs on the maintenance of safety defects resulting from flooding. The outturn reflects a pressure of £1.2m. In Transport a combination of fewer Concessionary Fares journeys, and increased staff recharges to revenue and capital schemes has resulted in a net saving of £0.6m against these budgets.
Total	**(1,825)**	**(1.6)**	

Policy and Resources Department – Revenue Expenditure 2019/20

Revenue Expenditure 2019/20

Major variations in cash limited expenditure – Under budget by £5.403 (4.7%) against the adjusted cash limit.

Main variations

Service Area	Variance (Under) / Over Budget		Reason for Variation
	£'000	%	
Corporate Services	(3,818)	(6.4)	Corporate Services continues to implement a strategy of strong budgetary control, managing expenditure and gaining economies of scale through expanded joint working and generating income, for example for legal, internal audit, and other services. In particular the addition of three London Boroughs to the Corporate Shared Services Partnership, commencing in December 2019 as part of the planned Tt2021 contribution, added significantly to the one-off addition to the early achievement of Tt2021 savings to contribute to the cost of change reserve to be used for future investment in further transformation work.
Non Departmental Policy and Resources	(821)	(4.0)	The saving largely reflects lower costs or additional income in a number of budget areas. This includes lower disposal costs as these are subject to variation from year to year as the inventory of sites being disposed of changes, one-off adjustments, lower grants to local organisations and grants to voluntary organisations as agreed projects will be progressed in subsequent years and the saving will be carried forward to match the expenditure as it is incurred.

Service Area	Variance (Under) / Over Budget £'000	Variance (Under) / Over Budget %	Reason for Variation
Culture, Community and Business Services	(764)	(2.2)	Savings in Community and Regulatory Services (including the Library Service, Registration and Trading Standards) £0.5m, resulting from vacancy management and income, together with net savings of £0.8m across Culture and Heritage, Property and Facilities and Transformation and Business services, resulted in 'business as usual' savings of more than £1.3m across the Department. In view of the current financial situation for Local Government (excluding the impact of Covid-19), the Department is taking every opportunity to make savings in business as usual work where possible. The position also includes £0.6m one-off savings within the grants budget relating to historic unallocated balances. In addition, the Department secured £0.6m of early Tt2021 savings which, together with the 'business as usual' savings enabled one-off investment of £1.7m during the year, leaving a net saving of circa £0.8m. Given the nature of the services provided Covid-19, and the subsequent national lockdown, has had a significant financial impact. The reduction in the expected saving against the budget has been calculated at more than £0.3m due to increased costs, such as the investment in eBooks for the Library Service, and reduced income at the Country Parks and Great Hall in March. The impact will be greater still in the 2020/21 financial year.
Total	**(5,403)**	**(4.7)**	

Treasury Management Outturn Report 2019/20

1. Summary

1.1. The County Council adopted the key recommendations of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services: Code of Practice (the CIPFA Code), last updated in 2017. These recommendations include approving a Treasury Management Strategy (TMS) before the start of the year and a semi-annual and annual treasury outturn report.

1.2. This report fulfils the County Council's legal obligation to have regard to the CIPFA Code and provides an update on the performance of the treasury management function during 2019/20.

1.3. The County Council's treasury management strategy was most recently updated and approved at a meeting of Full Council in February 2020. 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 treasury management strategy.

1.4. 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."

1.5. This annual report sets out the performance of the treasury management function during 2019/20, to include the effects of the decisions taken and the transactions executed in the past year.

1.6. 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.

1.7. All treasury activity has complied with the County Council's TMS and Investment Strategy for 2019/20, and all relevant statute, guidance and accounting standards. In addition, support in undertaking treasury management activities has been provided by the County Council's treasury advisers, Arlingclose. The County Council has also complied with all of the prudential indicators set in its TMS.

1.8. The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The County Council's Capital and Investment Strategy, complying with CIPFA's requirement, was approved by full Council on 13 February 2020.

2. External Context

2.1. The following sections outline the key economic themes currently in the UK against which investment and borrowing decisions were made in 2019/20.

Economic commentary

2.2. The UK's exit from the European Union was one of the main drivers of sentiment on the UK economy for the majority of 2019/20, before focus then shifted to the nation's response to the global Coronavirus pandemic in the latter part of the year.

2.3. Prior to the pandemic, labour market data remained positive as the employment rate reached a record high of 76.6% in the three months to March 2020, unemployment was 3.9%, and annual pay growth was positive in real terms.

2.4. As the early effects of the pandemic and the government measures to reduce transmission began to be felt, the headline rate of UK Consumer Price Inflation fell to 1.5% year on year in March 2020 (and further still to 0.8% in April 2020), below the Bank of England's target of 2%. Gross Domestic Product (GDP) growth in Quarter 1 of 2020 is also estimated to have reduced by 2.0% alongside falls in financial markets not seen since the Global Financial Crisis, triggered by a flight to quality into sovereign debt and other perceived 'safe' assets.

2.5. In response to the spread of the virus, the UK government enforced lockdowns, central banks and governments around the world cut interest rates, and massive stimulus packages were introduced in an attempt to reduce the negative economic impact on domestic and global growth.

2.6. The Bank of England, which had previously held policy rates at 0.75% through 2019/20, moved in March 2020 to cut rates to 0.25% and then swiftly brought them down further to the record low of 0.1%. In conjunction with these cuts, the UK government introduced measures to help businesses and households impacted by a series of social restrictions.

Financial Markets

2.7. Financial markets sold off sharply towards the end of the financial year as the impact of the pandemic worsened. After starting positively in 2020, the FTSE 100 fell over 30%, with stock markets in other countries seeing similar drops. In March, sterling touched its lowest level against the dollar since 1985.

2.8. The measures implemented by central banks and governments helped restore some confidence and financial markets have rebounded in recent weeks but remain extremely volatile. The flight to quality caused gilts yields to fall substantially. The 5-year benchmark fell from 0.75% in April 2019 to 0.26% on 31 March 2020 and there were similar falls in 10-year and 20-year gilts over the same period, dropping from 1.00% to 0.40% and 1.47% to 0.76% respectively.

Credit Review

2.9. Prior to the Coronavirus crisis, both the Fitch and Standard & Poor's rating agencies affirmed the UK's AA sovereign rating and revised the outlook from negative to stable

2.10. However, Fitch then downgraded the UK sovereign rating to AA- in March 2020 and revised the outlook on the majority of banks on the Arlingclose counterparty list to negative and in some cases also amended the long-term rating (upwards in the case of Canadian and German banks and downwards for Australian banks).

2.11. While the UK and Non-UK banks on the Arlingclose counterparty list remain in a strong and well-capitalised position, the recommended maximum duration for unsecured investments with all these banks was cut to 35 days in mid-March 2020.

2.12. In December 2019, the Bank of England announced its latest stress test results for the main seven UK banking groups. All seven passed on both a Common Equity Tier 1 (CET1) ratio and a leverage ratio basis. Under the test scenario the banks' aggregate level of CET1 capital would still remain twice the level it was before the 2008 financial crisis, suggesting the banks are in a much stronger position than in 2008.

2.13. After remaining flat in January and February, Credit Default Swap spreads rose sharply in March as the potential impact of the coronavirus on bank balance sheets gave cause for concern. Spreads declined in late March but remained above their initial 2020 levels.

3. Local Context

3.1. At 31 March 2020, the County Council's underlying need to borrow for capital purposes was £783.5m as measured by the Capital Financing Requirement (CFR), while usable reserves and working capital (which are the underlying resources available for investment) amounted to £870.4m. These factors are summarised in Table 1 below:

Table 1: Balance Sheet Summary

	Balance 31/03/2019 £m	**Movement £m**	**Balance 31/03/2020 £m**
CFR	780.91	2.57	783.48
Less: Other debt liabilities*	(156.99)	7.56	(149.43)
Borrowing CFR	**623.92**	**10.13**	**634.05**
External Borrowing	(314.02)	6.78	(307.24)
Internal Borrowing	**309.90**	**16.91**	**326.81**
Less: Usable Reserves	(669.46)	26.32	(643.14)
Less: Working Capital	(209.48)	(17.80)	(227.28)
Net Investments	**(569.04)**	**(25.43)**	**(543.61)**

* PFI liabilities that form part of the County Council's debt.

3.2. The CFR increased by £2.6m during 2019/20, as a result of the County Council's Capital Programme, and other debt liabilities reduced by £7.6m in accordance with the PFI repayment models. External borrowing reduced by £6.8m during 2019/20 as a result of repayment of £9.1m Public Works Loan Board (PWLB) borrowing and other fixed term borrowing of £0.1m, partly offset by a change in the short-term balances held on behalf of other organisations, which vary from year to year.

3.3. At the end of the 2019/20 financial year the total reserves held by the County Council together with the general fund balance stand at just over £643.1m a decrease of more than £26.3m on the previous year. The decrease in reserves is largely due to the planned use of departmental Cost of Change reserves, reflecting the continued strategy of achieving savings early and then using those savings to fund the next phase of savings delivery and to allow delivery of the more complex savings to be achieved safely over a longer time period..

3.4. The County Council's strategy was to maintain borrowing and investments below their underlying levels, referred to as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position as at 31 March 2020 and change during the year is shown in Table 2 below:

Table 2: Treasury Management Summary

	31/03/19 Balance £m	Movement £m	31/03/20 Balance £m	31/03/20 Rate %
Long-term borrowing	(271.3)	10.1	(262.1)	4.7
Short-term borrowing	(9.1)	(0.9)	(10.0)	4.1
Total Borrowing	**(280.4)**	**9.2**	**(271.2)**	**4.6**
Long-term investments	342.3	(68.0)	274.3	3.7
Short-term investments	184.0	(56.5)	105.5	1.0
Cash and cash equivalents	56.2	145.5	201.7	0.4
Total Investments	**582.5**	**(1.0)**	**581.5**	**2.1**
Net Investments	**302.1**	**8.2**	**310.3**	

Note: The figures in the table above are from the balance sheet in the County Council's Statement of Accounts, adjusted to exclude operational cash, accrued interest, short term balances held on behalf of others and other accounting adjustments.

3.5. The increase in net investments of £8.2m shown in Table 2 above reflects the combination of repayment of PWLB borrowing of £9.2m and a small reduction in investment balances of £1.0m. The repayment of borrowing is in line with the County Council's policy on internal borrowing.

4. Borrowing Update

4.1. On 9 October 2019, the PWLB raised the cost of certainty rate borrowing by 1% to 1.8% above UK gilt yields as HM Treasury was concerned about the overall level of local authority debt. PWLB borrowing remains available but

the margin of 180 basis points (bp) above gilt yields appears expensive relative to other options. Market alternatives are available and new products will be developed; however, the financial strength of individual authorities will be scrutinised by investors and commercial lenders

4.2. The Chancellor's March 2020 Budget Statement included significant changes to PWLB policy and launched a wide-ranging consultation on the PWLB's future direction. This was in part as a response to what HM Treasury describes as a minority of councils using cheap PWLB finance to buy significant amounts of commercial property for rental income, reducing the availability of PWLB finance for core local authority activities.

4.3. Announcements included a reduction in the margin on new Housing Revenue Account (HRA) loans to 0.80% above equivalent gilt yields (which would not directly affect the Council as it is not a Housing Authority), and £1.15bn of additional "infrastructure rate" funding at gilt yields plus 0.60% to support specific local authority infrastructure projects for England, Scotland and Wales for which there is a bidding process.

4.4. The consultation closes on 31 July 2020 with implementation of the new lending terms expected in the latter part of this calendar year or financial year beginning 2021/22, and the County Council intends to respond to the consultation.

5. Borrowing Activity

5.1. At 31 March 2020 the County Council held £271.2m of loans, a decrease of £9.2m on the previous year, as part of its strategy for funding previous years' capital programmes. The year-end treasury management borrowing position and year on year change is shown in Table 3 below; which excludes borrowing taken out on behalf of others:

Table 3: Borrowing Position

	31/03/18 Balance £m	Movement £m	31/03/19 Balance £m	31/03/19 Rate %	31/03/19 WAM* Years
Public Works Loan Board	(235.6)	9.1	(226.5)	4.7	11.2
Banks (LOBO)	(20.0)		(20.0)	4.8	13.3
Banks (fixed term)	(24.8)	0.1	(24.7)	3.7	17.1
Total Borrowing	**(280.4)**	**9.2**	**(271.2)**	**4.6**	**11.2**

* Weighted Average Maturity

Note: the figures in the table above are from the balance sheet in the County Council's Statement of Accounts but adjusted to exclude short term balances held 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. Short-term interest rates have remained much lower than long-term rates and the County Council has therefore considered it to be more cost effective in the near term to use internal resources than to use additional borrowing.

5.4. With the assistance of Arlingclose, the benefits of this internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years, when long-term borrowing costs may be higher.

5.5. As a result, no new borrowing was undertaken and £9.1m of existing PWLB 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.

5.6. The County Council continues to hold £20m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the County Council has the option to either accept the new rate or to repay the loan at no additional cost. None of the LOBO loan options were exercised by the lender in the year.

6. Treasury Investment Activity

6.1. The County Council holds invested funds representing income received in advance of expenditure plus balances and reserves held. During 2019/20 the Council's investment balances have ranged between £547m and £677m due to timing differences between income and expenditure. The year-end investment position and the year on year change are shown in Table 4 overleaf:

Table 4: Investment Position (Treasury Investments)

Investments	31/03/19 Balance £m	Movement £m	31/03/20 Balance £m	31/03/20 Rate %	31/03/20 WAM* Years
Short term Investments					
- Banks and Building Societies:					
- Unsecured	30.4	(4.1)	26.3	0.68	0.00
- Secured	15.0		15.0	0.81	0.25
- Money Market Funds	55.3	120.0	175.3	0.38	0.00
- Local Authorities	124.5	(44.0)	80.5	1.01	0.27
- Registered Provider	5.0	(5.0)			
- Cash Plus Funds	10.0		10.0	1.37	0.01
	240.2	**(32.7)**	**307.1**	**0.63**	**0.08**
Long term Investments					
- Banks and Building Societies:					
- Secured	73.3	(40.1)	33.2	0.99	2.36
- Local Authorities	78.0	(38.0)	40.0	1.47	1.91
	151.3	**(78.1)**	**73.2**	**1.25**	**2.11**
Long term Investments – high yielding strategy					
- Local Authorities					
- Fixed deposits	20.0	0.2	20.2	3.97	13.93
- Fixed bonds	10.0		10.0	3.78	13.77
- Pooled Funds					
- Pooled property**	67.0	10.0	77.0	4.08	N/A
- Pooled equity**	52.0		52.0	5.89	N/A
- Pooled multi-asset**	42.0		42.0	4.52	N/A
	191.0	**10.2**	**201.2**	**4.61**	**13.88**
Total Investments	**582.5**	**(1.0)**	**581.5**	**2.08**	**1.46**

* Weighted Average Maturity

** The rates provided for pooled fund investments are reflective of the average of the most recent dividend return as at 31 March 2020.

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 the government guidance require the County Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The County Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults alongside managing the risk of receiving unsuitably low investment income.

6.3. 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 the Treasury Management Strategy Statement.

6.4. Counterparty credit quality has been 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.

6.5. The County Council also makes use of secured investments products that provide collateral in the event that the counterparty cannot meet its obligations for repayment.

6.6. The UK Bank Rate was cut from 0.75% to 0.25% and then 0.10% in March 2020 due to the effects of the Coronavirus pandemic on the economy. Rates had been historically low even prior to these cuts, impacting the Council's ability to generate income on cash investments.

6.7. Against this backdrop the County Council has sought to optimise returns commensurate with the objectives of security and liquidity, achieving a rate of return of 0.97% on internally managed funds at 31 March 2020 whilst also maintaining sufficient liquidity through the use of call accounts and money market funds.

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 below which compares the data for the quarter ended 31 March 2020 with the same period from the previous year:

Table 5: Investment Benchmarking (excluding pooled funds)

	Credit Rating	Bail-in Exposure	WAM** (days)	Rate of Return
31/03/2019	AA	21%	758	1.35%
31/03/2020	AA	50%	551	0.97%
Similar Local Authorities	AA-	41%	644	0.92%
All Local Authorities	AA-	56%	20	0.64%

6.9. Table 5 shows the average credit rating of the portfolio remained at a high level of AA at 31 March 2020. This was alongside increased liquidity in part to fund the prepayment of three year's Pension Fund contributions on 1 April 2020. This increased liquidity meant higher bail-in exposure as a greater proportion of the Council's funds were invested in money market funds, which invest in instruments that are liable to bank bail-in, but which are highly diversified therefore reducing this risk.

6.10. Interest rates on shorter duration investments are often lower and, coupled with the impact of the two Bank Rate cuts in March, meant average investment returns at 31 March 2020 were lower than at the same time the previous year. These returns were however greater than other Local Authorities covered by Arlingclose's benchmarking and the County Council's internal investment portfolio also compared favourably to the benchmark in terms of the average credit rating. Bail-in exposure was higher than for other

similar Local Authorities and the weighted average maturity period was shorter, both of which were as a result of holding cash to make the large advance pension contributions payment on 1 April 2020.

6.11. As the County Council has relatively stable cash balances, the allocation to investments targeting higher yielding investments was increased to £235m as part of the Treasury Management Strategy Statement for 2019/20, with the aim of increasing the level of income contributed to the revenue budget without impacting liquidity.

6.12. £201m of this amount has now been invested, and the high yielding strategy overall generated an average income return of 4.61%, contributing to an average return for the investment portfolio in aggregate of 2.08% at 31 March 2020. By comparison, the average income return at 31 March 2020 for all other investments was 0.75%. This would equate to £9.3m of income from the high yielding strategy and £2.9m from all other investments based on the snapshot of investments at 31 March 2020.

6.13. As part of the high yielding strategy, the County Council has £171m of core balances invested in externally managed pooled property, equity and multi-asset funds, which allow diversification into asset classes other than cash without the need to own and manage the underlying investments. The County Council also invests a further £10m into an externally managed cash plus pooled fund, which forms part of its short-term cash portfolio

6.14. Pooled fund investments in property, equities and bonds are likely to be more volatile than cash in the short-term but generate regular revenue income whilst also providing diversification and the potential for enhanced returns over the longer term.

6.15. The impact of the Coronavirus pandemic on financial markets at the end of the financial year meant that the Council's investments in these pooled funds suffered a £22.4m fall in capital value (12.84%) over the year to 31 March 2020, meaning these investments are now worth £18.8m less than the Council originally invested. This will only result in the Council losing money if the assets are sold before they have regained their value and the Council has always planned to hold these investments for at least the medium term, accepting that capital values would move both up and down in the short term. Under International Financial Reporting Standard (IFRS) 9 the Council must in the meantime defer these fair value losses to the Pooled Fund Adjustment Account, which is available until at least 2023/24.

6.16. The fall in the capital value of the County Council's pooled funds during 2019/20 reflects the wider market reaction to the Coronavirus pandemic, with large falls in equity prices and corporate bond markets, and property markets also affected. Market volatility, as measured by the VIX index, was historically high as investors reacted to the unprecedented situation and attempted to forecast the likely impact on economies, businesses, and individuals. The unrealised capital losses (the 'drawdown' referred to by fund managers) in equity income funds owned by the County Council were especially large at -19.6% and -33.2% respectively.

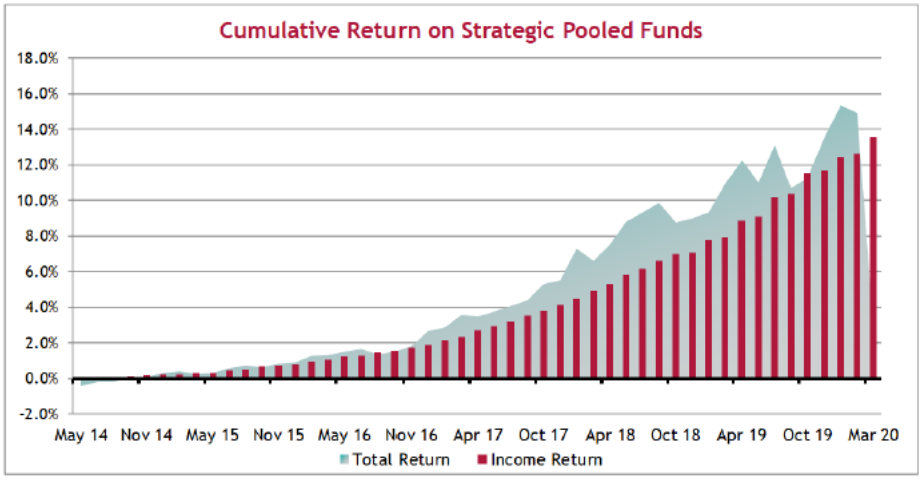
6.17. Although capital values fell, the pooled funds delivered strong positive income returns during 2019/20, contributing £8.1m income (a return of 4.65%pa) to

the revenue budget to support the provision of services by the County Council, significantly more than could have been achieved through cash investments, and in line with the Council's agreed objective of targeting income of 4% per annum from the high yielding strategy.

6.18. The total return in 2019/20, allowing for the fall in capital value but offset in part by the income generated, was a loss of £14.3m (8.19% pa).

6.19. The cumulative total return from the County Council's investments in pooled equity, property and multi-asset funds since purchase is shown in the graph below. This highlights that the County Council has benefited from the strong and steady income returns over time.

6.20. The volatility experienced due to the pandemic has been significant, but this period has not completely eroded the total cumulative positive returns made over the time that these investment have been held by the County Council, and although the pooled funds are reporting a negative capital return of 12.84% for the year to 31 March 2020, the cumulative total return from these investments since purchase is positive at 2.7% (made up of a 10.94% capital loss and a 13.65% income return).



6.21. Strategic pooled fund investments are made as long-term investments using core balances that are not required for current day-to-day liquidity. Investments are made based on advice from Arlingclose and in the knowledge that capital values will move both up and down in the short term but with confidence that over longer periods total returns will exceed cash interest returns.

6.22. These investments have no defined maturity date but are available for withdrawal after a notice period and their performance and continued suitability in meeting the County Council's investment objectives is monitored regularly and discussed with Arlingclose.

6.23. Given the exceptional impact of the Coronavirus crisis on financial markets, the investments in pooled funds have been reviewed with Arlingclose. Despite the current fall in capital values, Arlingclose's advice remains that these investments continue to be appropriate for the Council and will have a positive impact on the County Council's investment income

Financial Implications

6.24. The outturn for debt interest paid in 2019/20 was £13.4m against a budgeted £13.7m on an average debt portfolio of £275.8.

6.25. The outturn for investment income received in 2018/19 was £13.4m on an average investment portfolio of £617m, giving a yield of 2.17%. By comparison, investment income received in 2018/19 was £12.9m on an average portfolio of £618m with a yield of 2.09%.

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 Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Ministry for Housing, Communities and Local Government's (MCHLG) Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

7.2. This could include loans made to Hampshire based businesses or the direct purchase of land or property and such loans and investments will be subject to the County Council's normal approval process for revenue and capital expenditure and need not comply with the TMS.

7.3. The County Council's existing non-treasury investments are listed in Table 6 below:

Table 6: Non-Treasury Investments

	31/03/20 Asset Value £m	**31/03/20 Rate %**
Loans to Hampshire based business	9.5	4.00
Joint Venture Recruitment Agency	0.2	5.00
Total	**9.7**	**4.02**

8. Compliance Report

8.1. The County Council confirms compliance of all treasury management activities undertaken during 2019/20 with the CIPFA Code of Practice and the County Council's approved TMS.

8.2. Compliance with the authorised limit and operational boundary for external debt, is demonstrated in Table 7 overleaf:

Table 7: Debt Limits

	2019/20 Maximum £m	31/03/20 Actual £m	2019/20 Operational Boundary £m	2019/20 Authorised Limit £m	Complied
Borrowing	280	271	700	740	✓
Other long term liabilities	157	149	150	190	✓
Total Debt	**437**	**421**	**850**	**930**	✓

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. The following indicator shows the sensitivity of the County Council's current investments and borrowing to a change in interest rates:

Table 8 – Interest Rate Exposures

Sums subject to variable interest rates	31/03/20 Actual £m	Impact of + / -1% Interest Rate Change
Investment	338	+ / -£3.4m
Borrowing	23	+ / -£0.2m

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 show the maximum and minimum maturity exposure to fixed rate borrowing as agreed in the Treasury Management Strategy Statement:

Table 9 – Maturity Structure of Borrowing

	31/03/20 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	5%	50%	0%	✓
12 months and within 24 months	3%	50%	0%	✓
24 months and within 5 years	10%	50%	0%	✓
5 years and within 10 years	19%	75%	0%	✓
10 years and within 20 years	53%	75%	0%	✓
20 years and within 30 years	10%	75%	0%	✓
30 years and above	0%	100%	0%	✓

9.5. The County Council holds £20m of LOBO loans where the lender has the option to propose an increase in the interest rate as 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. If not repaid before maturity, these loans have an average maturity date of 14 years (minimum 7 years; maximum 25 years)

Principal Sums Invested for Periods Longer than a Year

9.6. 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 were:

Table 10 – Principal Sums Invested for Periods Longer than 364 days

	2019/20 £m	2020/21 £m	2021/22 £m
Actual principal invested beyond year end	374	246	211
Limit on principal invested beyond year end	410	330	330
Complied	✓	✓	✓

9.7. The table includes investments in strategic pooled funds of £171m as although these can usually be redeemed at short notice, the County Council intends to hold these investments for at least the medium-term

Other

9.8. CIPFA/LASAAC has proposed delaying the implementation of the new IFRS 16 Leases accounting standard for a further year to 2021/22.

Capital Spending and Financing 2019/20

1 Introduction

1.1 This Appendix reports that:

- Capital schemes costing £217.4m were started during 2019/20 from the approved capital programme for the year of £374.6m.
- This left £127.8m for named projects not started by 31 March 2020 which will be carried forward to 2020/21, subject to Cabinet's approval.
- Capital payments of £190.0m were incurred in 2019/20 and this can be financed within available resources.
- It is proposed that, under the Prudential Code for Capital Finance, new prudential borrowing of £29.4 is used in 2019/20 to fund previously approved schemes.
- Repayments of prudential borrowing from capital receipts and other sources total £10.5m in 2019/20.
- £25.0m of resources will be drawn down from the capital reserve in 2019/20 for use in funding payments incurred in 2019/20.
- Capital receipts of £10.9m were achieved from the sale of assets in 2019/20.

2 Capital Programme for 2019/20

2.1 Table 1 below shows that 58.1% of the Capital Programme for 2019/20 was started in the year.

Table 1 - Capital Schemes Committed in 2019/20

	£'000	%
Approved value of the Capital Programme for 2019/20	374,613	100.0
Schemes committed in 2019/20	217,455	58.1
Balance of Cash Limit at 31 March 2020	**157,158**	**41.9**
Schemes for which approval to carry forward to 2020/21 is now requested	127,855	34.1
Schemes previously approved for carry forward	29,303	7.8
Total Cash Limit to be Carried Forward to 2020/21	**157,158**	**41.9**

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

3. Carry Forward of Schemes not Committed by 31 March 2020

3.1 The approval of Cabinet is required for proposals to carry forward schemes not started at 31 March 2020. The total value of such schemes is £127.9m. This excludes £27.4m of Children's Services schemes and £1.9m of Policy and Resources schemes for which approval to carry forward to 2020/21 has previously been given during 2019/20. These amounts are largely committed against named projects.

3.2 As Table 2 below shows, the value of the 2019/20 programme committed in the year, at £217.5m, is lower than the level achieved in 2018/19 of £253.2m. Steady progress is being made given the significant size of the overall Capital Programme.

Table 2 – Percentage of Capital Programme Committed

	2018/19	**2019/20**
	£m	**£m**
Value of Projects		
- Committed	253.2	217.4
- Carried forward	122.3	157.2
Total Programme	**375.5**	**374.6**
Percentage Committed	67.4%	58.1%

3.3 Whilst the impact of the Covid-19 pandemic was not material in 2019/20 it is expected, not surprisingly, that in the coming financial year there will be a consequent increase in slippage compared to the originally planned programme.

3.4 Individually, most of the schemes and provisions to be carried forward are relatively small amounts. The larger schemes include:

- Adults with Disability – Accommodation Strategy (£7.4m) – A capital grants programme has been approved and is progressing.
- Extra care housing transformation (£3.1m) – The remaining projects within this programme are being considered.
- Relocation of Cornerstones Whiteley Primary (£12.3m).
- Improvements to Schools (£5.8m) and Children's Services contingency provision to cover future projects and pressures on the Capital Programme (£6.0m).
- Structural maintenance of roads and bridges – Future projects planned which are linked to the outcome of funding bids (£5.8m).
- Botley Bypass (£26.1m) – Project designs are progressing.

- Uplands Farm, Botley – Infrastructure and Utility works (£28.1m) – Plans are progressing.

4. Capital Expenditure and Financing 2019/20

4.1 Total expenditure actually incurred in 2019/20, arising from the Capital Programme for 2019/20 and earlier years, was £190.0m. This is £72.2m or 27.5% lower than the revised estimate for 2019/20. The timing of capital expenditure flows between financial years is often difficult to predict. The delays in committing a fair proportion of the Capital Programme for 2019/20, as shown in Table 2, will have reduced the level of payments in the year.

4.2 An analysis of the expenditure of £190.0m by service and type is included in Annex 2.

4.3 The proposed method of financing this expenditure is summarised in Table 3:

Table 3 – Capital Financing 2019/20

	Adjusted Revised Estimate £'000	**Actuals £'000**	**Variation £'000**
Prudential borrowing			
- for capital schemes	42,808	29,384	(13,434)
- repayments of specific schemes	(13,598)	(10,464)	3,134
Government capital grants	136,094	83,114	(52,980)
Contributions from developers and outside agencies	48,167	43,883	(4,284)
Capital receipts	1,092	10,943	9,851
Revenue contributions	8,307	11,586	(3,279)
Total Capital Resources	**168,017**	**161,648**	**(54,424)**
Transfers from / (to) reserves			
- Capital Reserve	39,377	24,968	(14,409)
- Revenue Reserve		(3,399)	(3,399)
Total funding for payments in 2019/20	**262,247**	**190,015**	**(72,232)**

4.4 In addition to this spend, during 2019/20, the Enterprise M3 Local Enterprise Partnership (EM3 LEP) invested £28.4m in Capital projects within the M3 corridor. This spend is included in the annual accounts, as the Council is the Accountable Body for the LEP.

5. Borrowing

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

5.2 Cabinet agreed criteria for the use of prudential borrowing in November 2003, with revisions in February 2006. Since then, its use has been agreed for a number of capital schemes, primarily on an invest-to-save basis. It is proposed that a total of £29.4m is borrowed in 2019/20 for these schemes, in accordance with the approved criteria.

5.3 Prudential borrowing of £10.5m has been repaid in 2019/20 from the use of capital receipts, developer and other contributions.

5.4 The Prudential Code includes a number of indicators intended to illustrate whether local authorities are acting prudently. The County Council's latest position on these prudential indicators following the 2019/20 outturn is summarised in Appendix 2. It shows that the County Council continues to be in full compliance with the requirements of the Code.

6. Capital receipts

6.1 Capital receipts from the sale of land and property in 2019/20 were £10.9m in total. This has been used to fund capital expenditure in the year.

6.2 Services' proposed shares of capital receipts in 2019/20 are summarised in Annex 3. The County Council's policy allows services to retain 25% of capital receipts from the sale of their assets, with up to 100% for approved rationalisation schemes.

6.3 In line with this policy, services are entitled to £4.7m of the £10.9m received in 2019/20. Cabinet has previously approved the addition of the majority of this amount to services' capital programmes, leaving a total of £2.2m for which approval is now required for allocation to services, as set out in Annex 3.

Analysis of Capital Programme 2019/20 and Requests by Services to Carry Forward Capital Schemes to 2020/21

	(1) Approved Value of Programme	(2) Schemes Committed in 2019/20	(3) Schemes for Which Approval to Carry Forward is Requested	(4) Schemes Already Approved for Carry Forward	Total Cash Limit Carried Forward to 2020/21 (Columns 3+4)
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Adults' Services	25,980	14,482	11,498		11,498
Children's Services	125,832	66,621	31,845	27,366	59,211
Economy, Transport and Environment	135,215	100,515	34,700		34,700
Policy and Resources	87,586	35,837	49,812	1,937	51,749
Total	**374,613**	**217,455**	**127,855**	**29,303**	**157,158**
	100.0%	58.1%	34.1%	7.8%	42.0%

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

Summary of Capital Expenditure in 2019/20

Analysis by Service

	£'000	%
Adults' Services	18,560	9.8
Children's Services	60,825	32.0
Economy, Transport and Environment	76,130	40.1
Policy and Resources	34,500	18.1
	190,015	**100.0**

Analysis by Type of Expenditure

	£'000	%
Land	401	0.2
Construction work	131,363	69.1
Fees and salaries	24,655	13.0
Furniture, equipment and vehicles	9,213	4.9
Grants	14,383	7.6
Pooled Property Fund	10,000	5.2
	190,015	**100.0**

Analysis of Capital Receipts 2019/20

	Capital Receipts	Costs of Sales	Shares from in/out and Other Schemes		Share of Qualifying Receipts Now Due to Services
			Previously Added to Programme	Now Available to be Added to Programme	
	£'000	£'000	£'000	£'000	£'000
Adults' Services	1,571	0	1,571	0	0
Children's Services	1,581	1	297	500	72
Economy, Transport and Environment	0	0	0	0	0
Policy and Resources	7,791	76	665	1,610	0
	10,943	**77**	**2,533**	**2,110**	**72**

Total Now to be Added to Services' Programmes	**2,182**

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	14 July 2020
Title:	Climate Change Strategy
Report From:	Director of Economy, Transport and Environment

Contact name: Stuart Jarvis

Tel: 01962 845260 **Email:** stuart.jarvis@hants.gov.uk

Purpose of this Report

1. To present to Cabinet the Hampshire County Council Climate Change Strategy 2020-2025 for approval.
2. To outline the next steps towards developing an Action Plan for approval by Cabinet in September 2020.
3. To provide an update and further details of ongoing and new programmes of activity on climate change that are taking place that are contributing to meeting the Council's climate change targets.
4. To acknowledge the progress made one year after the Climate Emergency Declaration in June 2019.

Recommendations

5. That the Cabinet agrees:
   i. The Hampshire County Council Climate Change Strategy 2020-2025 which provides a clear direction and framework for the County Council's climate change programme and sets out the carbon baseline emissions and carbon budgets for meeting the agreed 2050 climate change targets.
   ii. The framework and next stages for developing the supporting Action Plan.
   iii. The details on a range of climate change activity and programmes already underway within the Council towards meeting the climate change targets.
   iv. That the Action Plan be submitted to Cabinet for approval in September 2020.

Executive Summary

6. In June 2019, Hampshire County Council declared a Climate Emergency, setting two challenging targets for the Council and County area – to be carbon neutral by 2050 and to build resilience to a two-degree rise in temperature. Attached to this report is Hampshire County Council's Climate Change Strategy 2020-2025 (Appendix 1).

7. The strategy is a significant milestone, a major step forward by the County Council, one year after declaring a climate emergency. The targets set by the Council are challenging and far reaching. It will require significant action to be taken by the whole Hampshire community not just the County Council, including other public sector partners, residents, and businesses. It will also require support from National government.

8. This strategy provides a clear direction for climate action in Hampshire, establishing the County Council's leadership and providing an overarching framework for all future action on climate change including setting out our priorities within each key sector. This strategy will shape our work and our partnerships over the next five years, ensuring we lead by example and create a unified approach to taking real action.

9. The strategy sets out the carbon emissions baseline, the carbon budget pathway to 2050 and the strategic priorities to deliver against our emissions reduction and our resilience targets. These strategic priorities focus on the key sectors that both contribute to carbon emissions and need to be resilient to the impacts of climate change.

10. The Baseline Emissions for the Hampshire area (excluding Southampton, Portsmouth, and the Isle of Wight) for 2019 by sector are as follows:

    - Industry & Commercial – 38.89%;
    - Transport – 36.98%;
    - Domestic – 23.66%; and
    - Waste – 0.46%.

11. It is worth noting that some of the figures are significantly different to those presented in previous papers which were based on basic information available from the National government data. The work by the Carbon Trust has provided a much more robust and detailed breakdown based on local figures that has changed the percentage for transport from 49% previously to 37%, demonstrating the value of undertaking this detailed work.

12. Industry and commerce is the largest source of emissions in Hampshire, closely followed by transport. As a local authority, the biggest influence we can have on emissions is on the transport and residential sectors. However, by working in partnership with the private sector we can have influence on the Industry & Commercial sector, where the emissions are mainly from manufacturing – in particular of chemicals and refined petroleum.

13. Work to ensure that the baseline emissions are kept as up to date as possible will be ongoing, as there will always be a lag in data availability. This is important as it will ensure that efforts are focused in the right places by ensuring the baseline remains robust and evidence based. This work will be undertaken by the climate change team following training from the Carbon Trust.

14. The strategy draws on the Vision, Policy and Approach for the Council on Climate Change as set out in the Hampshire 2050 Commission of Inquiry final report, as considered at the extraordinary County Council meeting in September 2019.

15. The strategy is based upon a set of key principles which underpin the approach taken by Hampshire County Council. These principles will guide and shape the policies, actions and partnerships developed to deliver the Climate Change targets for Hampshire. The key principles are:

    - Carbon Hierarchy – this is a simple and effective framework establishing how to assess the priority of what actions to take;
    - Co-Benefits – prioritising actions that deliver multiple benefits for our communities such as reducing congestion, improving air quality, improved health, and economic growth;
    - Proportionate, Affordable and Equitable – recognising our wider role to society in delivering public services for the public good;
    - Accelerate where appropriate – taking the opportunity to accelerate delivery before the 2050 target, based on availability of necessary resources;
    - National government - policy and funding – recognising that achieving the targets will require National Government action and changes to the national policy landscape. It will require a clear funded roadmap to 2050 and support for action at a local level; and
    - Digital and Innovation – recognising technology as an enabler that could deliver a significant step change towards a low carbon, resilient Hampshire.

16. The strategy is focussed on the key sectors that contribute to emissions and where resilience needs to be built. These sectors are the strategic priorities for the Council's approach. The strategy provides clarity within each sector on what the Council will focus on both for emissions reductions and resilience. The sectors covered are:

    - Hampshire County Council's own operations and assets;
    - Transport – active and public transport;
    - Residential – existing and new house housing stock;
    - Buildings & Infrastructure – built environment and other key infrastructure (highways, utilities etc.);
    - Energy Generation and Distribution – renewable, clean, local energy;
    - Waste & Circular Economy - reduction in waste generated and promote a circular economy approach across all parts of society from household waste to commercial;
    - Natural Environment - support carbon sequestration and climate resilience; and
    - Business and Green Economy – resilient green growth economy through leadership, technology, innovation.

17. The strategy identifies existing County Council policies/strategies that contribute towards the delivery of these strategic priorities. Where there are gaps these will addressed through the action plan and monitoring and evaluation process.

18. The Action Plan will draw out the details of the actions being or planned to be undertaken that will contribute towards these priorities.

19. The strategy also covers Partnerships; Communications; Monitoring, Evaluation & Reporting; and Governance.

Next Steps for developing the Action Plan

20. The carbon baseline and budgets produced by the Carbon Trust are the foundation for the strategy and action plan by establishing where the emissions are coming from and therefore where effort needs to be focused to reduce those emissions.

21. The five yearly carbon budgets set out the pathway to meeting the carbon neutral target by 2050 (in line with the UK 2050 National target). With no change to current emissions, Hampshire will use up the 2050 target carbon budget by 2035, and the 1.5°C Paris Agreement carbon budget by 2031.

22. The table below shows how emissions will need to fall by successive 5 yearly allocations, reducing carbon budgets to meet the 2050 target (i.e. UK Government 2050 target).

Budgets	1.5°C	UK Govt.
2020 -2024	-21%	-16%
2025 - 2029	-42%	-32%
2030 - 2034	-63%	-48%
2035 - 2039	-84%	-65%
2040 - 2044	-100%	-81%
2045 - 2049	-	-100%

23. Using the information gathered on all existing and currently planned actions across the Council (covering both the organisation and the wider Hampshire area), the Carbon Trust will work with the Council to assess how far the known pipeline of projects will take us to meeting the targets and how we will bridge the gap. The focus will be on the Hampshire-wide targets as this is where the gap will be greatest.

24. The Carbon Trust will then support the Council to identify a range of carbon and risk reduction intervention opportunities to bridge the gap and move us towards meeting our targets. The interventions identified will be informed by the baseline, pathway modelling and climate risk assessment and through consultation within the Council and wider stakeholders.

25. This work will be the basis for a robust action plan that clearly demonstrates what actions/projects/policies/programmes will be delivered that will contribute towards achieving the two targets. This will be a mix of ongoing areas of activity and new areas of work.

26. It is important to note that the action plan will include significant new actions to be able to meet the targets set. These actions will be highly dependent upon securing additional funding, including potential new funding from National government.

27. To support an evidenced based and transparent monitoring and reporting process, two decision-making tools are being developed to assess the carbon and resilience impact for all key decisions as agreed by Cabinet in January 2020. The tools are in development and will be tested using two case studies – a highways scheme for carbon and a newly built school for resilience.

28. The Carbon Trust will deliver the final stages of the work by the end of August 2020. The action plan will be presented to Cabinet following the completion of this work

New Activity on Climate Change

29. The climate change team is mostly in place with two positions yet to be filled due to delays with Covid-19. The team has invested most of its time on activities that will contribute towards the Hampshire-wide emissions and resilience targets.

30. The main focus of activity has been on residential emissions, this is because, as highlighted in the baseline emissions, it is a significant source of carbon emissions in Hampshire (23%) and is an area, alongside transport, where the Council can have significant impact.

31. The challenge going forward will be to understand how to better engage and work with the business sector which contributes to 39% of the emissions in Hampshire. Work will need to be done to explore opportunities and understand how in light of Covid-19 recovery, businesses can recover and thrive alongside building their resilience to and reducing their impact on climate change. Digital and innovation will be a key part of this.

32. To date the climate change team has been focusing on developing opportunities to engage with residents and communities to reduce their residential emissions and build resilience. This has included a range of activities including engagement with Parishes & Town Councils and community group events.

Greening Campaign

33. As a result of the engagement with Parishes and community groups, a grassroots climate change campaign for Hampshire residents was identified – "The Greening Campaign". This campaign offers a 'blueprint' for community groups to develop community engagement, behaviour change, community sustainability and adaptation to the changing climate through a phased and locally driven approach.

34. Following a presentation from Terena Plowright, founder of the Greening Campaign to the Parish and Town Councils in January 2020 and Hampshire Sustainability and Energy Officers Group in February 2020, the Hampshire District and Borough Council Officers agreed to manage the rollout of the Greening Campaign amongst Town and Parish Councils and Community Groups within their areas locally (including the provision of any funding).

Climate Change Behavioural Insights

35. Another key area of work that the Climate Change team has been progressing with the Insight and Engagement Unit (IEU), Corporate Marketing and Corporate Communications teams is a Behavioural Insight led approach to

communications and marketing climate change. The research phase of this work is now complete, providing a robust evidence base for how the marketing and communications work will be developed (see Appendix 3 for the final report of this research). The research has been undertaken in partnership with other local authorities in the South East and has involved focus groups and a survey of 3000+ individuals.

36. A behaviour insight-led approach is key for identifying the biggest opportunities and barriers to reduce carbon and increase resilience to climate change, and to understand how citizens' behaviours can be most effectively influenced to realise the opportunities. Research will assess how much change might be possible, where, with whom and when. With 24% of Hampshire's carbon emissions coming from 'residential' and 37% 'transport', understanding and influencing citizen behaviour will play a key part in meeting the climate change targets.

37. Primary research, involving surveys and focus groups has also been delivered. The aim was to understand what pro-environmental actions individuals are willing to undertake and why, in relation to energy and water use, travel, food, resources and adaptation. The surveys can quantify who is willing to take different climate actions, informing who is best to target. The focus groups will help us understand how best to target behaviour change, indicating the types of messaging Hampshire residents are open to receiving from the County Council.

38. The research is feeding into an action prioritisation tool highlighting the public's willingness to change, motivations and barriers to change, and evidence of effective behaviour change. A carbon calculator has been devised alongside this, between the University of Southampton and the IEU, which will help determine which actions can deliver the largest carbon savings. An opportunity size for change will be generated based on the number of people willing to change x carbon saving. This will highlight the key actions to target, striking a balance between carbon savings and likelihood of change.

39. The Corporate Marketing Team will now build a marketing strategy to design and implement interventions, shaping the brand, graphic design and advertising that is aimed at the audiences we will aim to influence. A variety of channels will be used to influence climate change behaviours, but a digital approach will be primary, both in terms of reaching large, targeted audiences and being able to monitor and measure campaigns effectively.

40. Corporate Marketing has already facilitated the production of climate change webpages https://www.hants.gov.uk/landplanningandenvironment/environment/climatechange and helped devise creatives and set-up, monitor and report on Facebook adverts.

41. The Corporate Communications Team will also develop a communication strategy and plan, based on the behavioural insight research, consistent with the County Council's wider communications strategy, and will manage the County Council's reputation.

New projects targeting residential emissions

42. As part of the wider climate change programme and in line with the activities outlined above, the Climate Change team has identified further projects which

would complement the Greening Campaign, add significant further value to support the Council's efforts in addressing residential emissions and reducing Hampshire-wide carbon emissions.

43. Three projects were developed and approved by the Climate Change Board in early June 2020 and will be funded from the £2 million allocated to Climate Change initiatives from the Corporate Policy Reserve. The projects will all start in 2020 and will run for a maximum of 2 years.

44. The three projects not only support the Council in delivering against its carbon and adaptation targets but also work together creating a cohesive programme of activity around residents and communities/community groups. The four projects being funded are briefly set out below.

Telephone and Online Advice for Residents on Climate Change and Sustainability

45. Based on previous experiences with the Greening Campaign, residents can sometimes become frustrated if they don't know who to approach for advice and support that they can trust on how to take action in their homes on climate change and wider sustainability. This could be anything from energy advice to insulation etc. Insights into changes in lifestyle and behaviour have shown that the easier it is to make a change the more likely it is to happen, which is where the concept for this project originated.

46. The Environment Centre will set up a freephone advice line, available for two days per week, with an answerphone service available 24/7. This would be gradually phased out through the development of online resources such as a website, webchat, and chat bots. These resources would complement the roll out of the Greening Campaign by providing simple straightforward advice and support to residents from a trusted source. The work could also grow to support other initiatives and offer advice on more complex areas such as renewable energy, travel and other key areas of lifestyle change needed to transition to a low carbon future.

Establishing a Community Energy Network across Hampshire

47. One of the major gaps in Hampshire is the limited amount of renewable energy generated in the County which is currently less than 3%. The opportunity to generate our own energy that is low carbon and local is significant however the path to viable, funded schemes is complicated and not that simple to navigate without extensive experience. For the County to reach carbon neutrality, local renewable energy will be essential, and it would also build energy resilience in Hampshire. Hampshire County Council will not be able to fill this gap on its own, it does not have the financial or technical resources to do so at the scale required. The County Council can support and enable renewable energy in Hampshire and one way of doing this is through supporting community energy.

48. Community Energy South (CES) will deliver a project to stimulate the growth of a Community Energy Sector across Hampshire. The overarching project would consist of two work streams:

    1. The CES Pathways to Community Energy.
    2. A village wide community energy pilot project.

49. The emphasis will be on enabling local communities to build their own self sustainability capacity to achieve on-going, ground level emissions reductions. CES would act as a support mechanism to establish and support a network of community energy groups. The pilot project will work alongside this to identify start-up projects for community groups. This can then be used as a testcase for county-wide project development support.

50. This project would complement the work of the Greening Campaign by supporting those communities that are ready to take the step towards developing community energy.

Targeted Solar Group Buying Scheme for Hampshire

51. Solar Together is a group-buying scheme, which gives residents the opportunity to buy high quality solar panels at a highly competitive price. Local councils have teamed up with iChoosr to organise this innovative scheme for homeowners as well as small and medium-sized enterprises (non-domestic), to help deliver the vision of a zero-carbon county.

52. Targeted to about 125,000 residents who own their own house can register for the Solar Together group-buying scheme. The auction is a reverse auction, meaning the lowest bid wins. The winning bid sets the price for all solar systems. All suppliers are pre-vetted and must comply with criteria to guarantee the quality of the offer. The project would be cost neutral upon receiving fees through an installation conversion rate of less than 1%

Ongoing Activity by the Council on Climate Change – both organisational and Hampshire-wide

53. During late 2019 and early 2020, the climate change team gathered information from every department within the Council to map out all the current and planned activity on carbon reduction and resilience – either internally or externally focused.

54. This was an extensive piece of work and is the basis for the developing action plan. The work has highlighted the range and depth of activity already taking place within the Council on climate change.

55. The role of the climate change team will be to monitor this activity as part of the action plan process, alongside driving forward new areas of activity as outlined in the section above.

56. A few key highlights have been selected from all the information gathered, full details are provided in Appendix 2.

57. It is worth noting that extensive work has already taken place on reducing the Council's Scope 1 and 2 emissions. This was reported on in detail in the January 2020 Cabinet report. Hampshire County Council has taken an innovative and long-term approach to reducing carbon emissions from its estate and assets since Cabinet approved a Strategic Plan in July 2010. Over the last 10 years, a significant reduction of over 43% has been achieved. The first phase target was exceeded, and the second phase target achieved early in 2018 – 7 years early. Members have approved a new stretching target of 50% by 2025. Progress to date would indicate confidence that that can be achieved.

58. Across the County Council owned estate, other key areas of activity include establishing a £1million Salix De-carbonisation Fund to deliver a range of energy saving initiatives, purchasing certified green energy and increasing the plant-based menu at the EII court canteen and wider services, including schools.

59. There has been significant ongoing activity taking place on transport emissions. In addition to several service areas seeking to transition to more electric vehicles, teams within Planning and Public Health are also developing work with schools, workplaces, and communities to improve air quality. Prior to the Covid-19 situation approval to begin consultation and engagement on a new Local Transport Plan 4 (LTP4) had been sought. This work is progressing on the basis that the economic challenges and need to ensure our recovery is clean, healthy and green actually increases the importance of doing this work now. The LTP team has drafted a digital engagement process to seek the views of officers, members and external key organisations and stakeholders. The purpose of this engagement is to raise awareness of the need for change and seek views on what are the key outcomes desired from the transport plan. Most importantly it will seek views on a few guiding principles. These will set the approach to the LTP that will underpin everything related to movement and transport. The first round of internal officer engagement will take place towards the end of June or early July 2020.

60. Other work on transport has also included:

    I. Reviewing and redrafting Hampshire's development control policies and practices to support more integrated land use and transport planning across tiers of government, encourage better, smarter planning and see new development take place that produced high outcomes and greater public value.

    II. Travel information, behaviour change activity, travel planning and school travel plans.

    III. Developing a mobility strategy that seeks to identify how best to make use of new technologies like electric and autonomous vehicles, drones for deliveries, micro-mobility, and changes in the model of vehicle ownership.

    IV. Air quality projects in Clean Air Zones and Air Quality Management Areas.

    V. The development of active travel measure that support more active lifestyles and help people to "live local" in these challenging times. This includes the development of District wide Local Cycling and Walking Implementation plans.

    VI. Development of a public transport strategy including mass rapid transit proposals, rural demand responsive travel pilots, interchange planning, information, and integrated ticketing. Currently, the Covid-19 situation is presenting some sever challenges which in the short-term focus is to preserve the integrity of the public transport sector in the medium to long term.

    VII. Responding to the immediate Covid-19 challenge through the delivery of "pop up" public realm schemes designed to support social distancing but also lock in new sustainable travel behaviours.

VIII. The development of areas strategies and action plans on a rolling programme. Moving on from Winchester and Basingstoke strategies we are now starting to develop other area-based strategies.

61. Several departments across the County Council are also working to ensure that our infrastructure is resilient to the impacts of climate change. For example, Highways teams are working to improve drainage systems, considering the use of new and emerging remote sensing technology to help manage just “in time” cleansing of gullies and are developing and implementing a Network Resilience Plan so that they can more efficiently identify and respond to areas prone to flooding and/or tree fall. In several cases, the highways construction materials are either being changed, or investigated, to become less carbon intensive, fuelling innovation and the circular economy. Additionally, teams within Property Services are repairing, upgrading, and investing in buildings to make then more resilient to extreme weather conditions. The Meals on Wheels service is developing and implementing procedures to ensure service delivery disruption is minimised in severe weather. Emergency Planning are also continuing to plan for a range of events such as heatwaves, cold weather, mosquitos, ticks and flooding, and the physical and mental health effects that these direct and in-direct impacts may have on our residents.

62. Several service areas are also undertaking actions with regards to minimising their waste and improving resource efficiency. For example, Facilities Management, Property and Countryside Services are seeking to increase the recycling rate within their corporate office locations and the Waste and Resource Management Team continue to provide County-wide support for recycling and waste prevention, including a greater focus on food waste prevention. In addition, a whole system carbon assessment for waste has recently been undertaken which highlighted the need to focus on a reduction in residual waste for future system modelling.

63. There is also significant activity being undertaken across County Council services in relation to protecting and improving the natural environment. The Countryside Services are planning to pilot a ‘climate positive’ country park to include rewilding and carbon sink creation. A programme of tree and wildflower planting on highways amenity land, funded by ringfencing 100% of capital receipts from sale of surplus highways land, which was approved by Cabinet in January 2020 is also underway. The Hampshire Tree Strategy has been developed, through a Strategic Alliance with the Forestry Commission, Forestry England, and Woodland Trust to assist with planting one million additional trees. To improve resilience to the changing climate, ensure habitat connectivity and facilitate species adaptation, new and current native habitats are being further protected and rewilded where possible.

64. Several Council services are encouraging behaviour change amongst staff and residents. For example, Property Services continue to lead the ‘Do your energy Bit’ amongst staff, whilst the Waste and Resource Management Team are delivering a Behavioural Insights led recycling communications approach to targeted resident groups. Children’s Services are identifying ambassadors of climate change amongst foster carers and within Children's homes to change shopping habits to reduce food waste.

65. Finally, teams across of the County Council are also engaging with businesses and organisations to help support carbon reduction across these sectors. For example, the Economic Development team is helping to develop and support a marine innovation 'catapult' proposal as part of the major redevelopment plans at Fawley Waterside – which would be a national centre of excellence for industry to develop low carbon solutions for the future and are acting as a strategic partner in a European funded project which will deliver business support, guidance and grant funding to SMEs.

66. Effective and meaningful engagement across both Hampshire County Council and wider Hampshire will also be key to successfully responding to the challenges of climate change. The Council will need to demonstrate leadership which inspires and enables partners and communities and business to act, and in some cases will need to provide tools, resources and information to support them in doing so. As a starting point this will involve understanding the needs and priorities of partners and communities as well as the drivers which will give them the agency and capacity to act.

67. The Council already co-ordinates the Hampshire Energy and Sustainability Officers Group, made up of representatives from District and Borough Councils and the Public Sector Sustainable Development Group which has members from key public service organisations across Hampshire. It is an active member of the Hampshire and Isle of Wight Planning Officers Sustainable Design Group and the Hampshire Energy Efficiency Partnership.

68. On a national level the County Council also sits on the DEFRA-led Local Adaptation Advisory Panel which amongst other actions helped to develop the National Adaptation Programme for the UK.

69. These networks and groups, along with our membership of other professional organisations such as Association of Directors of Environment, Economy, and Planning (ADEPT), South East 7, UK100 (Countryside Climate Network) will be a key to engaging potential partners.

Conclusions

70. The Climate Change Strategy is a key milestone for the County Council, setting out the strategic priorities for the Council in meeting its targets. It provides a clear framework for the organisation and our partners, residents, communities and businesses towards meeting the targets of net zero carbon by 2050, building resilience to a two degree rise in temperature and to fully respond to the outcomes of the 2050 Hampshire Commission of Inquiry

71. There is already significant activity taking place across the Council and new projects are also due to be launched which will all provide valuable contributions towards meeting the targets.

72. The next steps will include the development of an action plan to set out the actions that the Council will take to meet its targets along with two decision-making tools to assess the carbon and resilience impact for all key decisions. These will be brought forward by September 2020.

73. The strategy sets out the Governance for the climate change work going forward. Cllr Jan Warwick in her role as the Adviser to Executive on Climate Change will have a key role in supporting this work. The Chairman of the

Council also announced that the theme for this year would be “A cleaner, greener Hampshire, with use of clean energy, a further reduction carbon emissions and improvements in air quality”. This complements and supports the climate change work and will be taken into account when undertaking communications and engagement activities.

74. The range of work set out in this report demonstrates that real on the ground action has already begun to be delivered and signals the importance that the Council is placing on this agenda despite the challenges of Covid-19.

75. It is also important to recognise that there is a significant opportunity to embed and maximise climate change and sustainability into the post Covid-19 recovery. Recovery could mean investing in new ‘green’ jobs, cleaner air and improved health and wellbeing. This green, low carbon, just approach has been championed by international and national governments, businesses, and other organisations (e.g. Petersburg Climate Dialogue, C40 Cities, Committee for Climate Change etc.). According to Ipsos Mori, 58% of UK residents (65% globally) surveyed support a green economic Covid-19 recovery (April 2020). This opportunity has been recognised in the County Council’s own Recovery Plan objectives and approach, agreed at Cabinet in May 2020.

76. Further work on embedding climate change into recovery will be taking place with the Hampshire 2050 Partnership and the Commissioners on 21st July 2020, looking at how the Partnership can provide the leadership and drive to a healthier Hampshire post Covid-19.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

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

Other Significant Links

Links to previous Member decisions:	
Title	Date
Climate Emergency Motion	June 2019
Hampshire 2050 Commission of Inquiry	September 2019
Direct links to specific legislation or Government Directives	
Title	Date
Climate Change Act	2008
National Adaptation Programme	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.)

Document	Location
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 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 disproportionally low.

2. **Equalities Impact Assessment:**

The Climate Change Strategy and developing Action Plan will include actions which are likely have both positive and potentially negative impacts on persons sharing a relevant protected characteristic. These include, but are not limited to, social justice in terms of carbon and climate resilience and fuel poverty.

The strategy has a key principle that states that action taken must be proportionate, affordable and equitable. As a local authority it is important to recognise our wider role to society in delivering public services for the public good. Any actions taken on climate change must be in line with this and would therefore have to adhere to the principles of proportionality, affordability and be equitable.

A key strand of developing the Action Plan will be to fully assess the potential impacts of the actions and incorporate mitigation measures, as necessary. At this stage, no impacts have been identified.

Hampshire County Council Climate Change Strategy 2020-2025

Hampshire County Council

hants.gov.uk/climatechange

HAMPSHIRE 2050

VISION FOR THE FUTURE

Hampshire 2050 Commission of Inquiry

The Commission of Inquiry - Vision for Hampshire 2050 was established in 2018 to consider evidence, deliberate upon key issues and to make recommendations on a high level and long-term Vision for Hampshire to 2050 which would guide and contribute to the future prosperity, quality of life, protection and enhancement of the character and environment of Hampshire.

The 2050 Commission identified the changing climate as the most important driver for change in Hampshire.

It was recognised that a well-adapted and resilient Hampshire will be essential to ensure that Hampshire's economy, environment, and society continue to thrive and prosper. The Commission recommended that Hampshire County Council develop and promote a strategic focus on embedding climate resilience and mitigation across key policies and sectors with communities across Hampshire.

In addition, meeting the legally binding target of net zero emissions target by 2050 set by Government will require a Countywide response.

This Strategy sets out the Council's approach to delivering a strategic focus to tackling both the sources and the impacts of climate change in Hampshire.

Climate Emergency and Targets

Hampshire County Council declared a Climate Emergency in the summer of 2019.
Two targets have been set for the County Council, and these also apply to Hampshire as a whole:

2050
Carbon neutrality

2°C
preparing to be resilient to the impacts of temperature rise

Hampshire County Council set a target to be carbon neutral by 2050, in line with national government. Hampshire County Council also uniquely set a target to build resilience to the impacts of a two-degree Celsius rise in temperature.

This target recognises the critical role we have in ensuring that not only are we resilient and able to continue to deliver our services, but also ensuring that our infrastructure, environment and communities are prepared too.

Our Vision

Recognising the changing climate as the biggest threat, a well-adapted and resilient Hampshire will be essential to ensure that Hampshire's economy, environment, and society continues to thrive and prosper.

Our Approach — To Lead, Empower and Stimulate action on climate change

Hampshire County Council and its partners must demonstrate leadership and embed climate change mitigation and resilience into all key policy areas to effectively enable our communities to tackle this issue. This approach will require a broad range of measures and step changes in lifestyles, policies, strategies and investment decisions across all levels of our society and a commitment to adhere to this.

Some of the responses and mitigating actions to counteract climate change are likely to stem from embracing new technologies, building new sustainable homes by utilising and encouraging the use of sustainable building materials, reducing and conserving energy and water, reducing waste, using local and sustainable energies, investing further in sustainable transport options and developing natural flood management systems.

Communication, education and behavioural changes for our partners and communities will be fundamental in fostering this change.

Our Policy

Develop and promote a focus on embedding climate resilience and mitigation across key policies and sectors, working with communities across Hampshire.

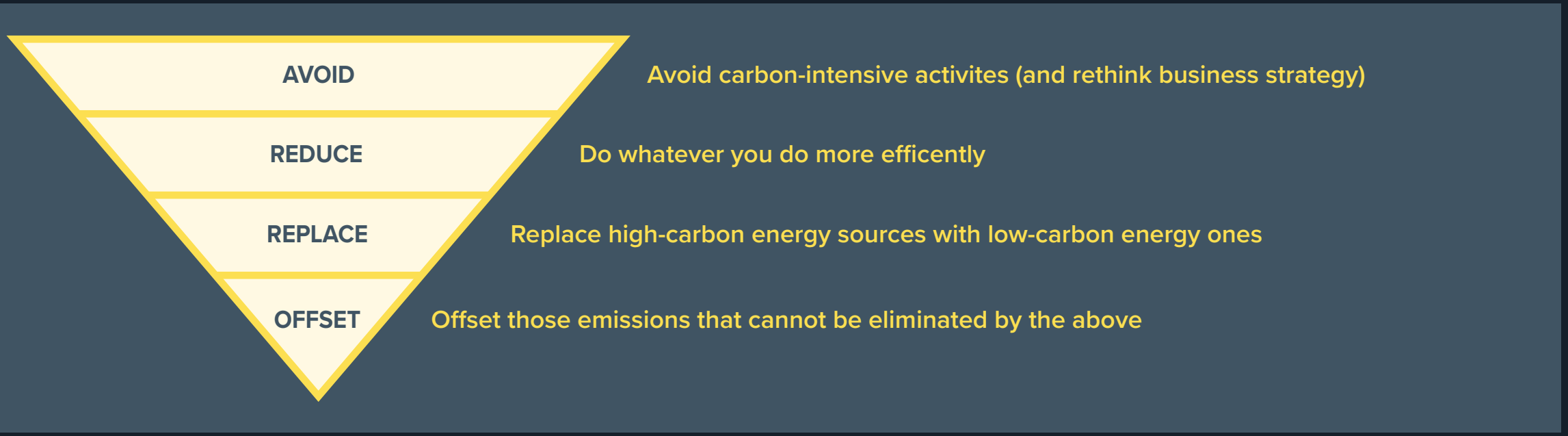
The Strategy — Key Principles

This Strategy is based upon a set of key principles which will underpin the approach taken by Hampshire County Council. These principles will guide and shape the policies, actions and partnerships developed to deliver the Climate Change targets for Hampshire.

The Strategy — Key Principles

1. Carbon Hierarchy

This Strategy will follow the principles of the Carbon Management Hierarchy as set out in the image below which provides a simple and effective framework for how the County Council will approach meeting its emissions target.



Source: Green Restoration Ireland

The Strategy — Key Principles

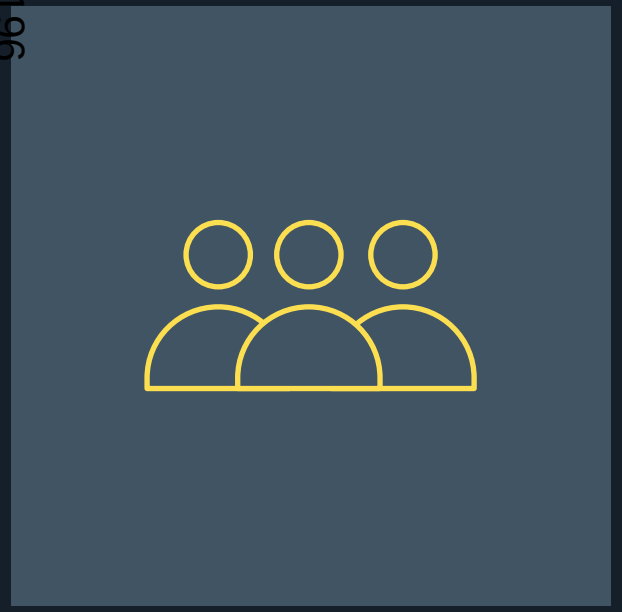
2. Co-benefits

Within each Strategic Priority, actions that deliver co-benefits will be prioritised. Many actions to reduce emissions and build resilience if done well can deliver multiple benefits for our communities such as reducing congestion, improving air quality, improved health, and economic growth.

The Strategy — Key Principles

3. Proportionate, Affordable, Equitable

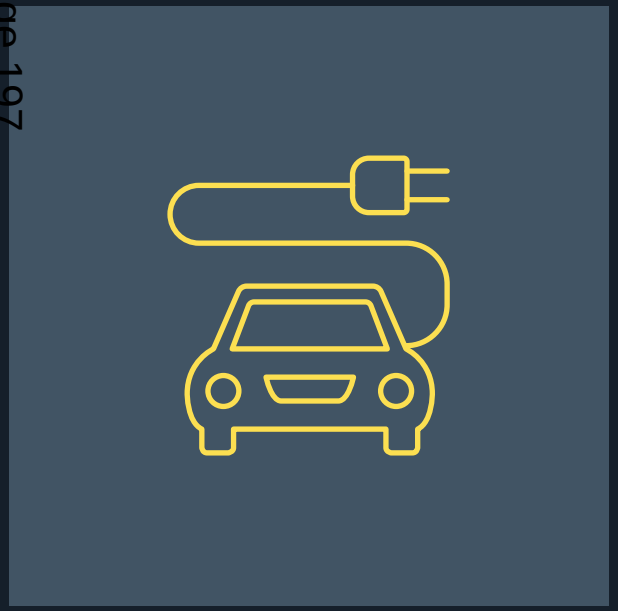
As a local authority it is important to recognise our wider role to society in delivering public services for the public good. Any actions taken on climate change must be in line with this and would therefore have to adhere to the principles of proportionality, affordability and be equitable.

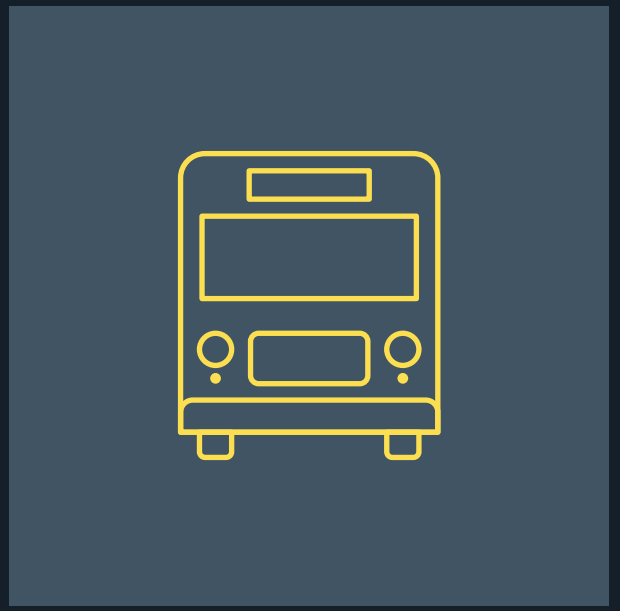


The Strategy — Key Principles

4. Accelerate Where Appropriate

The Council's carbon neutral for 2050 target was based on National Government's target. It is important to state that any opportunity to accelerate delivery will be taken in line with the other key principles set out in the Strategy, in particular the availability of resources and funding.





The Strategy — Key Principles

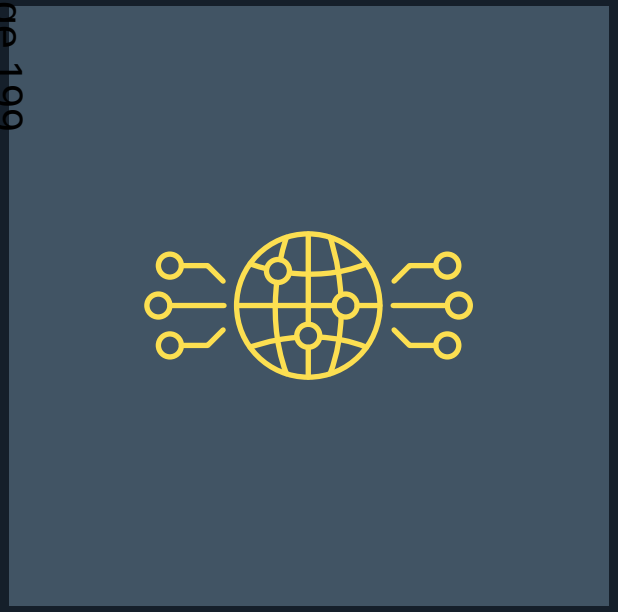
5. National Government — Policy and Funding

There are significant challenges to Hampshire achieving its targets, particularly the emissions reductions given the limited control the County Council has over the big sources of emissions - transport and residential. Achieving these targets will require National Government action and changes to the national policy landscape. It will require a clear funded roadmap to 2050 and support for action at a local level.

The Strategy — Key Principles

6. Digital and Innovation

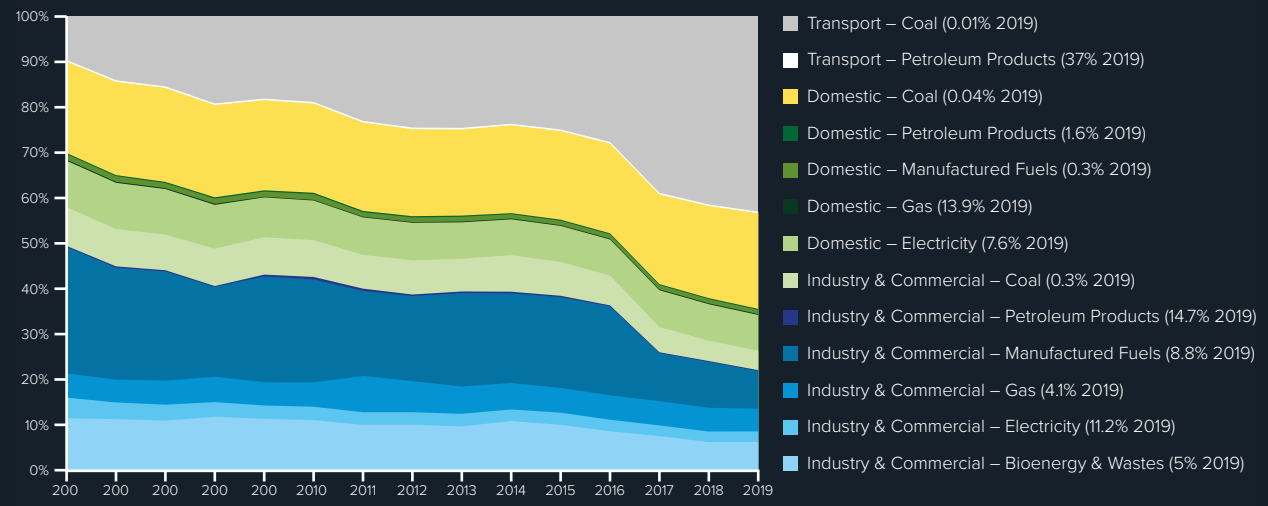
The Hampshire 2050 Commission identified Changing Technology as a key driver for change in Hampshire. Technology is an enabler that could deliver a significant step change towards a low carbon, resilient Hampshire. It is therefore recognised as a Key Principle in this Strategy and that the Council will actively prioritise the development and delivery of innovation and digital to support the climate change agenda.



Baseline Carbon Emissions

This is the Baseline Emissions for the Hampshire area (excluding Southampton, Portsmouth and the Isle of Wight).

It provides an overview of the main sources of emissions in Hampshire and within each sector the fuel types are arranged by carbon intensity, with the most intensive at the top.
The use of Petroleum Products in Industry is diminishing, however this is offset by substantial growth in Transport.
As a local authority, the biggest influence we can have on emissions is on the transport and residential sectors.
However, by working in partnership with the private sector we can have influence on the Industry and Commercial sector where the emissions are mainly from manufacturing.



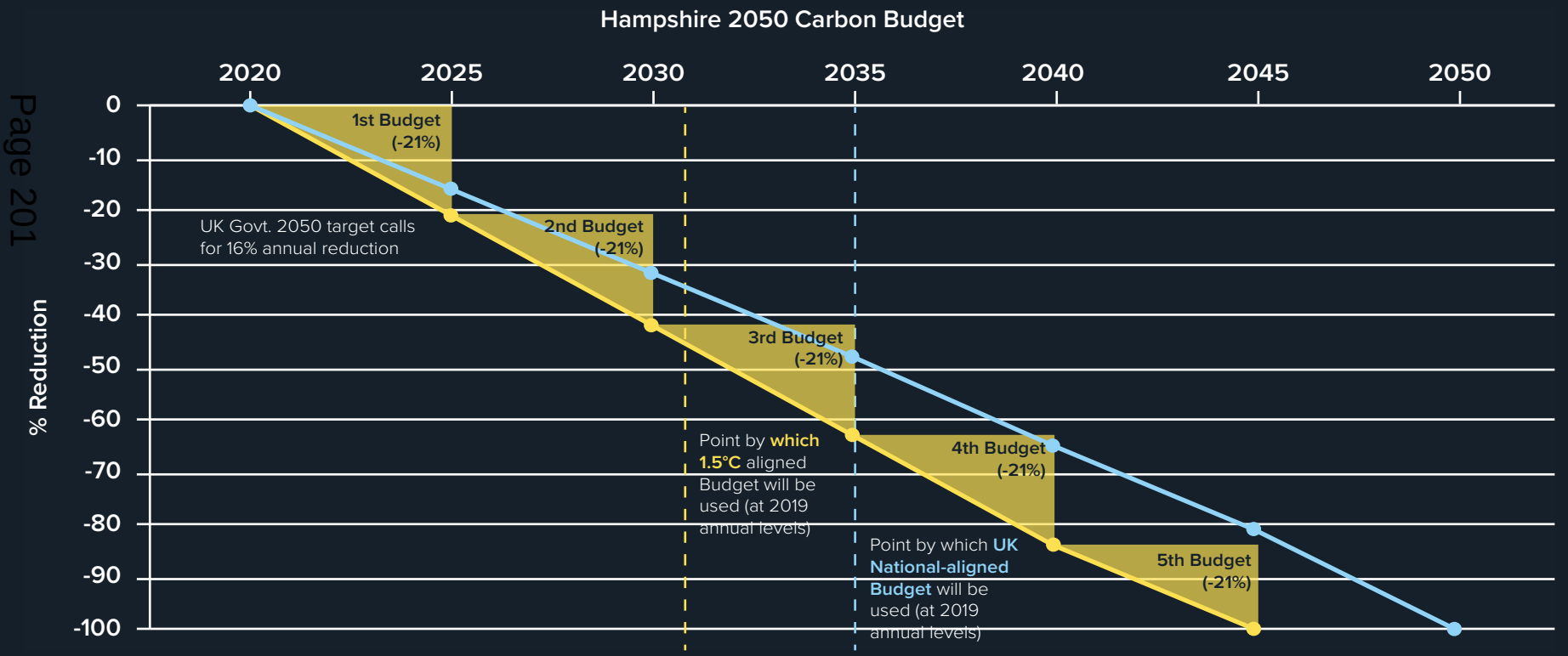
2019 Baseline Emissions by Sector

Industry and Commercial – 38.89%
Transport – 36.98%
Domestic – 23.66%
Waste – 0.46%

Carbon Budgets to 2050

The five yearly carbon budgets set out the pathway to meeting the carbon neutral pathway to 2050 (in line with the UK 2050 National target).

With no change to current emissions, Hampshire will use up the 2050 target budget by 2035, and the 1.5°C Paris Agreement budget by 2031.



Strategic Priorities

The Strategy is focussed on the key sectors that contribute to emissions and where resilience needs to be built. These sectors are the Strategic Priorities for the Council's approach. The strategy provides clarity within each sector what the Council will focus on both for emissions reductions and resilience.

The Strategy also identifies supporting Hampshire County Council policies/strategies that already exist that contribute towards the delivery of these strategic priorities.

The Action Plan will draw out the details of the actions being undertaken that will contribute towards these priorities. Where there are gaps these will be addressed through the monitoring and evaluation process.

Hampshire County Council

Organisational Emissions

To deliver carbon neutrality for and build resilience into the Council's own operations, estate, and fleet by 2050. Leading by example, enabling and promoting more sustainable long-term practices.

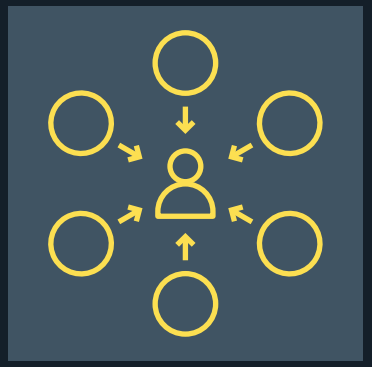
The areas covered by Scope 1-3 are set out in this document. The Council will set out in its action plan a clear pathway to achieving carbon neutrality by 2050 across these areas, prioritising Scope 1 and 2 in this first five-year strategy, moving towards a stronger focus on Scope 3 from 2025 onwards.

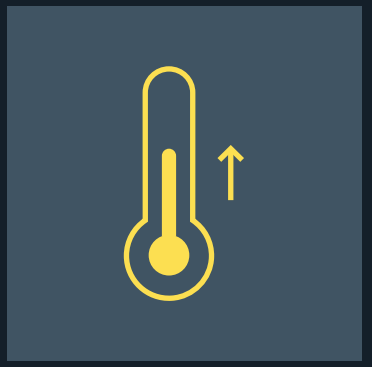
This approach will drive action and leadership on the emissions for which the Council has direct control, moving towards a more influencing and enabling role within the wider Hampshire area.

Hampshire County Council

Organsational Resilience

Hampshire County Council will ensure that it is resilient to the impacts of a changing climate, planning for a two degree rise in temperature. The Council will ensure that impacts on its service delivery, operations, estate, and fleet are reduced and managed through robust risk management and future proofing.





Hampshire County Council

Organisational Emissions Strategic Priorities

Scope 1

- Fuel combustion — buildings
- Company vehicle

Scope 2

- Purchased electricity, heat and steam — buildings and streetlighting

Scope 3

- Purchased goods and services
- Business travel
- Employee commuting
- Waste disposal
- Use of sold products
- Transportation and distribution (up-and downstream)
- Leased assets and franchises

Organisational Resilience Strategic Priorities

- Operational resilience — service delivery (highways, waste, Children & Adults Services)
- Temperature — overheating/cooling of assets
- Resilience to severe weather, flooding
- Emergency planning — Staff, Public Health
- Economic resilience — invest now save later

Supporting Policies/Strategies

- Corporate Procurement Strategy
- Strategic Asset Management Plan
- Strategic Plan for 2017-2021
- Carbon Emissions Reporting

Hampshire-wide Emissions and Resilience

Transport

To enable, support and deliver a reduction in transport-related carbon emissions to net zero (neutrality) by 2050 and a resilient transport network.

The priority for Transport will be to work with partners to develop a more holistic approach for communities and places that ultimately reduces the need to travel, increases the uptake of walking, cycling and public transport, alongside supporting and promoting the electrification agenda. It will also be critical to ensure that the transport network is resilient and plans for the current and future impacts of climate change.

Strategic Priorities

Emissions

- Active transport
- Public transport
- Fuel type
- Travel planning
- Digital enablers
- Electrification
- Highways / construction materials

Resilience

- Network resilience (tree fall, flooding etc.)
- Weather resistant materials
- Highways infrastructure - overheating

Hampshire-wide Emissions and Resilience

Transport

Supporting Policies/Strategies

- Local Transport Plan
- Cycling strategy
- Walking strategy
- Traffic Management Policy
- Highways Asset Management Policy
- Highways Asset Management Strategy

Hampshire-wide Emissions and Resilience

Residential

To enable, support and deliver a reduction in residential-related carbon emissions to net zero (neutrality) by 2050 and a resilient housing stock — both existing and new.

The priority for the residential sector will be to drive down emissions across all existing and new households through the three principles of reducing energy usage, increasing energy efficiency, and switching to low carbon, renewable sources of energy. Building resilience will also need to be considered alongside emission reductions, ensuring houses are fit for purpose. Partnership working with local councils and community groups will be key to delivery.

A significant element of this work will be around influencing and enabling behaviour change and lifestyle choices.

Strategic Priorities

Emissions

- Energy efficiency and reduction
- Community energy
- Fuel Switching / new technology/ fuel types
- On-site renewable energy generation
- Behaviour change

Resilience

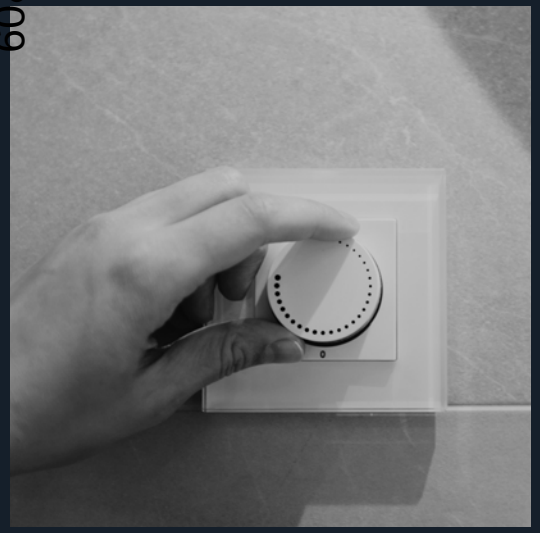
- Overheating
- Insulation
- Reducing flood risk
- Community resilience and planning

Hampshire-wide Emissions and Resilience

Residential

Supporting Policies/Strategies

- Emergency planning
- Local and Neighbourhood Plans



Hampshire-wide Emissions and Resilience

Buildings and Infrastructure

To enable, support and deliver a reduction in carbon emissions associated with the built environment to net zero (neutrality) by 2050 and a climate resilient infrastructure — both existing and new.

The priority for buildings and infrastructure will be to work with stakeholders to develop a holistic systems-based approach that considers the whole-life cycle of construction to occupation including the consumption of energy and water, and the integration climate change adaptation.

Strategic Priorities

Emissions

- Energy efficiency
- Energy consumption
- Whole life cycle embedded carbon
- On-site renewable energy generation
- Integration with wider renewable energy generation and electrification
- New technologies/fuel types
- Utilities — water, gas, electricity — energy demand reduction and decarbonisation

Resilience

- Ventilation/overheating/ insulation
- Reduce consumption of resources (water, energy)
- Planning - new developments (e.g. SUDS)
- Biodiversity and green infrastructure
- Resilience to weather, flood risk
- Preservation of historic buildings
- Water resilience

Hampshire-wide Emissions and Resilience

Buildings and Infrastructure

Supporting Policies/Strategies

- HIPOG Climate Change Adaptation Guidance — January 2019

Hampshire-wide Emissions and Resilience

Energy Generation and Distribution

To enable and support renewable energy generation capacity and distribution across the county with a focus on providing low carbon, resilient energy to residents and businesses, whilst reducing costs.

The priority for Energy will be to work with local partners and communities to actively promote and enable the generation of local, renewable, resilient energy which would stimulate and support green growth in Hampshire maximising the use of technology and innovation. This should be delivered through a range of initiatives at all scales — i.e. large-scale, community owned or individual household schemes.

Strategic Priorities

Emissions

- Renewable energy
- Decarbonise grid/gas
- New technology
- Battery storage

Resilience

- Resilient energy systems

Hampshire-wide Emissions and Resilience

Energy Generation

Supporting Policies/Strategies

- Hampshire Energy Strategy

Hampshire-wide Emissions and Resilience

Waste and Circular Economy

To drive, enable and deliver a reduction in waste and increased reuse, repair, and recycling rates whilst developing and implementing low carbon solutions to waste collection and disposal.

The priority for Waste will be to work with government and partners to actively drive a reduction the waste generated and promote a circular economy approach across all parts of society from household waste to commercial. This will be delivered through increased producer and consumer responsibility and through behaviour insights, education, technology, and innovation.

Strategic Priorities

Emissions

- Disposal
- Waste prevention
- Reuse
- Recycling
- Closed landfill

Resilience

- Resilient waste systems

Hampshire-wide Emissions and Resilience

Waste and Circular Economy

Supporting Policies/Strategies

- Hampshire Minerals and Waste Plan
- Assessment of Need for Waste Management Facilities in Hampshire: Landfill and Surcharging Report
- Hampshire Joint Municipal Waste Strategy

Hampshire-wide Emissions and Resilience

Natural Environment

To protect, enhance, improve and develop the natural environment maximising the opportunity to manage and increase habitats, landscapes, and biodiversity which in turn support carbon sequestration and climate resilience.

The priority for the Natural Environment will be to work with partners to understand and develop the value of Hampshire's natural capital, as well as the risks to it from climate change and foster sustainable practices that will support carbon sequestration as well as mitigate the impacts of climate change.

Strategic Priorities

Emissions

- Carbon sequestration
- Landscape/habitat creation management/ Tree planting
- Farming/Food production

Resilience

- Non-invasive resilient trees (disease-resistant)
- Flood and water management
- Biodiversity/habitat preservation
- Sea level rise and coastal erosion
- Adaptive management of farms

Hampshire-wide Emissions and Resilience

Natural Environment

Supporting Policies/Strategies

- Hampshire Tree Strategy
- Local Flood and Water Management Strategy
- Hampshire Biodiversity Information Centre Quality Assurance Policy
- Hampshire Countryside Service Access Plan 2015-2025

Hampshire-wide Emissions and Resilience

Business and Green Economy

To support, enable and promote a resilient green growth economy through leadership, technology, innovation.

The priority for Business and the Green Economy will be to work with partners to actively promote green growth, providing a clear direction for businesses and industry to develop and grow skills, products, new technologies and innovation, with a particular emphasis on digital, to support the transition to carbon neutrality and building business resilience through for example remote working.

Strategic Priorities

Emissions

- Green technology
- Renewable energy
- Electrification
- Business emissions
- Digital

Resilience

- Business continuity
- Skills

Hampshire-wide Emissions and Resilience

Business and Green Economy

Supporting Policies/Strategies

- Business Services Sustainability Report

Partnerships

Hampshire 2050 Partnership

The renewed focus on climate change for the County Council started with the outcomes of the Hampshire 2050 Commission of Inquiry. The Hampshire 2050 Partnership, which was created to oversee the delivery of the recommendations of the 2050 Commission is made up of all the key public sector organisations in Hampshire — with every District/Borough/City/Unitary authority represented alongside other key authorities from blue light, health, National Parks and the Enterprise Partnerships etc.

Many of these partners have also declared climate emergencies or have stated that climate change is a key priority. This clearly demonstrates the commitment across the public sector to work together to tackle climate change across Hampshire. The Hampshire 2050 Partnership will therefore play a critical role in the delivery of and accountability for this strategy which is set out further in the Governance section.

Partnerships

Public Sector Working Groups

There are currently a number of public sector officer led working groups that meet to share information on actions being undertaken on climate change and sustainability best practice and to collaborate on joint projects and initiatives.

1. **Hampshire Sustainability and Energy Officers Group (HESOG)** – all the Districts, Boroughs, Cities and Unitaries including Southampton, Portsmouth, the Isle of Wight and its main focus is climate change — more recently delivering against the Climate Emergency declarations.

2. **Public Sector Sustainable Development Group (PSSDG**) – includes organisations such as Fire Service, NHS, MoD, University of Winchester, Southampton, Portsmouth and Solent Universities, national parks and looks at wider sustainability issues.

3. **Hampshire Energy Efficiency Partnership (HEEP)** – energy, sustainability or housing officers from Hampshire County Council, Portsmouth and Southampton City Councils, Isle of Wight Council, and district councils within Hampshire and is more focused on energy.

4. **Hampshire and Isle of Wight Planning Officers Group** Sustainable Design Subgroup (HIPOG SDSG) – representatives from Local Authorities and aims to share best practice, promote, and inform sustainability through planning.

Partnerships

Other Partnerships/Networks

The public sector is one aspect of partnership working that is needed to successfully tackle climate change. It is also extremely critical that we work in conjunction with expert organisations, businesses, and other stakeholders.

The County Council will work through the wide range of existing partnerships to ensure that climate change is embedded into every aspect of its work. It will maximise opportunities offered by these existing networks and partnerships to develop best practice, policies, projects, and initiatives to support, enable, and stimulate the delivery of action on the ground.

Partnerships

Community Engagement – Expert Consultative Forum

Residents and communities have a key role to play in reducing emissions from their own homes and through lifestyle choices, or as communities taking local action. There are many examples of successful community energy projects demonstrating the ability of communities to take direct action.

Community engagement will therefore be a key component of how the Strategy and Action Plan are delivered. To provide an opportunity for meaningful engagement an Expert Consultative Forum will be convened. The Forum will be made up of relevant professionals, academics and community representatives from a range of organisations across Hampshire and would advise on both the development and the delivery of actions within the plan.

Communications

Behavioural Insights Led

The County Council recognises that significant changes in lifestyle and behaviours of residents alongside the policy and intervention work will be necessary to deliver the scale of change needed to deliver against the targets set.

A key strand of the climate change work programme will therefore focus on how the Council engages, educates, and communicates with residents to encourage and enable changes in behaviour across the community on both emissions reductions and resilience. This engagement and communications will be based on robust evidence and behavioural insight research which was undertaken by the County Council's Insight and Engagement Unit.

The research identified the key opportunities for, and barriers to, achieving desired behaviour changes among citizens by exploring people's capacity, opportunity and motivation to change behaviour — and by assessing how much change might be possible, where, with whom (including demographic and Mosaic profiles) and when.

An assessment of the carbon impact of desired behaviour changes, together with potential health benefits, was also undertaken. The research also assessed the evidence of the most effective ways of communicating and ultimately achieving behaviour change. This work underpins all the communications and engagement work that will be delivered to support this strategy and the supporting action plan.

Communications

Website

A climate change website has been created where details of the Strategy and Action Plan, alongside key information for residents, businesses and other partners/stakeholders will be presented.

The Strategy and the Action Plan will be web-based which will be regularly updated to provide live, up to date links to projects, actions, case studies, reports etc. providing a more useful resource for the Council and its partners.

hants.gov.uk/climatechange

Monitoring, Evaluation and Reporting

It is essential that there is a transparent process for monitoring and evaluating progress against the targets set.

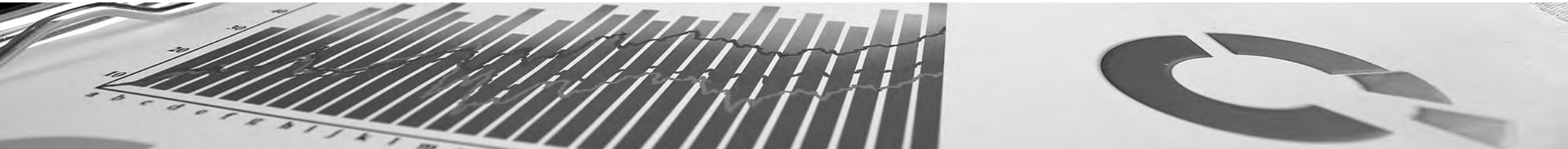
1. The strategy along with the Strategic Priorities will be reviewed every five years to consider any opportunity to accelerate delivery, to ensure that the focus of the priorities is still valid and that any new risks are taken into account for resilience.

2. The supporting action plan will be reviewed annually.

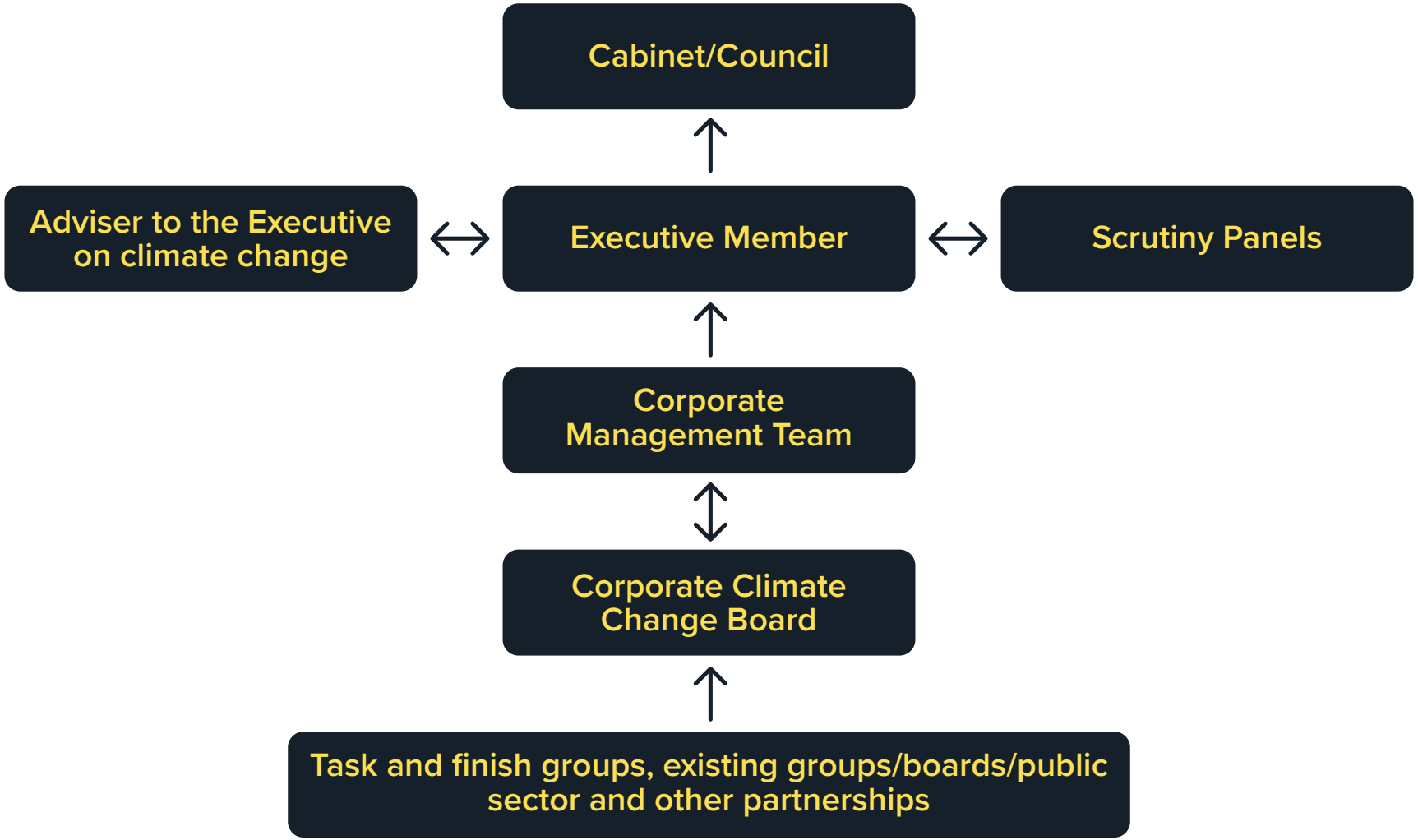
3. Progress will be reported annually against the action plan to Hampshire County Council Cabinet and to the Hampshire 2050 Partnership.

4. Monitoring of the actions in the Action Plan will be coordinated by the Climate Change Team and overseen by the Climate Change Board (see Governance section).

5. A decision-making tool will be developed and implemented for all key County Council decisions to assess the positive or negative impact on climate change mitigation and resilience. This will be applicable to all Key Decisions within the County Council.



Governance


Cabinet/Council
Adviser to the Executive on climate change
Executive Member
Scrutiny Panels
Corporate Management Team
Corporate Climate Change Board
Task and finish groups, existing groups/boards/public sector and other partnerships

Governance

A Climate Change Team has been established to oversee the monitoring and review of the strategy and action plan, alongside some key strategic programmes of activity.

Cabinet will receive regular updates on progress with the climate change work programme.

Regular progress updates will also be provided to the Leader, Executive Member for Economy, Transport and Environment and the Adviser to Executive on Climate Change, who will also have direct roles in championing, enabling and supporting the successful delivery of the climate change programme.

Engagement with relevant Scrutiny Panels will also be undertaken as required.

Annual reporting on progress with delivery of the action plan and the five-yearly review of the strategy will be reported to Cabinet and then to Full Council.

A Climate Change Board has also been established and is made up of representatives from each of the Council's departments. The Board members will amongst other responsibilities act as champions for climate change internally and externally, and co-ordinate and maintain strategic oversight of climate change activity and initiatives across the County Council.

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
Transport					
Electrically powered vehicles	4 engagement officers working with general public across Hampshire - attending events, meeting etc to raise awareness of Connect to Support Hampshire contributing to demand management for Adults' Health and Care. To minimise environmental impact these staff use electrical	Adults' health and care/public health	Economic, Brand advertising (on vehicle livery) Raising awareness of positive reputation of HCC Health benefits from reduced air pollution	May-19	Both
	Incentivise use of electrically powered vehicles when technology has advanced to guarantee effectiveness and reliability	Adults' health and care/public health	Increased availability of recharging infrastructure Health benefits from reduced air pollution		HCC
	ETE department to change all (suitable) diesel vehicles to Electric.	Highways (commissioning)	Economic, saving in running costs. Health benefits from reduced air pollution.		HCC
	Transition Skanska HHSC Operational fleet (3.5T, 7.5T 15T) to electric.	Highways (commissioning)	Economic, saving in running costs. Health benefits from reduced air pollution.		HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Transition Skanska company car fleet to hybrid and electric.	Highways (commissioning)	Economic, saving in running costs. Health benefits from reduced air pollution.		HCC
	Look at travel plans for site teams and personnel visiting site or provide electric pool vehicles for members of staff regulary traveling for work.	Travel planning	Economic, saving in running costs. Health benefits from reduced air pollution.		HCC
	Geotechnic and Land Survey vehicles to change to electric where appropriate (4x4 electrics not readily available).	Highways (commissioning)	Economic saving in running costs Health benefits from reduced air pollution.		HCC
	To explore the possibility of introducing an Ultra Low Emission Vehicles scheme across Hampshire County Council (HCC).	HR	The Ultra Low Emission Vehicles scheme would play a key role in contributing to and embedding HCC's Climate Change Strategy as it promotes an environmentally-friendly method of transport which reduces the carbon footprint. It also has financial benefits for both the employee and employer (Tax and NI) as it is administered via salary sacrifice. It is also possible to argue that it would form part of an employee's total reward package which may improve levels of engagement and act as a staff retention and motivation tool	Options being developed for consideration	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Working on smart mobility EV charging infrasructure. Align acitivity funding to smart mobility initiatives	EM3	Health benefits from improved air quality Reduced congestion Increased productivity		Both
	Default position to be electric vehicles as part of the fleet replacement transition.	CCBS	Economic, saving in running costs. Health benefits from reduced air pollution.	2028 (completion)	HCC
	Explore the possibility of EV charging points to be supplied by a 100% renewable supplier	CCBS		Dec-20	HCC
	Actively trial and promote new vehicle technology when it arrives on the market e.g. electric minibus	CCBS	Reduced air pollution	Ongoing	HCC
 Less travel	Provision of Technology Enabled care (TEC) services in people's own homes. Enables the reduction or delay of more intensive Home Care with relies on staff visiting sevice users at home, therefore a reduction on car/transport usage for staff.	Adults' health and care/public health	Reduced use of Home Care, Residential and Nursing care	Ongoing	HCC
	Review and implement HCC's own Corporate Travel Plan to reduce car alone journeys for both commuter trips and business trips.	Travel planning	Staff attendance, reputation, physical health, mental health, congestion, improved local relations, air quality, life skills, road safety, financial savings (individual and corporate), carbon reduction, viability on local public transport services,	2019	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Through travel planning measures, support residential development on the reduction in car alone journeys on Hampshire's roads	Travel planning	Physical health, mental health, congestion, improved local relations, air quality, life skills, road safety, financial savings, carbon reduction, viabiilty on local public transport services, crime reduction	2019	County-wide
	Through travel planning measures, support workplaces and other similar destinations (e.g. hospitals, retail, HWRC's) on the reduction in car alone journeys on Hampshire's roads	Travel planning/Strategic Planning	Staff attendance, reputation, physical health, mental health, congestion, improved local relations, air quality, life skills, road safety, financial savings, carbon reduction, viability on local public transport services,	2019	County-wide
	Using technology to route journey. As well as increasing productivity and cost effetiveness this also reduces emmissions and use of fossil fuel consumption in travel	Adults' health and care/public health	Reduced wear and tear on fleet	Apr-19	HCC
	Writing in service specifications that providers need to engage with service users through digital means (e.g. sexual health services) reducing the need for travel to clinics	Adults' health and care/public health	Health (providing timely care in a way that meets the patient's needs)	ongoing	Both

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Equipment prescribers to ensure items fully explained and accepted, prior to request Equipment prescribers to order all items for each person together to reduce multiple visits	Adults' health and care/public health	reduced transport pollution, costs and time		HCC
	Green scheduling of work/jobs to reduce carbon emissions through travel, winter maintenance	Highways (commissioning)	reduced transport pollution, costs and time	2 years	HCC
	First time fix avoid duplicate visits. Also multi-skilled gangs to avoid multiple visits.	Highways (commissioning)	reduced transport pollution costs and time		HCC
	Booking service users and carers into community hubs rather then social workers travelling to individual services	Adults' health and care/public health	Better community links, and impacts on socila isolation	May-20	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Comleting more customer facing tasks on the phone and online	Adults' health and care/public health	Quicker outcomes promoting prevention	Apr-21	HCC
	Transport and health needs assessment	Adults' health and care/public health	Health (increased physical activity)	In development	HCC
	Work with providers to develop provision according to needs within the Hampshire boundaries.	Childrens' services	Reduction in costs to travel budgets Increase in outcomes for children through greater variety of placements and placements closer to home Health benefits from use of public transport through encouraging walking to get to transport	May-20	HCC
	Increase the number of in house foster carers, and increase occupancy in the in house residential provision.	Childrens' services	Reduction in costs to travel budgets Increase in outcomes for children through greater variety of placements and placements closer to home Health benefits from use of public transport through encouraging walking to get to transport	Apr-20	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Consider the climate impact alongside safeguarding when making decisions about placements.	Childrens' services	Reduction in costs to travel budgets Increase in outcomes for children through greater variety of placements and placements closer to home Health benefits from use of public transport through encouraging walking to get to transport	Mar-20	HCC
	Increase the uptake of the use of pool cars when travelling outside of Hampshire and sharing of vehicles when staff are travelling to the same destination. Increase the use of public transport where possible and safe to do so	Childrens' services	Reduction in costs to travel budgets Increase in outcomes for children through greater variety of placements and placements closer to home Health benefits from use of public transport through encouraging walking to get to transport	Sep-20	HCC
	To provide community transport using a minibus for vulnerable older people who need transport e.g. for shopping, Doctors appointments. The communal transport provision reduces the need for individual trips e.g. via taxis	Adults' health and care/public health	Reduced social isolation supports independent living		County-wide
 Active travel	Developing evidence on health benefits of alternatives for transport	Adults' health and care/public health	Physical health, mental health, air quality, life skills, road safety, financial savings		County-wide

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Active travel to schools including travel audits, transition from early years to primary and primary to secondary. This work is targeted to areas with poor air quality, higher deprivation and higher levels of obesity). Scootability training in schools. Also, the active travel team project to engaged with schools and local businesses (e.g segensworth) around drop-off and pick-up practices through monitoring air quality around the school site	Adults' health and care/public health	Physical health, mental health, air quality, life skills, road safety, financial savings	ongoing annually reporting	County-wide
	Supporting active travel team with community travel plans (White Hill and Borden new developments)	Adults' health and care/public health	Physical health, mental health, air quality, life skills, road safety, financial savings	ongoing	County-wide
	Encouraging staff to walk or cycle to workor use park and ride facilities	Adults' health and care/public health	Physical health, mental health, air quality, life skills, road safety, financial savings	Apr-19	HCC
	Support advise provided to developers on the routes to school on a new development to ensure it promotes active travel and reduced car alone journeys. A guidance document has been produced as a result summarising key issues as well as a fee structure for travel plan contributions.	Travel planning	Physical health, mental health, congestion, improved local relations, air quality, life skills, road safety, financial savings, viability on local public transport services, crime reduction, reduced no. of complaints	2016	County-wide

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Deliver the reduction in GHG emissions from the integration of Couriers and County Supplies fleets	CCBS		Jun-21	HCC
	To explore the possibility of introducing a Cycle to Work scheme across Hampshire County Council (HCC). [n.b. Hampshire Fire and Rescue Service and Hampshire Constabulary already have a Cycle to Work scheme in place]	HR	Cycle to Work is a government initiative to encourage cycling as a means of transport to work. It reduces carbon emissions and promotes a healthy lifestyle. It also has financial benefits for both the employer and employee (Tax and NI) as it is administered via salary sacrifice	Options being developed for consideration	HCC
 Public transport	To continue to offer staff incentives on public transport, such as discounts on railway/bus travel (i.e. South Western Railway currently offer discounts of up to 20% on season tickets)	HR	Offering staff benefits, including discount on public sector travel (i.e. South Western Railway currently offer discounts of up to 20% on season tickets) will continue to promote an environmentally-friendly form of transport (i.e.less travel by car) which will help to reduce carbon emissions.	In place for a number of years	HCC
	Partnerships with bus operators to improve vehicle emissions through new vehicle investment or retrofit existing buses with clean exhaust technology.	Passenger transport	Economic, air quality; healthier lifestyles	Ongoing	County-wide
	Improved public transport through improved infrastructure, information and promotion.	Passenger transport	Economic, air quality; healthier lifestyles	Ongoing	County-wide

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Transforming Cities Fund - Portsmouth & Southampton City Regions. Delivering Bus Rapid Transit, public transport ticketing schemes, cycling infrastructure; transport interchanges; mobility hubs; public realm improvements. A potential spin-off is the Future Mobility Zones (FMZ) project in the Solent area, including drones, PT ticketing, Mobility as a Service, Demand Responsive transport trials. FMZ is subject to funding bid.	Passenger transport	Air quality, comgestion reduction, health, economic		County-wide
Fuel	Trial fuel additives / fuel alternatives to Skanska vehicles on HHSC. Possibly HCC vehicles as well?	Highways (commissioning)	Economic, saving in traditional fuel and possible maintenance costs. Health benefits from reduced air pollution		HCC
	Change the Skanska Dragon Patcher burners from Diesal to Kerosene.	Highways (commissioning)	Economic, saving in overall dragon patching costs.		HCC
	Trials of a Hydrogenated Vegetable Oil (HVO) bowser for County Supplies fleet and HVO supply to HTM Micheldever site. If HVO trials are successful, transition to a HVO fuel for the entire HCC fleet.	CCBS	Reduced air pollution	2021	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
HGV's	Ban the movement of HGV's on a Sunday on highways, except for recovery vehicles (as is done in Germany - for many years) along with other europian countries. Ban HGV's overtaking on motorways- as in Germany - to help implement heavy goods transporation corridors	Travel planning			County-wide
Energy					
Renewable energy	Where effective, using solar panels to reduce energy consumption	Adults' health and care/public health	economic	Apr-20	HCC
	Install PV panels on ETE depot buildings.	Highways (commissioning)	economic		HCC
	Install PV panels on Trafalgar House building roof.	Highways (commissioning)	economic		HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Install EV charging points in Trafalgar House Car Park.	Highways (commissioning)	economic		HCC
	All HCC instructed temporary site offices & messes to have PV panels and or wind turbines to be carbon efficient for medium sized sites (I.E. sites in excess of 4 months duration) or consider All sites	Highways (commissioning)	Economic, reduce air pollution		HCC
	Transition of energy supply for HCC estate to 100% renewables	CCBS		2025	HCC
	Provision of renewable energy supply to be added to the next energy frameworks by September 2020. Fully renewable energy to be included as optional in contracts for HCC & schools	CCBS		Sep-20	HCC
	Continue Energy Performance Programmes (battery storage, EV, charging, solar, schools solar)	CCBS		Ongoing	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Look at alternative energy sources for HCC building and utilising current assets to aid that. i.e buiding roofs for solar panels (south facing ones) or suitable sites for ground source heat pumps.	Travel planning	Economic		HCC
Energy efficiency	Using LED light bulbs to reduce energy consumption whilst maintaining safety	Adults' health and care/public health	Economic	Apr-19	HCC
	Providing advice and heating solutions for those who struggle to heat their homes, particularly those most vulnerable to the cold (Hitting the Cold Spots). Carbon savings achieved through practical measures, estimated at 120.72tCO2 for the quarter Jul - Sept 2019	Adults' health and care/public health	Improved health for those who are particularly susceptible to the cold. Improved economic situation where more cost effective heating solutions are identified. Reduced fuel poverty. Greater social support as more likely to have friends visit	2012, thought current contract started 1/4/19	County-wide
	Transition Skanska equipment / plant to electric	Highways (commissioning)	reduced transport pollution costs and time	5 years plus	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Retrofit LED lights in ETE depots and Skanska's Trafalgar House	Highways (commissioning)	Economic, employee wellbeing	2 years	HCC
	Skanska gangs to operate with electric powered electric tools only instead of petrol powered	Highways (commissioning)	Economic, reduce air pollution	Trial planned for early 2020	HCC
	Replacement of high-pressure sodium street lights with low energy LEDs	Highways (traffic)	Economic		HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Replacement of incandescent traffic signal lanterns with low energy LEDs (will in some cases require whole sites to be upgraded to ELV, not just the lanterns to LED)	Highways (traffic)	Economic	Requisite contractual ammendaments to the PFI project agreement being progressed that will provide for LED replacement programmes. Investment planned for 2020/21, 2021/22 and 2022/23 to replace 12,000 approx of 32,400 high-powered street lighting units on principal roads in Hampshire.	HCC
	De-illumination of traffic signs (where permitted in the Regs).	Highways (traffic)			HCC
	Installation of low energy LED street lights at new developments (policy in place and now to only accept LED lighting for new developments)	Highways (traffic)	Economic		HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	To deliver the Tri-LEP Energy Strategy	EM3	Health through more efficient and healthy homes Improved air quality		County-wide
	We have published a Heat and Power Strategy (see: https://solentlep.org.uk/media/2669/solent-lep-heat-and-power-strategy-and-action-plan-final-docx.pdf)	Solent lep			County-wide
	Conversion to LED lighting across all Countryside service maintained depots over next 5 years. New buildings to be fitted with LED Light fittings & PIRs	CCBS	contributes to carbon positive parks, economic	December 2024 (completion date)	HCC
	Completion of current LED programme (EPP4). LED lighting programme scheduled to continue for corporate estate buildings which did not meet EPP4 criteria.	CCBS	Economic	Mar-21	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Continuation of schools' Energy Performance Programme	CCBS	Econimic	Ongoing	HCC
Infrastructure					
Buildings	Repairing, upgrading and investing in buildings	Adults' health and care/public health	Buildings operate effectively in extremes of temperature, lower energy consumptionn, more efficent heating		HCC
Roads	Providing input into local plans to promote walkable streets through creating safe, attractive and convenient routes	Adults' health and care/public health	Health (increased physical activity), social (decreased crime/anti-social behaviour)		County-wide
	Planning of asset location to accommodate future road work and maintenance implications - Already undertaken but could look at improving this with Developers.	Travel planning			Both
Materials	Change all (suitable) Hot machine laid materials to 'Warm Mixes' for use on the highway network.	Highways (commissioning)	Economic, saving in electricity costs.	Trials underway	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Increased incorporation of RAP (Recycled asphalt pavement) into all hot asphalt.	Highways (commissioning)	Economic, saving in electricity costs.		HCC
	Change all (suitable) Hot binder course materials to 'cold lay' for use on the highway network.	Highways (commissioning)	Economic, saving in electricity costs.		HCC
	Use HBM as base and binder course material wherever possible on highway network.	Highways (commissioning)	Economic, saving in electricity costs.	Underway on a small scale in haunching programme at present	HCC
	Explore use of Graphene in bituminous materials.	Highways (commissioning)	TBC		HCC
	Use recycled plastic kerbs and plastic gully covers for use on the highway network.	Highways (commissioning)	Reduced musculoskeletal injuries, economic	Trials underway for plastic kerbs..	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Use recycled plastic street furniture, and recycled plastic traffic management equipment for use on the highway network. Produce more locally sourced materials for use on highway network	Highways (commissioning)			HCC
	Use of alternative sensor types at traffic lights above ground - i.e. no loop detectors to minimise impact to maintenance and disruption to road users and number of site visits required and amount of desruction required	Travel planning			Both
	Cement and lime stabilisation, use where ground conditions are poor - reduction in requirement to bring materials into and off of site.	Travel planning			HCC
	Ensure technical teams have the appropriate training and skills to facilitate the development of low carbon solutions.	Highways (commissioning)	Economic, reduce waste		HCC
Minerals infrastructure	Establish baseline emission data and monitoring schemes for minerals infrastructure proposals.	Strategic Planning	Economic and health	Hampshire Minerals & Waste Plan - update (2021 onwards)	County-wide

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
Waste Infrastructure	Review, baseline and develop plans. Emissions from throughput monitored daily, input material part of review. Consideration of regional infrastructure options.	Waste and resource management	Economic and health	Various - current estimated start 2022	HCC
Waste and circular economy					
Reducing waste	Single use plastics will be eliminated from catering front of house of CCBS services.	CCBS		Apr-21	HCC
	Reduced printing	Adults' health and care/public health	Economic	Ongoing	HCC
	Winter Maintenance - route optimisation.	Highways (commissioning)	Economic (fewer salt-runs, less salt purchased/transported) health (reduced air pollution)		HCC
	Adopting paperless methods of record management	Adults' health and care/public health	Reduce demand for energy consumption associated with printing, storing, recycling paper based materials	Apr-19	HCC
Recycling	Decontaminating and recycling 90% prescribed equipment items	adults' health and care/public health	economic	ongoing	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Validation and analysis of waste collection data for CCBS services to establish their baseline waste generation and assess the realistic potential for recycling. Liaise with CCBS services to set targets.	CCBS		2020	HCC
Recycled materials	Create a recycled cold binder and base materials from planings/waste to use in the highway network.	Highways (commissioning)	Economic		HCC
	Create a recycled aggregate sub-base materials from waste to use back in the highway network.	Highways (commissioning)	Economic		HCC
	Safeguard exising recycing capacity and support new aggregate recycling proposals.	Strategic Planning	Economic and health.	In progress (Hampshire Minerals & Waste Plan)	HCC
	Already encourage use of recycled materials for pavement construction (roads and footways of new developments and major schemes) eg IBAA and Type 1 Materials, HBM, already in standard details but could emphasise.	Travel planning			HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	HBM and use of road chippings to be used back on new roads, and kept within Hampshire. i.e road surfacing chippings removed from roads, is used for HBM	Travel planning			HCC
Disposal methods	Review alterantive methods, consider longer-term feasibility and implementation within boundaries of exisiting contracts and future aims	Waste and resource management	Economic, health, social	Various - current estimated start 2022	HCC
	Review alterantive methods, consider longer-term feasibility and implementation within boundaries of exisiting contracts and future aims	Strategic Planning	Economic, health, social	Hampshire Minerals & Waste Plan - update (2021 onwards)	HCC
Collections	Work with WCAs through HWP/Project Integra to consider alternative whole system approaches, reducing carbon impacts and improving efficiency and compliance with Gov objectives (Env Bill and Resources & Waste Strategy)	Waste and resource management	Economic, health, social and wider environmental benefits	Various - current estimated start 2022	HCC
Food	Explore the feasibility of expanding food waste collections to Schools.	CCBS	Economic, health, social and wider environmental benefits	Sep-21	HCC

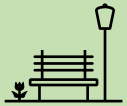
Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Explore the feasibility of expanding food waste collections in CCBS' managed locations e.g. Offices, CCBS sites.	CCBS	Economic, health, social and wider environmental benefits	Jan-21	HCC
Reuse	Drive material up the hierarchy, enable reuse ahead of recycling; support local organisations that enable reuse	Waste and resource management	Economic, health, social and wider environmental benefits	Various - predominently ongoing with work currently underway	County-wide
Closed Landfill	Closed Landfill: Manage and monitor closed landfills incl landfill gas - reuse gas where feasible and minimise carbon impacts	Waste and resource management	Economic and wider environmental benefits	Various - predominently ongoing with work currently underway	HCC
Economy					
Capital	Promotion of cardon reduction capital schemes through bid support work.	Travel planning			Both
	Divert resources to carbon reducing capital schemes: cycling, public transport, electric vehicle infrastruucture, walking. Contribute / support this work.	Travel planning			Both

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	We are investing in a Natural Capital study with Fawley Waterside to secure a baseline of Natural Capital in the New Forest	Solent lep			County-wide
	Develop a Natural Capital baseline for the LEP area	EM3			County-wide
Business support	Establish what our business membership and representative organisations are doing in relation to carbon reduction. Ask them to undertake inelligence of members, e.g. Carnival, Exxon Mobil to learn what those companies' priorities are and how we can work together on this shared agenda.	Economic development	Identify opportunities to collaborate and raise awareness amongst businesses of things they can do to mitigate impact and get support to adapt.	Autumn 2020	County-wide
	Support the businesses in our area that can support this transition and sieze the opportunity. We have recently completed a study on the extent of the low carbon sector within the EM3 area. This has shown that we have significant capability to help deliver the changes and technologies required.	EM3		Autumn 2020	County-wide
	Act as a strategic partner to the ERDF LoCASE project which will deliver business support, guidance and grant funding to SMEs	Economic development	The grants programme will support local SMEs to: improve their energy efficiency and resource use; support eco-innovative and low carbon solutions in ways that improve business performance in terms of resilience, profitability and competitiveness; and at the same time create jobs and contribute to the protection of the environment	Autumn 2020	County-wide

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
Locally sourced food	Developing a Hampshire eating out heathily award which will incorporate a sustainaility element prioritising locally sourced food	adults' health and care/public health	Promote healthy and sustainable food. Support and highlight businesses that provide this.	Undergoing market testing.	County-wide
Technology	Establish a marine innovation 'catapult' at Fawley - a national centre of excellence for industry to develop low carbon solutions for the future.	Economic development	Developing world-leading technologies and techniques to deliver low/no carbon products and services that can service the UK economy and be exported	2021-2022	County-wide
Biodiversity, tree planting and re-wilding					
 **Country park**	Create a Climate Positive Country Park. Implementing change going beyond net zero carbon emissions to create an environmental benefit. To include: Rewilding, carbon sink creation, energy generation and waste management	CCBS	Cost reduction,showcase HCC action, test new approaches for future schemes	2023 (completion date)	County-wide
Tree planting	Investigate green screen concept and include in schemes as appropriate.	Travel planning	Social		County-wide
	Project to address a section of wasteland where currently fly tipping and re-purpose for allotments for people with physical disabilities	adults' health and care/public health	Benefit to people with physical disabilities in terms of access to green spaces, physical activity and social interaction	Feb-20	County-wide

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Increase tree planting and re-wilding of appropriate areas, the goal being to increase canopy cover percentages and the associated carbon sequestration.	Highways (commissioning)	Carbon sequestration benefits of increased canopy cover. Reduced fuel usage due to less cutting.		Both
Corporate policy					
 Commissioning	Incentivise providers to safeguard wellbeing of service users, maintain them at home and reduce potential hospital admission	Adults' health and care/public health	Wider awareness, cultural change,	Apr-21	County-wide
	Encouraging / incentivising service providers to increase environmental awareness and record their approach	adults' health and care/public health	Wider awareness and cultural change		Both
	Develop climate related KPIs for existing suppliers and climate related contractual terms for new suppliers / contracts. Work with existing suppliers to implement KPIs. Apply new contractual terms to furure tenders once approved, to incorporate climate considerations into purchase of goods through County Supplies.	CCBS		2020 to start implementation (Will take 4 years to apply to all contracts)	HCC
	Low carbon suppliers to be factored into procurement of food and catering suppliers.	CCBS		2021/2022	HCC
 Procurement	Develop the Council's procurement processes to accommodate the Council's Climate Change policy/strategy and associated Action Plan	Procurement	Potential for indirect local economic, social and health benefits	Within 6 months of Council's Climate Change Strategy/Policy being approved	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Update the Council's procurement strategy to incorporate the Council's Climate Change policy/strategy	Procurement	Potential for indirect local economic, social and health benefits	Within 12 months of Council's Cllimate Change Strategy/Policy being approved	HCC
	Update procurement guidance to ensure it signposts to relevant information on Climate Change considerations when procuring goods, works and services.	Procurement	Potential for indirect local economic, social and health benefits	Within 6 months of Council's Climate Change Strategy/Policy being approved	HCC
Policy	Update/Change all ETE technical guidance, surfacings options documents, Model contract docs, and all other Highway and infrastructure related policies, procedures, guidance and advise to specify carbon reduced materials, methods or working, use of recycled materails etc in all future projects/works and the like.	highways (commissioning)	Economic, saving in traditional fuel and possible maintenance costs. Health benefits from reduced air pollution?		HCC
	CTMP's implement the requirement for contractors to develop a CTMP for every scheme even if there is no planning permission required. Also change the way that CTMPs are reviewed, to also include an assessment of where the contractor sources materials (distances form site) and removal of waste products to minimise the amount of transportation.	Travel planning			HCC
	Changing policy for lighting new developments to reduce the extent to which street lighting increases over time	Highways (traffic)			HCC
	Change design guidance to promote walking or cycling. Contribute / support to this work	Travel planning			Both
	Active travel team project to supporting schools to develop active travel policies	Adults' health and care/public health	Health and educational benefits (increased physical activity, awareness envrionmental pollution)	Ongoing	County-wide

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	A review of Hampshire Minerals & Waste Plan	Strategic Planning		Hampshire Minerals & Waste Plan update (2021 onwards)	County-wide
	To review existing policies and procedures (i.e. Flexible Working Policy, Expenses Policy) to ensure they align with HCC's Climate Change Action Plan and Strategy. For example, introducing a Climate Change Impact Assessment (similar to Equality Impact Assessment)	HR		To start from Q2 2020 (July-September)	HCC
Contracts	Carbon reduction from construction activity. Include some form of clause in tenber contracts that relates to climate change issues (recycled materials, geographic source of materials for example)	Travel planning			HCC
Strategy	T21 estates review to include sustainabiliy	adults' health and care/public health	Economic	Ongoing	HCC
	Work with ETE to provide input into Hampshire's local transport plan and district movement strategies - give advice and guidance on air quality, active travel and health benefits	Adults' health and care/public health	Health (increased physical activity)	The local transport plan is due for review in 2020/2021	County-wide
	Supplementary Planning Document guidance on air quality and spatial planning (links with transport and environment)	adults' health and care/public health/strategic planning	Health		County-wide
	Calculate carbon footprint (scope 1, 2& 3) of HCC Corporate Estate annually, in a 'State of the Estate' report, in order to develop a targeted plan to tackle worst performing assets as a priority.	CCBS		Sep-20	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Review and update the Hampshire Minerals & Waste Plan and its policies to enable establishment of carbon baseline, monitoring and implementation of carbon reduction measures.	Strategic Planning	Health, Environment, Economic and Social	2021 onwards	County-wide
	Local Transport Plan (LTP) 4 - will set out HCC's transport strategy looking towards 2050. Will include strategies for several modes of transport - Bus, Rail, Ferry, Public Transport Information, Local Walking & Cycling Investment Plans (LCWIPs), Future Mobility Strategy	Passenger transport	More people using sustainable transport modes creates healthy lifestyles - increased walking & cycling. Improved mental health due to more community interaction. Sustainable Economic growth as a result of improved transport systems. Helps mitigate the impacts of housing growth and increasing population.		Both
	Transport for the South East - Transport Strategy to 2050	Passenger transport	Air quality, health benefits, economic benefits (reduced road congestion).		Both
	Our emerging Solent 2050 Strategy - one of our pillars is for the Solent is to be an engine for climate change adaptation and decarbonisation.	Solent lep			County-wide
	Review and refresh the Local Transport Plan and its associated action plan. Including actions, such as •Develop a new public transport Strategy •Develop and promote concepts for rapid bus inc. bus priority measures •Develop and interchange plan for rail stations •Enhance existing integrated ticketing system •Enhance bus stop infrastructure across Hampshire •Grant fund tap on tap off bus technology to improve the customer experience •Implement enforcement of bus lanes and use hypothecated income to subsidise public transport	Strategic transport	Health, Environment, Economic and Social	May 201	Both
	Strategy to commit to ensuring that all collateral is made from sustainable materials and wherever possible recyclable or biodegradable.	Childrens' services	Reduction in food costs Healthy eating Community participation	May-20	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
Flexible working	Consider greater use of tele-conferencing to reduce time wasted travelling to/from meetings and vehicle use anyway.	highways (commissioning)	Reduce electricity/fuel costs, more efficient use of staff time at work, congestion benefits, better work life balance.		HCC
	Consider HCC managed Design working at home to reduce commuting in and out of Winchester.	highways (commissioning)	Reduce electricity/fuel costs, more efficient use of staff time at work, congestion benefits, better work life balance.		HCC
	Flexible working practices including teleconferencing, the use of drop-in centres and working from home	adults' health and care/public health	Reduce electricity/fuel costs, more efficient use of staff time at work, congestion benefits, better work life balance.	Ongoing	HCC
	Reduce reliance and demand for energy consumption in static buildings as well as reduce fossil fuel consumtpion in travel to specific office base	adults' health and care/public health	Reduce electricity/fuel costs, more efficient use of staff time at work, congestion benefits, better work life balance.	Apr-19	HCC
	Embed a culture of working flexibly through the use of devices, Microsoft Teams, conferencing, Skype etc.	Childrens' services	Reduction in costs to travel budgets Increase in outcomes for children through greater variety of placements and placements closer to home Health benefits from use of public transport through encouraging walking to get to transport	Mar-20	HCC
	Look at development of residential work hubs to build into new housing developments, alongside childcare facilities etc to help accommodate working from home alternatives and reducing traveling distances.	Travel planning	Reduction in travel costs		County-wide
	Using technology including telephone conference calls to enable flexible working whilst reducing emmisions and avoiding fossil fuel consumption in travel Using mobile technology as an alternative to home visits	Adults' health and care/public health	Family friendly employment practices; less reliance of office space	2021	HCC
Behaviour change					
Encouraging behaviour change in staff	Participate in the annual Green Office Week in May.	Childrens' services	Reduction in food costs Healthy eating Community participation	2021	HCC

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Promoting and incentivising materials recycling culture for staff and service users	Adults' health and care/public health	economic	Apr-19	HCC
Encouraging behaviour change in residents	Adjustment of Outdoor Service provision towards educating on Climate Change issue. Currently evaluating a new approach for Runway's End Outdoor Centre, rebranding as an Eco-Centre, aiming to be carbon neutral.	CCBS		2023 (completion date)	Both
	Identify or develop and deliver resources to support children to engage with the climate change discussions and to encourage each to make one commitment.	Childrens' services	Reduction in food costs Healthy eating Community participation Wider environmental benefits	Sep-20	County-wide
Active travel	Support on the reduction in car journeys to school through the engagement with schools on travel planning measures to promote active and sustainable modes, using the national Modeshift STARS accreditation scheme as a recording mechanism of activity and achievement.;	Travel planning	Physical health, mental health, congestion, air quality, life skills, road safety, financial savings, carbon reduction, viabiilty on local public transport services, crime reduction, partnership working between the LAs, reputation of HCC	2003	County-wide
	The use of a localised active and sustainable travel brand, My Journey, between HCC, PCC and SCC including a one-stop shop website with journey planning tool and various social media channels.	Travel planning	Physical health, mental health, congestion, air quality, life skills, road safety, financial savings, carbon reduction, viabiilty on local public transport services, crime reduction, partnership working between the LAs, reputation of HCC	2012	County-wide
Energy	Education of staff, carers and children to be developed and rolled out to ensure all aware of individual responsibilities and impact.	Childrens' services	Reduction in energy costs	Sep-20	Both
Food	Ambassadors of Climate Change to be identified for the Children's Homes and foster carers to lead on changing shopping habits to utilise food waste where available in communities and reduce all waste.	Childrens' services	Reduction in food costs Healthy eating Community participation Wider environmental benefits	Sep-20	County-wide

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Prevent and reduce waste arisings, incl food waste in particular through active public engagement. Activities include home composting, recipes for leftovers, correct food storage and menu planning.	Waste and resource management	Reduction in food costs Healthy eating Community participation Wider environmental benefits	2017	County-wide
	Drive GHG emissions reductions by positively influencing customer food consumption and disposal behaviours e.g. customer meal choice and active use of recycling facilities.	CCBS	Reduction in food costs Healthy eating Community participation Wider environmental benefits	Dec-20	Both
	Increase number of low carbon (vegetarian and plant-based) meal options on the menu's provided by CCBS services.	CCBS	Health	Sep-21	HCC
	Shift red meat-based meals to lower carbon carnivorous options (pork, poultry, fish) on the menu's provided by CCBS services.	CCBS		Sep-21	HCC
	Re-arrange layout of CCBS services' menus to promote low carbon options at top / early on.	CCBS		Apr-21	HCC
Health					
 Air quality	Optimise traffic control assets to minimise stops and delay	Highways (traffic)	Health (decrease in acute and long term conditions due to poor air quality)		County-wide
	Raise awareness and enable communities to take steps to improve air quality	Travel planning	Health (decrease in acute and long term conditions due to poor air quality)	2016	County-wide

Hampshire County Council Carbon Reduction Action Plan

Project Area	Action	Service delivering	Co-benefits	Delivery start date	Emissions addressed
	Provide accurate and timely travel information enabling people to vary their travel time, route and mode to minimise congestion	Highways (traffic)	Health (decrease in acute and long term conditions due to poor air quality)		HCC
	Enhance on-street parking and loading controls to reduce congestion	Highways (traffic)	Health (decrease in acute and long term conditions due to poor air quality)		County-wide
	Shaping air quality communication messages and campaigns	Adults' health and care/public health	Health (decrease in acute and long term conditions due to poor air quality)	Ongoing	County-wide
	Developing an air quality position statement to increase dialogue between ETE and public health	Adults' health and care/public health	Health (decrease in acute and long term conditions due to poor air quality)		HCC
	AQMA - districts produce action plans that we provide advice, guidance and data	Adults' health and care/public health	Health (decrease in acute and long term conditions due to poor air quality)	Ongoing	County-wide
	Air quality sub group of the Environmental Health Chief Officers group - we presented data and PHE toolkit on health benefits for every district	Adults' health and care/public health	Health (decrease in acute and long term conditions due to poor air quality)	Ongoing	County-wide
	Developing an Strategic Environmental Assessment for the STP and Sustainability Appraisal for the HWMP incorporating air quality	Adults' health and care/public health/strategic planning	Health (decrease in acute and long term conditions due to poor air quality)	Hampshire Minerals & Waste Plan - update (2021 onwards)	Both

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
Resilient buildings and non-highway infrastructure						
HCC owned buildings	Buildings that children are living in/visiting become too hot leading to dehydration and health impacts for children and staff Buildings becoming flooded and inaccessible	Education of staff, families and children Include impact of a 2 degree rise in temperature in health and safety audits now to plan for the future Work with providers to educate around climate resilience to ensure that buildings can cope with an increase in temperature Consider flood action plans in risk management in children's homes Educate staff and carers about potential risk of increased flooding in the future and encourage thinking about mitigations or actions should it occur.	Childrens' services	Health benefits (from increased fluid intake)	Sep-20	Both
	Risk of damage to buildings from extreme weather events e.g. flooding, storm damage, etc, and risk that buildings become unfit for use due to climate change e.g. excess heat making occupation of a school / care home dangerous	Develop the measures for building resilience to the impacts of a 2degC global temperature rise as part of a State of the Estate report	CCBS	Economic	Sep-20	HCC
Planning	**Built Form:** Building styles may change in the future to adapt to climate change and climate change policies; **Air quality** in and around cities may decline due to increased temperature, also impacting on visibility; **Surface Water Flooding**: More intense bursts of rainfall are expected, leading to increased flooding – would be exacerbated by summer droughts, and also past and present house building programmes on floodplain land. Increasing damage to domestic properties, farmland, infrastructure, cultural heritage etc; **Urban Heat Island** effect - increase in summertime peak energy demand, air conditioning costs, air pollution and greenhouse gas emissions, heat-related illness and mortality, and water pollution; **Infrastructure development**: Possibility of more sustainable energy infrastructure - wind turbines, solar panels.	RPB1 (also incorporating RPB2) - Preparation of design guides and bulletins for land release / development sites - establishing parameters that encourage robust GI, connectivity for walking/cycling routes etc, and promoting the benefits offered by landscape and biodiversity for ameliorating climate within urban areas.	Planning and Environment	Environmental (E), Economic (Ec), Social (S), Health (H), Biodiversity (B)	2020/2021	County-wide
		RPB5 - Work with the Environment Agency, local planning authorities and other partners to develop the planning skills and capabilities to advise developers on how adaptive approaches should inform strategic local plans, and enable climate resilient places.	Planning and Environment	Economic, social, health, wider environmental benefits	2020/2021	County-wide
		Review Hampshire Minerals & Waste Plan policies to ensure suitable consideration given to location of minerals and waste infrastructure to be resilient to climate change.	Strategic Planning	Economic, social	2021	County-wide

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
Landscape		**RPB3** - Review and update Landscape and Development Checklist - To include requirement for development to demonstrate a net environmental gain	Planning and Environment	Social, mental health	2021/2022	County-wide
		RPB4 - Review and revise Hampshire Townscape Character Assessment to assess sensitivity to climate related changes.	Landscape		2022/2023	Both
Historic buildings	Sea level rise and coastal erosion will endanger historic maritime landscapes, structures, buildings and archaeology. Increased flood defence infrastructure could also place specific sites under threat	1. Commitment to maintaining the HER as the evidence base to monitor the state of the historic environment ,and any decline and the efficacy of any intervention/project /strategy. 2. Engage with Environment Agency and coastal programme managers to ensure that Heritage Assets are given a 'value' in the cost benefit analysis. 3. Support Citizan programme or equivalent (community based archaeological recording of archaeology revealed in erosion)	Specialist environmental services	Economic, social, health, wider environmental benefits	1. Ongoing 2 & 3 2020/21	Both
	More frequent and severe flooding may cause direct damage to some historic buildings, create difficulties in obtaining insurance, or make buildings uneconomic to occupy and maintain.		Specialist environmental services			HCC
	Changes in hydrology in coastal areas, estuaries, rivers may put buried archaeological remains at risk e.g. dry sites becoming wet; wetland archaeology becoming dry.	1. Identify and map areas of wetland with this potential, map on to HER. 2. Programme of precautionary palaeo environmental sampling before loss.	Specialist environmental services	Social, mental health	2021/22	County-wide
	Alteration of agricultural practices, resulting from changes in crop or stock viability could pose a risk to some landscapes and buried archaeological sites.	Ensure that Defra have an active policy regarding historic landscape resilience (and within their stewardship schemes) and understanding and measuirng change. Ensure designated landscapes (National Parks and AONBs) have an active policy as above	Specialist environmental services	Social, mental health	2020/21	County-wide
Waste Infrastructure	Waste infrastructure: HWRCs, MRFs, ERFs, Transfer stations, Composting sites and closed landfill sites: Susceptible to increased temp and decreased precipitation (i.e. increased drying) resulting in infrastructure impacts for ERFs, MRFs, HWRCs and open windrow composting sites - large concrete aprons cracking/subsiding. ERF heights with roofs being unable to be supported if structural damage to walls. Fires at sites (as a result of decreased rainfall, increased dryness and increased wildfires); waste being set alight at HWRCs - lightening, drier conditions. Environmental damage as a result of flooding i.e runoff from some sites into the open environment (water courses, etc) as a result of increased rainfall intensity	Review, baseline (where we are now) and develop appropriate plans. Use previous work undertaken on NI188 to help identify risks and mitigations	Waste & resource management	Economic, wider environmental benefits, social and possibly health	(2020) Ongoing programme of resilience improvement	HCC
Resilient transport systems which adjust to the changing environment						

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
Materials	Weather fluctuations effecting asphalt quality	Use of graphene-enhanced asphalt	Highways (commissioning)	Economic, reduced maintaince	1-2 years	HCC
	New capital infrastructure fails increasing maintenance burden for HCC.	Amend design commissioin Task Orders to include a Climate Change section requiring design for effects of climate change (higher temperatures for longer periods / more intense rainfall / costal erosion).	Travel planning			HCC
Highways maintenance		Improve Drainage systems as issues are identified	Highways (commissioning)	Economic	Ongoing	County-wide
	Flooding, greatest frequency of soakaway/SUDs maintaince	Increase capacity of soakaways / SUDs	Highways (commissioning)	Economic, social		County-wide
	Flooding,	Consider use of new and emerging sensors to help manage just in time cleansing of gullies etc	Highways (commissioning)			County-wide
Highways design	Reduction of soil moisture content will lead to shrinkage of clay subsoils.	Consider design of new schemes to ensure long-term durability of carriageways and footways in clay soil areas	Highways (commissioning)	Long-term benefit to maintenance costs		County-wide
Emergency planning	Widespread tree fall due to more severe weather events	Identification of routes on the highway network prone to treefall. Include in Network Resilient Plan and Weather Emergency Plan. Develop mitigation measures	Highways (commissioning)	Increased safety for highway users and reduction in network disruption		County-wide
	Increase in severe winter weather (ice and snow) leading to network disruption	Ensure Winter Emergency Plan is fit for pupose and link to the Network Resilient Plan (review both regularly). Indentify hotspots on resilient network and develop mitigation measures.	Highways (commissioning)	Increased safety for highway users and reduction in network disruption		County-wide
	Increased flooding events on highway infrastructure	Ensure flooding events and high risk areas are recorded on GIS. Data collection, routine cleansing and schemes to be prioritised accordingly. Develop and implement a Network Resilience Plan	Highways (commissioning)	Minimise disruption on the highway network and limit the number of highway claims relating to flooding		County-wide
	Widespread ground water issues due to more severe weather events and more prolonged wet weather periods.	Identification of routes on the highway network prone to groundwater flooding. Include in Network Resilient Plan and Weather Emergency Plan. Develop mitigation measures	Highways (commissioning)	Increased safety for highway users and reduction in network disruption		County-wide
Monitoring	Carriageway heat damage due to increased exposure to higher temperatures. Bleeding of bitumen is likely to increase amount of slippery road surfaces	Potentially increase SCRIM and other technical survey frequency to monitor impact and risk	Highways (commissioning)	Increased safety for highway users		County-wide
	Increased bridge scour compromising the integrity of the structure. Due to more severe weather events and more prolonged wet weather periods.	Consider increasing survey regime in potentially affected structures	Highways (commissioning)	Increased safety for highway users		County-wide

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
	Increase in coastal erosion causing damage to highway infrastructure due to rising sea levels and more severe weather events.	Consider increase in surveys/monitoring and cross party collaboration with EA and other appropriate bodies	Highways (commissioning)			County-wide
	Increase in landslips due to prolonged periods of rainfall	Identification of embankments and assessment of slope stability and establish routine surveys	Highways (commissioning)	Increased safety for highway users		County-wide
Claims	Increase in claims due to all key risks identified above	Review claims processes and procedures. Review Insurance type and cover.	Highways (commissioning)	Minimise highway authority's liability and reduction in payouts		HCC
Roadside equipment	Overheating roadside electronic equipment leading to equipment failure	Upgrade/modify susceptable equipment/install fans	Highways (traffic)	Economic		HCC
	Insect/spider infestation in roadside cabinets	Enhanced base seals/fit mesh to air vents	Highways (traffic)	Economic		HCC
	Water ingress to roadside cabinets	Enhanced base seals/raise cabinets	Highways (traffic)	Economic		HCC
	Water creating dangerous electric circuit	Upgrade electrical installations to extra low voltage	Highways (traffic)	Economic		HCC
Scheme programming	Inefficient scheme delivery based on old weather / ecology patterns	Investigate impact of climate change on scheme programming (ecology windows / weather / temperature)	Travel planning			County-wide
		We have funded a range of sustainable transport projects including (you can find further details on these here: https://solentlep.org.uk/what-we-do/solent-growth-deal/solent-growth-deal/: Station quarter north (Southampton), Hard interchange (portsmouth), cowes floating bridge (IOW)	Solent lep			County-wide
Governance		**RTS1** - Project development - Review and update Good Governance / Gateway process to recognise importance of Climate Change adaptation / mitigation objectives	Travel Planning and Environment	Economic, social, health, wider environmental benefits	2020/2021	HCC

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
Data		**RTS2** - Adopt Ecosystems Services tool to establish baseline value of existing natural environment assets e.g. CAVAT	Travel Planning, Highways (Commissioning - Arboriculture) and Environment	Economic, social, health, wider environmental benefits	Started	County-wide
Vegetation		**RTS3** - Advocacy for retention of existing vegetation in preference to a removal / replacement approach. Refer also Action **RPB3**	Highways (Commissioning) and Environment	Economic, social, health, wider environmental benefits	Ongoing	County-wide
		RTS5 - Ensure sufficient resources are in place to secure management, maintenance and benefits of ecosystem services i.e. new planting and grass, for at least a period equivalent to that required in planning approval.	Highways (Commissioning), Travel Planning and Environment	Economic, social, health, wider environmental benefits	Ongoing	County-wide
Strategy		**RTS4** - Ensure Local Transport Plan integrates countywide GI Strategy	Highways (Commissioning), Travel Planning, Planning and Environment	Economic / Social / Health	To coincide with LTP timetable	County-wide
Improved water resource and infrastructure management						
Water recycling	avalbility of water during periods of draught	Grey water recycling in ETE depots	Highways (commissioning)	Economic		HCC
Drainage	Increased drainage demand on new developments due to higher design criteria	SUDS - use of open drainage systems, to encourage greener space, bio diversity and tie in the LLFA's also to plan layout with regards to flood events.	Travel planning, Planning and Environment	Social, mental health	Ongoing	County-wide
	Additional flooding, reduced space open attenuation due to demand to deliver high numbers of properties per area available	Tree pits/attenuation built into one system along side of highways	Travel planning			County-wide
Behaviour change	Decreased water available to meet everyone's needs	Education of staff, families and children about the impact of climate change on the availability of water supplies and encouragement of water saving strategies across all settings (eg. Turn tap off when brushing teeth).	Childrens' services	Reduction in water costs through more efficient use	Sep-20	County-wide

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
Landscape	**Water storage or transfer infrastructure:** Increased demand may lead to different/more infrastructure for storing water such as regional reservoirs, or local reservoirs e.g. on-farm reservoirs for summer irrigation. There may be increased pressure for water transfer solutions to shortages between different regions; **Groundwater depletion**: Due to more droughts in the southeast; more erratic rainfall - more intense bursts of rainfall leading to flooding rather than evenly spread rainfall that slowly percolates into groundwater supplies; decreasing groundwater levels; greater rates of evaporation from reservoirs and soils; **Demand management**: Hotter summers combined with drought may lead to increasing summer water demand from the public (sprinklers, swimming pools), agriculture (irrigation) and other businesses. Exacerbated by high predicted rates of housing growth; **Water Quality:** Increased evaporation, less frequent rain and resulting lower flows decreases the dilution of diffuse and point-source pollution, causing increased concentration of pollutants. The concentration of natural substances dissolved in water would also increase, causing changes to water chemistry and biology. Water quality in lakes, ponds and small streams could deteriorate in warm, dry summers as water temperatures rise and oxygen levels in the water decrease..	**WR1** - Planting trees: increase shading, reduce temperatures, increase evapotranspiration, increase water infiltration, reduce speed of overland flows, improve biodiversity etc. Refer also Action **L3** and **RTS3**	Highways (Commissioning) and Environment	Economic / Social / Health	Ongoing	County-wide
		Review Hampshire Minerals & Waste Plan policies to ensure minerals and waste proposals include, where relevant, adaptation measures such as water/energy reduction, use of heat and power etc.	Strategic Planning	Economic / Social / Health	2021+	County-wide
Managing natural environment						
Biodiversity	**Higher summer temperatures and milder winters** - leading to low flows in rivers with resulting deterioration in habitat quality, water quality and oxygen levels, drying out of wetlands and ponds, and changing phenology (species and their requirements being out of sync) - all leading to overall net loss in native species and likely increase in native & alien pest & pathogen species. Increased fire risk especially on heathland	To protect all remaining areas of priority habitat, and to restore and re-create new areas of native habitat and green infrastructure to improve overall resillience to climate change through being 'more, bigger, better, joined up'; ensuring a more permeable landscape of sufficient habitat connectivity and quality to facilitate species dispersal and adaptation as their climatic space moves, to improve capacity of land to absorb more carbon, and to provide cooling and improved air quality in urban areas	Specialist environmental services	Economic - more attractive place to live and work, Social/health - wellbeing - more accessible habitats & greenspace to visit, to absorb/spread recreational disturbance, improved water and air quality	On-going, likely to accelerate with the Environment Act & Biodiversity Net Gain	County-wide
		Contributing to the South Downs Joint Accord - preserving national parks and encouraging physical activity	Specialist environmental services	Health (increased physical activity), social (increased cohesion amongst people living in rural communities)	ongoing	County-wide
		Review Hampshire Minerals & Waste Plan to ensure restoration policies given suitable consideration to climate change resilience e.g. flood attenuation storage, green/blue infrastruture networks etc.	Strategic Planning	Social and health benefits.	2021+	County-wide

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
	Changes to habitat and species communities. Habitats in Hampshire considered to be of high sensitivity include; coastal saltmarsh, saline lagoons, standing water, lowland fen, rivers and streams.	Increased resilience through expanding and connecting habitats. Opportunities for nature recovery and rewilding identified. Adaptive and updated management practices reviewed through updated management plans. Adopted Pollinator Action Plan	CCBS	Economic - more attractive place to live and work, Social/health - wellbeing - more accessible habitats & greenspace to visit, to absorb/spread recreational disturbance, improved water and air quality Public awareness, support and action re: Pollinators	started (to be completed by 2025)	County-wide
Re-wilding		Re-wilding of Highway Verges (Planting wild flowers and the like)	Highways (commissioning) and Environment	Economic - more attractive place to live and work, Social/health - wellbeing - more accessible habitats & greenspace to visit, to absorb/spread recreational disturbance		County-wide
Waste	Disposal of waste - decision of what to do and agreement with EA	Cut and collect trails of grass verges.	Highways (commissioning)	Social and health benefits.		County-wide
	Closed landfill: Sea-level rise and coastal flooding; caps on landfill being damaged as a result of drying	Review, baseline (where we are now) and develop appropriate plans. Use previous work undertaken on NI188 to help identify risks and mitigations	Waste & resource management	Economic, social, health, wider environmental benefits	(2020) Ongoing programme of resilience improvement	HCC
Tree planting	An increase in the likelihood of tree pest and disease infestations to our tree stock resulting in - tree death, tree failure reduced canopy cover, increased maintenance costs, increased risk to HCC from damage, injury, death.	Increase appropriate standard tree planting Highway and non-highway land)	Highways (Commissioning) and Environment	Economic - more attractive place to live and work, Social/health - wellbeing - more accessible habitats & greenspace to visit, to absorb/spread recreational disturbance Urban cooling, shading, flood attenuation	Started	County-wide
	Impact to health due to footpaths and cycle ways being next to roads -	look at seperating them out and crafting corridors of trees to filter polutants from cars	Travel Planning, Highways (Commissioning - Arboriculture) and Environment		Started	County-wide
Behaviour change	Increasing air pollution and associated health conditions, particularly for vulnerable members of society.	Work with schools, workplaces and communities to raise awareness of air quality issues and what can be done to reduce exposure to pollutants through the routes taken, green walls, turning engines off and so on.	Travel planning	Physical health, mental health, congestion, air quality, life skills, road safety, carbon reduction, efficient and cleaner vehicles,		County-wide

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
Green infrastructure		We have funded a green infrastructure scheme (see here: Solent Recreation and Mitigation Partnership)	Solent lep			County-wide
Farms	Changes in disease risks to livestock, crops and grazing management in servicing HCC Countryside estate and attractions	Adaptive management practices, review of cropping, livestock type and disease resistent varieties / breeds / crops. Animal health status set up.	CCBS	Improved animal health /zoonotic control.Public health.	started (to be completed by 2022)	HCC
Coastal areas	Risk of coastal flooding and sea level changes impacting on habitats and species in Countryside reserves and sites	Joint departmental / long term strategic planning to prioritise key sites for change including those holding the line, managed retreat etc.May include need for adaptation and mitigation measures on reserves and/or adjacent/local sites and coastal access. Long term strategy required.	CCBS	Access to the coast providing health and social benefits.	started (to be completed by 2025)	HCC
Page 269	**Sea level rise and more intensive winter storms** are leading to increased coastal erosion and greater flooding resulting in loss of internationally important coastal habitats such as mudflats, saltmarsh, vegetated shingle, eel grass beds and reedbeds, and associated breeding & overwintering wildfowl and waders, plus short-term inpacts in river valleys causing displacement of flocks of over-wintering wildfowl and waders, ground nesting birds and waterlogging of species rich grassland.	To protect undeveloped areas of coastline & estuary from development to; allow 'managed retreat', 'managed realignment', and restoration/re-creation of coastal habitats, to allow habitats to 'roll back' and link to others to improve overall resillience through being 'more, bigger, better, joined up'; will reduce nitrates levels reaching coastal waters; and improve capacity of land to absorb more flood water and carbon. More natural habitats such as wetlands and woodland have the potential to soak up water and mitigate flooding elsewhere	Specialist environmental services	Economic - more attractive place to live and work, Social/health - more attractive and accessible for coastal visits/exercise - more habitat to absorb/spread recreational disturbance, improved water quality	On-going, likely to accelerate with the Environment Act & Biodiversity Net Gain	County-wide
	Landform and Geology: Loss of some features – particularly coastal, and alteration of coastline. Losses could include some well-known features that are a key focus of that landscape. Land physically lost to sea via managed realignment or non-protection; land take for habitat mitigation and improved access; **Settlement Form**: Potential coastal change - move away from building on floodplains and coastal areas; coastal properties could loose value; subject to change via planning policies as much as climate change itself; **Increased demand** for access to the coast set against loss of existing routes and access points to sea level rise. Loss of recreation assets e.g. country parks; higher demand for marinas, sailing, watersports, beaches, walking, waterside cafes and restaurants; **Build-up of sea-defences** in urban areas may lead to increasingly 'unnatural' coastline; flooding of land; direct loss of land and features; changes to erosion/deposition patterns also likely to alter the shape and location of natural features such as beaches and headlands. **Coastal Squeeze**;	**CO1** - Understanding of impacts of sea level rise and climate change on the Hampshire coastline and landscape character areas. Refer also Action **L1**	Environment	Economic / Social / Health	roader joint departmental / lon	County-wide
		CO2 - Raise awareness and understanding of the impacts of Climate Change on the Solent and appropriate mitigation, resilience and adaptation measures (Solent Forum Business Plan: Objective 6)	Environment	Economic, social, health, wider environmental benefits	Ongoing.	County-wide
		CO3 - Plan for and accommodate landscape, biodiversity and access needs on the south coast within a highly built up area characterised by very little natural coastline, and few coastal open spaces	Environment	Economic, social, health, wider environmental benefits	2020/21 and to tie into broader joint departmental / long term strategic planning.	County-wide
		CO4 - Collaborate on review of strategically important Shoreline Management Plans where significant infrastructure and HCC landholdings are implicated e.g. Hayling Island, Hurst Spit, Calshot etc	Environment and CCBS	Economic, social, health, wider environmental benefits	2020/21	Both

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
		CO5 - Support Regional Flood and Coastal Committees for Southern, Thames and Wessex regions	Environment	Economic, social, health, wider environmental benefits	Ongoing	County-wide
Flood and water management	**Surface Water Flooding:** More intense bursts of rainfall are expected, leading to increased flooding – would be exacerbated by summer droughts, and also past and present house building programmes on floodplain land. Increasing damage to domestic properties, farmland, infrastructure, cultural heritage etc	**FWM 1** - Publication and application of new Local Flood and Water Management Strategy and surface water policies to ensure development is designed to reduce flood risk i.e. Policies written to ensure that only developments which can prove they have enough attenuation on site for a 1% probability rainfall event plus a 40% upgrade for climate change (guidance from EA re percentages for different sites – anywhere between 20 and 40%); Undertake research for Defra (current).	Environment	Economic, social, health, wider environmental benefits	2020/2021	County-wide
		FWM 2 - Develop 18 prioritised Catchment Area Action Plans - Working with communities to highlight flood and water management issues; Support for Parish Lengthsman schemes	Environment	Social, health and wider environmental benefits	started	County-wide
		FWM 3 - Promote delivery of biodiversity, tree planting programmes and landscape enhancement to support flood risk reduction outcomes; Use of landholdings for flood attenuation; online storage, reed bed systems (flood attenuation and filtration) e.g. Education Estate, County Farms, Country parks etc; application of Natural Flood Management principles e.g. Watercress and Winterbournes project. Refer also Action **L3**	Environment	Social, health and wider environmental benefits	Started	County-wide
		FWM4 - Implement and adopt Sustainable Drainage Systems (drainage hierarchy) to reduce flood risk, reduce maintenance and increase ecology and biodiversity. Promote better management / control through policies in new Local Flood and Water Management Strategy and Catchment Management Plans.	Environment	Social, health and wider environmental benefits	Started	County-wide
		FWM5 - Refresh and relaunch Hampshire Strategic Flood and Water Management Partnership Board as annual FWM conference	Environment	Economic, social, health, wider environmental benefits	2020 / 2021	County-wide
		FWM6 - Advising riparian owners on maintaining and managing watercourses; Regulation and consent for work on Ordinary Watercourses	Environment		Ongoing	County-wide
		FWM7 - Plan, develop and deliver flood risk and coastal defence schemes	Environment		Ongoing	County-wide
		Review of Hampshire Minerals & Waste Plan to ensure steady and adequate supply of aggregates to ensure availability of material for flood event materials e.g. sand bags, beach replenishment etc.	Strategic Planning	Social	2021+	County-wide

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
Landscape	**River valley landscapes** - vulnerability to variable water table levels e.g. winterbournes drying out, low flows. Reduced rainfall, drier hotter summers may increase problems in rivers and streams, drying out of wetland areas; **Soils**: increased soil erosion - particularly if soils become drier in summer, followed by periods of rapid rainfall; changes to soil moisture; **Biodiversity**: Loss of species characteristic within the landscape e.g. ash; **Land use**: Subject to change from changing societal patterns and demand – e.g. for recreation and tourism. Land use planning policies responding to climate change may also change land use – e.g. allocation of land, SUDS, positive planning; **Agriculture**: 'Climate space' changes: opportunities to grow different crops e.g. sunflowers, navy beans, soya, lupins, borage, apricots, walnuts, peaches, grapevines & evening primrose. Different market opportunities: biofuels, wood fuel, energy crops, wind 'farms'. Alteration of agricultural practices, resulting from changes in crop or stock viability could pose a risk to some landscapes. **Cultural** and experiential impacts: Loss of features e.g. coastal via direct loss, loss of characteristic habitats or features, loss of local products associated with landscapes, loss of veteran trees through storms and drought.**Experience**: Changing 'look' and 'feel' to landscape (e.g. new crops, more arid landscape; changes to the colours and textures seen in the landscapes). May affect people's perception of tranquillity.	**L1** - Review and revise Hampshire Integrated Landscape Character Assessment to assess landscape sensitivity to climate related changes.	Environment	Social, health and wider environmental benefits	2021/2022	County-wide
		L2 - Develop countywide Green and Blue Infrastructure Strategy integrating Ecological Network mapping and Nature Recovery Networks etc	Environment	Economic, social, health, wider environmental benefits	2021/2022	County-wide
		L3 - Develop and implement Tree Strategy including 1 million trees on the Highways project. Refer also Action **L2, RTS3** and **WR1**	Environment	Economic, social, health, wider environmental benefits	commenced	HCC
Homes		Providing input into local plans including the design of new build homes and their heating, cooling and ventilation systems as well as influencing the role of community development workers and how this may link with emergency planning	Planning and Environment	Health (to ensure housing is designed to be healthy	ongoing	County-wide
		Conducting a healthy homes needs assessment which includes considering whether homes are fit for purpose and environmentally sustainable		Health (to ensure housing is designed to be healthy	ongoing	County-wide
Policy	**Finite land resource** & **growing population** (increased demand) Increased flooding risk Agriculture / agricultural sustainability Biodiversity loss Increased concrete reliance Nutrification (nitrate, phosphate) - See all of the above sections Re: Transport, infrastructure, natural environment & communities! **Unsustainable development patterns** and **transport systems.** Current planning system fails to respond to climate change challenge. National and local planning policy is ineffective and difficult to enforce & monitor. Housing delivery controlled by Housing industry and major housebuilders. **Lack of evidence** & information - relating to relative impacts, opportunities, costs/benefits, natural capital, energy options etc.	**HCC Policy** - Better implementation of HMWP Climate Change Policy (validation), increased emphasis on recycled aggregates / DM event - highlight policy requirements / Review and update of HMWP Climate Change policies / Plan as a whole (e.g. net gain) / Seek formal consultation response from Climate Change experts? **HCC Influence** on Local Plan making and major development proposals - encourage and promote use of smart and challenging planning policies with CC emphasis that are enforced. **HCC provided data/evidence** (demography, land supply, HBIC, HE, transport etc.) **HCC State of the Environment** report and **HCC Spatial Framework** to better inform decision making.	Strategic planning	A successful planning system (planning policies) should deliver Economic, Social and Environmental benefits as envisaged in the NPPF. Quality of place - natural & built environment - should improve health and wellbeing, create a sense of community and reduce the need to travel etc.	**Ongoing**. 1) 2020 Review of **HMWP** 2) Update of Hampshire Minerals & Waste Plan (2021+) 3) Review of **Validation Checklist** for early 2020 (greater emphasis on addressing current CC policy) 4) **State of the Natural Environment Report** underway	County-wide
Resilient businesses and communities						

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
Emergency planning		Emergency planning for a range of events that may occur secondary to climate related adverse weather conditions that can impact on health such as: heatwaves; cold weather; mosquitos; ticks; and flooding. This also encompasses providing information about the physical and mental health effects of emergencies such as flooding.	Adults' health and care/public health	Health (to protect from physical and mental harms of adverse weather events)	ongoing	County-wide
Flood protection		Working with Portsmouth City Council to invest in the Southsea Flood Protection scheme.	Solent lep			County-wide
	Flooding on roads leading to children being unable to access school, staff being able to get into work and social workers unable to visit children and families	Visits are prioritised according to need and risk Business continuity plans are updated regularly for priority services Alternative, flexible working arrangements are embedded so more local travel is possible Where appropriate, other methods of contact such as Skype are used to engage with families	Childrens' services	Reduction in travel costs Children's wellbeing is promoted through contact via digital methods where physical contact is not possible Children remain well	Mar-20	HCC
Health	Risk of sunburn and heat exhaustion particularly for young children	Education of carers and staff to ensure appropriate use of sunblock and increased fluid intake				County-wide
	Increased risk of health problems for any outside workers caused by longer exposure to stronger sunrays in summer months.	Reduce exposure by i) using more efficent protective clothing ii) consider greater use of evening/overnight working in summer months.	Highways (commissioning)	Reduced risk to health of outside workforce		HCC
Investment		Published Infrastructure Investment Plans for Gosport and Isle of Wight, which consider climate change adaptation (see: https://solentlep.org.uk/media/2543/gosport-infrastructure-investment-plan-feb-2019.pdf and https://solentlep.org.uk/media/2324/15735-iiip-final-report-300518.pdf) Recently commissioned an Infrastructure Investment Plan for Havant Borough, and shortly to commission one for New Forest District	Solent lep			County-wide
Businesses	Businesses not understanding mitigation opportunities and requirements.	Initiate roundtable discussions with key business leaders to discuss their role in working with us to maintain local economic resilience whilst adapting to climate change impacts and putting in place preventative and mitigating measures. Engage with FSB and Chamber of Commerce and others to reach SMEs	Economic development	Businesses are able to continue to operate and or adapt operations without adverse impact on or disruption to the business, staff and customers	Summer/Autumn 2020	County-wide

Hampshire County Council Climate Resilience Action Plan

Project Area	Key risks	Action	Service delivering	Co-benefits (economic, social, health etc)	Delivery start date	Emissions addressed
	Businesses understanding potential risks, mitigation opportunities and requirements but taking no action.	Encourage businesses, through our partner networks, to recognise the longer-term benefit and business sense of adapting to lower dependency on fossil fuel energies, adopting rainwater harvesting, swithching off the lights, etc.	Economic development	Businesses become more resilient to potential climate change impacts, save money in the longer term to re-invest in the business and continue to serve their customers and retain staff	Autumn 2020	County-wide
Communities		Plans include measures to mitigate effects of global warming such as extreme weather and personal resilience	Adults' health and care	Wider awareness, cultural change, improved wellbeing	Apr-21	County-wide
	Individuals have reduced resilience as unable to access food.	Meals on Wheels service delivering hot nutritious meals who need support to manage and maintain nutrition. Procedures in place to deliver accessible meals to these individuals even in severe weather and highlight if support is required from local friends or relatives	Adults' health and care/public health	Supporting customers to manage and maintain their nutrition has significant health benefits. In addition, the interaction with the driver provides social contact and the opportunity to carry out a wellbeing check, with any concerns raised and addressed. Action taken to address loneliness where identified	2013. Current contract started 1/10/18	County-wide

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Climate Change Behavioural Insights

Final Report

Prepared for: Chitra Nadarajah, Strategic Manager, Climate Change

Department: ETE

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Ref: CESIE0043

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Hampshire County Council

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Introduction - What we did

Purpose of this project

Background

Hampshire County Council, along with many other local authorities, has declared a Climate Emergency and is working with its partners to develop a strategy and action plan to achieve carbon reduction targets. This includes measures to encourage and enable changes in behaviour across the community, with policy and interventions based on robust evidence and behavioural insight. The County Council's Insight and Engagement Unit was tasked with delivering initial research to inform the approach to behaviour change.

The research was designed to support local authorities to work with their partners to reduce carbon consumption through changed behaviours by addressing two key questions:

1. Where do the most significant opportunities lie to reduce carbon consumption through citizen behaviour change?

The research identified the key opportunities for, and barriers to, achieving desired behaviour changes among citizens by exploring people's **capacity**, **opportunity** and **motivation** to change behaviour - and by assessing how much change might be possible, where, with whom (including demographic and Mosaic profiles) and when. An assessment of the carbon impact of desired behaviour changes, together with potential health benefits, was also undertaken.

2. How can behaviours be most effectively influenced to reduce carbon?

The research assessed the evidence of the most effective ways of communicating and ultimately achieving behaviour change.

Citizen actions that were considered in this project

In total we focused on 23 actions related to climate change and resilience:

Sustainable Energy and Water Use

- Use water saving devices
- Avoid unnecessary water usage
- Install insulation
- Choose energy efficient appliances when purchasing or replacing
- Install renewable energy devices in your home
- Change to a green energy tariff*

Sustainable Travel

- Reduce car/taxi use by using active forms of transport
- Reduce car/taxi use by using public transport
- Buy/lease an electric car
- Avoid short haul flights by taking the train instead
- Avoid long haul flights by choosing not to travel internationally
- Avoid flights by working from home/conference/video calls
- Avoid local travel by working from home/conference/video calls

Sustainable Diet

- Reduce meat consumption
- Reduce dairy consumption
- Buy local produce to reduce food miles
- Reduce food waste
- Make ethical food choices (e.g. buy Fairtrade, don't buy palm oil etc.)

Sustainable Purchasing and Consumption

- Use reusable alternatives wherever possible
- Correctly recycle materials
- Reduce use of plastics

Resilience to Climate Change

- Modify my home to be more resilient to heat and drought
- Modify my house to be more resilient to storms and flooding

* - By Green energy tariff we mean one that is supplied directly by renewable energy not via certificate (REGO)

What we did - methodology

Desk Research	Carbon Calculator	Qualitative focus groups	Online survey
REVIEW of existing national and local evidence on: • behavioural factors (capacity, opportunity, and motivation) relating to the specific areas of focus • effective practice in behavioural interventions to reduce carbon. This related to general approaches and specific areas of focus	**ASSESMENT** of the carbon impact of a range of specific behavioural changes Conducted by the University of Southampton	**UNDERSTANDING** of how best to target behaviour change, barriers and motivations in a qualitative setting	**QUANTIFY** who is willing to take different climate actions, quantify barriers and motivations and understand who it is best to target to change behaviour Analysis conducted by Insight and Engagement Unit. Statistical analysis conducted by the University of Southampton
CONDUCTED in March 2020	**CREATED in April 2020**	**CONDUCTED in February and March 2020**	**CONDUCTED in April 2020**
What does this tell us? What behaviour change evidence already exists	**What does this tell us?** How much carbon (CO^2 equivalent) can each climate change action save	**What does this tell us?** What is the best way to communicate to people about climate behaviours	**What does this tell us?** How many people are willing to take each climate action

Carbon calculator – methodology for carbon reduction numbers

The impact of actions on reducing carbon (the carbon calculation) was conducted by Aleksandra Nazeraj, PhD Candidate at the Department of Economics, University of Southampton and overseen by Yaryna Basystyuk, Senior Policy & Communications Officer at Public Policy|Southampton. Calculation units are $kgCO^2$ equivalent for individual actions.

Findings came from reputable sources, namely:

- DEFRA/BEIS
- Academic journals
- Energy Saving Trust

UNIVERSITY OF Southampton

Example of output:

$kgCO^2$ emissions per km of using a petrol, diesel car, plug in and battery electric car.

Link to full findings: Carbon emission from individual actions

We applied the research to find out the carbon savings from conducting 18 specific actions (out of the 23 actions*)

We applied reasonable assumptions based on current behavioural data from reputable sources, namely:

- Government national statistical surveys
- Industry body estimates
- Sales data and prevalence of behaviours

Example of output:

Buy/lease an electric car

Research was carried out into current use of petrol vs diesel and plug-in vs battery electric. Research was carried out to find out the average annual distance travelled per person per year by car.

The difference in $kgCO^2e$ emissions per year for petrol/diesel cars and plug-in/battery electric cars was calculated.

Link to full findings: CO2e impact of actions

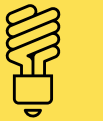
What we discovered – Executive Summary

Overall summary

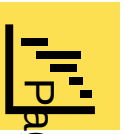
Climate Change
Behavioural Action Plan

	Opportunity Size (millions of kg CO2 annually)	Ease of Behaviour change	Level of influence
1 Install renewable energy	1690	Low	Medium
2 Change to a green energy tariff	1303	High	Medium
3 Buy/lease an electric car	637	Low	Medium
4 Avoid flights by working from home	373	Low	Medium
5 Install insulation	321	Low	Medium
6 Avoid flights by taking the train	152	Low	Medium
7 Reduce food waste	136	Medium	Medium
8 Avoid international flights	101	Low	Medium
9 Reduce meat consumption	84	High	Medium
10 Use water saving devices	80	Medium	Medium
11 Reduce dairy consumption	76	High	Medium
12 Avoid local travel by working from home	70	High	High
13 Public Transport	45	High	High
14 Choose energy efficient appliances	31	High	Medium
15 Buy locally produced food	17	Medium	Medium
16 Active Transport	16	High	High
17 Use less water	4	High	Medium
18 Correctly recycle materials	3	Medium	Medium
19 Make ethical food choices		Medium	Medium
20 Reduce use of plastics		High	Medium
21 Modify my home to be more resilient to heat and drought		Low	Medium
22 Modify my house to be more resilient to storms and flooding		Low	Medium
23 Use reusable alternatives		High	Medium

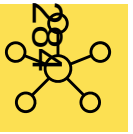
Executive summary – headline findings 1/2



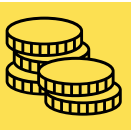
Home energy and travel dominate the opportunities for citizen action to save carbon



Installing renewable energy devices (solar, heat pumps) is both the biggest opportunity for citizen carbon saving and the single most impactful individual action to take



Willingness to take carbon reducing activities clusters in three broad areas – home, travel and food, and resources. Willingness to take one action in these areas often means willingness to take another



Leading with an environmental message is rarely the best way to communicate climate change actions but it should be used as a secondary tactic. Money and ease are stronger primary messages

COVID-19 has provided a potentially short window to help address issues related to travel (particularly working from home) and food (particularly food waste)

Executive summary – headline findings 2/2

People are willing to change and know it is the right thing to do, but they must overcome a number of internal and external barriers. Approaches to addressing climate change must work past these barriers

Barriers that limit individual action are lack of:

- Physical or psychological capacity e.g. financial, time or knowledge constraints
- Motivation e.g. unhelpful habits or conflicting motivations
- Opportunity in individual environments e.g. possibility to do action or conflicting social norms

The following approaches can help overcome these barriers:

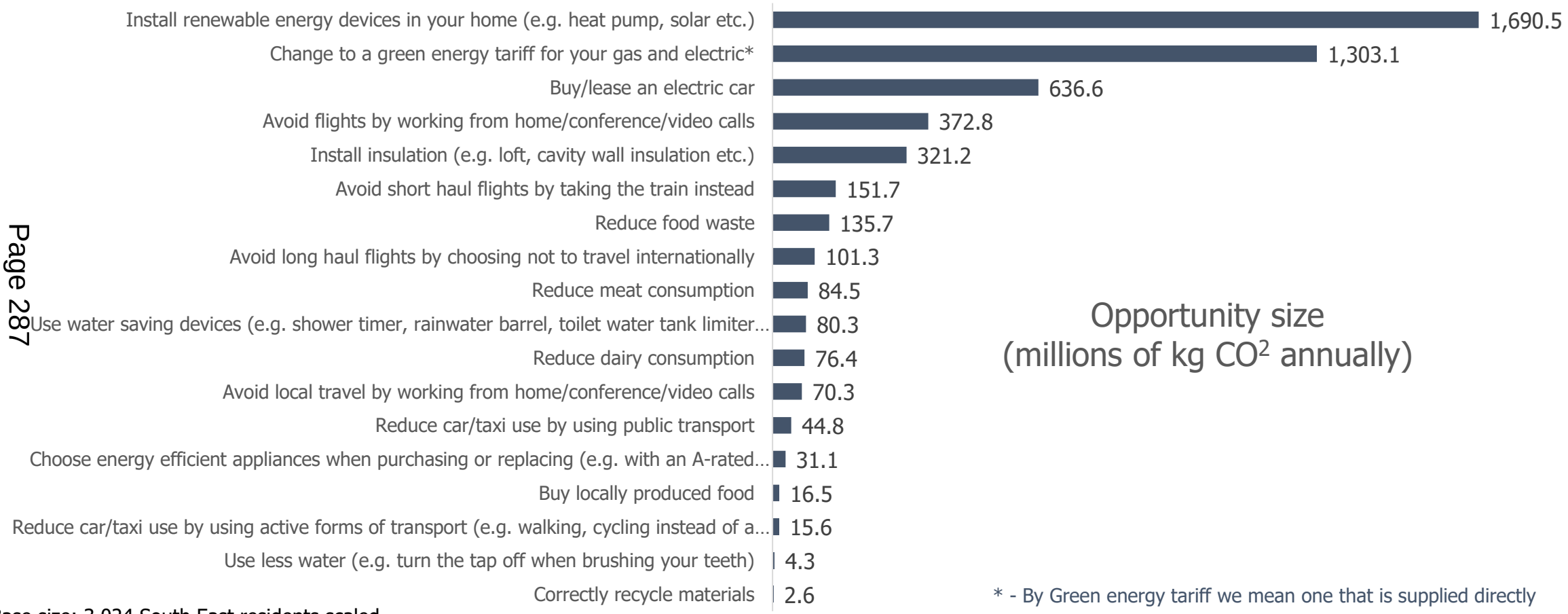
- An additive approach e.g. 'every little helps' could work for climate change;
- Encourage reflection through point of action communications;
- Show consistent, visible leadership;
- Make doing the right thing more visible – it's not easy to see the people who didn't use carbon;
- Make it clear how much each action contributes;
- Create clear shared goals – people will change a lot if they agree.

Information is needed to overcome lack of knowledge of carbon impacts for some actions, notably dairy and meat consumption

Summary of findings – Headline insights

Installing renewable energy devices is the largest CO^2 saving opportunity

Below is a representation of the carbon opportunity size (% of the Hampshire population willing to take an action multiplied by the amount of carbon saved for doing the action) in millions of kg of CO^2 equivalent annually



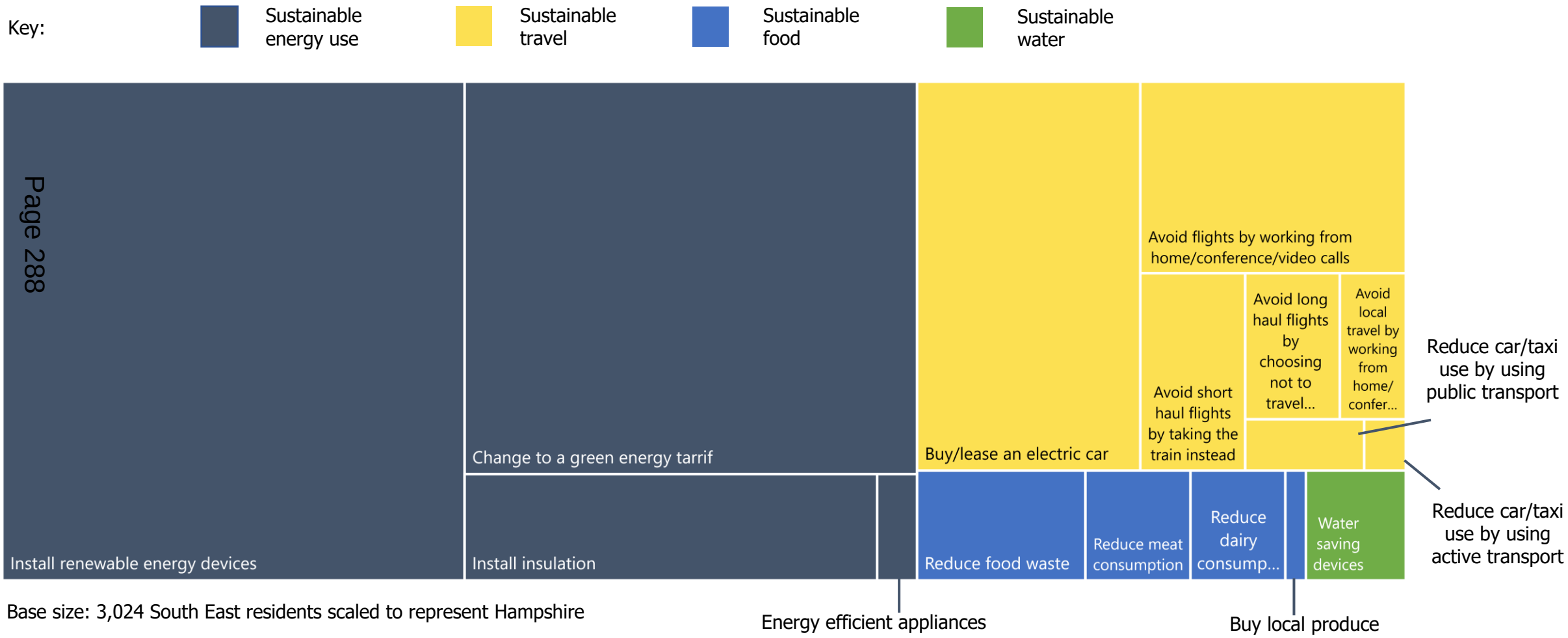
Base size: 3,024 South East residents scaled to represent Hampshire

* - By Green energy tariff we mean one that is supplied directly by renewable energy not via certificate (REGO)

Key takeout – Home energy (renewable energy devices and green energy tariffs) is the largest opportunities to save carbon

People are most willing to save on carbon through in-home energy saving measures and changing travel behaviour

Below is a representation of the carbon opportunity size of each action and area of actions (% of the Hampshire population willing to take an action multiplied by the amount of carbon saved for doing the action). Each panel represents the opportunity size of the action



Base size: 3,024 South East residents scaled to represent Hampshire

Key takeout – The largest carbon opportunities lie in home energy and travel – these areas will be key to any climate change strategy

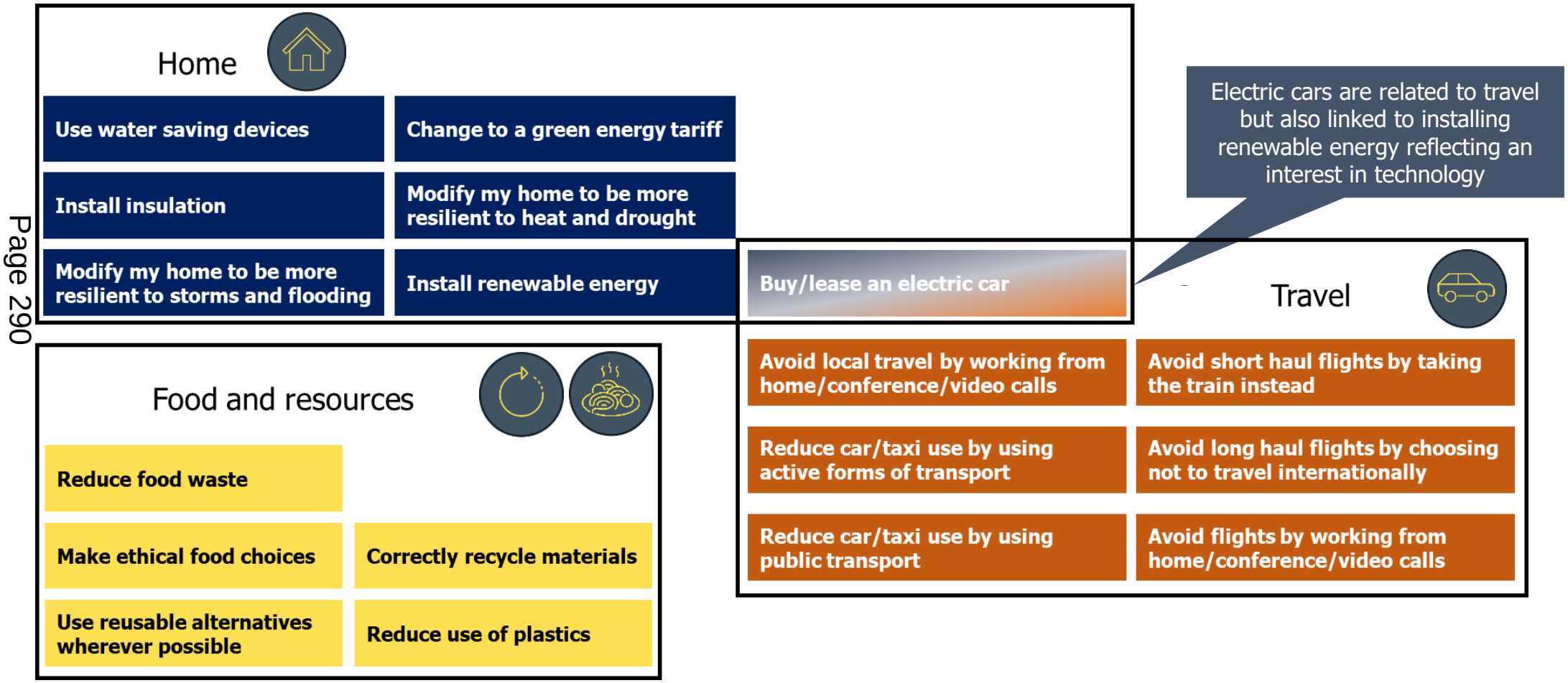
Not all actions are carbon equal

Action	Number of people needed to take the action for the same carbon reduction
Install renewable energy devices in your home (e.g. heat pump, solar etc.)	1
Change to a green energy tariff for your gas and electric	1
Avoid flights by working from home/conference/video calls	2
Install insulation (e.g. loft, cavity wall insulation etc.)	3
Buy/lease an electric car	5
Avoid short haul flights by taking the train instead	9
Avoid long haul flights by choosing not to travel internationally	10
Reduce food waste	12
Reduce meat consumption	16
Reduce dairy consumption	17
Avoid local travel by working from home/conference/video calls	27
Use water saving devices (e.g. shower timer, rainwater barrel, toilet water tank limiter (hippo, brick)	31
Choose energy efficient appliances when purchasing or replacing (e.g. with an A-rated energy label)	34
Reduce car/taxi use by using public transport	68
Reduce car/taxi use by using active forms of transport (e.g. walking, cycling instead of a vehicle)	96
Buy locally produced food	122
Correctly recycle materials	174
Use less water (e.g. turn the tap off when brushing your teeth)	229

Key takeout – Changing behaviours should be measured against relative carbon impact e.g. if an initiative gets 229 times more people to use less water than a similar initiative gets people to install renewable energy- then that is the same value

Climate action willingness links together in clusters

There are three larger clusters of actions (Home, Food and Travel) where being willing to take one makes a person more likely to be willing to do another



Base size: 3,024 South East residents

Key takeout – Targeting people who have taken one action, or are willing to take it, may be a good way to target them for another related action

Each climate action has a closely related action

Many people who are willing to take one action are likely to be willing to take another, similar action. Duplicate combinations are not shown

Action	Willingness to do action(1=completely related 0 = not at all related)	Action it is most associated with
Avoid flights by working from home/conference/video calls	0.48	Avoid local travel by working from home/conference/video calls
Modify my home to be more resilient to storms and flooding	0.46	Modify my home to be more resilient to heat and drought
Modify my home to be more resilient to heat and drought	0.45	Install renewable energy devices in your home
Modify my home to be more resilient to storms and flooding	0.42	Install insulation
Install insulation	0.37	Use water saving devices
Reduce car/taxi use by using active forms of transport	0.36	Reduce car/taxi use by using public transport
Install renewable energy devices in your home	0.33	Buy/lease an electric car
Reduce use of plastics	0.32	Use reusable alternatives wherever possible
Use reusable alternatives wherever possible	0.32	Reduce use of plastics
Install insulation	0.31	Change to a green energy tariff for your gas and electric
Reduce use of plastics	0.31	Reduce food waste
Reduce meat consumption	0.29	Reduce dairy consumption
Reduce food waste	0.28	Correctly recycle materials
Make ethical food choices	0.28	Buy locally produced food
Buy locally produced food	0.28	Make ethical food choices
Reduce food waste	0.27	Use less water
Avoid short haul flights by taking the train instead	0.26	Avoid long haul flights by choosing not to travel internationally
Reduce use of plastics	0.21	Choose energy efficient appliances when purchasing or replacing

Base size: 3,024 South East residents

Key takeout – Identifying people willing to take certain climate change actions means you can reasonably assume they would be willing to take related ones e.g. buyers of electric cars would be interested in installing home renewable energy

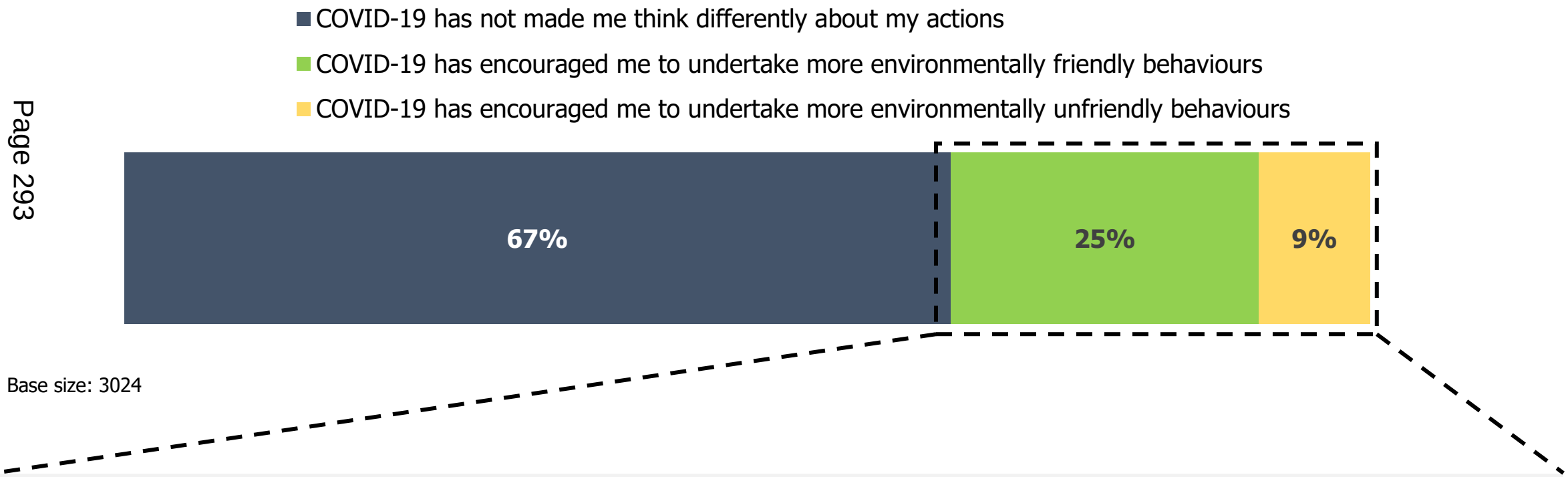
Finance, and making actions easier, were the dominant ways to gain attention

From our focus groups (26 participants), those who were willing to undertake an action were asked to quickly (and with little time for reflection) place each action into a bucket with labels reflecting the best way to communicate this issue to them e.g. by addressing the health benefits, money or the environment

COVID-19 is making 1 in 3 people think and act differently on climate change

The open-ended question was as follows:

Thinking generally about the answers you provided in this survey. In which, if any, ways would you say the current public health situation (i.e. the outbreak of Covid-19 (Coronavirus)) causes you to think differently about any of the answers you provided?



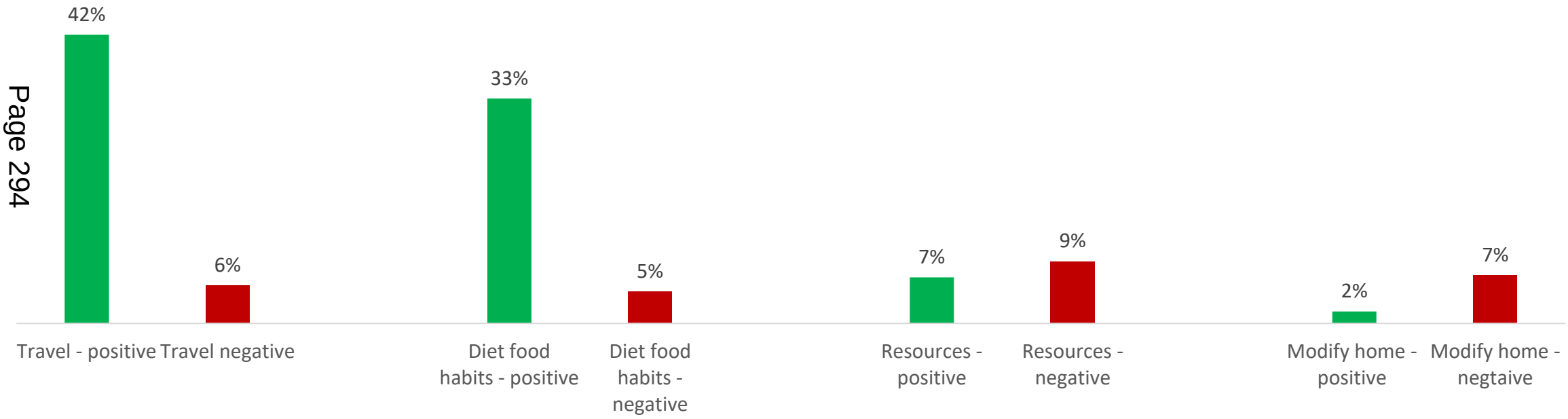
Base size: 3024

As we are interested in understanding what behaviours are particularly relevant and salient at this time, we will be looking into more detail at **34% who have reported that Coronavirus has changed their behaviour**

Base size: 3,024 South East residents

People were most likely to think differently about travel behaviour due to COVID-19

People had mentioned many positives involving travel and diet whereas resources and their willingness and ability to modify their home were more mixed.



Base size: 985

Key takeout – Behaviour has changed in a number of areas, particularly travel and diet – this presents a potential opportunity to encourage or reinforce behaviours that are positive for climate action

Willingness to change exists but must overcome practical and psychological barriers

People are willing to change and know it is the right thing to do

But they must overcome a number of internal and external barriers

- **Limits to taking actions**
- **Other motivations overriding climate change**
- **National and local government support**
- **Lack of knowledge / wrong information**

Approaches to addressing climate change through citizen action must understand and work past these barriers

Overcoming barriers is about framing the challenge in the right way 1/2

An additive approach e.g. 'every little helps' could work for climate change

Addresses which barriers?

- People using one good act to justify a bad one
- People don't know the carbon impacts of their actions
- They should be nudging me to make the right choice
- Focus on achievable steps

Where has this principle been used?

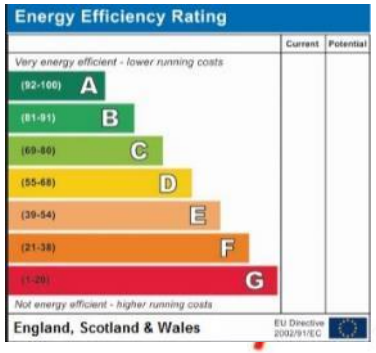
TESCO
Every little helps

Encourage reflection through point of action communications

Addresses which barriers?

- Environmental issues are not clear cut and citizens don't know what to do
- Some people are interested in the issues and have tried to research but are still not clear
- Consequences of consumption are hard to see at point of use
- They should be nudging me to make the right choice

Where has this principle been used?

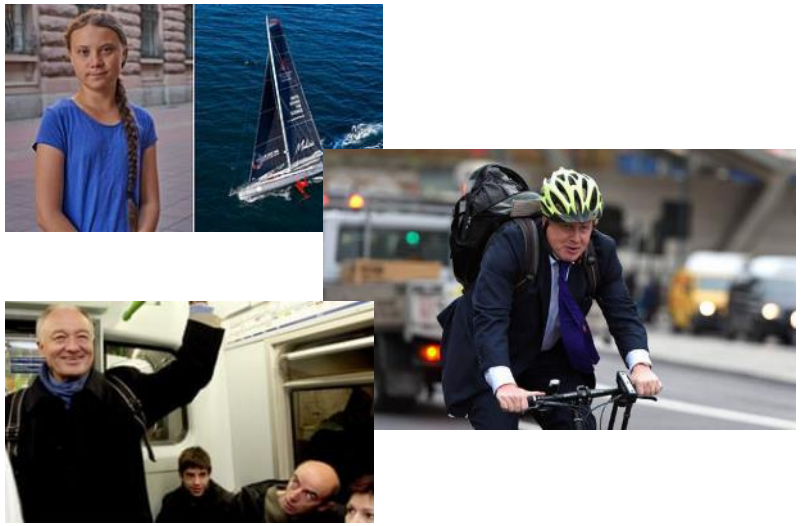


Show consistent, visible leadership

Addresses which barriers?

- Someone else can change
- Governments should be investing

Where has this principle been used?



Overcoming barriers is about framing the challenge in the right way 2/2

Make 'doing the right thing' more visible – its not easy to see the people who didn't drive/fly

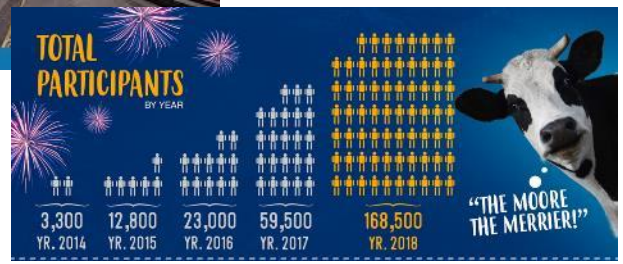
Addresses which barriers?

- People justify a self-serving conclusion
- They should be nudging me to make the right choice
- Focus not on what we are losing by using low carbon alternatives but what we gain
- Focus on achievable steps

Where has this principle been used?

Flight shame/Train pride campaign in Sweden

Showing how many people participate

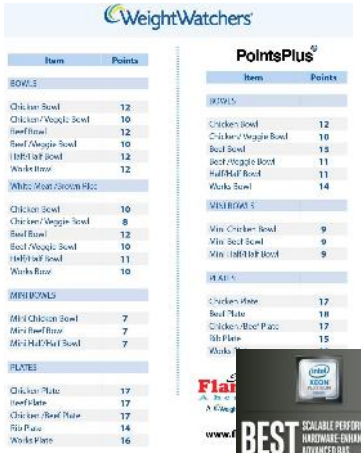


Make it clear how much each action contributes

Addresses which barriers?

- People justify a self-serving conclusion
- Consequences of consumption are hard to see at point of use
- They should be nudging me to make the right choice
- Environmental issues are not clear cut and citizens don't know what to do

Where has this principle been used?



Points system showing how one action contributes to a target or limit

Create clear shared goals – people will change a lot if they agree

Addresses which barriers?

- Environmental issues are not clear cut and citizens don't know what to do
- An ability to discuss, agree goals and commit to change could lead to more behaviour change

Where has this principle been used?

Juries – people aim to seriously assess evidence and come to a conclusion with high stakes for the people involved

Information is needed to overcome lack of knowledge of carbon impacts

Looking at all actions we could see differences of those saying they would not do the action and then giving the reasons they do not believe it would make a difference – we listed these to show which actions are most in need of information to change these views.

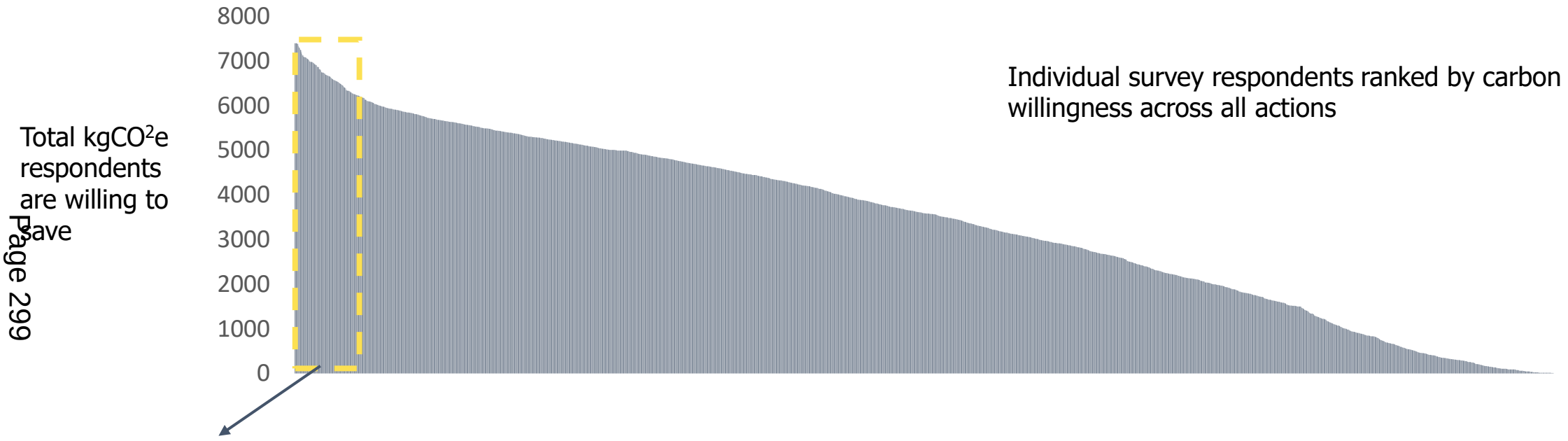
Action	% people unwilling & saying they do not believe action will make a difference
Reduce dairy consumption	19%
Reduce meat consumption	16%
Avoid flights by working from home/conference/video calls	9%
Buy/lease an electric car	9%
Avoid long haul flights by choosing not to travel internationally	7%
Avoid local travel by working from home/conference/video calls	6%
Avoid short haul flights by taking the train instead	6%
Change to a green energy tariff for your gas and electric	6%
Make ethical food choices (e.g. buy Fairtrade, don't buy palm oil etc.)	5%
Reduce car/taxi use by using public transport	5%
Use water saving devices	5%
Install renewable energy devices in your home	3%
Reduce car/taxi use by using active forms of transport	3%
Buy locally produced food	2%
Install insulation	2%
Reduce use of plastics	2%
Use less water	2%
Choose energy efficient appliances when purchasing or replacing	1%
Correctly recycle materials	1%
Reduce food waste	1%
Use reusable alternatives wherever possible	1%

Base size: 3,024 South East residents

Key takeout – There is a significant proportion of people who may act differently if they become convinced of the carbon impact of meat and dairy and even electric cars. At the least this should not be a defense not to take action

Younger, higher social grade people are the biggest opportunity targets

Profiling those who are willing to save the most carbon



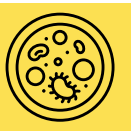
Top 200 respondents by willingness to save carbon are more likely to be male, 25-44, ABC1 social grade* (using standard demographic groups based on occupation) and in Mosaic group G - Domestic Success

Base size: 3,024 South East residents
*Social grade explanation: http://www.nrs.co.uk/nrs-print/lifestyle-and-classification-data/social-grade/

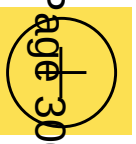
Key takeout – Successful large-scale carbon reduction must take in those who are willing to do the most

Recommendations 1/2

Many different actions could result from the findings of this research. We have submitted the below as a shortlist of actions that are supported by the evidence in this report.



Short term - COVID-19 has opened up two distinct areas of opportunity – increased working from home and improved food waste behaviours – existing budgets and even new investment for these priorities should be prioritised in setting new, better behaviours before lockdown fully ends and habits revert to old ways, or to a new normal that is not as positive as it could be.



An overarching 'points' system that encourages people to take a step up the ladder of carbon saving could encourage people to understand and stretch themselves when saving carbon. This approach may work best with the willing but underinformed.

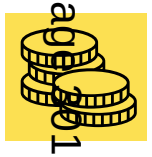
Creating communal agreement on climate goals will make people more receptive to communications – this would be hard to establish but could make people and communities easier to mobilise. COVID-19 has demonstrated that people will take extraordinary actions if they believe it is necessary.

Largest opportunity – any climate change strategy that does not address home energy (insulation/Green energy tariff or renewable energy devices) will not capture the biggest opportunity. The size of opportunity justifies harder work, or more budget, to find the best possible route to get people to reduce their home energy use.

Recommendations 1/2

Many different actions could result from the findings of this research. We have submitted the below as a shortlist of actions that are supported by the evidence in this report.

In the longer term, soften resistance on actions that save larger amounts of carbon but are not perceived to do so by consistent information messaging. This applies most strongly to reducing meat and dairy consumption, business meeting flights and (to a lesser extent as the car industry is likely to assist) electric cars.



Finance is a key way in to gain interest but environment is a motivator. One possible strategy would be to encourage/nudge/subsidise home insulation in return for a promise to use the savings to take out green tariffs. The customer pays no money but makes a double CO^2 saving – lower energy use and greener supply.

This report contains targeting information including demographic groups more likely to be willing to take an action, as well as actions that are closely linked. We recommend deploying this information and testing it to make sure that budgets are maximised by connecting with those willing to act.

Descriptive statistics of climate change action

10

Average number of actions each citizen is willing to take

229

Number of people that would have to carry out the least effective carbon reducing activity (use less water) to equal 1 person carrying out the most carbon effective action (install renewable energy at home)

Install renewable energy devices in your home

The carbon saving action that would make the biggest difference for a citizen action

78% -> 20%

Range of willingness from top action (eat local food 78%) to the bottom (correctly recycle materials (20%)

3359 kg CO^2 equivalent

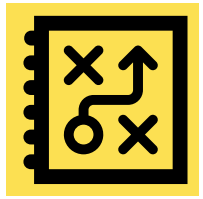
Amount of carbon saving the average citizen is willing to consider each year

Buy locally produced food

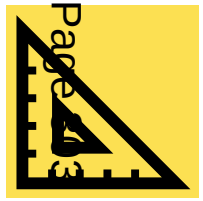
Action that the highest number of people expect to take in the next 12 months

How to use or adapt this information for your district

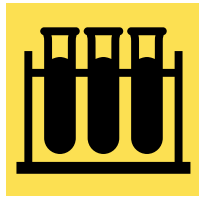
We hope the findings in this report are useful and they should be meaningful for many different local areas or authorities. It is possible to closely adapt findings to smaller areas (Cities or local authorities) to make it more representative. We anticipate partners using this research in a number of ways



Use the general findings to create communications and marketing strategies



Adapt the data to for you locality – the data is a rich source of information and could be weighted (transformed) to match your population – please get in touch if this is of interest



We recommend testing and confirming that the approaches described are effective – we would welcome any collaboration or results of activities so that best practice can be established

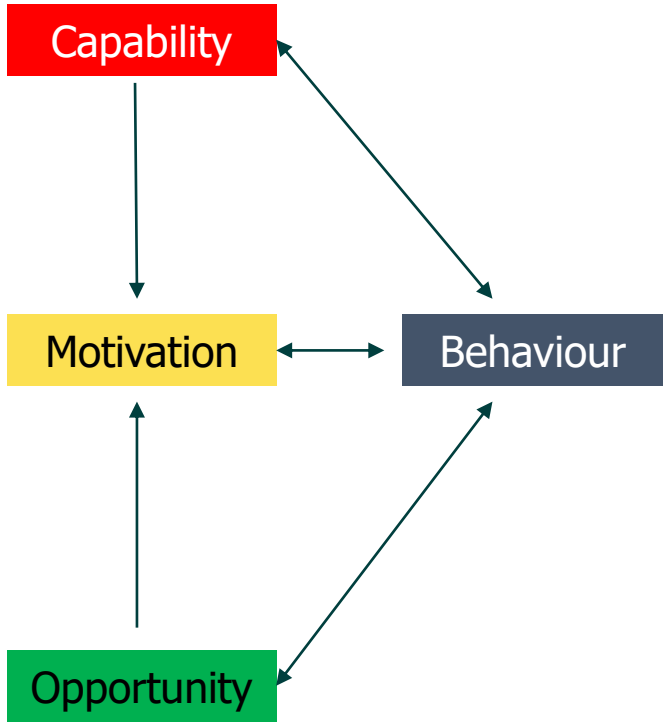
For more information please contact insight@hants.gov.uk

Behaviour change theory and Climate Change – a brief guide

Capacity, Opportunity, Motivation - Behaviour model (COM-B)

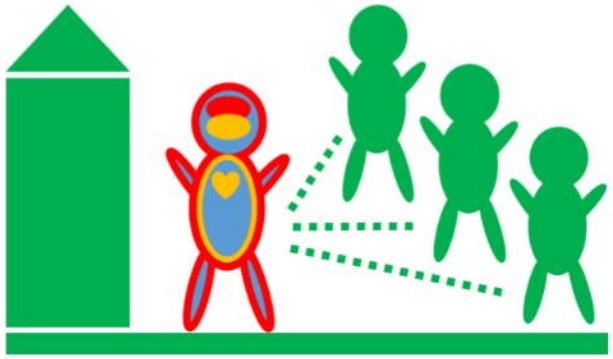
Behaviour change occurs as a result of interaction between three necessary determinants: capabilities, opportunities and motivation

	How does this relate to individual action on climate change?
Physical capability to engage in an activity	e.g. affordability of vegetarian alternatives
Psychological capability to engage in an activity, including knowledge and skills	e.g. knowledge of relationship between meat eating and climate change, knowledge and skills to cook vegetarian food
Reflective motivation i.e. conscious decision making – their plans, intentions, beliefs, identity	e.g. meal plan to reduce meat consumption, belief that individual meat reduction will make a difference to tackle climate change
Automatic motivation i.e. unconscious decision making – their emotions, habits and impulses	e.g. going to the meat section in supermarket is habitual, association of vegetarian cooking with poor nutrition
Physical opportunity	e.g. having vegetarian options readily available, prompted in the supermarket about environmental impact of buying meat
Social opportunity	e.g. it is the social norm to eat vegetarian if your friends and family do this, famous chefs endorsing vegetarian cooking



Influences of behaviour: COM-B model

The picture is a visual representation of the interaction between capabilities, opportunities and motivations that determine behaviour and thereby affect outcomes.



Changed Determinants

Capability: the psychological capacity of our brain and the physical capacity of our body to conduct a behaviour

Motivation: the factors affecting our automatic/conscious and reflective/unconscious decisions

Opportunity: presented by our external physical and social surroundings

Changed behaviour: e.g. eating less meat

Changed Outcomes: e.g. improved health, reduced carbon footprint

Barriers to address in changing behaviours affecting climate change (1)

1. Many choices in human consumption are unconscious

Motivation

- Human cognition has two parallel processes
  - Automatic: Decisions are made rapidly and driven by intuitive processes (e.g. habit, social influence, emotion, rules of thumb)
  - Reflective: Decisions are considered and rational
  - Most of our decisions are (necessarily) made automatically, and this can be difficult to change

2. Behaviour is distinct from attitudes, values and intentions

Motivation

- While individuals generally say they are concerned about the environment, their good intentions do not always translate into pro-environmental behaviours. This is known as the **value-action gap**. Attitudes can lead us to adopt the easiest behaviours (such as recycling), but it is another matter to significantly compromise our convenience, enjoyment, or profit. People tend to do just enough to avoid guilt and rationalise unsustainable actions through psychological defences, such as:
  - Moral licensing: using one good act to justify the bad e.g. I can take a flight to Spain if I recycle this year
  - Motivated reasoning: reasoning towards a self-serving conclusion e.g. My actions are not significant, I will not be personally impacted by climate change
  - Avoidance: simply not thinking about the issue

3. The consequences of consumption can be hard to see especially at point of decision

Psychological capability

- Energy and water are invisible resources. Even if you do receive information, this is difficult to conceptualise e.g. what does a kwh measure?
- If an individual uses more water or energy today there is no immediate feedback or cost. To exacerbate this issue, individuals disproportionately focus on immediate costs and excessively discount future impacts, a phenomenon known as **present bias**

Barriers to address in changing behaviours affecting climate change (2)

4. Climate change does not seem personally relevant

Psychological capability

- Many individuals believe climate change is a problem for people in other countries thus climate change is an abstract idea from which we are physically distant i.e. **judgmental discounting**.
- People have low **perceived behavioural control**; they don't believe that individual action will change anything – people feel helpless and skeptical

5. Our social context

Social opportunity

- **Social cues** act as a benchmark for individual consumption – this effect is greater than we intuitively realise. Therefore, it can be difficult for us to go against the perceived norm e.g. refusing a plastic straw at a restaurant, taking the bus to work in a community where owning a car is considered a key signifier of success
- Perceived inequality i.e. why should I change if others are not willing?

6. It can be hard to follow through on actions due to physical context

Physical opportunity

- **Choice architecture** steers consumers to non-sustainable choices e.g. energy consumers are often automatically assigned to conventional, rather than renewable energy suppliers, or cost is often the default order presenting energy options.
- **Hassle factors** can explain why even when individuals do clearly prefer the sustainable option, small tasks can prove to be disproportionate barriers to follow-through. Whether they are real ("programming a thermostat is hard") or just perceived ("programming a thermostat seems hard") they can prevent actions from happening, even when the benefits are large or intentions are good.

References
Consuming differently, consuming sustainably: behavioural insights for policymaking 2017
Gifford, The Dragons of Inaction: Psychological Barriers That Limit Climate Change Mitigation and Adaptation, 2011

Action summaries - Introduction

Guide on how to interpret the action dashboard

1. Key top line findings

2. The opportunity size reflects millions of kg of CO^2 saved annually if all willing individuals in Hampshire changed their behaviour accordingly

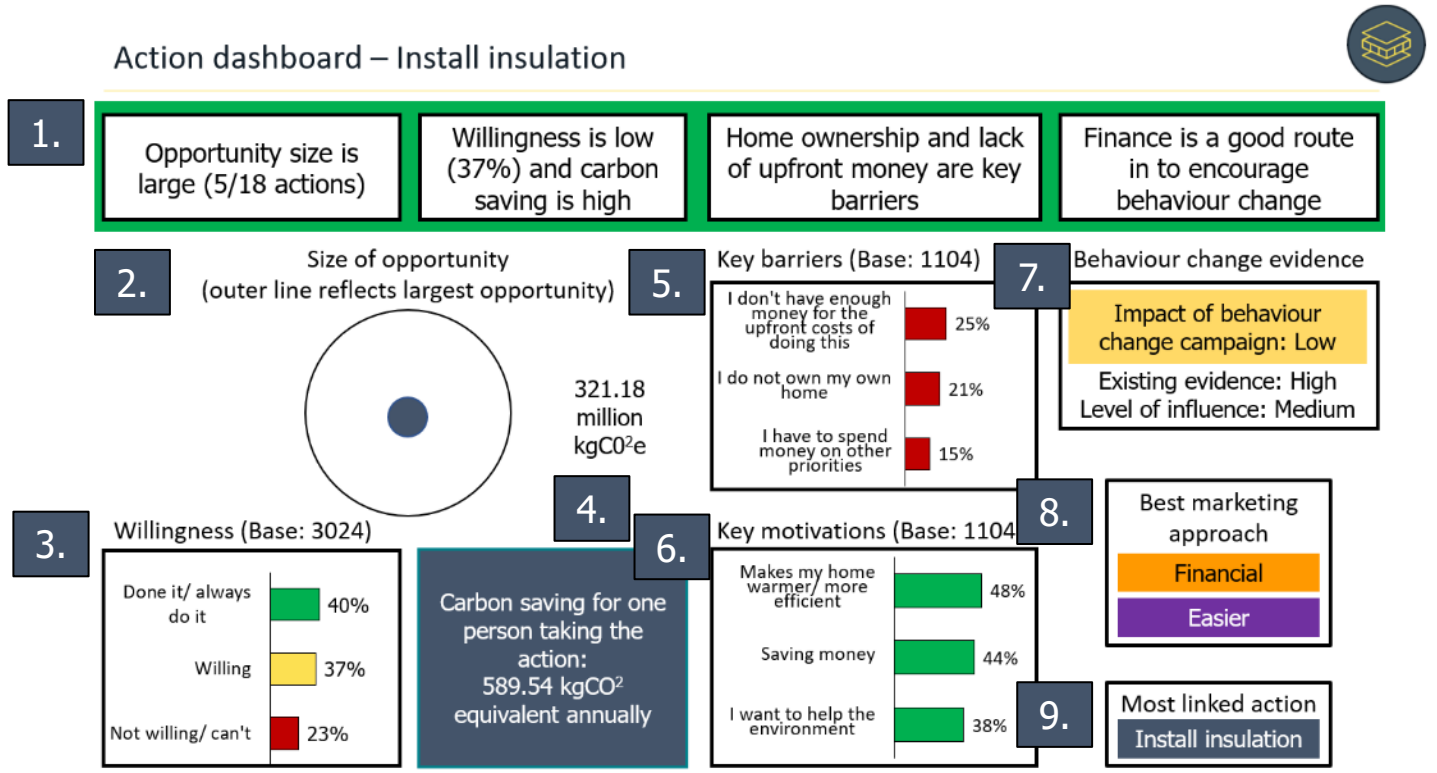
3. Summary of willingness to take action

4. kg of CO^2 saved per person by taking this action

5. Top 3 barriers identified by individuals willing to undertake this action i.e. what is stopping them from making the change

6. Top 3 motivators identified by individuals willing to undertake this action i.e. what is encouraging them to make the change

7. Summary of behaviour change findings. See 'Guide on how to interpret the desk research (2)'



8. How individuals believe this behaviour would be best promoted to them.

9. If an individual does this action, what other action will they be likely to take

Guide on how to interpret the desk research (1)

Desired behavioural outcome

Methods that have effectively promoted behaviour change

Best evidence is presented in a dark blue box. This includes control trials and meta analyses, so findings are likely to be reliable due to high sample sizes

Case study evidence is presented in the light blue box. Evidence presented in these boxes includes:

- Studies with a small sample size/ no control group
- Resources that use behaviour change principles

Evidence may be useful to see creative ideas but yet to be tested in a control trial

Pictures are included on some slides to demonstrate what materials have been used to promote behaviour change

Install loft and wall insulation and plug gaps to stop drafts

Impact of behaviour change campaign: Low

Existing evidence: High
Level of influence: Medium

What is the most effective practise?

- Remove barriers to insulting home e.g. hassle factors
- Make information on energy saving tangible and personalised
- Provide education alongside insulation to promote higher energy saving

Best evidence – Control trial

- Different leaflets for loft insulation were sent out across 3 boroughs
  - Borough 1: Loft insulation and no loft clearance: £179 (Control)
  - Borough 2: Loft insulation & Loft clearance: £369 – cost price (No hassle factor)
  - Borough 2: Loft insulation & Loft clearance: £450 retail price (No hassle factor)

While there is some indication that reducing the hassle factor and the price increases the uptake of loft conversions, due to low uptake on the trial, the numbers were too small to provide firm conclusions (UK, 2013)

Case studies

- Education programmes provided at the same time as the adoption of new technology and one-off modifications can act as a stimulus for changing habitual behaviours. A well-designed study looking at those insulating and draft-proofing their properties showed that significant increases in energy savings were attainable by providing education at such moments of change (16% average gas saving with insulating alone vs. 26% with education included) (USA, 2008)
- When people were given information on how many cracks there were in their home 20% of people weather stripped their windows. But when information was made tangible (i.e. the gap in your house is the size of a basketball) 60% weather stripped. (Unknown, 2013)

References
Department of Energy and Climate Change, Removing the hassle factor associated with loft insulation: Results of a behavioural trial, September 2013
Department of Energy and Climate Change, What Works in Changing Energy-Using Behaviours in the Home?, November 2012
TED Talks, Three Myths of Behavior Change - What You Think You Know That You Don't: Jeni Cross, March 2013

Note: Best evidence is not necessarily the best thing to do

Note: Studies in this report have measured **behavioural change** in response to interventions (rather than measuring changes in intentions as a response to interventions). This focus is due to the significance of the 'value-action gap'.

For areas where there is a lack of research, we have looked at intentions and included a purple warning sign

Guide on how to interpret the desk research (2)

Impact of behaviour change campaign: Low

Existing evidence: High
Level of influence: Medium

Impact of behaviour change campaign:
High: Intervention will lead to EITHER lots of individuals changing their behaviour slightly OR smaller number of individuals changing their behaviour significantly
Medium: Intervention will lead to EITHER some of individuals changing their behaviour slightly OR smaller number of individuals changing their behaviour slightly
Low: Behaviour is hard to change

Evidence
High: Meta-analyse or systematic review has been conducted
Medium: Control trials have been conducted
Low: Some case study evidence

Level of influence:
Here we are looking at the influence Hampshire County Council has on imposing suggested interventions – whether those be

- Government (i.e. national, local)
- Industry (i.e. businesses)
- Civil society (i.e. campaigners, educators, members of the public)

High: Hampshire County Council can directly influence this behaviour
Medium: Hampshire County Council has influence on bodies that can directly influence behaviour
Low: Hampshire County Council has no influence

Action summaries – Sustainable energy and water use

Area summary: Sustainable energy and water use

Install renewable energy

Opportunity Size
(millions of kg CO2 annually)

1690

Willingness to take action	Ease of Behaviour change	Level of influence
58%	Low	Medium

What evidence suggests you should do...

Financial incentives.

Change to a Green energy tariff

Opportunity Size
(millions of kg CO2 annually)

1303

Willingness to take action	Ease of Behaviour change	Level of influence
59%	High	Medium

What evidence suggests you should do...

Letters to residents from a trusted source. Default green energy tariffs. Encourage social sign up. Make comparison of different energy tariffs easy.

Install isulation

Opportunity Size
(millions of kg CO2 annually)

321

Willingness to take action	Ease of Behaviour change	Level of influence
37%	Low	Medium

What evidence suggests you should do...

Remove barriers i.e. hassle factors
Make information saving tangible and personalised.
Provide education alongside insulation to promote higher energy saving.

Use water saving devices

Opportunity Size
(millions of kg CO2 annually)

80

Willingness to take action	Ease of Behaviour change	Level of influence
61%	Medium	Medium

What evidence suggests you should do...

Real-time feedback with tailored messages.
Use social norms, message framing and choice architecture as secondary tactics.

Choose energy efficient appliances

Opportunity Size
(millions of kg CO2 annually)

31

Willingness to take action	Ease of Behaviour change	Level of influence
48%	High	Medium

What evidence suggests you should do...

Point of sale displays.
Financial subsides.

Use less water

Opportunity Size
(millions of kg CO2 annually)

4

Willingness to take action	Ease of Behaviour change	Level of influence
34%	High	Medium

What evidence suggests you should do...

Incentivise water saving through giving away free devices.

Action dashboard – Install renewable energy devices (e.g. heat pump, solar etc.)

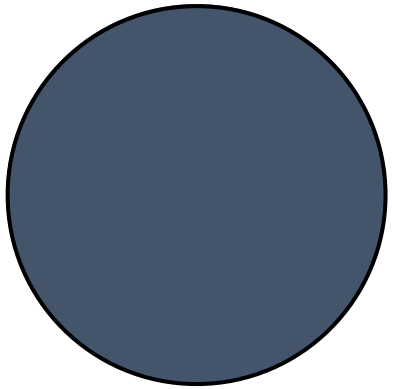
Opportunity size is the largest (1/18 actions)

Willingness is high (58%) and carbon saving is high

A focus on the upfront costs is a barrier – long term saving a motivator

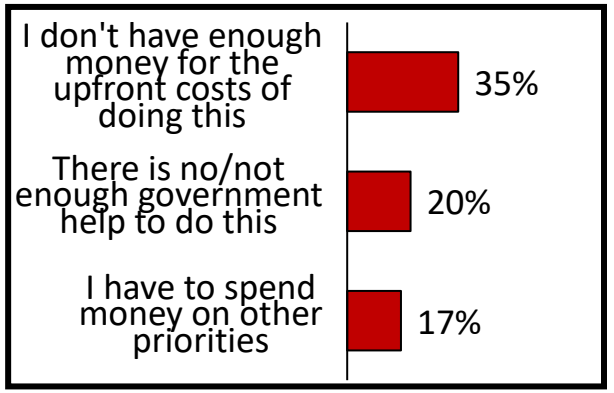
Finance is a good route in to encourage behaviour change

Size of opportunity
(outer line reflects largest opportunity)



1690.49 million $kgC0^2e$

Key barriers (Base: 1759)

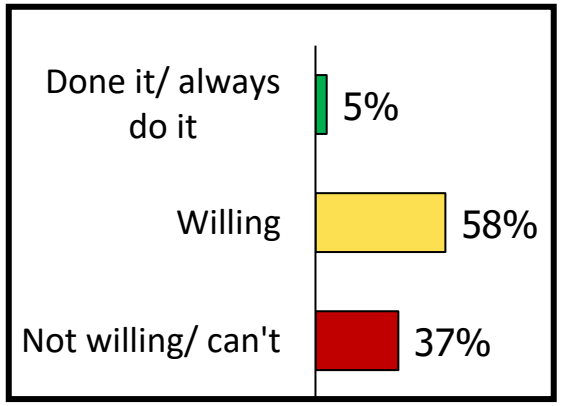


Behaviour change evidence

Impact of behaviour change campaign: Low

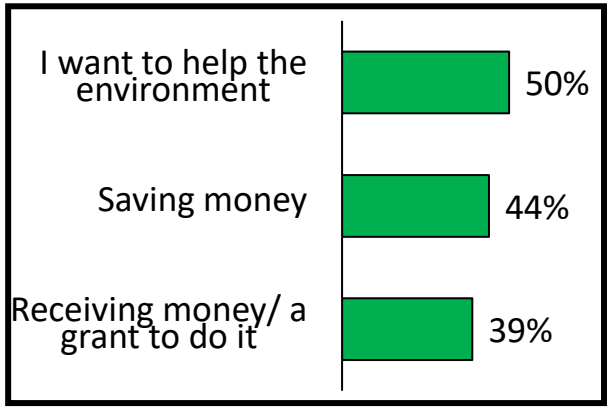
Existing evidence: Medium
Level of influence: Medium

Willingness (Base: 3024)



Carbon saving for one person taking the action: 1979.5 $kgCO^2$ equivalent annually

Key motivations (Base: 1759)



Best marketing approach

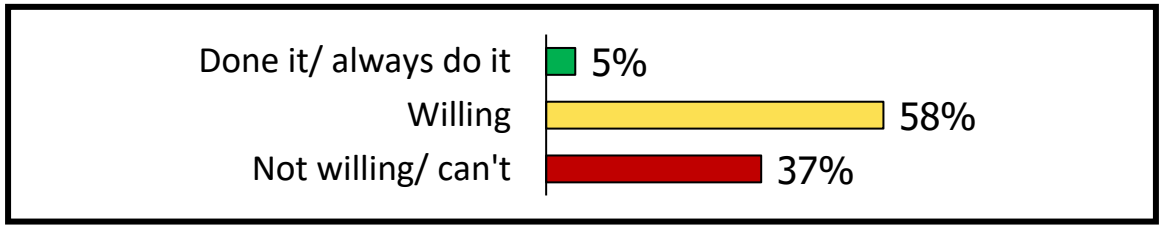
Financial

Most linked action

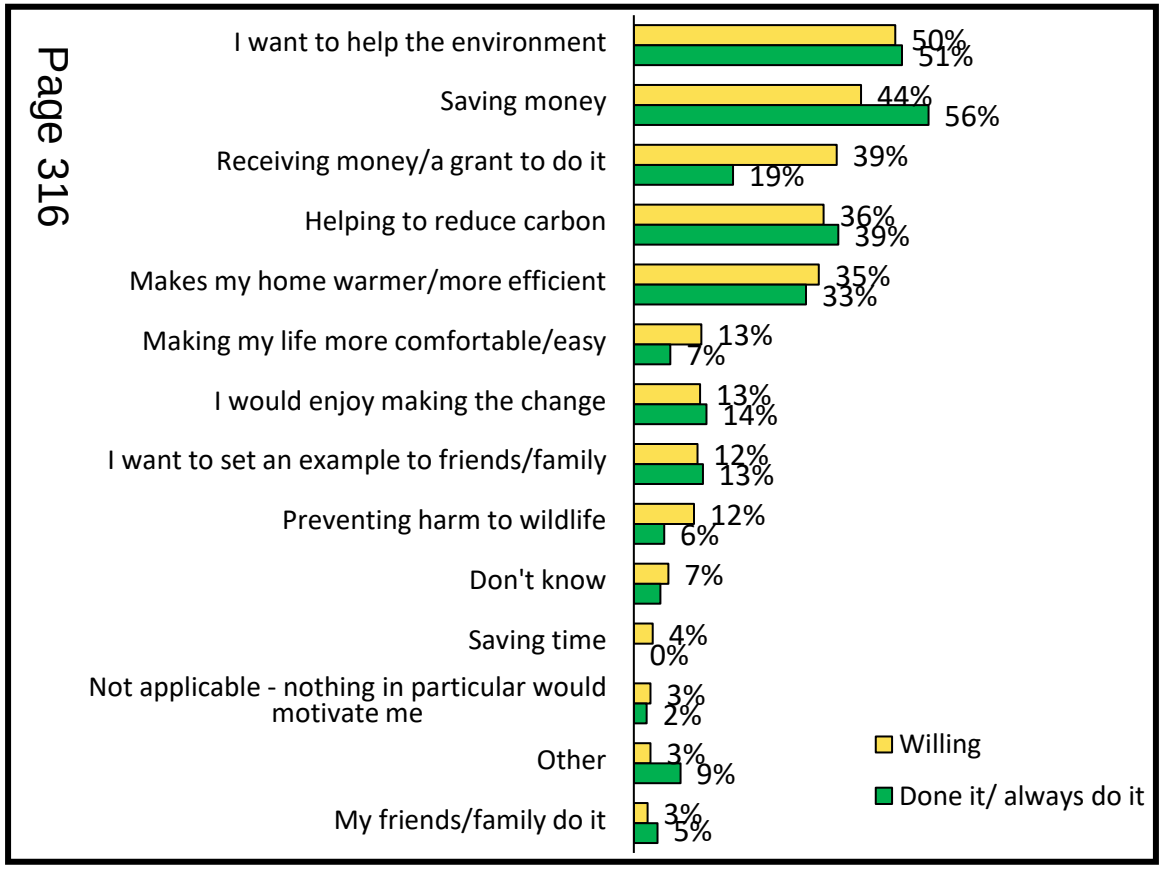
Buy/lease an electric car

Install renewable energy devices in your home (e.g. heat pump, solar etc.)

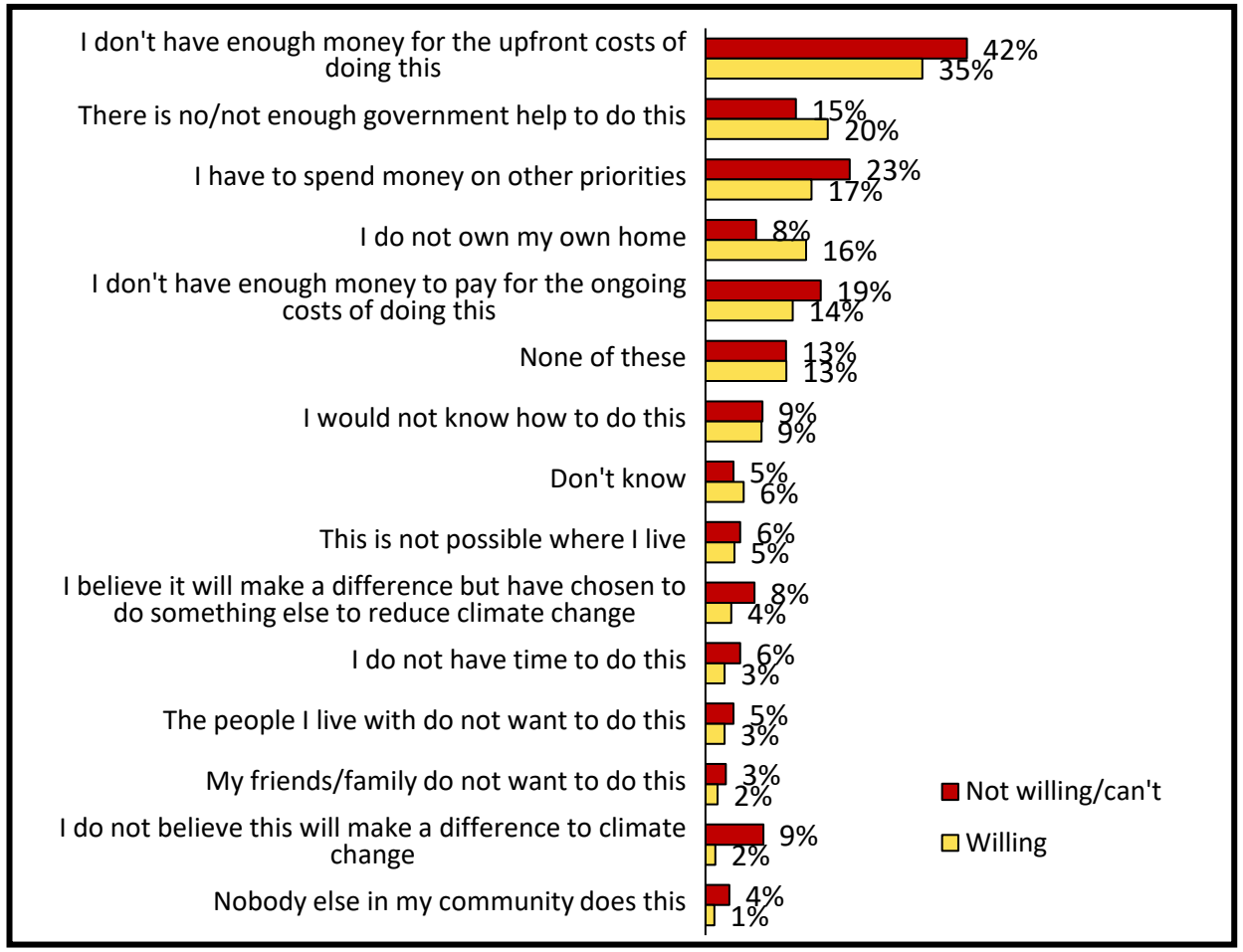
Willingness (Base: 3024)



Key motivations (Base: 1759, 154, multi-choice)



Key barriers (Base: 665, 1759, multi-choice)



Summary/key points

- Saving money is a strong motivator, yet the upfront costs are the biggest barrier

Install renewable energy devices in your home

Impact of behaviour change campaign: Low

Existing evidence: Medium
Level of influence: Medium

What is the most effective practise?

- Financial incentives

Best evidence – systematic review

- Financial incentives are an important method to increase citizen investment in renewables. Individuals do not always behave in a 'economically rational' way, therefore considering behavioural, social, institutional and regulatory barriers is essential.
  - Feed in tariff and quotas, grants and tax incentives can be successful in mobilising greater levels of investment from local citizens, but that soft loans tend to be less effective as a stand-alone instrument
  - There may often be a requirement to include specific design features into Feed in Tariffs, quotas, grants, and tax incentives, that will cater to the specific needs of communities
  - Complementary measures are important in addressing non-financial barriers, such as lack of familiarity with the technology, technology immaturity, or low awareness of the incentive programme itself
- Policy review of seven countries leading in photovoltaic generation. The leading nations set out flexible financing, feed in tariffs, incentives, tax exemptions subsidies and active promotion for citizens.

Case study:

- Policy review of seven countries leading in photovoltaic generation. The leading nations set out flexible financing, feed in tariffs, incentives, tax exemptions subsidies and active promotion for citizens.

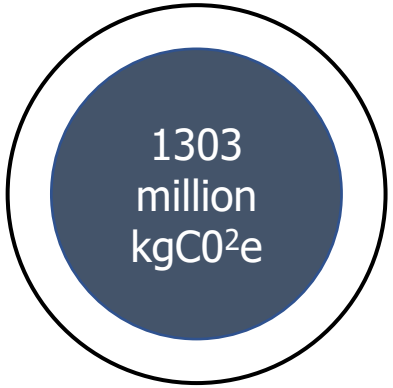
Curtin, J., McInerney, C., & Gallachóir, B. Ó. (2017). Financial incentives to mobilise local citizens as investors in low-carbon technologies: A systematic literature review. Renewable and Sustainable Energy Reviews, 75, 534-547

Moosavian, S. M., Rahim, N. A., Selvaraj, J., & Solangi, K. H. (2013). Energy policy to promote photovoltaic generation. Renewable and Sustainable Energy Reviews, 25, 44-58.

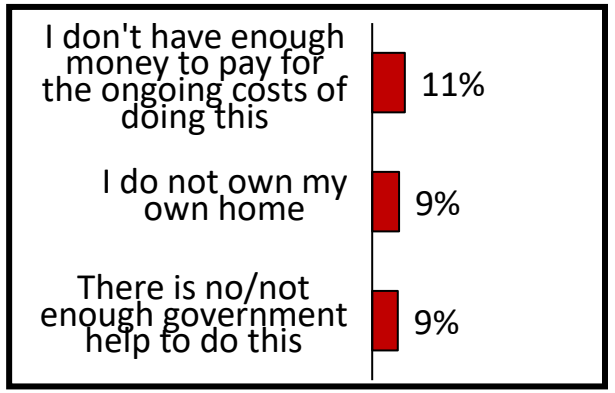
Action dashboard – Change to a green energy tariff for your gas and electric

Opportunity size is in the top 5 (2/18 actions)	Willingness is high (59%) and carbon saving is high	Finance and home ownership are the key barriers	Evidence of behaviour change is strong. Finance is the best route in

Size of opportunity
(outer line reflects largest opportunity)



Key barriers (Base: 1775)

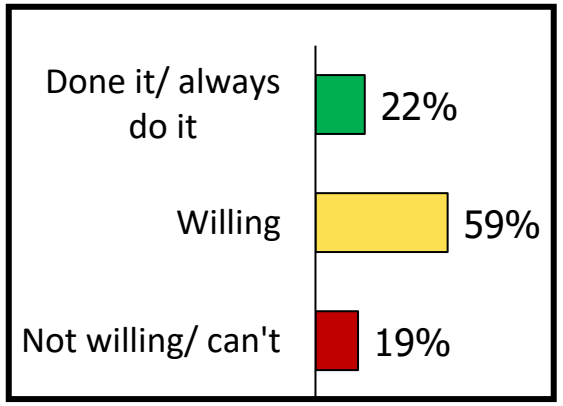


Behaviour change evidence

Impact of behaviour change campaign: High

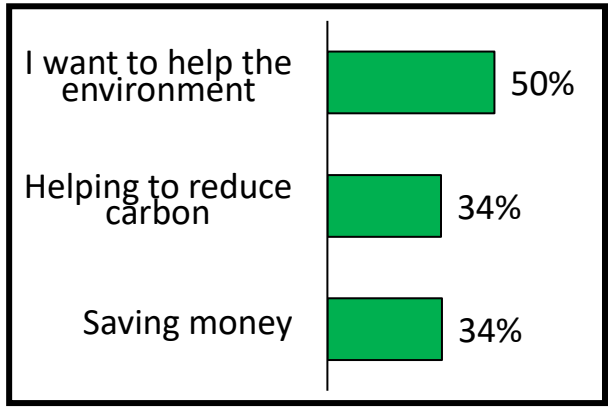
Existing evidence: High
Level of influence: Medium

Willingness (Base: 3024)



Carbon saving for one person taking the action:
1500 kgCO² equivalent annually

Key motivations (Base: 1775)



Best marketing approach

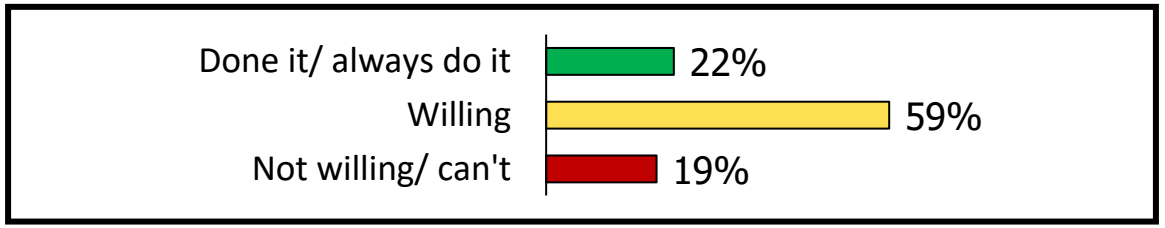
Financial

Most linked action

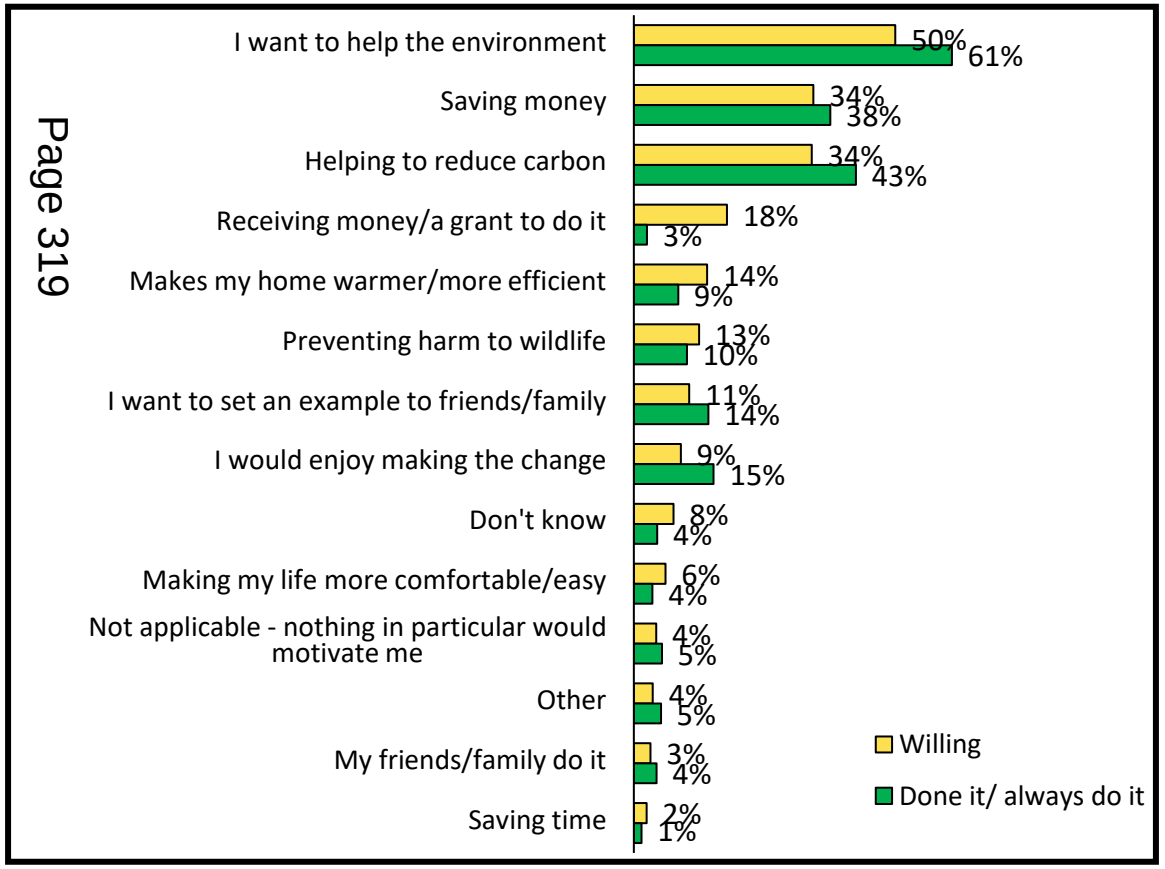
Install insulation

Change to a green energy tariff for your gas and electric

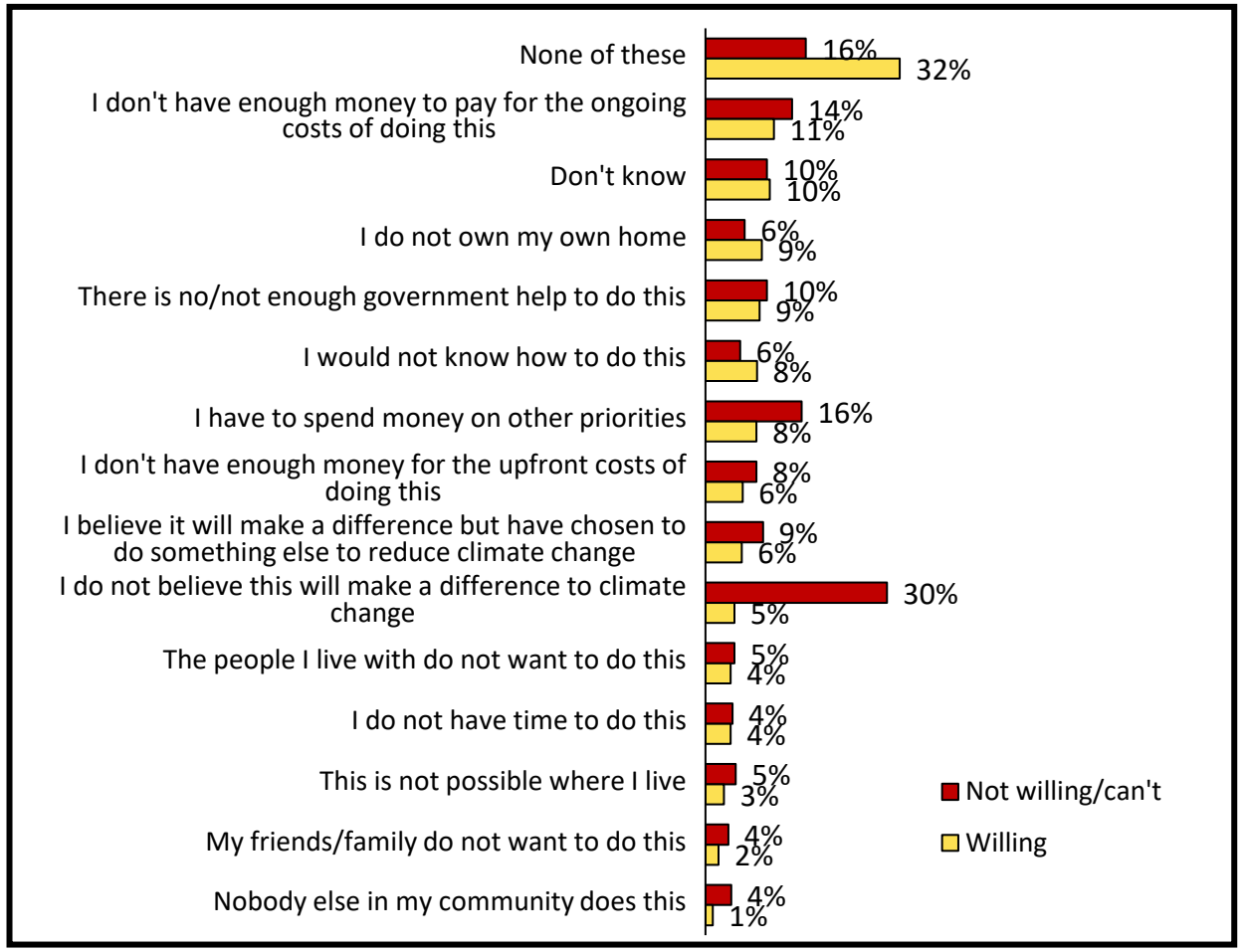
Willingness (Base: 3024)



Key motivations (Base: 1775, 660, multi-choice)



Key barriers (Base: 403, 1775, multi-choice)



Summary/key points

- Focusing efforts on the willing with environmental concerns could unlock more switches to green tariffs (especially competitively priced ones)
- Focusing on simple, actionable steps to make the change easy

Change to a green energy tariff for your gas and electric

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: Medium

What is the most effective practise?

- Letters to residents promoting energy switching from a trusted source
- Default green energy tariffs
- Encourage social sign up to green energy tariffs
- Make comparison of different energy tariffs easy

Best evidence – Control trial

- Trial 1) Supplier branded letters showing personalised cheaper deals from rival suppliers promoted switching energy tariff more effectively than Ofgem branded letters due to trusted relationships and the clear lack of ulterior motive in one supplier promoting its competitors.
- Trial 2) An Ofgem-branded letter showing personalised cheaper deals were more effective at promoting switching to a new energy tariff than up to six marketing letters from rival suppliers (UK, 2018)

References

The Behavioural Insights Team, One letter that triples energy switching, February 2018

Case studies

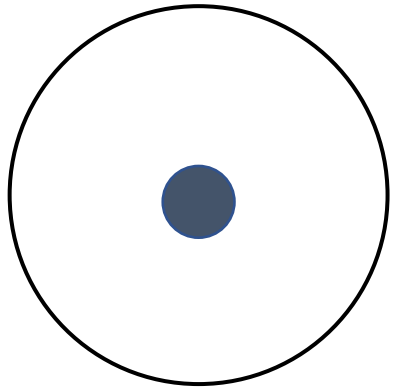
- Found when renewable energy was presented to consumers as the default option (i.e. opt-out), consumers choose this option 68% of the time but when the conventional supplier was presented as the default option, consumer choose the renewable option 41% of the time. This was despite higher costs for renewables (Germany, 2008)
- When apartment residents publicly signed up to install an automatic power regulator on their heating and cooling system to reduce energy demand, overall participation rates in the building increased (USA, 2013)
- Price comparison websites and apps serve to simplify decision-making for customers, while simplified metrics like a Tariff Comparison Rate (TCR) on energy tariffs combine multiple dimensions of price into a single figure to help consumers find the best options (UK, 2019)

United Nations Environment Programme, Consuming differently, consuming sustainably: behavioural insights for policymaking 2017, page 21
The Behavioural Insights Team, Conservation for Nature 2019, page 37 and 48

Action dashboard – Install insulation (e.g. loft, cavity wall insulation etc.)

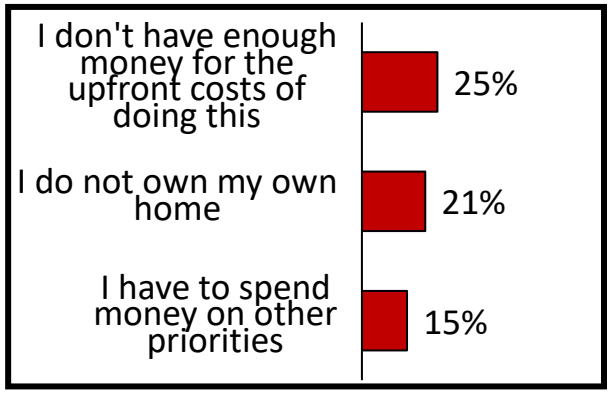
Opportunity size is large (5/18 actions)	Willingness is low (37%) and carbon saving is high	Home ownership and lack of upfront money are key barriers	Finance is a good route in to encourage behaviour change

Size of opportunity
(outer line reflects largest opportunity)



321.18 million $kgC0^2e$

Key barriers (Base: 1104)

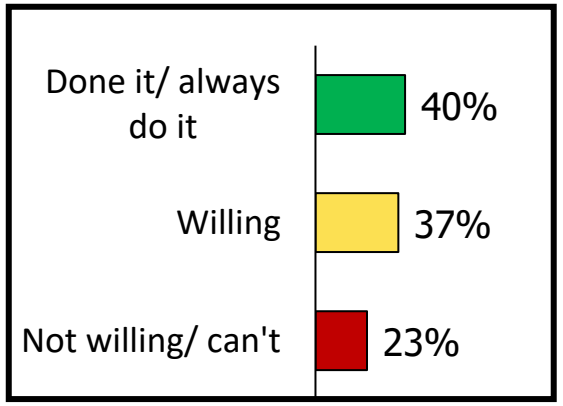


Behaviour change evidence

Impact of behaviour change campaign: Low

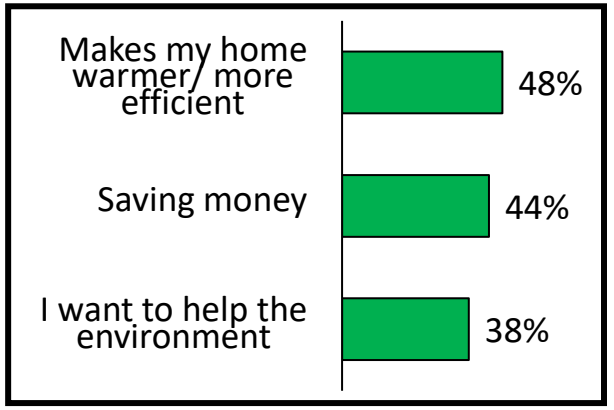
Existing evidence: High
Level of influence: Medium

Willingness (Base: 3024)



Carbon saving for one person taking the action: 589.54 $kgCO^2$ equivalent annually

Key motivations (Base: 1104)



Best marketing approach

Financial

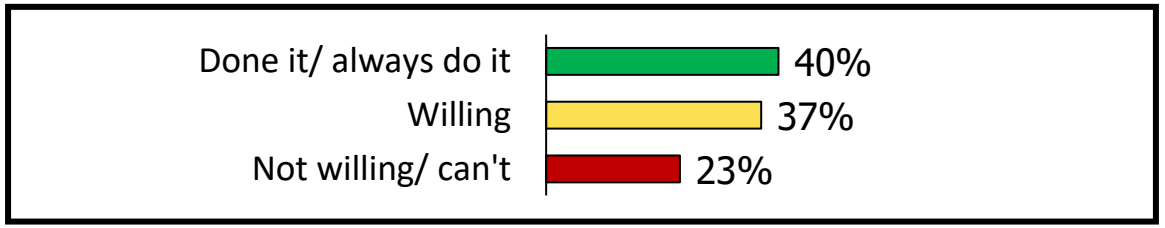
Easier

Most linked action

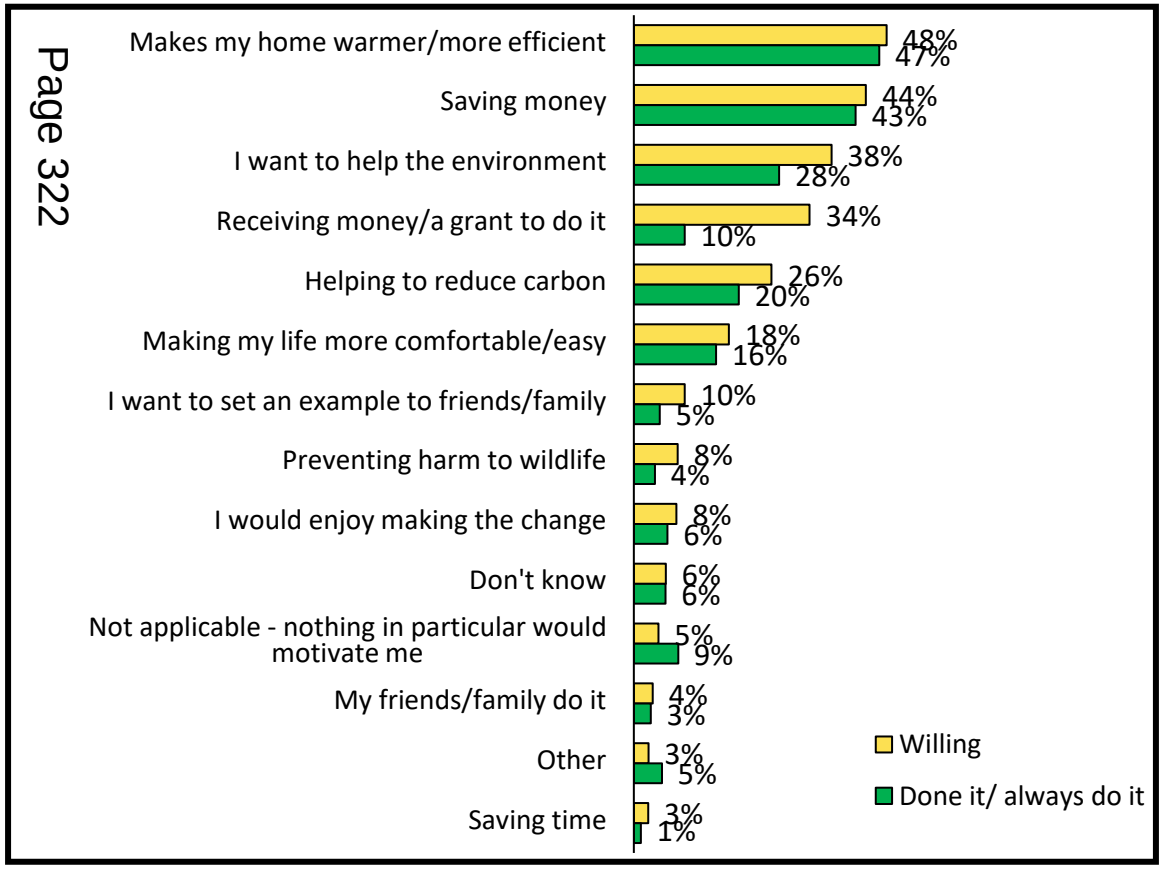
Install insulation

Install insulation (e.g. loft, cavity wall insulation etc.)

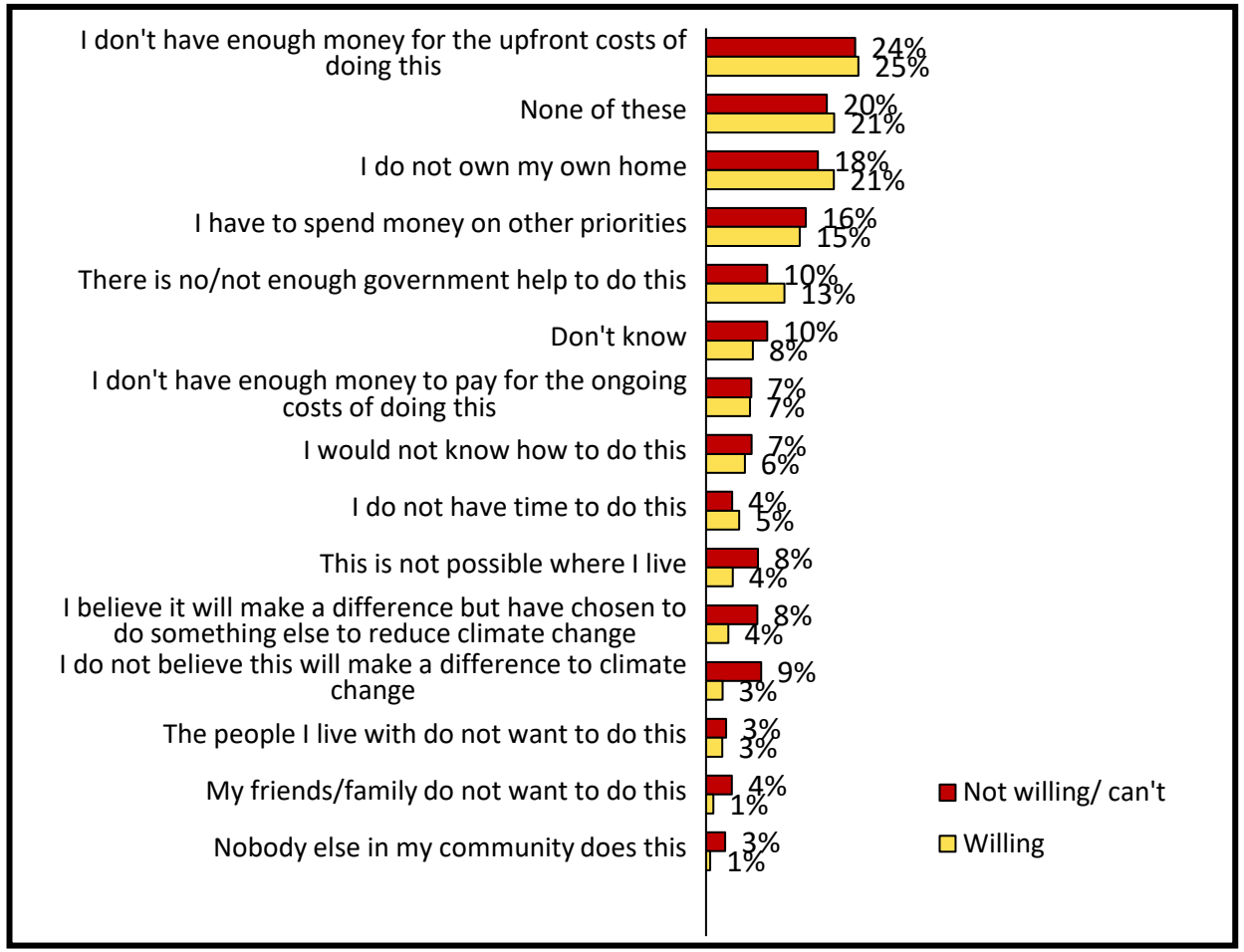
Willingness (Base: 3024)



Key motivations (Base: 1104, 1216, multi-choice)



Key barriers (Base: 188, 1104, multi-choice)



Summary/key points

- Finance is key – Saving money and receiving a grant/money are strong motivations for the willing
- Money and home ownership are the biggest barriers

Install insulation

Impact of behaviour change campaign: Low

Existing evidence: High
Level of influence: Medium

What is the most effective practise?

- Remove barriers to insulting home e.g. hassle factors
- Make information on energy saving tangible and personalised
- Provide education alongside insulation to promote higher energy saving

Best evidence – Control trial

- Different leaflets for loft insulation were sent out across three boroughs
  - Borough 1: Loft insulation and no loft clearance: £179 (Control)
  - Borough 2: Loft insulation & Loft clearance: £369 – cost price (No hassle factor)
  - Borough 2: Loft insulation & Loft clearance: £450 retail price (No hassle factor)

  While there is some indication that reducing the hassle factor and the price increases the uptake of loft conversions, due to low uptake on the trial, the numbers were too small to provide firm conclusions (UK, 2013)

Case studies

- Education programmes provided at the same time as the adoption of new technology and one-off modifications can act as a stimulus for changing habitual behaviours. A well-designed study looking at those insulating and draft-proofing their properties showed that significant increases in energy savings were attainable by providing education at such moments of change (16% average gas saving with insulating alone vs. 26% with education included) (USA, 2008)
- When people were given information on how many cracks there were in their home 20% of people weather stripped their windows. But when information was made tangible (i.e. the gap in your house is the size of a basketball) 60% weather stripped. (Unknown, 2013)

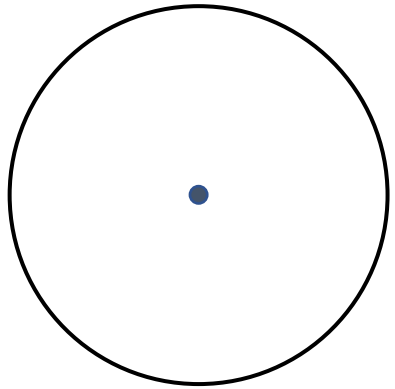
References

Department of Energy and Climate Change, Removing the hassle factor associated with loft insulation: Results of a behavioural trial, September 2013
Department of Energy and Climate Change, What Works in Changing Energy-Using Behaviours in the Home?, November 2012
TED Talks, Three Myths of Behavior Change - What You Think You Know That You Don't: Jeni Cross, March 2013

Action dashboard – Use water saving devices

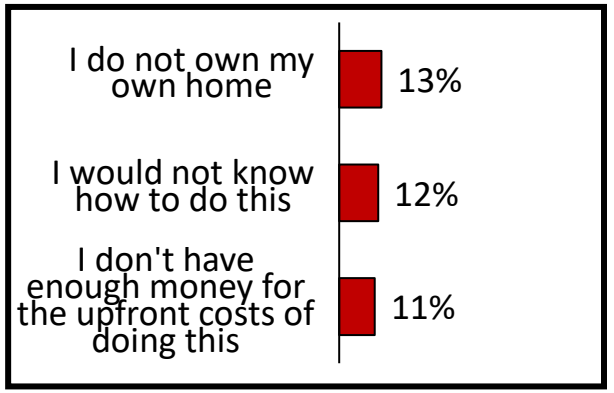
Opportunity size is moderate (10/18 actions)	Willingness is high (61%) and carbon saving is low	Saving money as well as the environment are key motivators	Finance is a good route in and installation is a well linked action

Size of opportunity
(outer line reflects largest opportunity)



80.31 million $kgC0^2e$

Key barriers (Base: 1844)

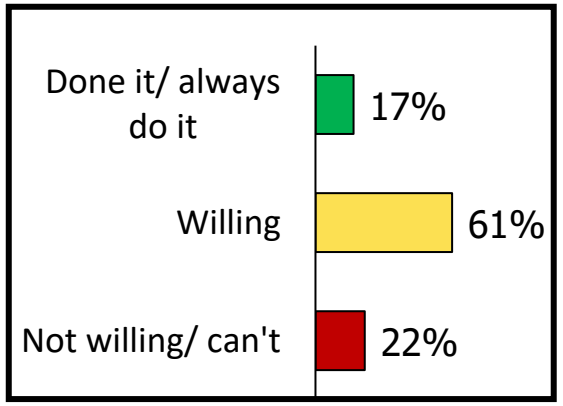


Behaviour change evidence

Impact of behaviour change campaign: Medium

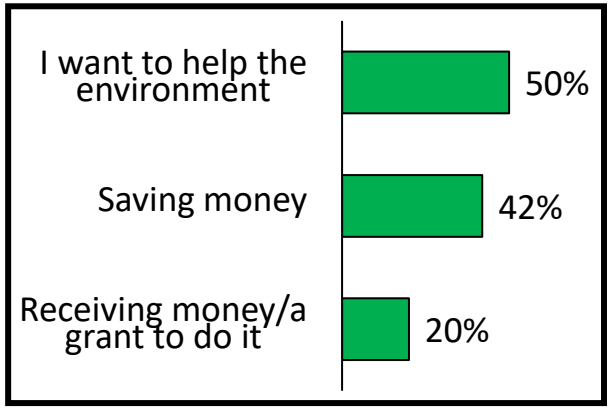
Existing evidence: Low
Level of influence: Medium

Willingness (Base: 3024)



Carbon saving for one person taking the action:
89.42 $kgCO^2$ equivalent annually

Key motivations (Base: 1844)



Best marketing approach

Financial

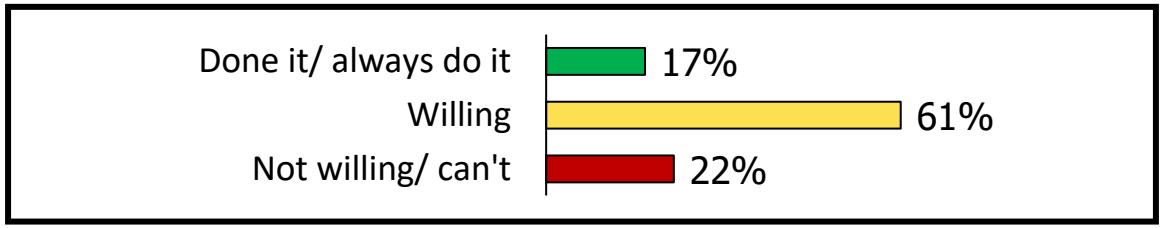
Easier

Most linked action

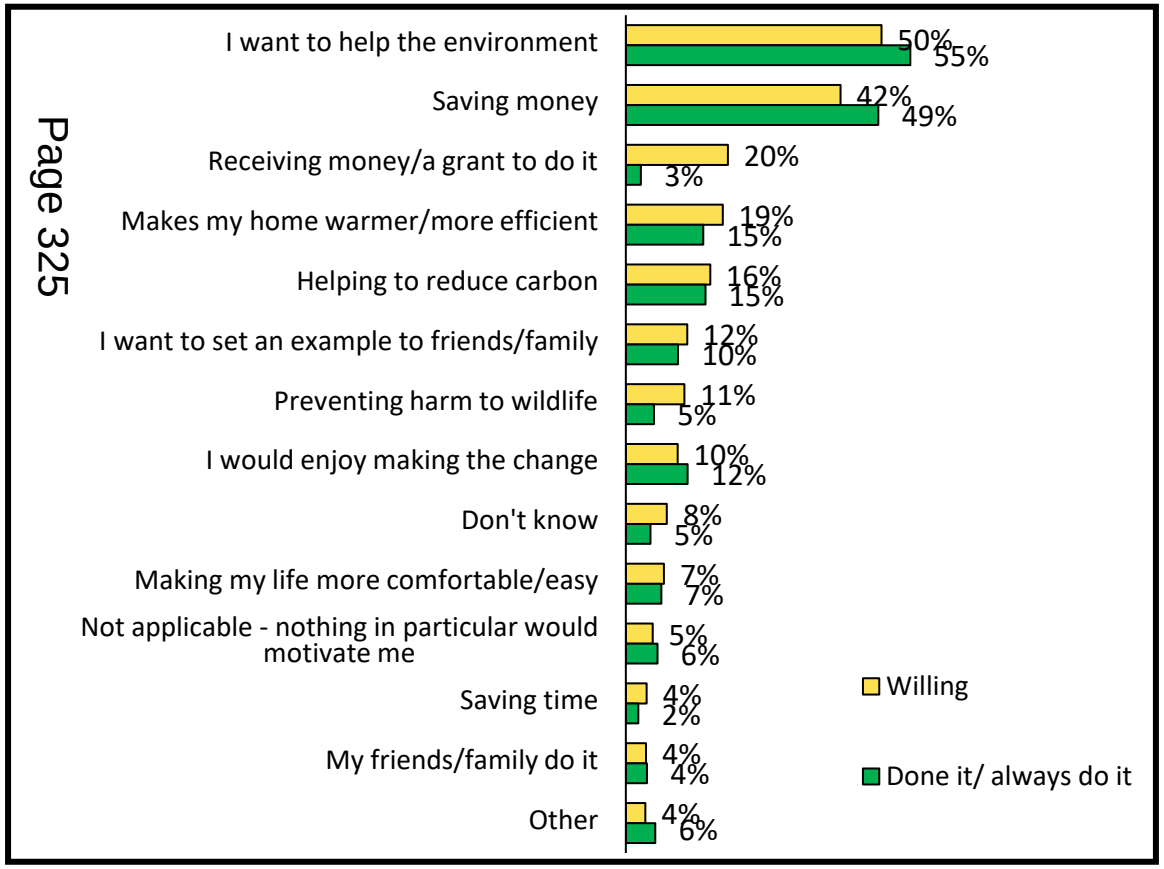
Install insulation

Use water saving devices (e.g. shower timer, rainwater barrel, etc.)

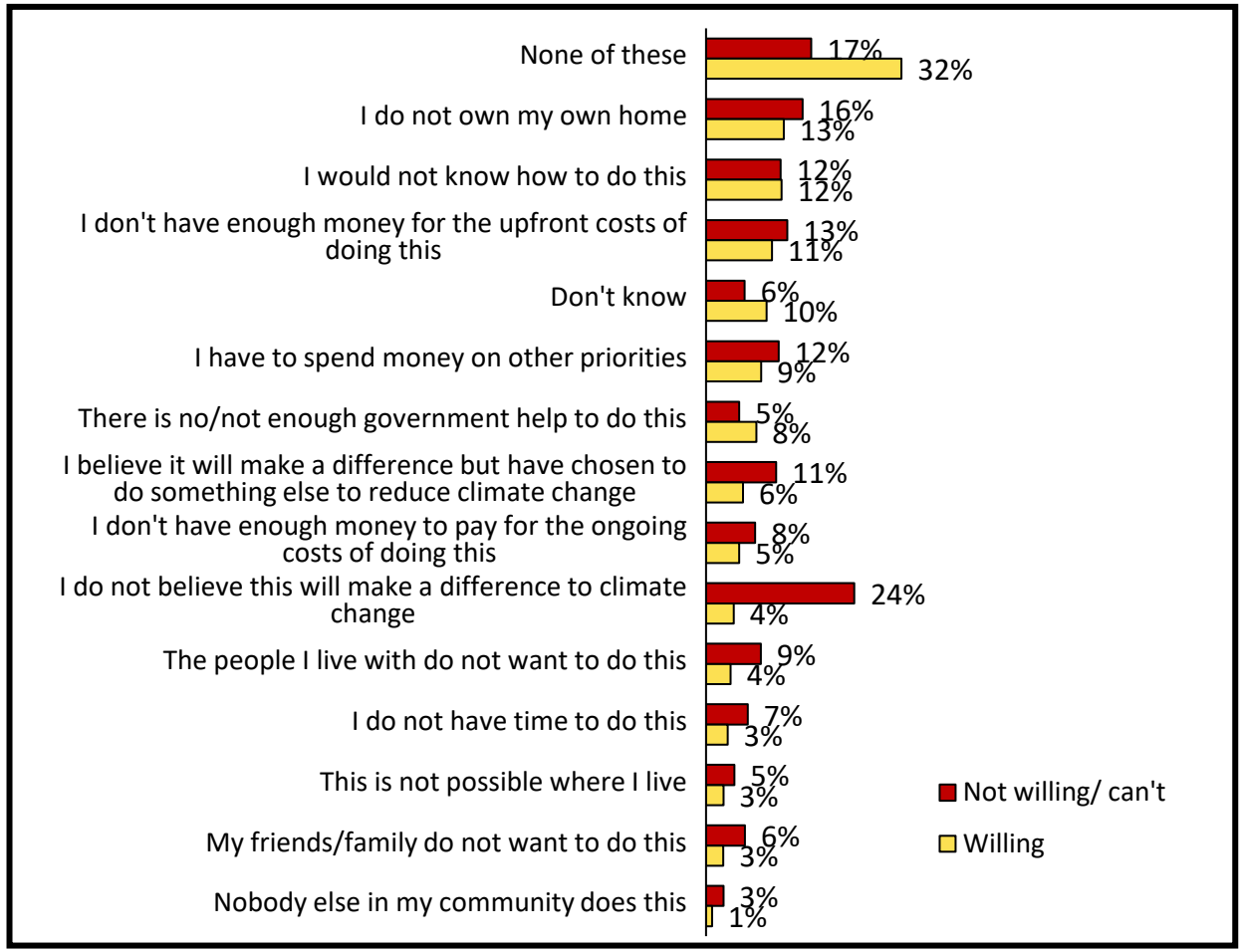
Willingness (Base: 3024)



Key motivations (Base: 1844, 530, multi-choice)



Key barriers (Base: 443, 1844, multi-choice)



Summary/key points

- Connecting water to carbon is an issue among the unwilling
- Uncertainty on what this behaviour entails and some misunderstanding that there are high upfront costs, or you need to own your own home

Use water saving devices

Impact of behaviour change campaign: Medium

Existing evidence: Low
Level of influence: Medium

What is the most effective practise?

- Incentivise water saving through giving away free devices

See 'Install loft and wall insulation and plug gaps to stop drafts'

Case studies

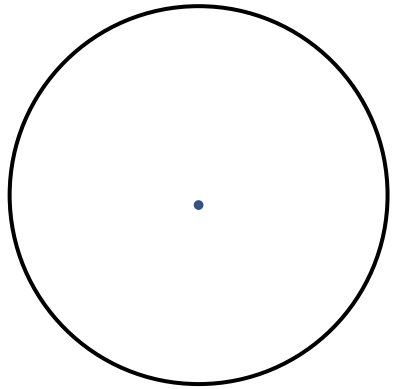
- Interviews were conducted with 42 families. One of the areas covered was would water saving devices promote water saving?
  - Overall, individuals felt it was a relevant incentive and would promote water savings
  - However skepticism around whether interest in saving water would last once all water saving devices were collected (UK, 2013)

Research into saving water - the experiences and perceptions of customers and their households (2013). Consumer council for water.

Action dashboard – Choose energy efficient appliances when purchasing or replacing

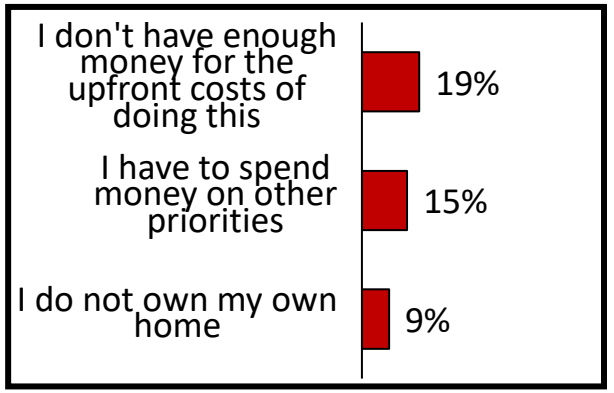
Opportunity size is small (14/18 actions)	Willingness is moderate (48%) and carbon saving is high	A focus on the upfront costs is a barrier – long term saving a motivator	Finance is a good route in to encourage behaviour change

Size of opportunity
(outer line reflects largest opportunity)



31.13 million $kgC0^2e$

Key barriers (Base: 1443)

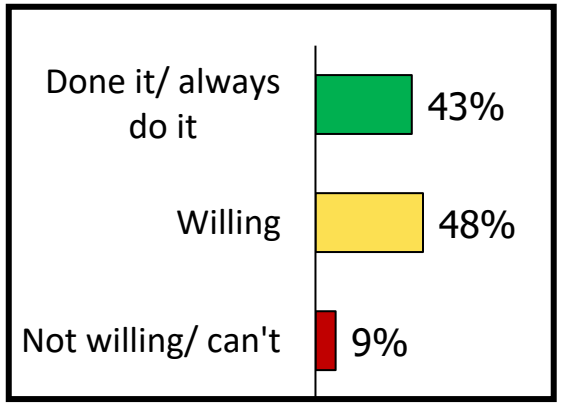


Behaviour change evidence

Impact of behaviour change campaign: High

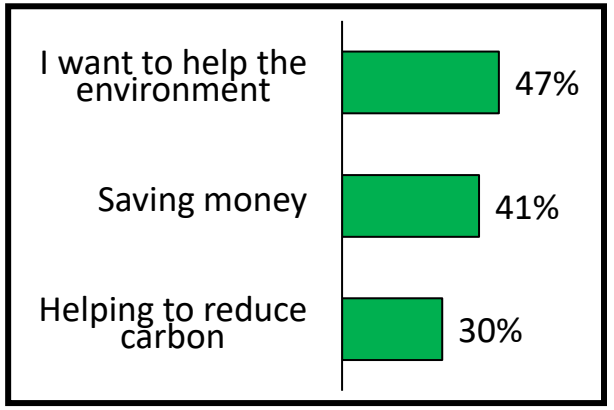
Existing evidence: High
Level of influence: Medium

Willingness (Base: 3024)



Carbon saving for one person taking the action:
44.04 $kgCO^2$ equivalent annually

Key motivations (Base: 1443)



Best marketing approach

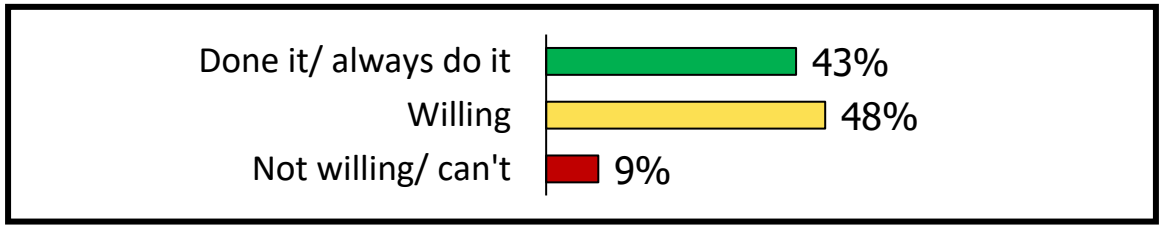
Not determined

Most linked action

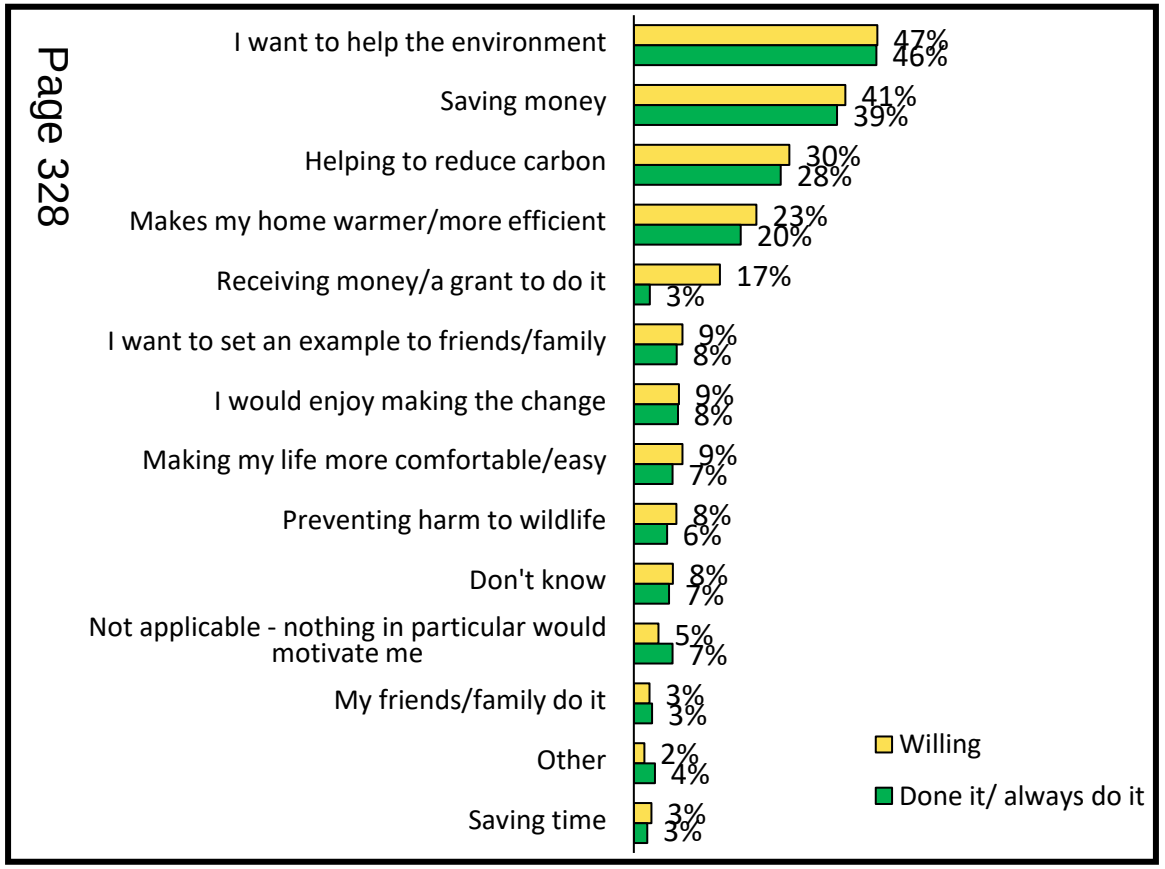
Reduce use of plastics

Choose energy efficient appliances when purchasing or replacing

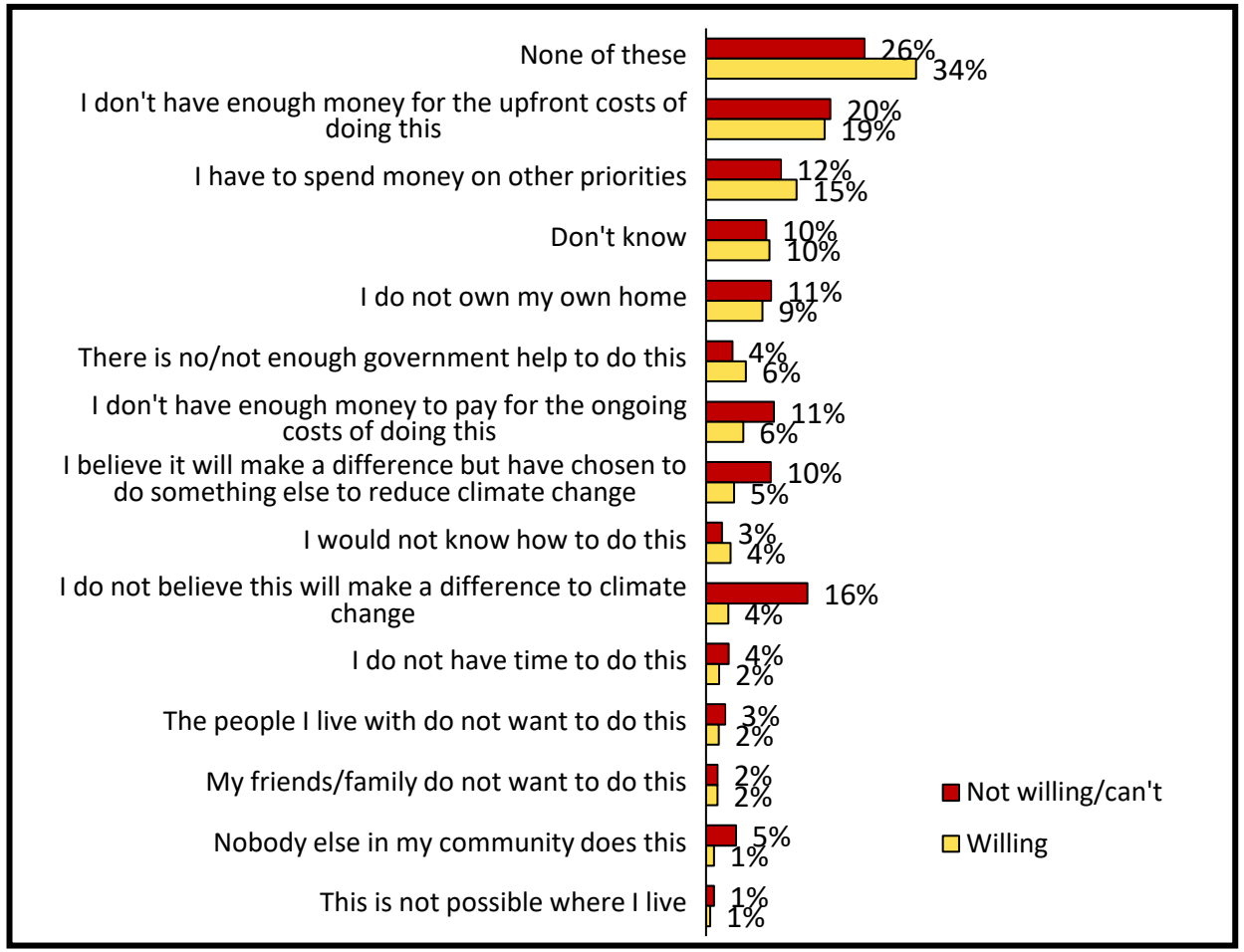
Willingness (Base: 3024)



Key motivations (Base: 1443, 2757, multi-choice)



Key barriers (Base: 157, 1443, multi-choice)



Summary/key points

- Convincing the willing that they will save money will promote this action. The environmental impact should be promoted secondarily.

Choose energy-efficient products when purchasing or replacing

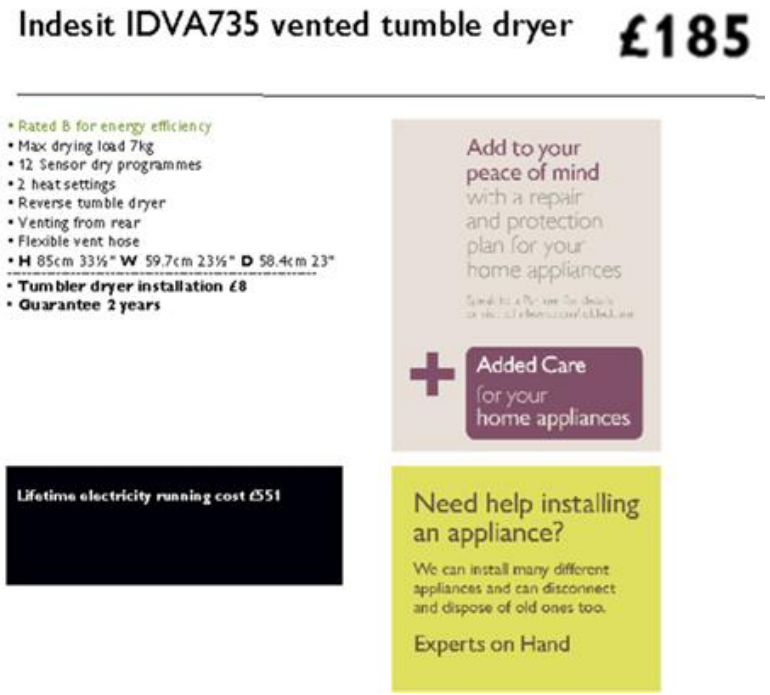
Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: Medium

What is the most effective practise?
- Point of sale displays
- Financial subsides

Best evidence – Control trial
- Lifetime running costs of white goods included at point of sale promoted consumers to purchase low energy appliance (see example label). This proved more effective than EU energy labelling with kWh per year. This strategy addresses information barriers in a salient form at point of sale (UK, 2014)

Case study
- Purchase of energy efficient stoves in Uganda increased from 5% to 45% with the following interventions: no upfront costs, paying in instalments and the option to drop out at anytime (Uganda, 2012)

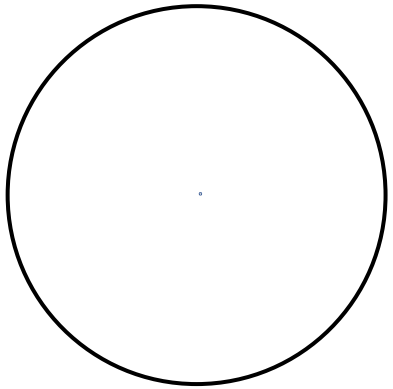


References
Department of Energy and Climate Change, Evaluation of the DECC/John Lewis energy labelling trial, September 2014
United Nations Environment Programme, Consuming differently, consuming sustainably: behavioural insights for policymaking 2017, page 25

Action dashboard – Use less water (e.g. turn the tap off when brushing your teeth)

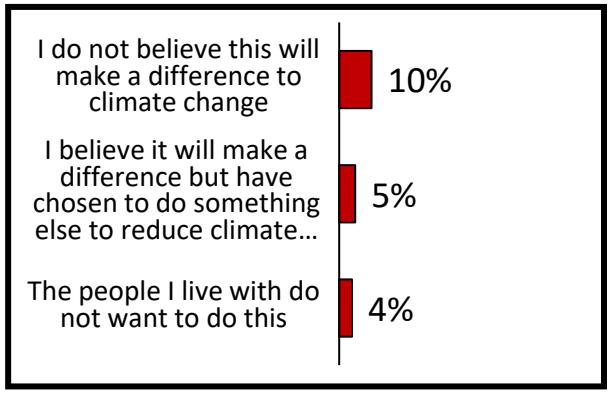
Opportunity size is in the bottom 2 (17/18 actions)	Willingness is low (34%) and carbon saving is low	Belief it does not make a difference is a key barrier	Evidence of behaviour change is moderate. Finance is the best route

Size of opportunity
(outer line reflects largest opportunity)



4.33 million kgC0²e

Key barriers (Base: 1775)

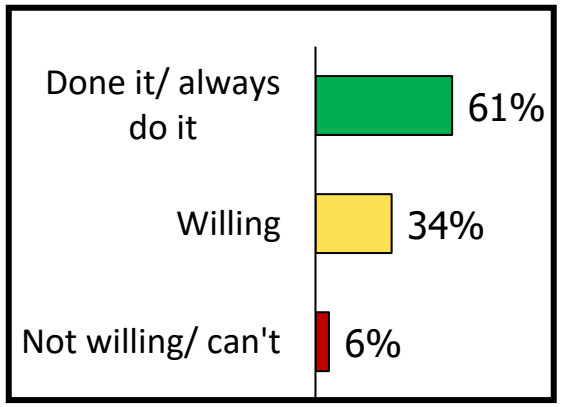


Behaviour change evidence

Impact of behaviour change campaign: High

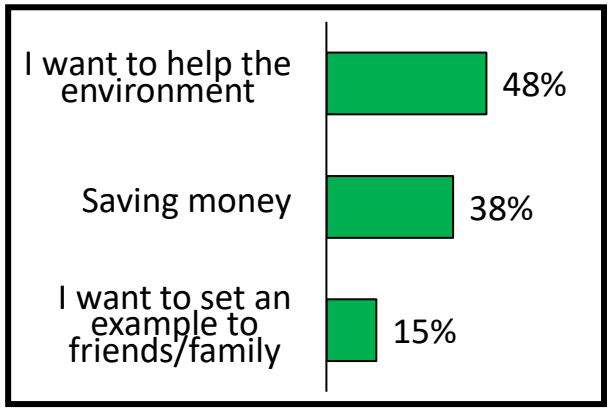
Existing evidence: High
Level of influence: Medium

Willingness (Base: 3024)



Carbon saving for one person taking the action:
8.64 kgCO² equivalent annually

Key motivations (Base: 1775)



Best marketing approach

Financial

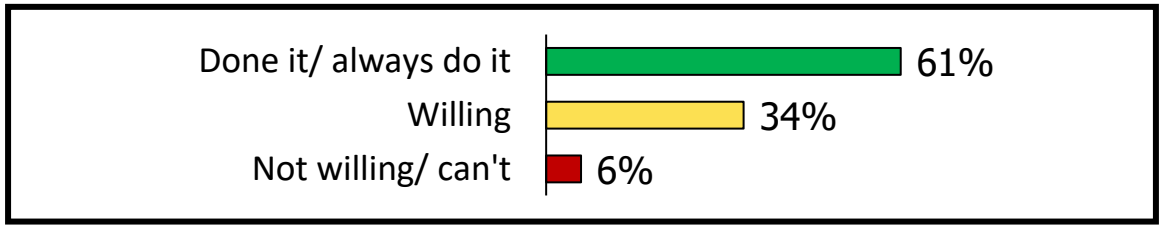
Easier

Most linked action

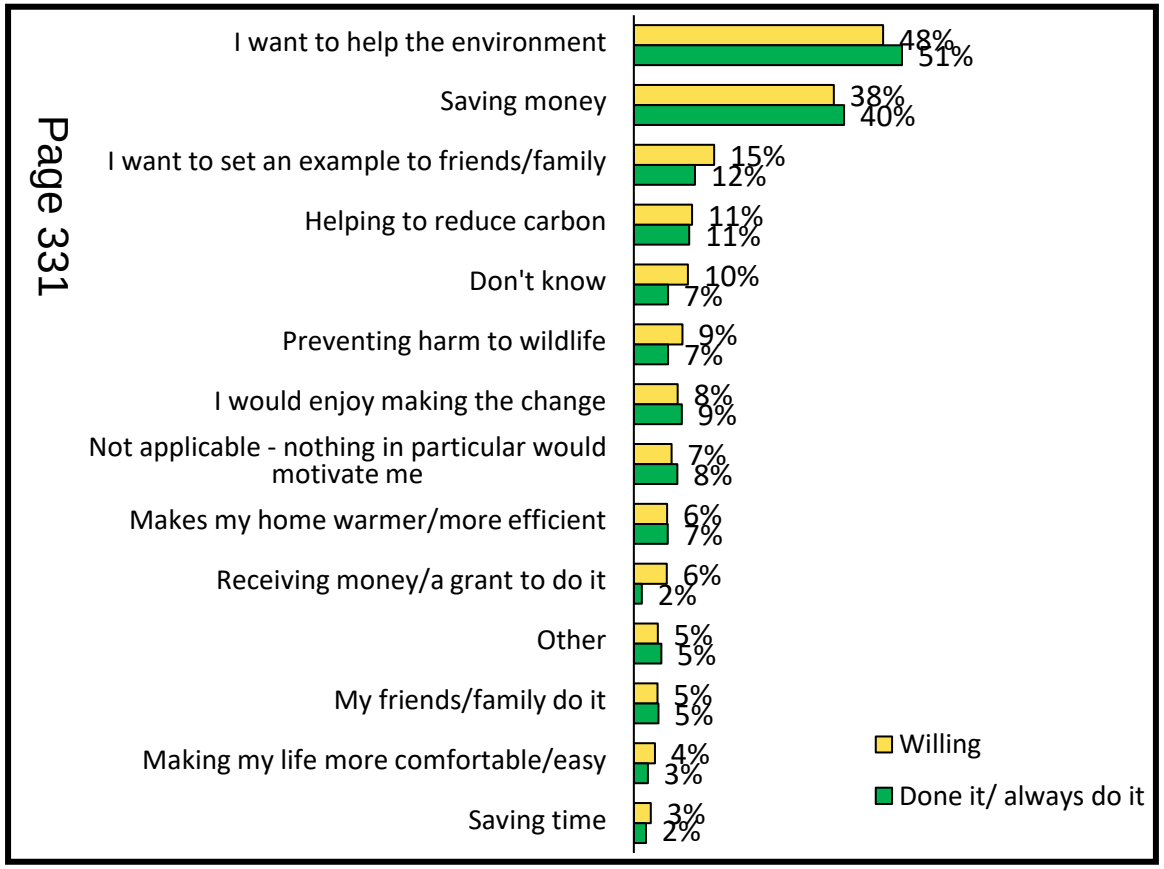
Reduce food waste

Use less water (e.g. turn the tap off when brushing your teeth)

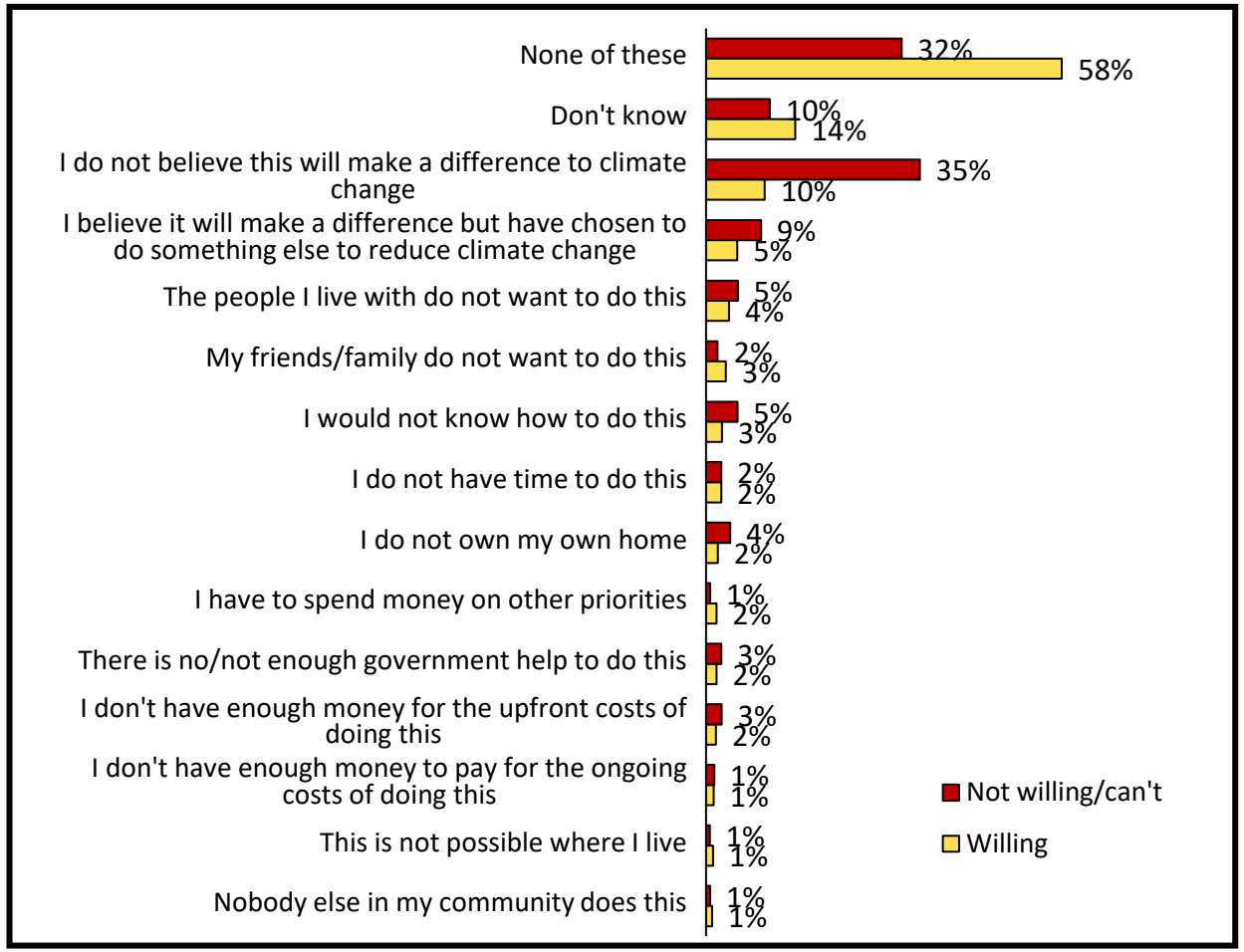
Willingness (Base: 3024)



Key motivations (Base: 1019, 2912, multi-choice)



Key barriers (Base: 148, 1019, multi-choice)



Summary/key points

- Helping the environment is the top motivation to save water, with money second most important
- Belief this is not important in reducing climate impact

Use less water (1)

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: Medium

What is the most effective practise?

- Real-time feedback with tailored messages
- Use social norms, message framing and choice architecture as secondary tactic

Best evidence – Control trial

- Effectiveness of providing different types of information to reduce water use with households in Australia
  - Intervention 1: Advice, including simple tips on how to save water
  - Intervention 2: Social Norms, guidance on how to reduce water usage based on what other households have done
  - Intervention 3: Specific Use, water-saving tips along with specific information of where water was being used in their household
  - Control, received no information.

  All interventions reduced water usage. While interventions 1 and 2 showed faster initial decline, intervention 3 showed a more sustained decline in the long run (Australia, 2011)

References
United Nations Environment Programme, Consuming differently, consuming sustainably: behavioural insights for policymaking 2017, page 30

Best evidence – Control trial

- Attunement labels were given to participants to be installed around their home and garden, e.g. dishwashers, outdoor taps. The labels are designed to show residents the environmental impact of the behaviour and suggest actions to reduce the impact. Shower label was fitted with a digital clock to enable residents to monitor time spent showering. The programme led to a 23% reduction in water consumption, particularly for using less water in the garden and reducing shower time (Australia, 2005)

Department of Energy and Climate Change, What Works in Changing Energy-Using Behaviours in the Home?, November 2012, page 35

Use less water (2)

Impact of behaviour change campaign: High

Best evidence – Review

- Information is only meaningful when people know how they can change their behaviour and consider this feasible
- Real-time water use feedback provided through smart meters results in long-term savings only when such tailored feedback is reinforced by repetition, social norms, and message framing incentives
  - Framing refers to emphasizing aspects of a message – this could be direct impacts of behaviour or intrinsic motivation
- The water conservation impact of social norms or message framing appear to be short-lived if not supported by tailored feedback or information on the importance of saving water
- The use of emotions, primes and choice architecture prompt momentary water-saving responses

References
Koop, S. H. A., Van Dorssen, A. J., & Brouwer, S. (2019). Enhancing domestic water conservation behaviour: A review of empirical studies on influencing tactics. Journal of environmental management, 247, 867-876.

Case studies

- Letter based interventions to reduce water use in Costa Rica
  - Intervention 1: Social comparison across neighborhood on water bill with 'injunctive' norm
  - Intervention 2: Social comparison across city on water bill with 'injunctive' norm
  - Intervention 3: Postcards with water prompting people to make concrete plans to reduce water consumption

  Neighbourhood social comparison reduced water consumption between 2.7% and 5.6%
  Postcard intervention reduced water usage by 3.6% and 5.6% (Costa Rica, 2014)

United Nations Environment Programme, Consuming differently, consuming sustainably: behavioural insights for policymaking 2017, page 29

Use less water (3)

Impact of behaviour change campaign: High

Related: Using energy meaningfully

Best evidence – Meta-analysis

- Provision of Home Energy Reports, which present both comparative consumption information and energy efficiency advice, lead people to change their energy-using behavior in the order of 1% to 3% per household
- Households with more scope to reduce energy use (i.e. those with higher baseline energy consumption) experience larger savings in energy use within interventions
- Team-based approaches, which use peer support (and pressure) as a way to encourage changes in behaviour, have led to energy savings of the order of 8–10%. However, wide scale implementation of such programmes may be limited by the requirement for highly tailored instructions and coaching to each household or team
- Home energy reports and team-based interventions produce sustained energy reductions whereas competitions can raise awareness and lead to large short-term changes (UK, 2012)

References
Department of Energy and Climate Change, What Works in Changing Energy-Using Behaviours in the Home?, November 2012

Use less water (4)

Impact of behaviour change campaign: High

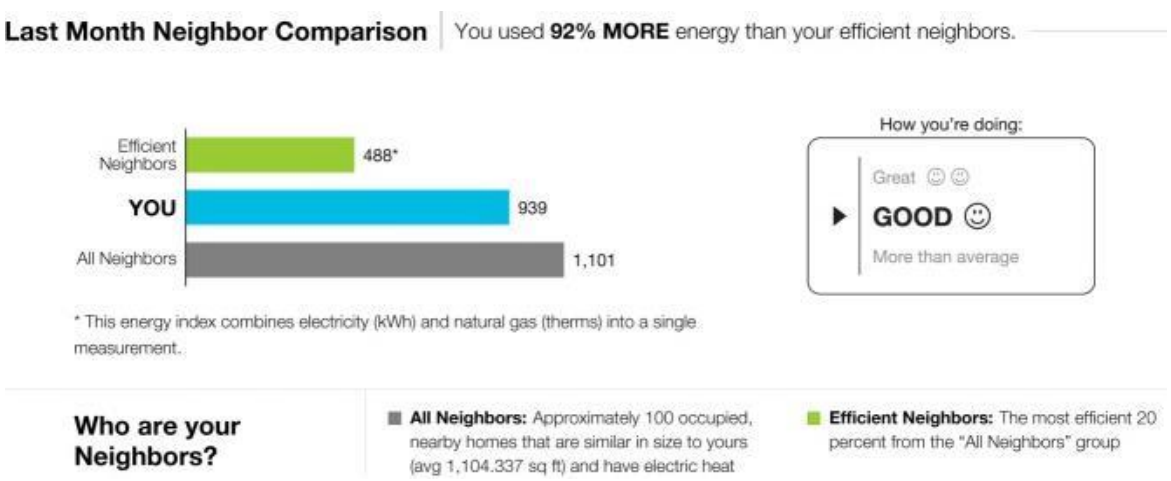
Related: Using energy meaningfully

Best evidence: Control trial (from meta-analysis)

- Home Energy Reports included two main elements:
  - Social comparison (see picture): Electrical consumption compared to neighbours and the 'injunctive norm' by categorising the household as great, good or below average
  - Action steps: providing tips for saving energy, ranked by level of effort, investment and potential monetary savings. The tips provided are targeted to the household through an analysis of the household's historical energy use patterns and demographic characteristics

Average energy use fell to 2% per household

- Those who had the highest level of energy consumption pre-intervention decreased usage by 6.3% and only 0.3% for those with low usage (USA, 2011)



Best evidence: Control trial (from meta-analysis)

- The EcoTeams programme: four to ten neighbours and friends to engage in facilitated discussions about environmental behaviour in the household, covering topics relating to energy and water consumption as well as waste management and transport. They met once a month for eight months. The group setting enables members to discuss personal experiences and receive feedback and advice. Participants weigh their rubbish and recycling and monitor their energy use over the course of the programme. Electricity use fell by 7% as a result of the programme (UK, 2008)

References
Department of Energy and Climate Change, What Works in Changing Energy-Using Behaviours in the Home?, November 2012

Use less water (5)

Impact of behaviour change campaign: High

Related: Monitoring energy use

Best evidence – Control trial

- NEST Learning thermostat: Uses sensors and machine-learning to understand the thermal properties of your building and your occupancy habits and tweaks the heating accordingly. Savings were achieved of around 6-7% of the heating system's gas use, or 4.5-5% of total household gas consumption, compared to the 'modern suite' of controls (a programmable timer, room thermostat, and radiator valves) (UK, 2017)

Case studies

- Impacts of energy use often seems irrelevant and distant. To tackle this, this study provided households with real-time tailored information about their electricity use that either communicated cost savings information or the health impacts (including pollution, childhood asthma, and cancer) associated with electricity consumption. The group receiving the health messages reduced energy consumption by 8%, compared to those that received monetary savings information. This information was dramatically more effective with parents, who reduced their consumption by 19% (USA, 2015)

References
Behavioural Insights Team, The Nest Learning Thermostat: Making energy savings easy, November 2017
United Nations Environment Programme, Consuming differently, consuming sustainably: behavioural insights for policymaking, 2017, page 19

Action summaries – Sustainable travel

Area summary: Sustainable travel

Buy/lease an electric car

Opportunity Size
(millions of kg CO2 annually)
637

Willingness to take action	Ease of Behaviour change	Level of influence
52%	Low	Medium

What evidence suggests you should do...

Invest in infrastructure. Financial incentives that give immediate rewards. Promote collective and community action

Avoid flights by working from home

Opportunity Size
(millions of kg CO2 annually)
373

Willingness to take action	Ease of Behaviour change	Level of influence
24%	Low	Medium

What evidence suggests you should do...

Make it easy to see the impact of flying
Identify the most effective communications to tackle known barriers to action

Avoid flights by taking the train

Opportunity Size
(millions of kg CO2 annually)
152

Willingness to take action	Ease of Behaviour change	Level of influence
35%	Low	Medium

What evidence suggests you should do...

Make it easy to see the impact of flying
Identify the most effective communications to tackle known barriers to action.

Avoid international flights

Opportunity Size
(millions of kg CO2 annually)
101

Willingness to take action	Ease of Behaviour change	Level of influence
26%	Low	Medium

What evidence suggests you should do...

Make it easy to see the impact of flying
Identify the most effective communications to tackle known barriers to action

Avoid local travel by working from home

Opportunity Size
(millions of kg CO2 annually)
70

Willingness to take action	Ease of Behaviour change	Level of influence
47%	High	High

What evidence suggests you should do...

Gain quick wins through low-cost interventions e.g. letters and emails with call to actions, testimonials, easy steps to participation and incentives. Use moments of change to ensure intervention is timely.

Public Transport

Opportunity Size
(millions of kg CO2 annually)
45

Willingness to take action	Ease of Behaviour change	Level of influence
41%	High	High

What evidence suggests you should do...

Gain quick wins through low-cost interventions e.g. letters and emails with call to actions, testimonials, easy steps to participation and incentives. Use moments of change to ensure intervention is timely.

Active Transport

Opportunity Size
(millions of kg CO2 annually)
16

Willingness to take action	Ease of Behaviour change	Level of influence
48%	High	High

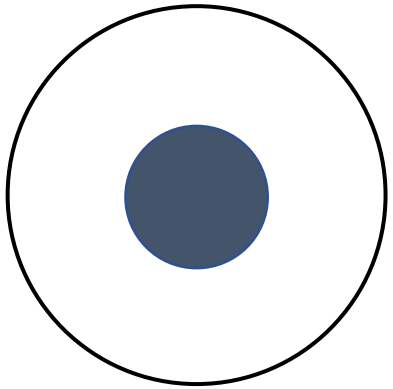
What evidence suggests you should do...

Gain quick wins through low-cost interventions e.g. letters and emails with call to actions, testimonials, easy steps to participation and incentives. Use moments of change to ensure intervention is timely.

Action dashboard – Buy/ lease an electric car

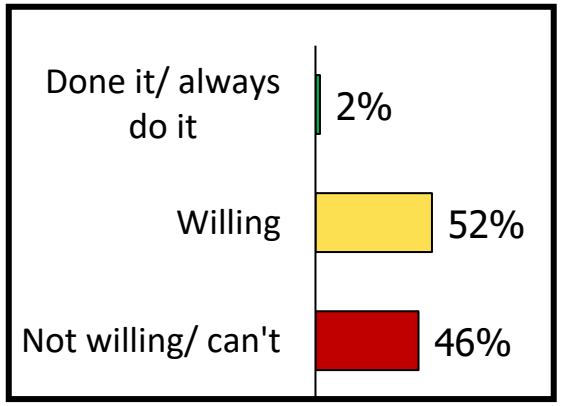
Opportunity size is in the top 5 (3/18 actions)	Willingness is moderate (52%) and carbon saving is high	Upfront costs are the key barriers and only a change in costs will encourage	Finance is the communication angle to use

Size of opportunity
(outer line reflects largest opportunity)



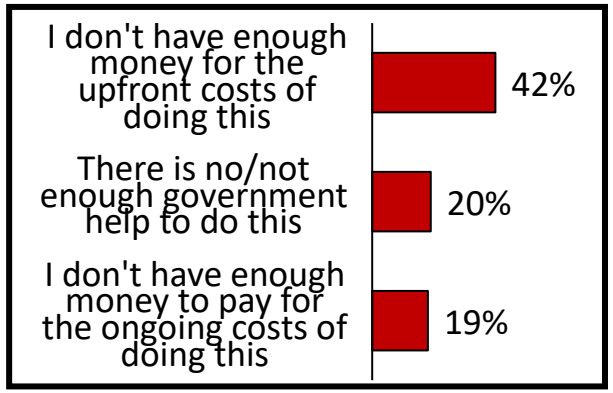
636.64 million $kgC0^2e$

Willingness (Base: 3024)

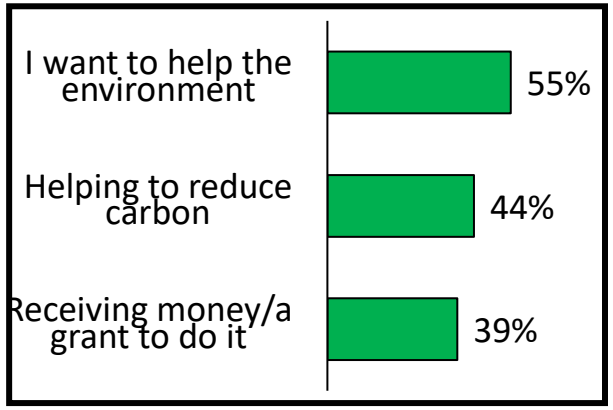


Carbon saving for one person taking the action:
831.5 $kgCO^2$ equivalent annually

Key barriers (Base: 1567)



Key motivations (Base: 1567)



Behaviour change evidence

Impact of behaviour change campaign: Low

Existing evidence: Low
Level of influence: Medium

Best marketing approach

Financial

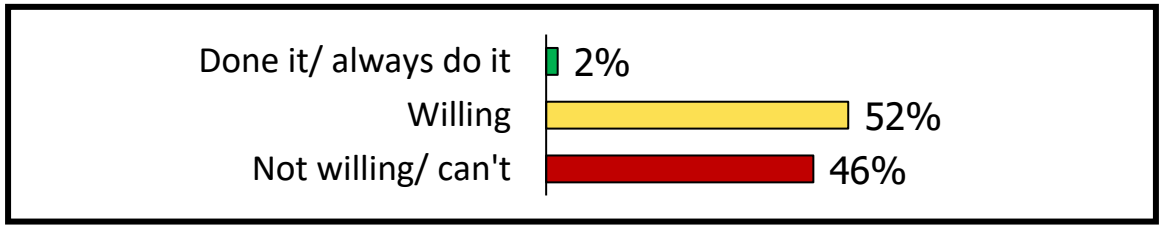
Easier

Most linked action

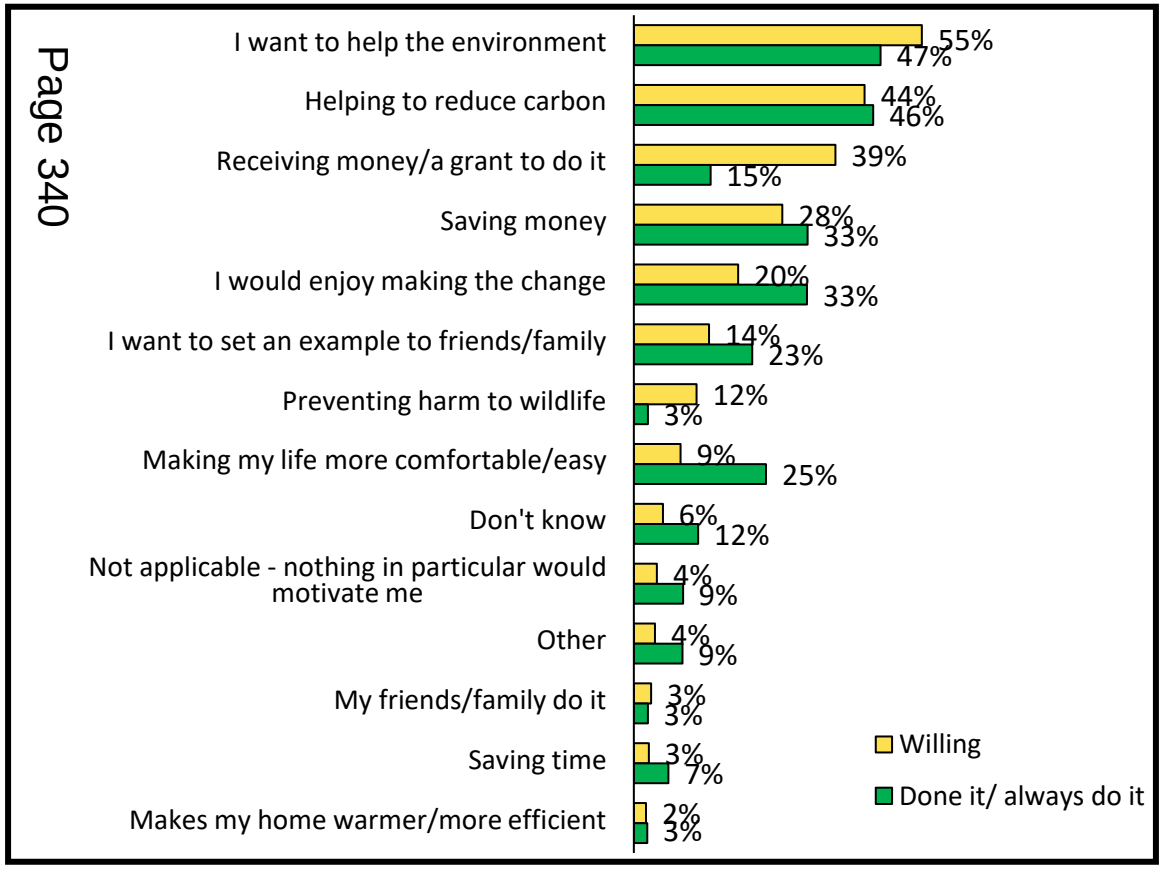
Install renewable energy devices

Buy/lease an electric car

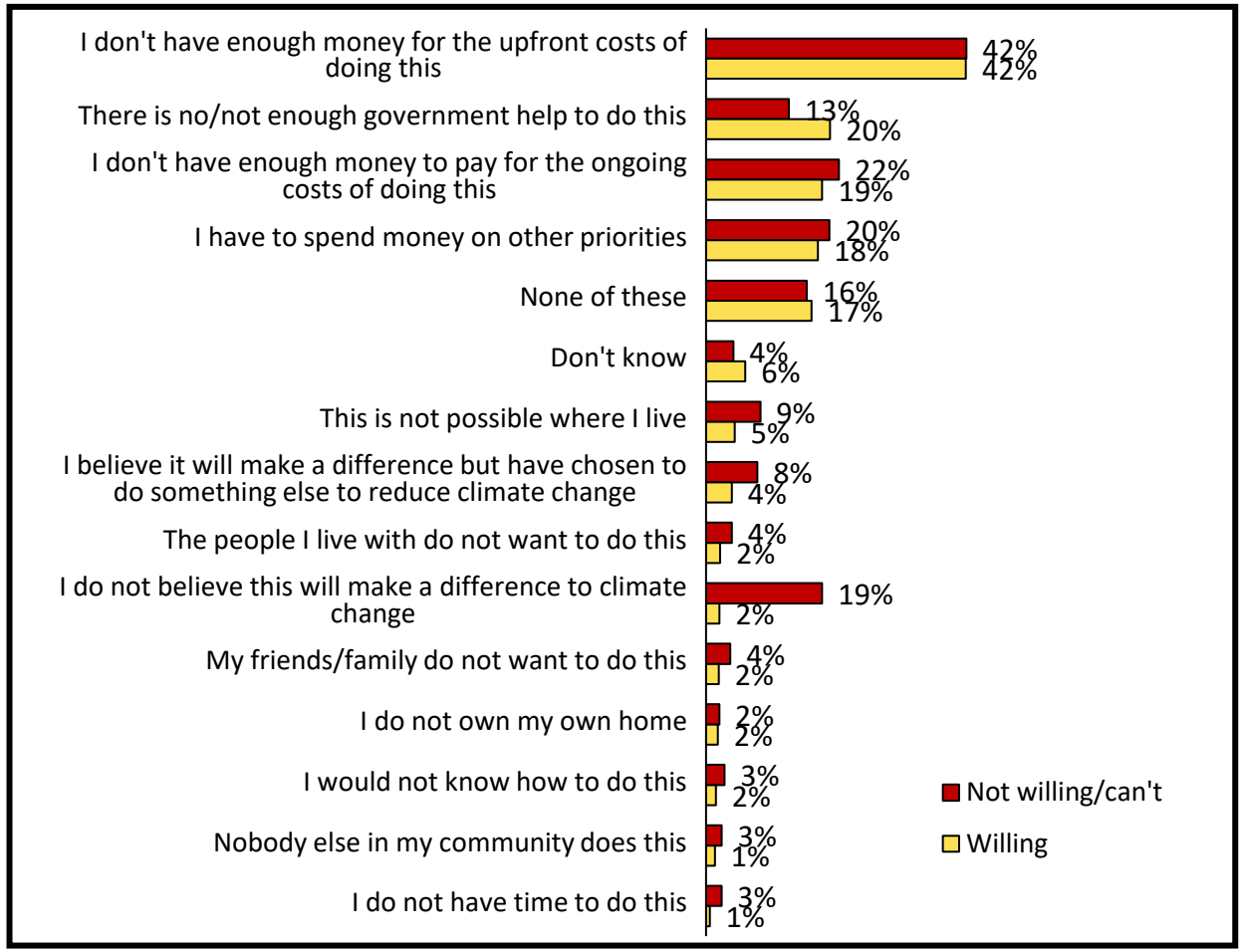
Willingness (Base: 3024)



Key motivations (Base: 1567, 72, multi-choice)



Key barriers (Base: 967, 1567, multi-choice)



Summary/key points

- Enjoying the change and wanting to set an example are key differences among those already owning electric cars
- Willing are more motivated by the environment but held back by costs

Buy/lease an electric car

Impact of behaviour change campaign: Low

Existing evidence: Low
Level of influence: Medium

What is the most effective practise?

- Invest in infrastructure
- Financial incentives that give immediate rewards
- Collective action
- Social norms

Case study

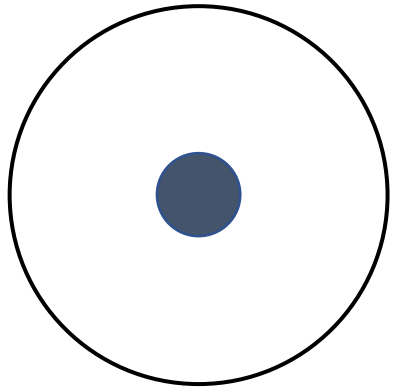
- Study into the adoption rates of electric cars in 400 US states with local incentives
  - Financial incentives closer to the point of sale are more attractive to potential customers than rewards that arrived later (i.e. a rebate raised sales by 4.8% compared to tax credit only raising sales by 2.3%);
  - Presence of public charging infrastructure has a strong influence on vehicle purchases decisions;
  - Promoting environmental awareness (USA, 2018)
- The use of electric vehicles can be incentivised by building on the belief that a group is capable of affecting change, include targeting communications at communities or framing individual electrical vehicles use as part of a collective endeavour
- Social norms can also be used to increase the uptake of electric vehicles through programmes that get people to experience electric vehicles, which have the benefit that people are then more likely to recommend them to others

Reference
Narassimhan & Johnson, Driving modal shift from car to bus, 2018
Barth, M. et al. (2016) Still underdetected – Social norms and collective efficacy predict the acceptance of electric vehicles in Germany. Transportation Research Part F: Traffic Psychology and Behaviour, 37, pp. 64–77
Bühler, F. et al. (2014) Is EV experience related to EV acceptance? Results from a German field study. Transportation Research Part F: Traffic Psychology and Behaviour, 25, pp. 34-49

Action dashboard – Avoid flights by working from home/ conference/ video calls

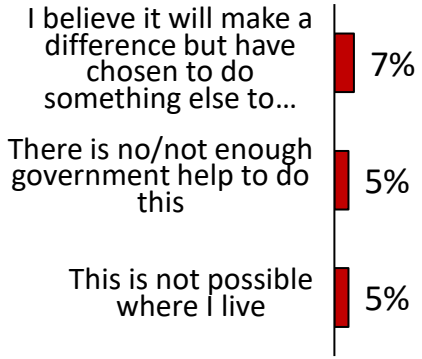
Opportunity size is high (4/18 actions)	Willingness is low (24%) and carbon saving is moderate	People choose other climate actions over avoiding flights	Making it easier is key to changing behaviour

Size of opportunity
(outer line reflects largest opportunity)



372.84 million $kgC0^2e$

Key barriers (Base: 443)

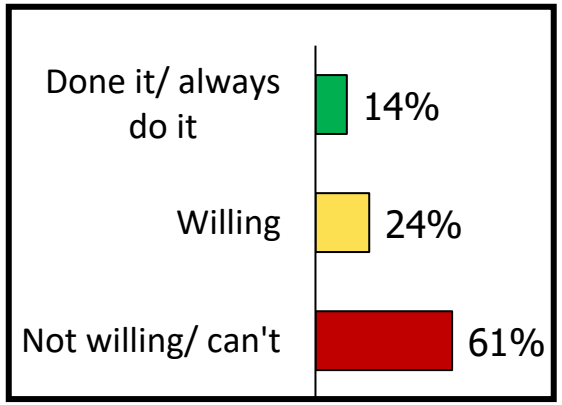


Behaviour change evidence

Impact of behaviour change campaign: Low

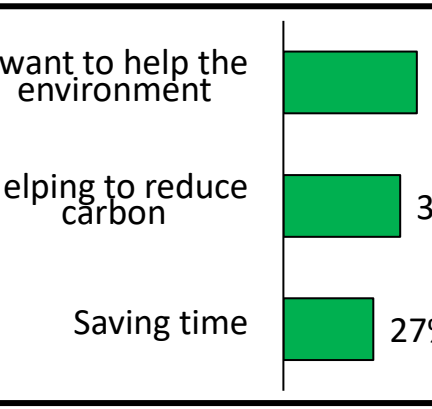
Existing evidence: Low
Level of influence: Medium

Willingness (Base: 3024)



Carbon saving for one person taking the action: 1055.07 $kgCO^2$ equivalent annually

Key motivations (Base: 443)



Best marketing approach

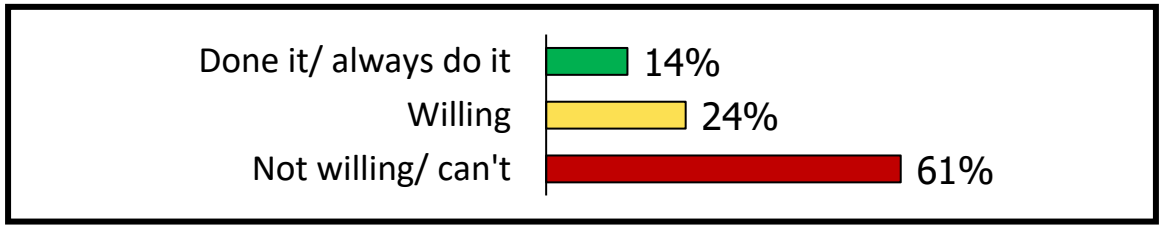
Easier

Most linked action

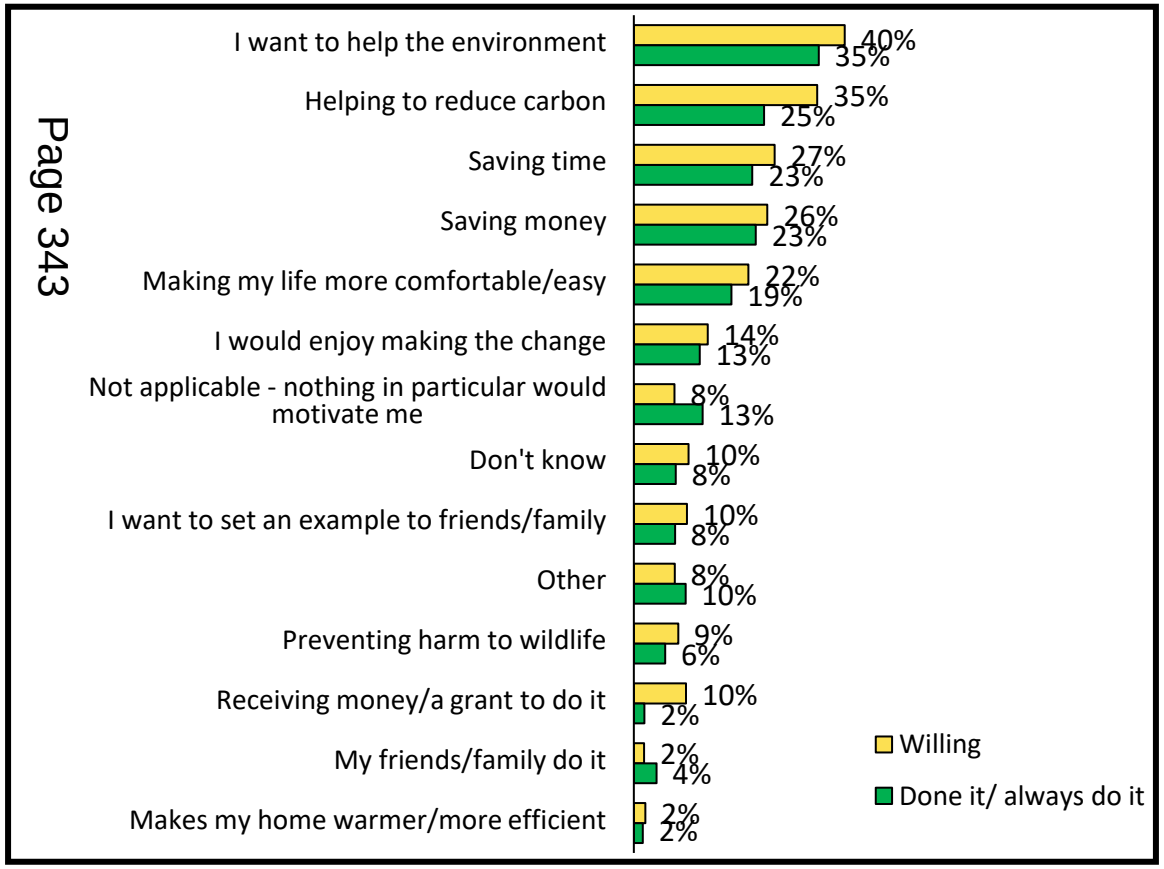
Avoid local travel – home /conference / video call

Avoid flights by working from home/conference/video calls

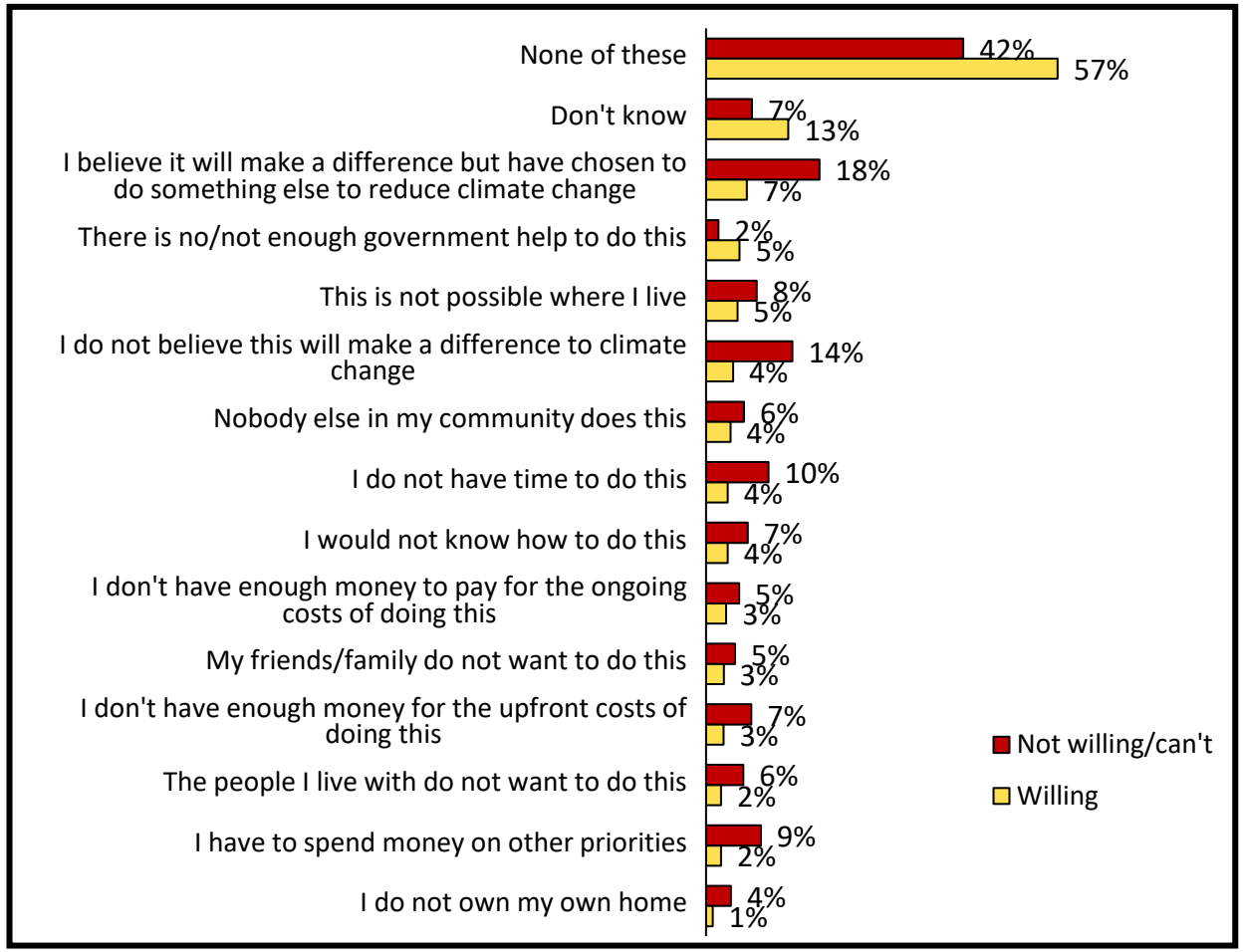
Willingness (Base: 1819)



Key motivations (Base: 443, 721, multi-choice)



Key barriers (Base: 145, 443, multi-choice)



Summary/key points

- Individuals are choosing other ways to reduce climate change due to lack of incentive to do otherwise

Avoid flights by working from home/conference/video calls

Impact of behaviour change campaign: Low

Existing evidence: Low
Level of influence: Medium

What is the most effective practise?

- Make it easy to see the impact of flying
- Identify the most effective communications to tackle known barriers to action

Case studies to reduce flights

- 'Flygskam' - flight shame and 'Tagskryt' - train brag is a campaign originating from Sweden to encourage reduction in air travel due to environmental impact. The impact of this campaign on social media through the hashtag #jagstannarpåmarken - #stayontheground is thought to be one of the reasons behind a 3% fall in domestic passenger numbers in 2018 (Sweden, 2019)
- Websites have made it easy to see the impact of flying on climate change by comparing to arctic ice melt and actions that can be done to mitigate effect

References
BBC, Why 'flight shame' is making people swap planes for trains, 2019
https://shameplane.com

Case studies to encourage offsetting flights

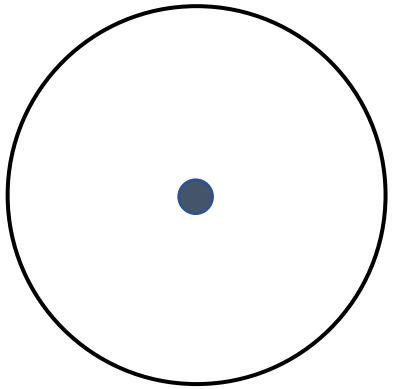
- Negative attitudes about carbon offsetting act as a barrier to purchasing. The most effective messages to boost voluntary carbon offsetting that were identified in this study were:
  - Effectiveness message: successful projects which have been implemented with funding raised through voluntary carbon offsets
  - Transparency message: percentage of passengers' contribution on each project was determined
  - Choice message: four projects with pictures and descriptions that the individual could choose to donate to (Australia, 2017)

Sunio & Schmöcker, Improving carbon offsetting appeals in online airplane ticket purchasing: testing new messages, and using new test methods, 2017, Journal of Sustainable Tourism

Action dashboard – Avoid short haul flights by taking the train instead

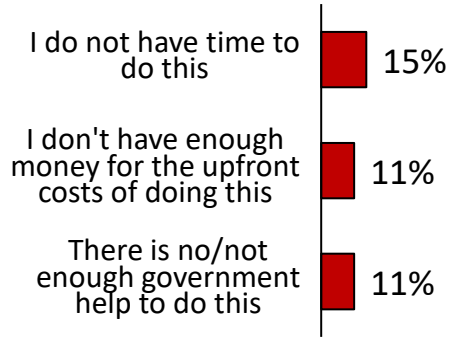
Opportunity size is moderate (6/18 actions)	Willingness is low (35%) and carbon saving is high	Time and money and the key restraints to this action	Financially viable alternatives are key

Size of opportunity
(outer line reflects largest opportunity)



151.51 million $kgC0^2e$

Key barriers (Base: 1041)



Behaviour change evidence

Impact of behaviour change campaign: Low

Existing evidence: Low
Level of influence: Medium

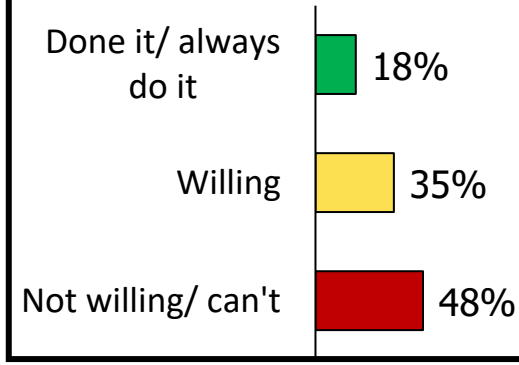
Best marketing approach

Financial

Most linked action

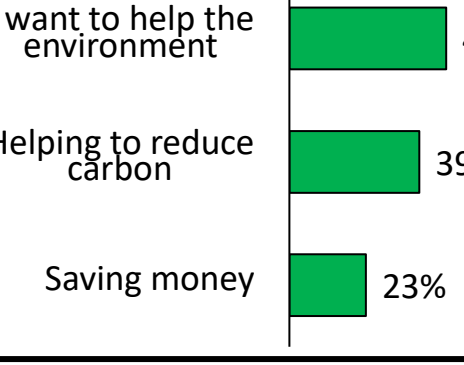
Avoid long haul flights by not travelling internationally

Willingness (Base: 3024)



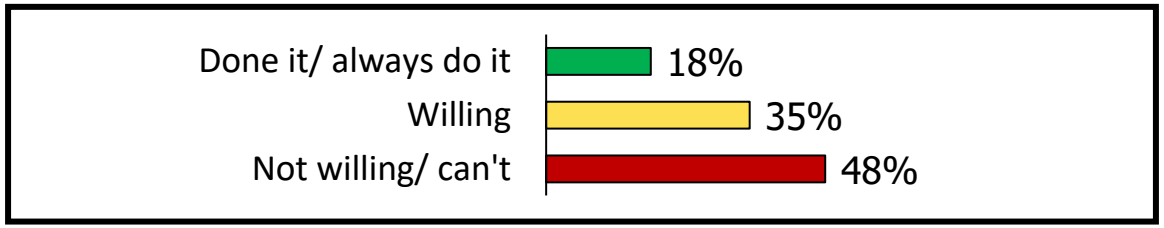
Carbon saving for one person taking the action:
294 $kgCO^2$ equivalent annually

Key motivations (Base: 1041)

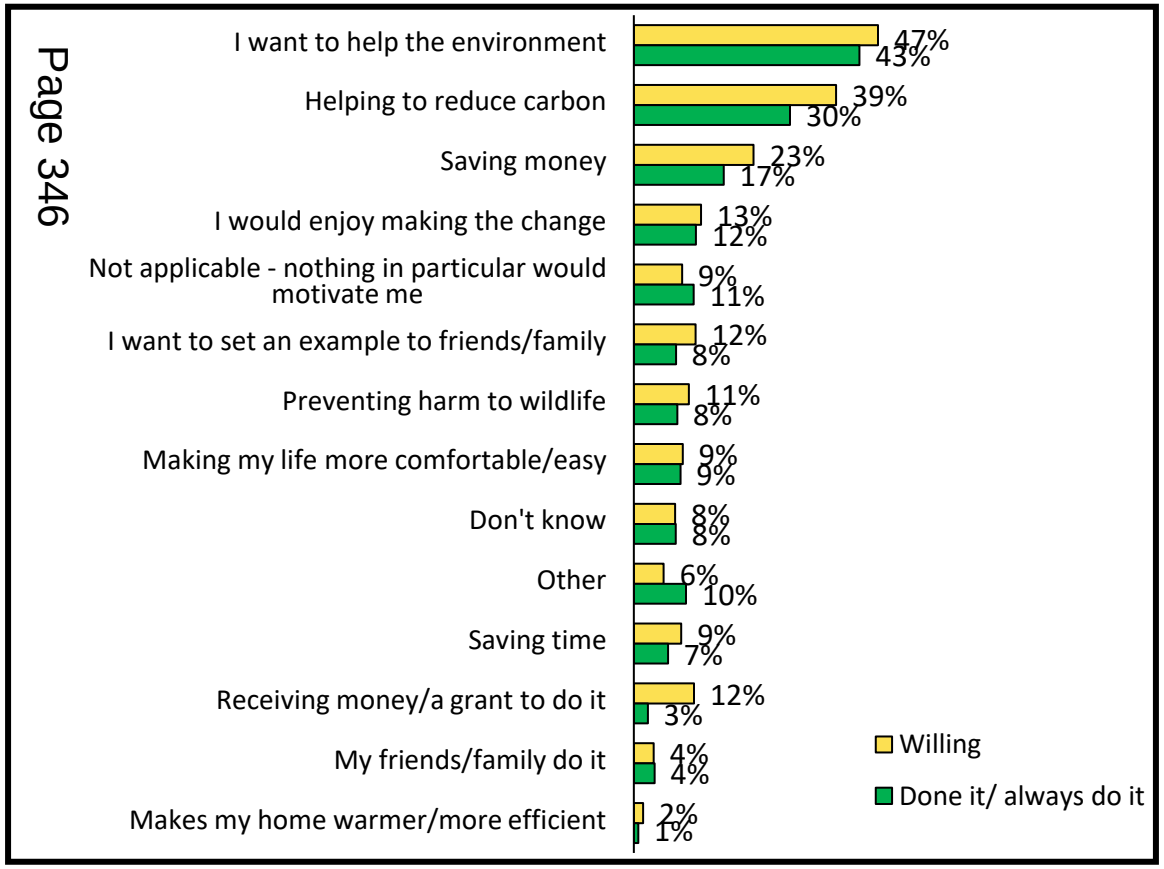


Avoid short haul flights by taking the train instead

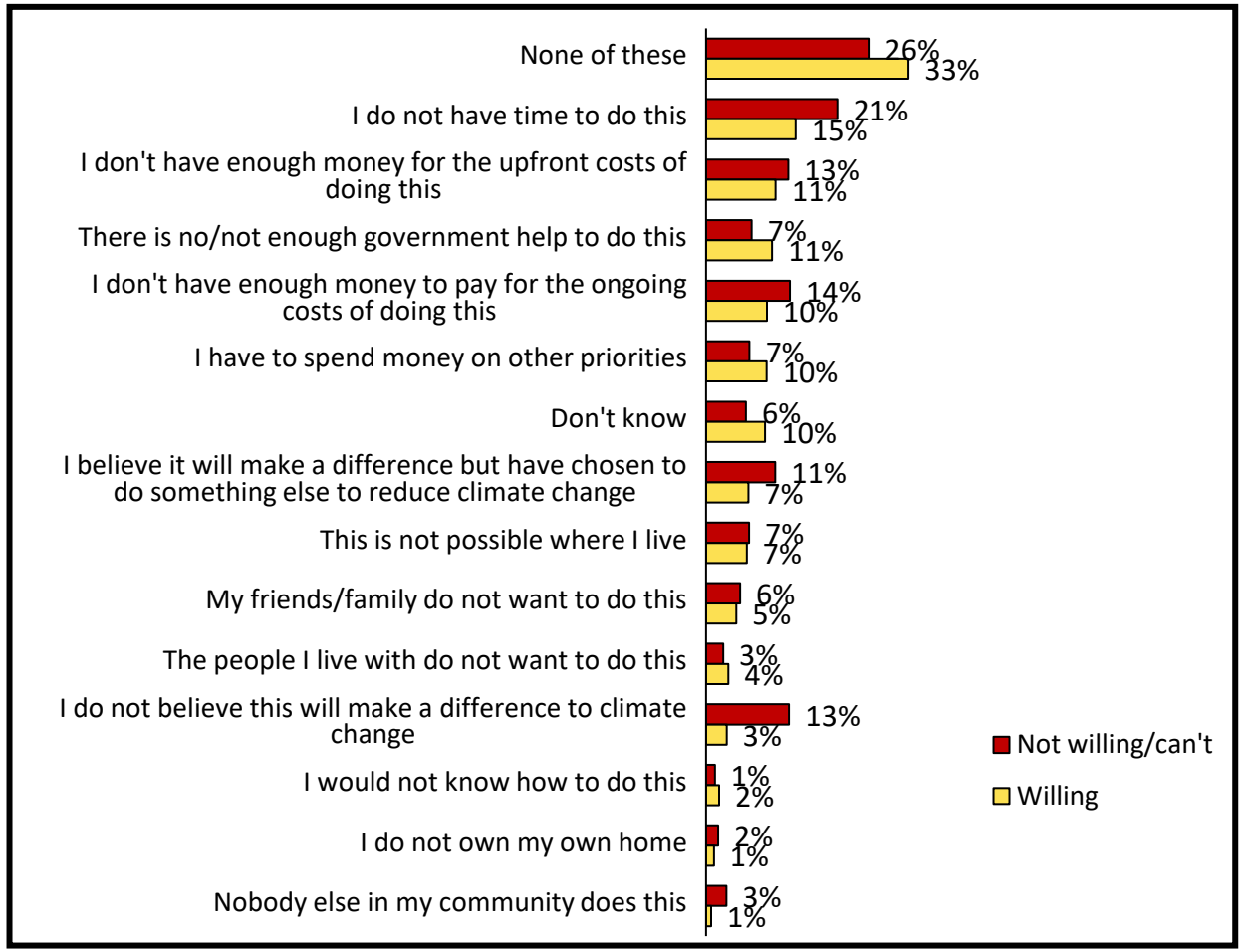
Willingness (Base: 3024)



Key motivations (Base: 1041, 1490, multi-choice)



Key barriers (Base: 502, 1041, multi-choice)



Summary/key points

- Motivations to avoid short haul flights are clearly environmental
- Time, cost and lack of incentive are the most important barriers for the willing

Avoid short haul flights by taking the train

Impact of behaviour change campaign: Low

Existing evidence: Low
Level of influence: Medium

What is the most effective practise?

- Make it easy to see the impact of flying
- Identify the most effective communications to tackle known barriers to action

Case studies to reduce flights

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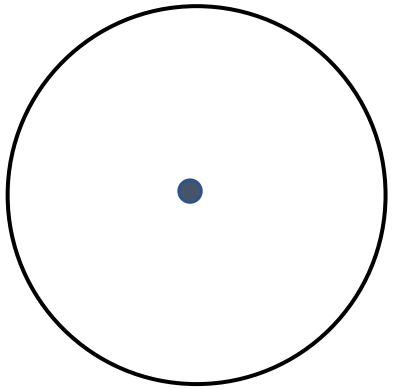
  - Transparency message: percentage of passengers' contribution on each project was determined
  - Choice message: four projects with pictures and descriptions that the individual could choose to donate to (Australia, 2017)

Sunio & Schmöcker, Improving carbon offsetting appeals in online airplane ticket purchasing: testing new messages, and using new test methods, 2017, Journal of Sustainable Tourism

Action dashboard – Avoid long haul flights by choosing not to travel internationally

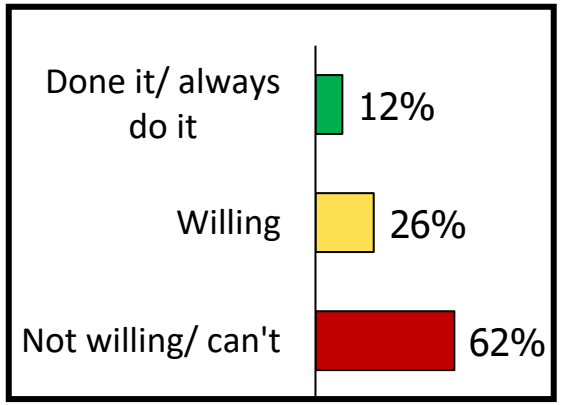
Opportunity size is moderate (8/18 actions)	Willingness is low (26%) and carbon saving is high	Choice is the key element of behaviour change – it often needs unanimity	Financially viable alternatives are key

Size of opportunity
(outer line reflects largest opportunity)



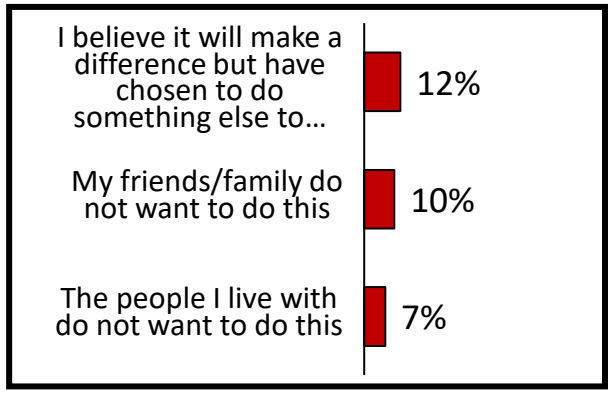
101.54 million $kgC0^2e$

Willingness (Base: 3024)

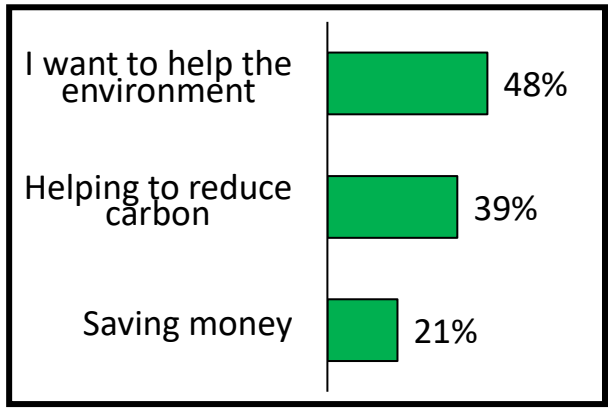


Carbon saving for one person taking the action:
265 $kgCO^2$ equivalent annually

Key barriers (Base: 785)



Key motivations (Base: 785)



Behaviour change evidence

Impact of behaviour change campaign: Low

Existing evidence: Low
Level of influence: Medium

Best marketing approach

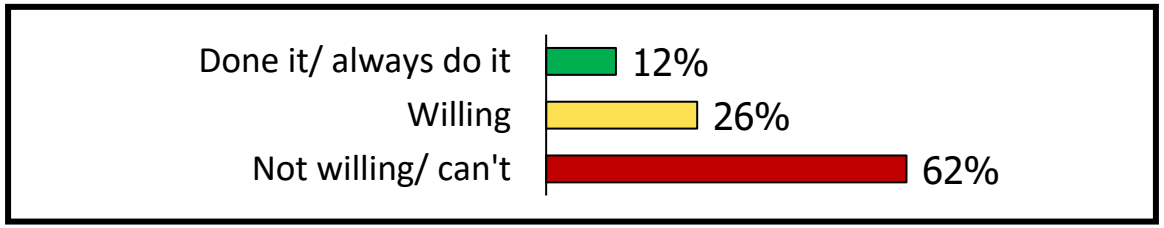
Financial

Most linked action

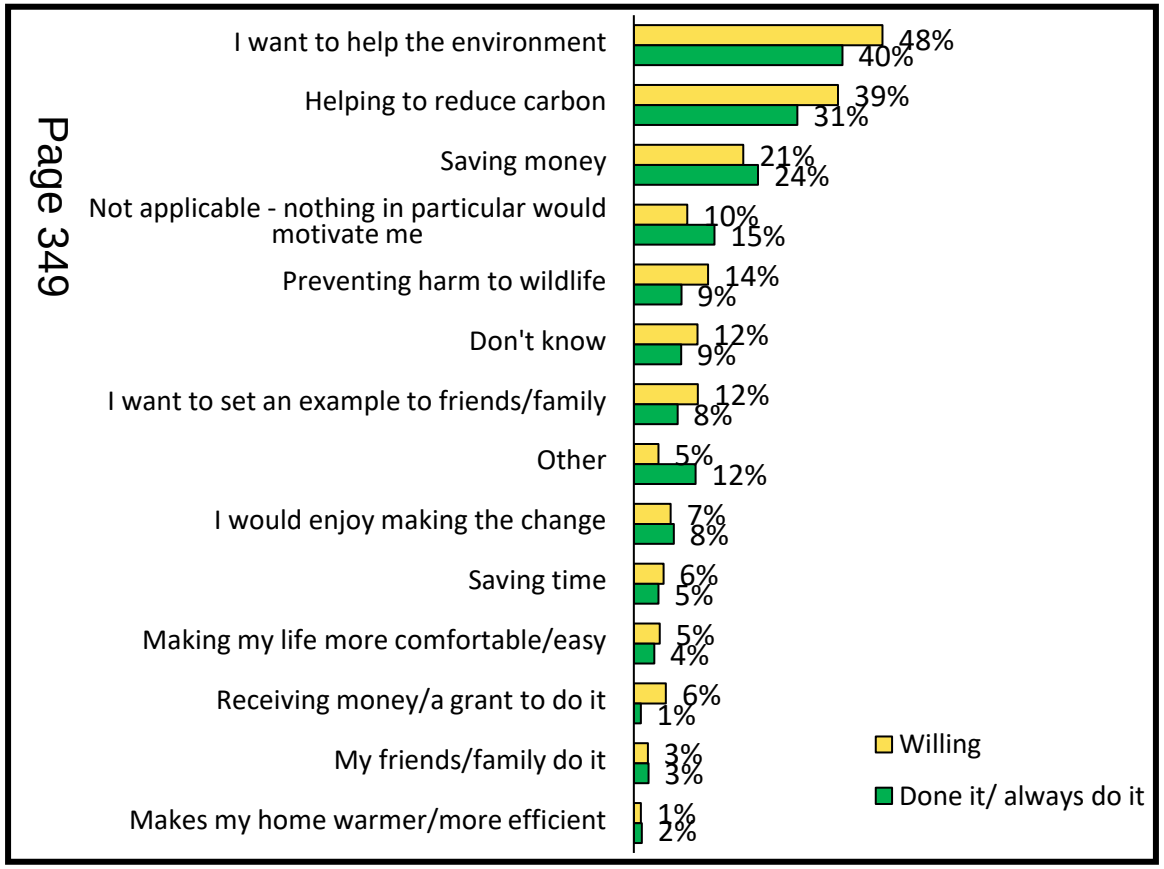
Avoid short haul flights by taking the train instead

Avoid long haul flights by choosing not to travel internationally

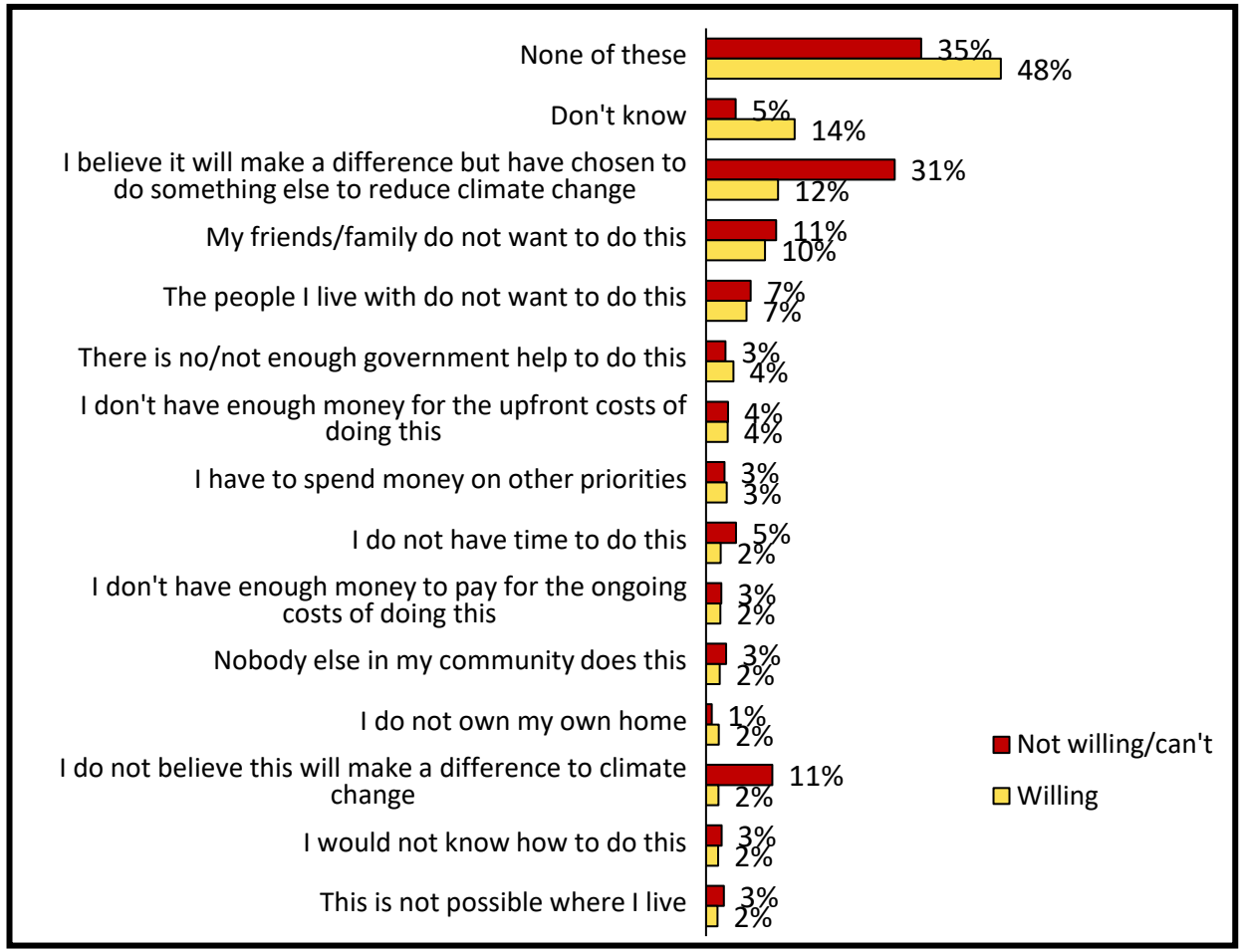
Willingness (Base: 3024)



Key motivations (Base: 785, 1409, multi-choice)



Key barriers (Base: 1189, 785, multi-choice)



Summary/key points

- Choosing alternatives (potentially less impactful) is a key barrier among the unwilling
- Social norms stand as a clear barrier

Avoid international flights by choosing not to travel internationally

Impact of behaviour change campaign: Low

Existing evidence: Low
Level of influence: Medium

What is the most effective practise?

- Make it easy to see the impact of flying
- Identify the most effective communications to tackle known barriers to action

Case studies to reduce flights

- 'Flygskam' - flight shame and 'Tagskryt' - train brag is a campaign originating from Sweden to encourage reduction in air travel due to environmental impact. The impact of this campaign on social media through the hashtag #jagstannarpåmarken - #stayontheground is thought to be one of the reasons behind a 3% fall in domestic passenger numbers in 2018 (Sweden, 2019)
- Websites have made it easy to see the impact of flying on climate change by comparing to arctic ice melt and actions that can be done to mitigate effect

References
BBC, Why 'flight shame' is making people swap planes for trains, 2019
https://shameplane.com

Case studies to encourage offsetting flights

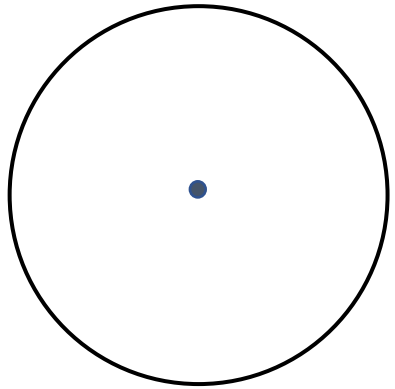
- Negative attitudes about carbon offsetting act as a barrier to purchasing. The most effective messages to boost voluntary carbon offsetting that were identified in this study were:
  - Effectiveness message: successful projects which have been implemented with funding raised through voluntary carbon offsets
  - Transparency message: percentage of passengers' contribution on each project was determined
  - Choice message: four projects with pictures and descriptions that the individual could choose to donate to (Australia, 2017)

Sunio & Schmöcker, Improving carbon offsetting appeals in online airplane ticket purchasing: testing new messages, and using new test methods, 2017, Journal of Sustainable Tourism

Action dashboard – Avoid local travel by working from home/ conference/ video calls

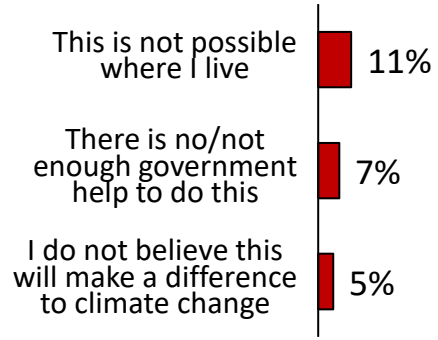
Opportunity size is moderate (12/18 actions)	Willingness is moderate (47%), CO^2 saving moderate	Motivations are around saving money, time and the environment	Evidence is weak on the best approach to take

Size of opportunity
(outer line reflects largest opportunity)



70.59 million $kgC0^2e$

Key barriers (Base: 850)

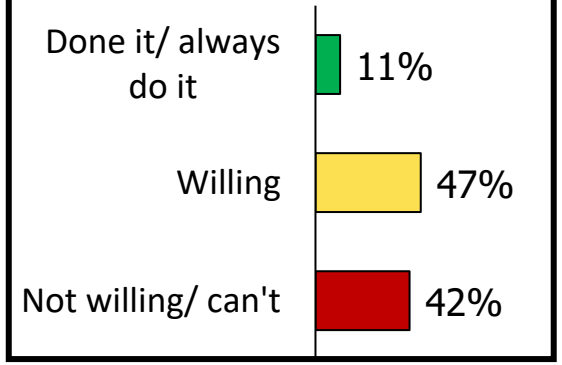


Behaviour change evidence

Impact of behaviour change campaign: Low

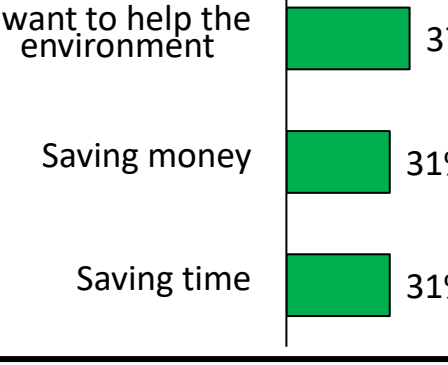
Existing evidence: Low
Level of influence: Medium

Willingness (Base: 3024)



Carbon saving for one person taking the action:
102 $kgCO^2$ equivalent annually

Key motivations (Base: 850)



Best marketing approach

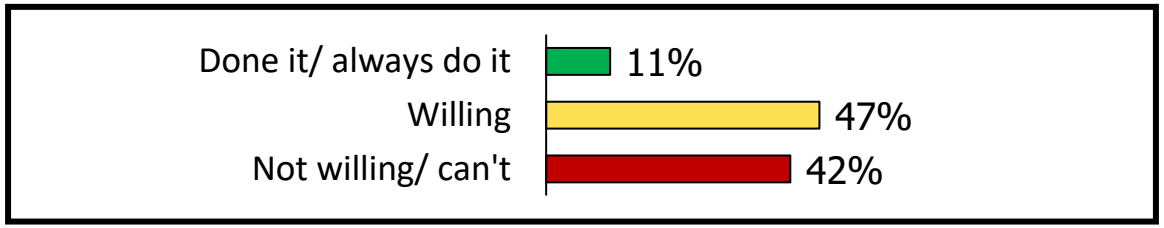
Not determined

Most linked action

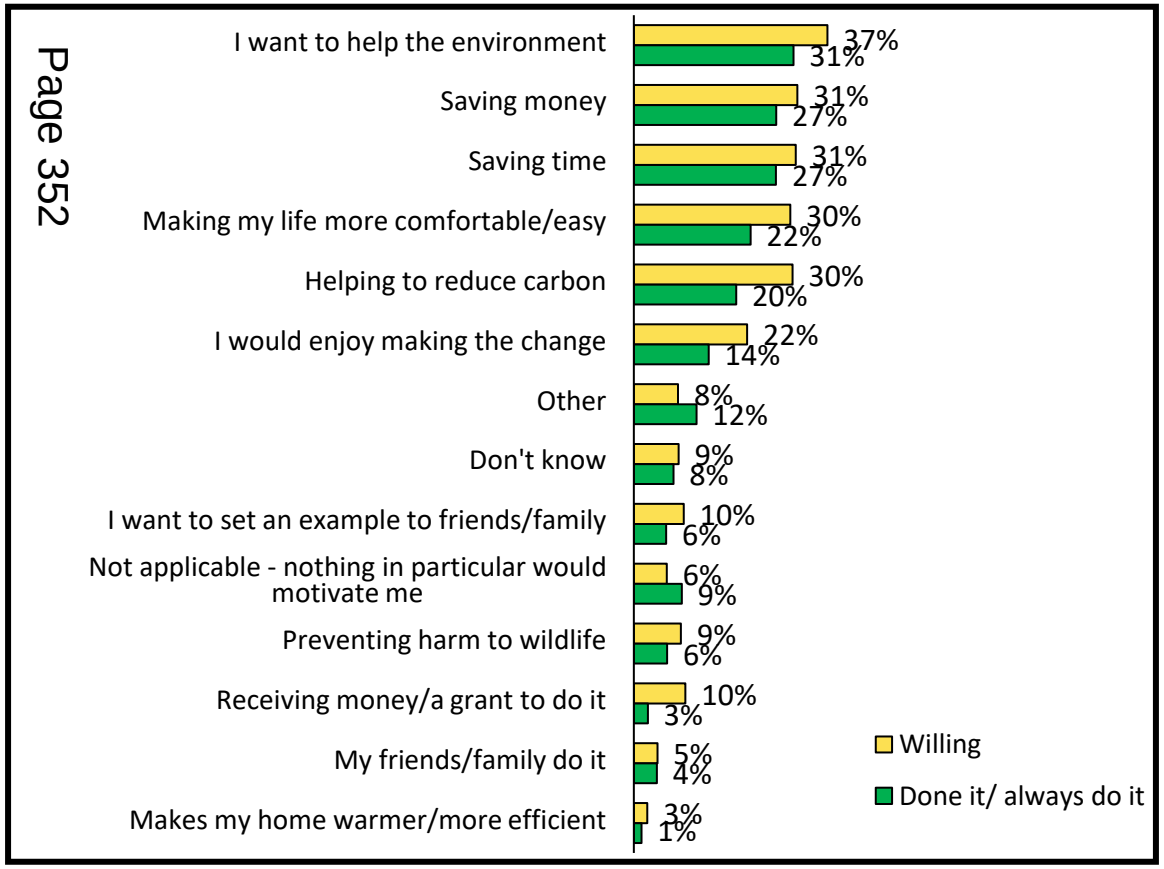
Avoid flights by working at home / conference/ video calls

Avoid local travel by working from home/conference/video calls

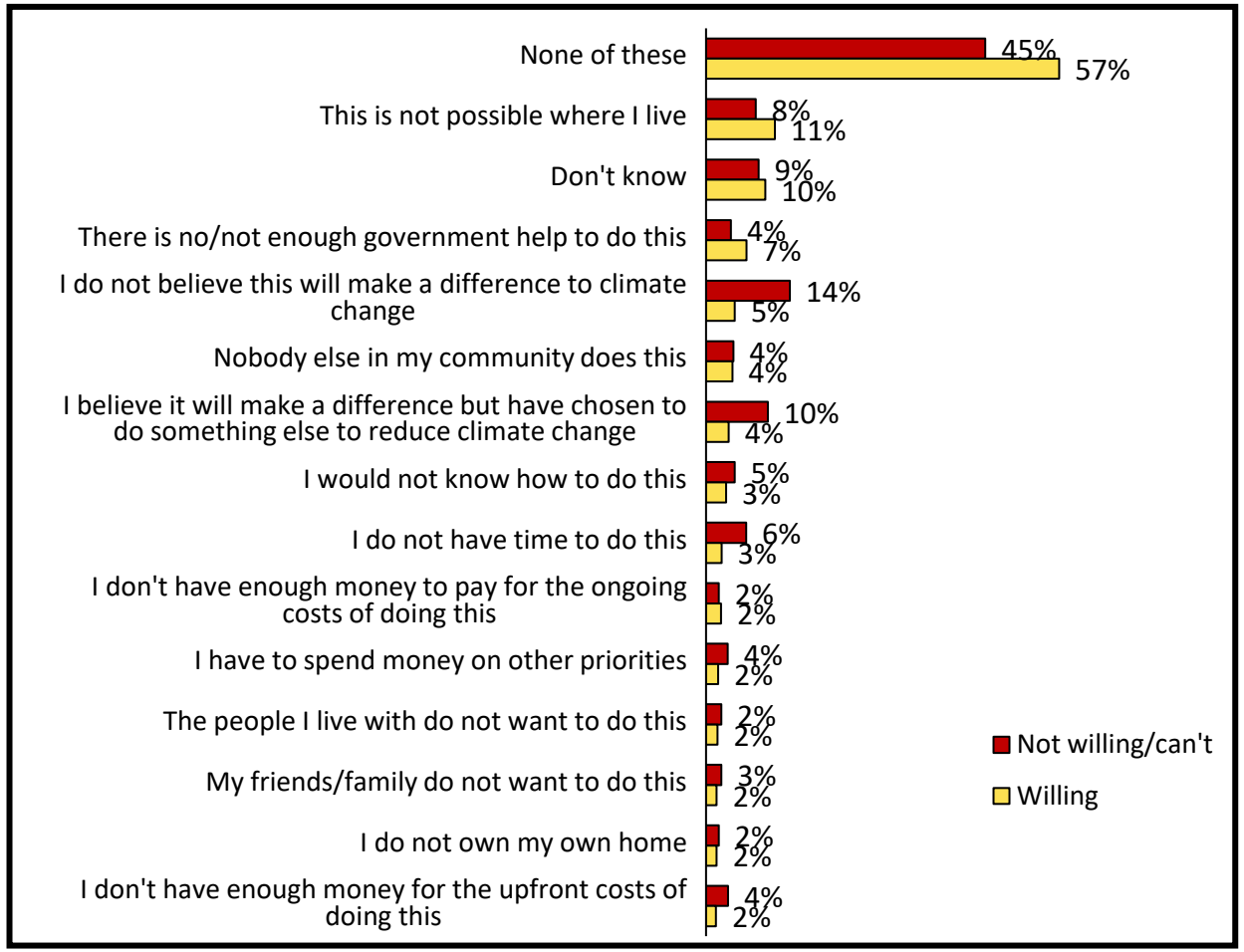
Willingness (Base: 1819)



Key motivations (Base: 850, 1003, multi-choice)



Key barriers (Base: 194, 850, multi-choice)



Summary/key points

- There are many strong motivations to avoid travel by working from home
- (From verbatim analysis) resistance via lack of technology or permission are key barriers. COVID-19 is reducing those barriers

Avoid local travel by working from home/conference/video calls (1)

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: High

What is the most effective practise?

- Gain quick wins through low-cost interventions e.g. letters and emails with call to actions, testimonials, easy steps to participation and incentives
- Use moments of change to ensure intervention is timely – e.g. use road closures as an opportunity to suggest more sustainable forms of transport

Best evidence – Control trial

- Encouraging use of sustainable transport (car sharing, public transport and cycling) for employees at Heathrow. Interventions used:
  - Letters/emails with call to actions, testimonials, opportunity cost made salient, easy steps to participation, matching to other co-workers (car sharing only), free tickets (public transport only) and follow up/reminders
  - Personalised commuter plan
  - 'Try a bike on us' scheme

  There was no significant effect of the interventions in the scheme however this could be due to:
  - Informal interventions already being conducted in setting, so they were unable to gain 'quick wins'
  - Lack of timely interventions (see below)
  - Lack of pairing behaviour change with more direct measures such as improvements to infrastructure, incentives and regulation (UK, 2017)

References
An Evaluation of Low Cost Workplace-Based Interventions to Encourage Use of Sustainable Transport, 2017, Behavioural Insights Team

Avoid local travel by working from home/conference/video calls (2)

Impact of behaviour change campaign: High

Case study for making information easy to understand

- By displaying fuel efficiency in terms of litres of fuel saved per 100 miles of driving (rather than as an increase in the number of miles per litre of fuel) individuals were able to conceptualise the efficiency of different vehicles and the cost of alternative travel choices more accurately (UK, 2008)

References

Thaler and Sunstein, Nudge: Improving Decisions about Health, Wealth, and Happiness, 2008

Case study: Greener Journeys

- Targeted various groups to reduce driving and promote public transport use:
  - Car drivers
    - targeted 'moments of pain' e.g. parking, petrol stations;
    - targeted those with good bus routes;
    - gave out free vouchers to car drivers. Redeemers of free bus vouchers were 21% more likely to use the bus again in the next few months.
  - Encourage young people to delay driving
    - created a new tool called 'how much does it cost to drive'. Good engagement on social media with 21% agreeing the could do better things with their money after using the tool

greener journeys
make the switch to bus and coach

Driving modal shift from car to bus, 2013

Case study for using role models

- High profile individuals acting in ways that help to tackle climate change can help to normalise such behaviour. For example, in London the Mayor's vision is for cycling in London to "be a normal part of everyday life, something people hardly think about and feel comfortable doing in ordinary clothes."

https://www.london.gov.uk/what-we-do/transport/cycling-and-walking/mayors-vision-cycling

Avoid local travel by working from home/conference/video calls (3)

Impact of behaviour change campaign: High

Case studies for timely interventions

- Route choices made by London commuters before and after tube strikes in February 2014 were investigated. More than 5% of commuters changed travel route permanently once normal service resumed (UK, 2014)
- After a major ride to work day event people were more likely to continue riding to work. More than one in four (27%) of those who rode to work for the first time as part of the event were still riding to work five months after the event (Australia, 2007)
- Frequent drivers who changed to public transport during a 8-day freeway closure continued to use public transport more frequently one year after the closure than did those drivers who did not change to public transport during the closure (Japan, 2003)

References

Lacom et al., The Benefits of Forced Experimentation: Striking Evidence from the London Underground Network, 2017
Rose & Marfurt, Travel behaviour change impacts of a major ride to work day event, 2007
Fujii & Garling, Development of script-based travel mode choice after forced change, 2003

Case studies for incentivising travel in off-peak times

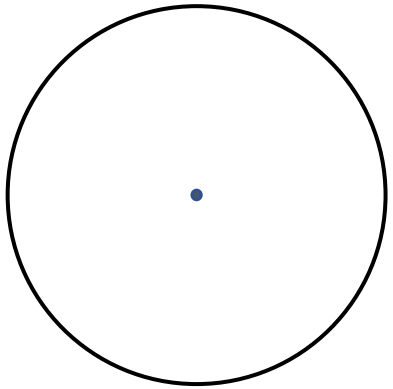
- Stanford University offers commuters who arrive at its notoriously congested campus in off-peak times a chance to win cash prizes in a daily lottery (USA, 2015)
- In Bangalore commute times for those leaving after 7:30am are about 1.5-2 times longer than the average commute for those who leave before that time. An incentive scheme called INSTANT rewarded commuters with entries into a weekly raffle according to their arrival time, with less congested arrival times receiving more credits. 14,000 commuters took part and with the number of participants traveling before the peak shifting from 21% to 34% (India, 2009)

Zhu et al., Reducing road congestion through incentives: a case study, 2015
Consuming differently, consuming sustainably: behavioural insights for policymaking 2017, page 33

Action dashboard – Reduce car/taxi use by using public transport

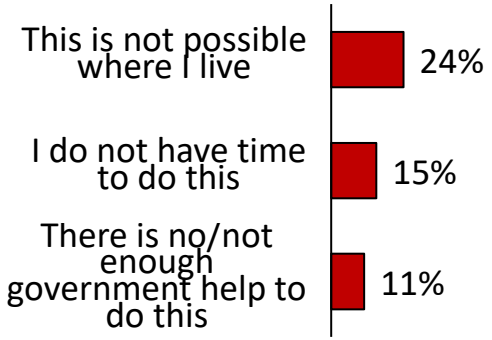
Opportunity size is moderate (13/18 actions)	Willingness is moderate (41%) and carbon saving is low	Having time and being able to do it in the local area are the key barriers	Making it easier or obvious is the best angle to use

Size of opportunity
(outer line reflects largest opportunity)



44.67 million $kgC0^2e$

Key barriers (Base: 1233)

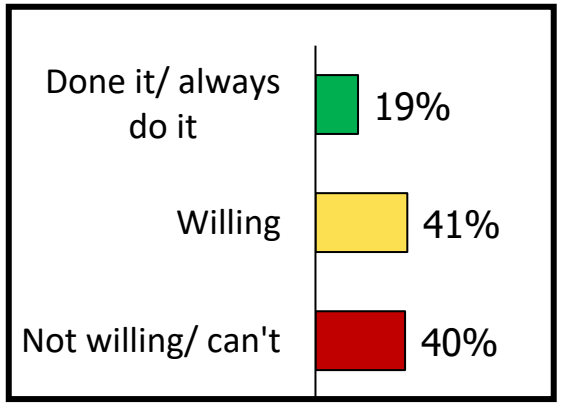


Behaviour change evidence

Impact of behaviour change campaign: High

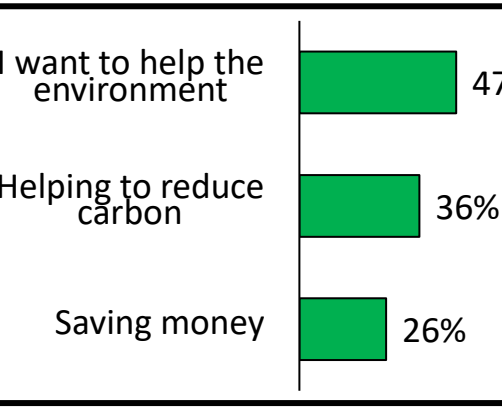
Existing evidence: High
Level of influence: High

Willingness (Base: 3024)



Carbon saving for one person taking the action:
74 $kgCO^2$ equivalent annually

Key motivations (Base: 1233)



Best marketing approach

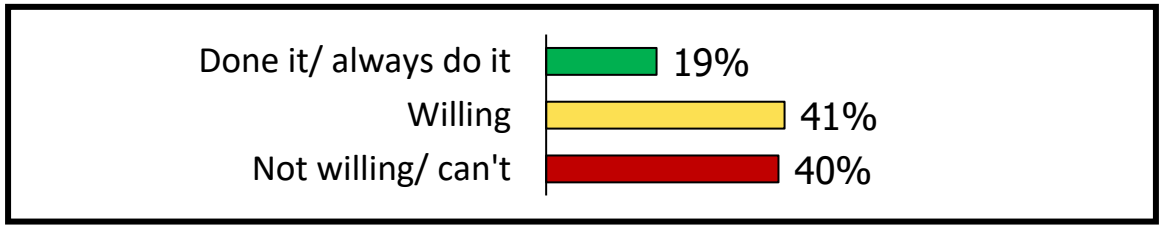
Easier

Most linked action

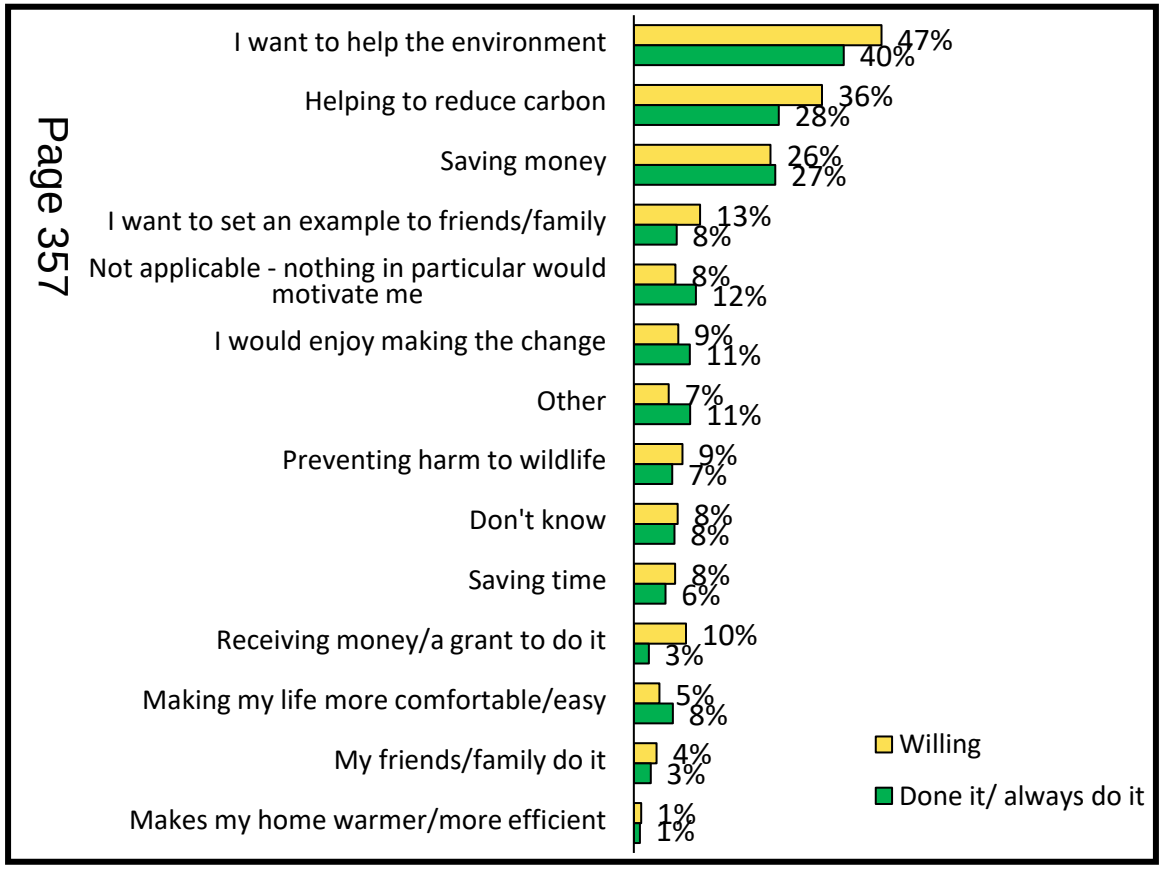
Reduce use by using active transport

Reduce car/taxi use by using public transport

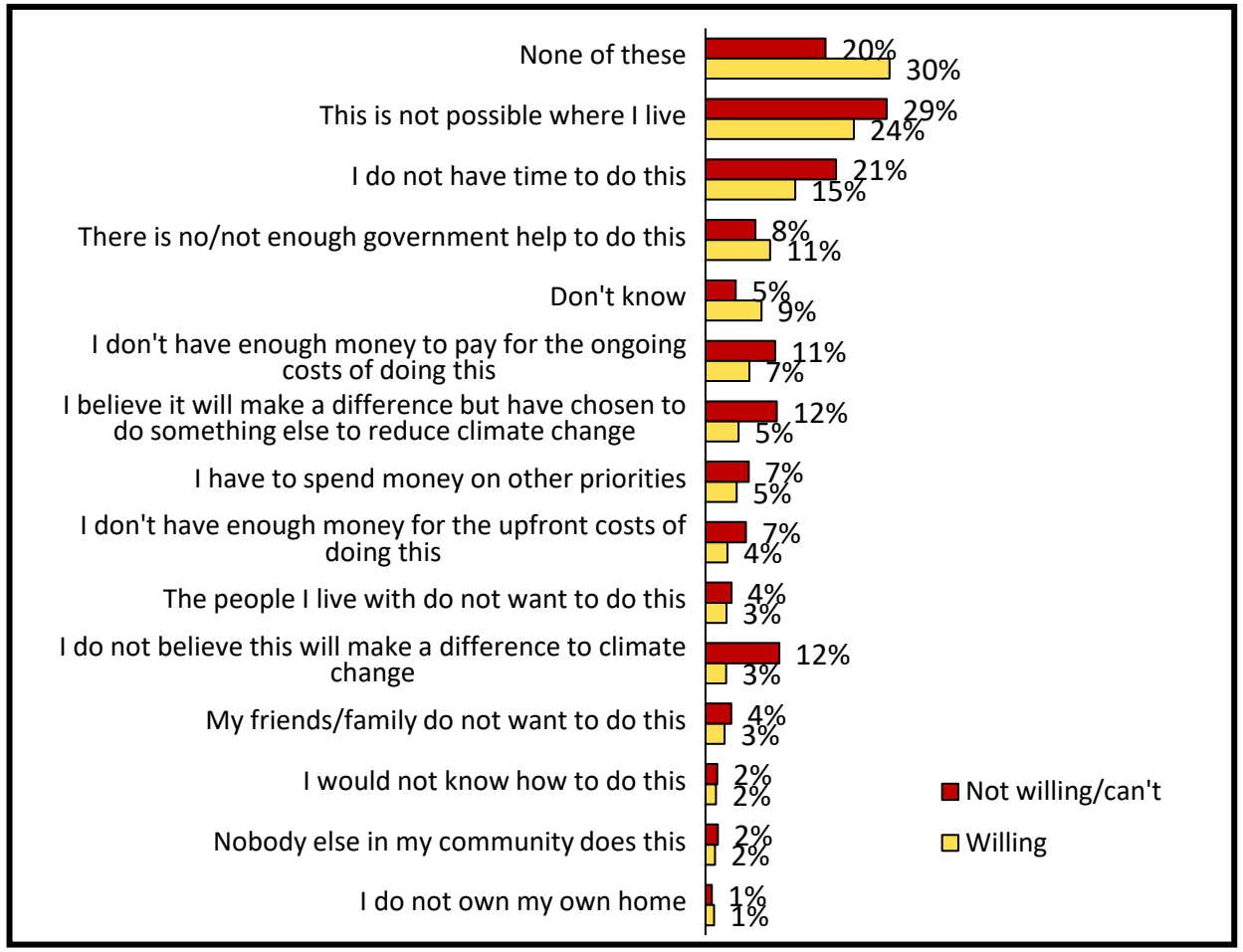
Willingness (Base: 3024)



Key motivations (Base: 1233, 2146, multi-choice)



Key barriers (Base: 935, 1233, multi-choice)



Summary/key points

- Unlocking the ability to take public transport in a time efficient way is the most important factor. Keeping costs low is also key.

Reduce car/taxi use by using public transport (1)

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: High

What is the most effective practise?

- Gain quick wins through low-cost interventions e.g. letters and emails with call to actions, testimonials, easy steps to participation and incentives
- Use moments of change to ensure intervention is timely – e.g. use road closures as an opportunity to suggest more sustainable forms of transport

Best evidence – Control trial

- Encouraging use of sustainable transport (car sharing, public transport and cycling) for employees at Heathrow. Interventions used:
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Reduce car/taxi use by using public transport (2)

Impact of behaviour change campaign: High

Case study for making information easy to understand

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https://www.london.gov.uk/what-we-do/transport/cycling-and-walking/mayors-vision-cycling

Reduce car/taxi use by using public transport (3)

Impact of behaviour change campaign: High

Case studies for timely interventions

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- After a major ride to work day event people were more likely to continue riding to work. More than one in four (27%) of those who rode to work for the first time as part of the event were still riding to work five months after the event (Australia, 2007)
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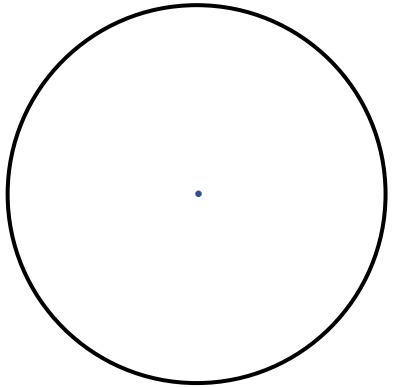
Zhu et al., Reducing road congestion through incentives: a case study, 2015
Consuming differently, consuming sustainably: behavioural insights for policymaking 2017, page 33

Action dashboard – Reduce car/taxi use by using active forms of transport

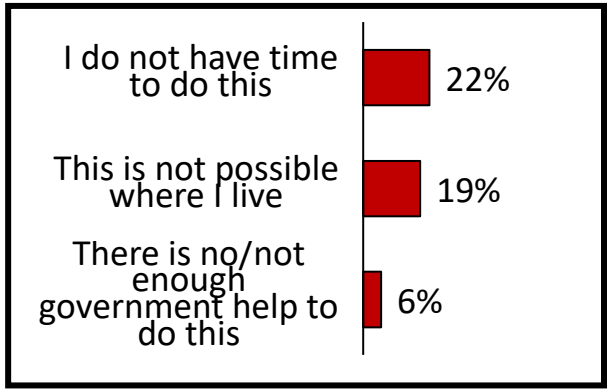
Opportunity size is in the bottom 5 (16/18 actions)	Willingness is moderate (48%) and carbon saving is low	Having time and being able to do it in the local area are the key barriers	Making it easier or obvious is the best angle to use

Size of opportunity
(outer line reflects largest opportunity)



15.55 million $kgC0^2e$

Key barriers (Base: 1461)

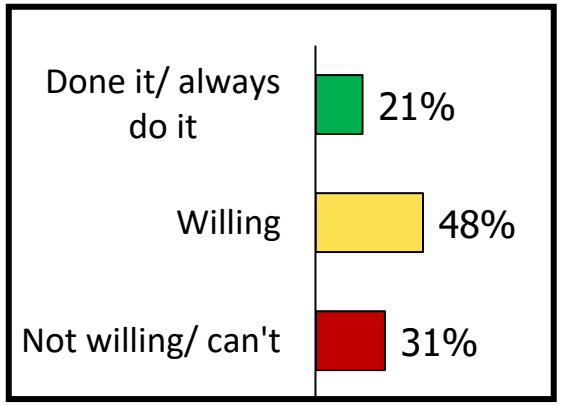


Behaviour change evidence

Impact of behaviour change campaign: High

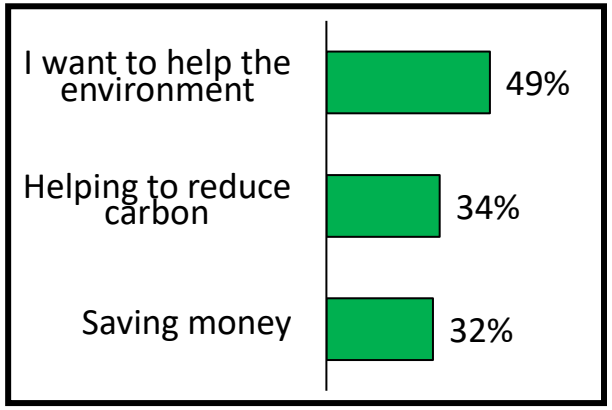
Existing evidence: High
Level of influence: High

Willingness (Base: 3024)



Carbon saving for one person taking the action:
22 $kgCO^2$ equivalent annually

Key motivations (Base: 1461)



Best marketing approach

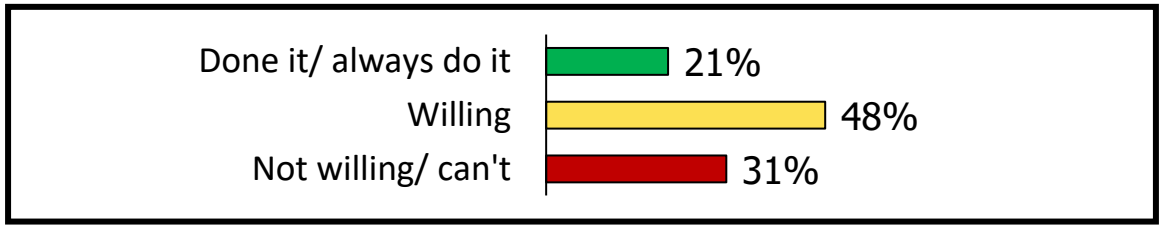
Easier

Most linked action

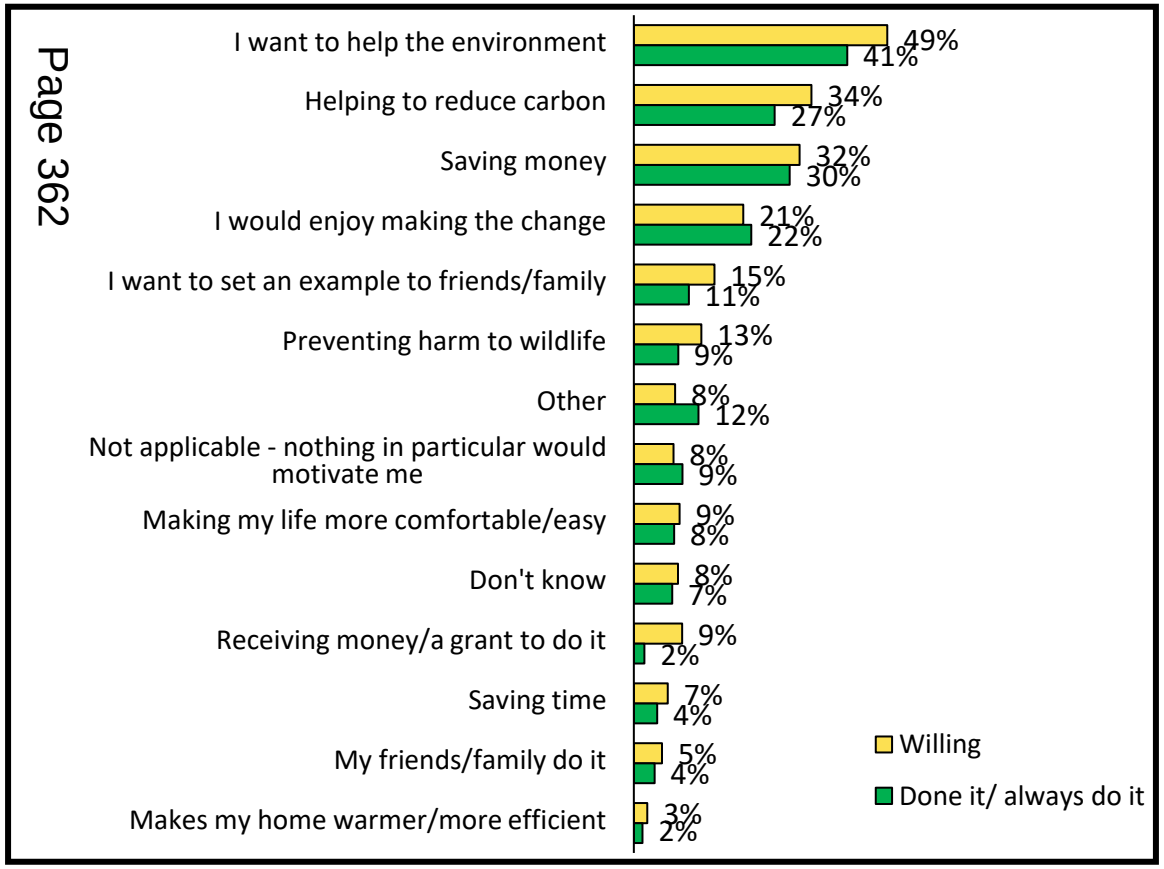
Reduce use by using public transport

Reduce car/taxi use by using active forms of transport (e.g. walking, cycling)

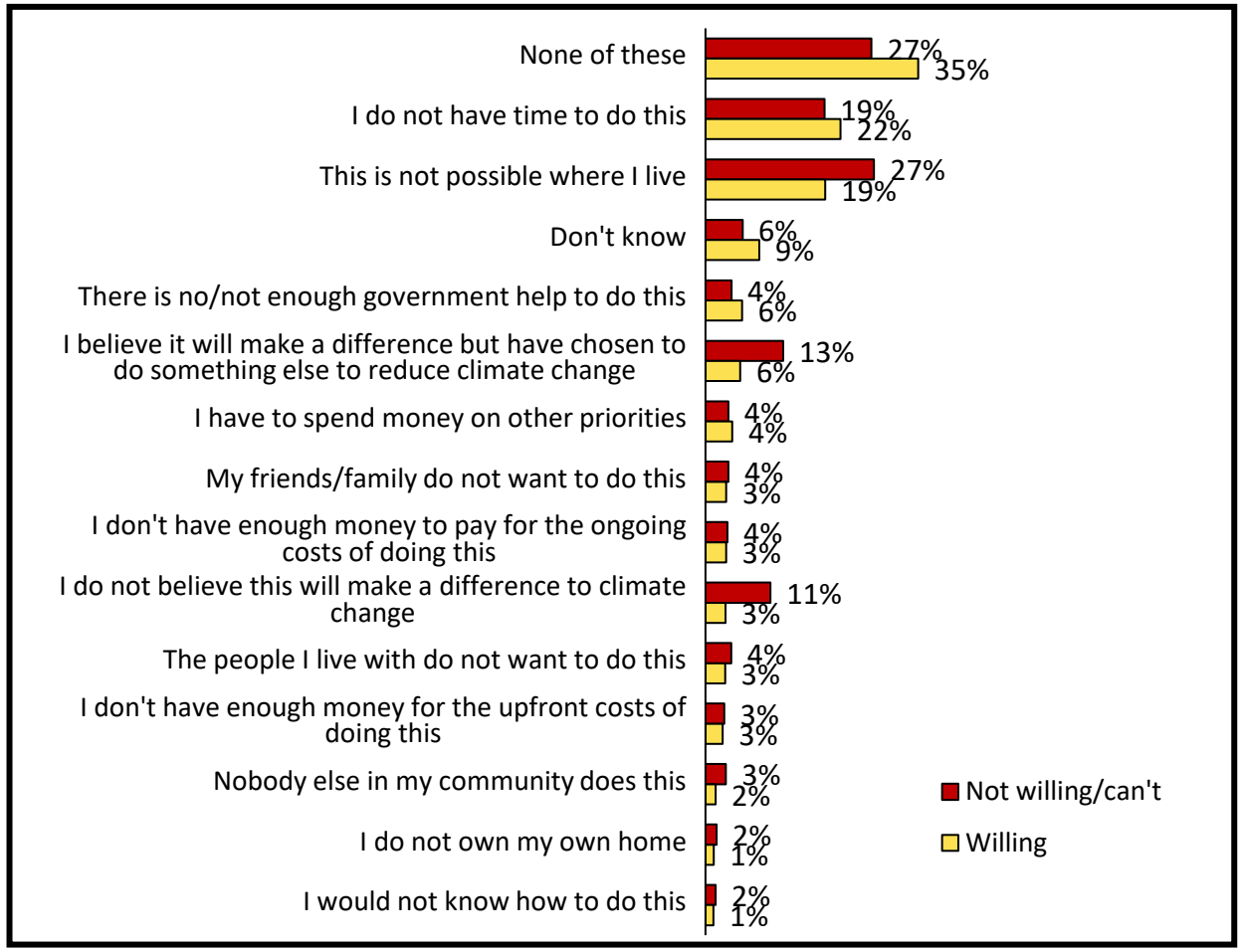
Willingness (Base: 3024)



Key motivations (Base: 1461, 2427, multi-choice)



Key barriers (Base: 710, 1461, multi-choice)



Summary/key points

- Environmental concerns (tempered by time) are key to converting the willing
- Promote local walking and cycling routes with clear timings

Reduce car/taxi use by using active forms of transport (1)

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: High

What is the most effective practise?

- Gain quick wins through low-cost interventions e.g. letters and emails with call to actions, testimonials, easy steps to participation and incentives
- Use moments of change to ensure intervention is timely – e.g. use road closures as an opportunity to suggest more sustainable forms of transport

Best evidence – Control trial

- Encouraging use of sustainable transport (car sharing, public transport and cycling) for employees at Heathrow. Interventions used:
  - Letters/emails with call to actions, testimonials, opportunity cost made salient, easy steps to participation, matching to other co-workers (car sharing only), free tickets (public transport only) and follow up/reminders
  - Personalised commuter plan
  - 'Try a bike on us' scheme

  There was no significant effect of the interventions in the scheme however this could be due to:
  - Informal interventions already being conducted in setting, so they were unable to gain 'quick wins'
  - Lack of timely interventions (see below)
  - Lack of pairing behaviour change with more direct measures such as improvements to infrastructure, incentives and regulation (UK, 2017)

References
An Evaluation of Low Cost Workplace-Based Interventions to Encourage Use of Sustainable Transport, 2017, Behavioural Insights Team

Reduce car/taxi use by using active forms of transport (2)

Impact of behaviour change campaign: High

Case study for making information easy to understand

- By displaying fuel efficiency in terms of litres of fuel saved per 100 miles of driving (rather than as an increase in the number of miles per litre of fuel) individuals were able to conceptualise the efficiency of different vehicles and the cost of alternative travel choices more accurately (UK, 2008)

References

Thaler and Sunstein, Nudge: Improving Decisions about Health, Wealth, and Happiness, 2008

Case study: Greener Journeys

- Targeted various groups to reduce driving and promote public transport use:
  - Car drivers
    - targeted 'moments of pain' e.g. parking, petrol stations;
    - targeted those with good bus routes;
    - gave out free vouchers to car drivers. Redeemers of free bus vouchers were 21% more likely to use the bus again in the next few months.
  - Encourage young people to delay driving
    - created a new tool called 'how much does it cost to drive'. Good engagement on social media with 21% agreeing the could do better things with their money after using the tool

greener journeys
make the switch to bus and coach

Driving modal shift from car to bus, 2013

Case study for using role models

- High profile individuals acting in ways that help to tackle climate change can help to normalise such behaviour. For example, in London the Mayor's vision is for cycling in London to "be a normal part of everyday life, something people hardly think about and feel comfortable doing in ordinary clothes."

https://www.london.gov.uk/what-we-do/transport/cycling-and-walking/mayors-vision-cycling

Reduce car/taxi use by using active forms of transport (3)

Impact of behaviour change campaign: High

Case studies for timely interventions

- Route choices made by London commuters before and after tube strikes in February 2014 were investigated. More than 5% of commuters changed travel route permanently once normal service resumed (UK, 2014)
- After a major ride to work day event people were more likely to continue riding to work. More than one in four (27%) of those who rode to work for the first time as part of the event were still riding to work five months after the event (Australia, 2007)
- Frequent drivers who changed to public transport during an 8-day freeway closure continued to use public transport more frequently one year after the closure than did those drivers who did not change to public transport during the closure (Japan, 2003)

References
Larcom et al., The Benefits of Forced Experimentation: Striking Evidence from the London Underground Network, 2017
Rose & Marfurt, Travel behaviour change impacts of a major ride to work day event, 2007
Fujii & Garling, Development of script-based travel mode choice after forced change, 2003

Case studies for incentivising travel in off-peak times

- Stanford University offers commuters who arrive at its notoriously congested campus in off-peak times a chance to win cash prizes in a daily lottery (USA, 2015)
- In Bangalore commute times for those leaving after 7:30am are about 1.5-2 times longer than the average commute for those who leave before that time. An incentive scheme called INSTANT rewarded commuters with entries into a weekly raffle according to their arrival time, with less congested arrival times receiving more credits. 14,000 commuters took part and with the number of participants traveling before the peak shifting from 21% to 34% (India, 2009)

Zhu et al., Reducing road congestion through incentives: a case study, 2015
Consuming differently, consuming sustainably: behavioural insights for policymaking 2017, page 33

Action summaries – Sustainable food

Area summary: Sustainable food

Reduce food waste

Opportunity Size
(millions of kg CO2 annually)

136

Willingness to take action	Ease of Behaviour change	Level of influence
40%	Medium	Medium

What evidence suggests you should do...

Environmental restructuring. Use of social norms. Information provision

Reduce meat consumption

Opportunity Size
(millions of kg CO2 annually)

84

Willingness to take action	Ease of Behaviour change	Level of influence
38%	High	Medium

What evidence suggests you should do...

Environmental restructuring to promote reduced meat/dairy consumption. Promoting self-monitoring and self-regulation.

Reduce diary consumption

Opportunity Size
(millions of kg CO2 annually)

76

Willingness to take action	Ease of Behaviour change	Level of influence
38%	High	Medium

What evidence suggests you should do...

Environmental restructuring to promote reduced meat/dairy consumption. Promoting self-monitoring and self-regulation.

Buy locally produced food

Opportunity Size
(millions of kg CO2 annually)

17

Willingness to take action	Ease of Behaviour change	Level of influence
78%	Medium	Medium

What evidence suggests you should do...

Make 'locally produced' labels salient when food shopping. Make it easy e.g. promoting 'rules of thumb'. Role models

Make ethical food choices

Willingness to take action	Ease of Behaviour change	Level of influence
66%	Medium	Medium

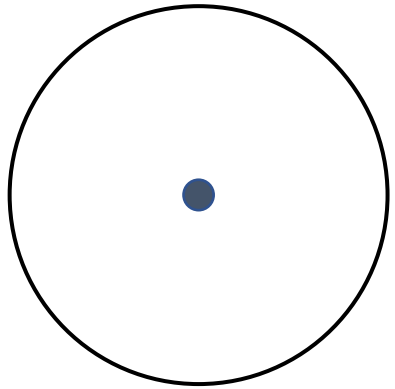
What evidence suggests you should do...

Promote knowledge, social norms and availability.

Action dashboard – Reduce food waste

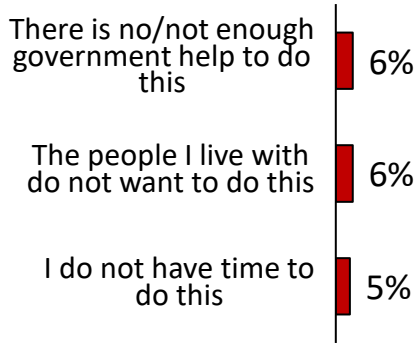
Opportunity size is moderate (7/18 actions)	Willingness is moderate (40%), CO^2 saving is high	Few acknowledged barriers and a desire to help the environment	Research shows overconfidence in how well people reduce waste

Size of opportunity
(outer line reflects largest opportunity)



135.46 million $kgC0^2e$

Key barriers (Base: 1187)



Behaviour change evidence

Impact of behaviour change campaign: Medium

Existing evidence: High
Level of influence: Medium

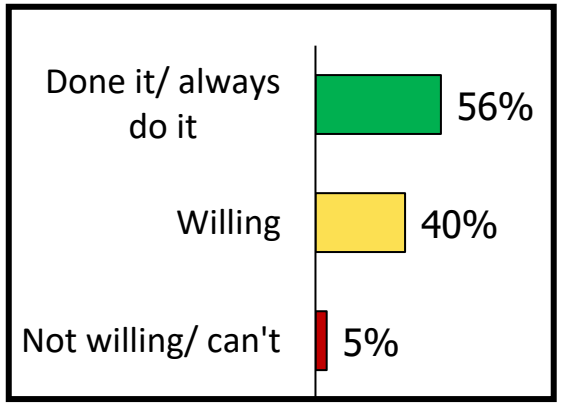
Best marketing approach

Not determined

Most linked action

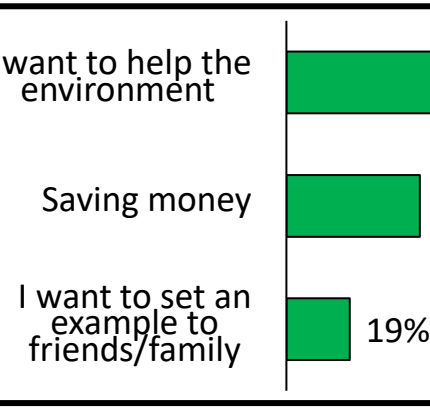
Reduce use of plastics

Willingness (Base: 3024)



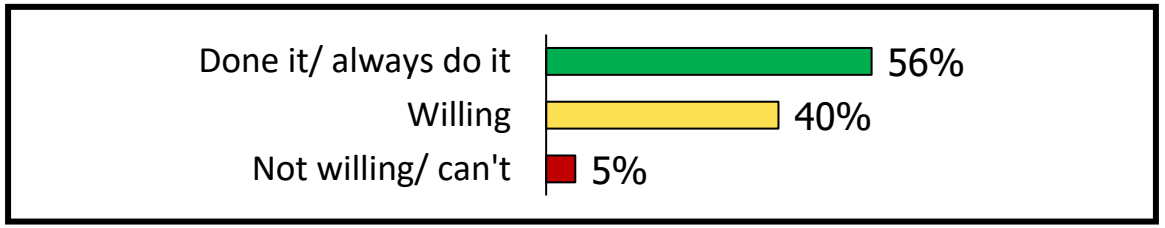
Carbon saving for one person taking the action:
230 $kgCO^2$ equivalent annually

Key motivations (Base: 1187)

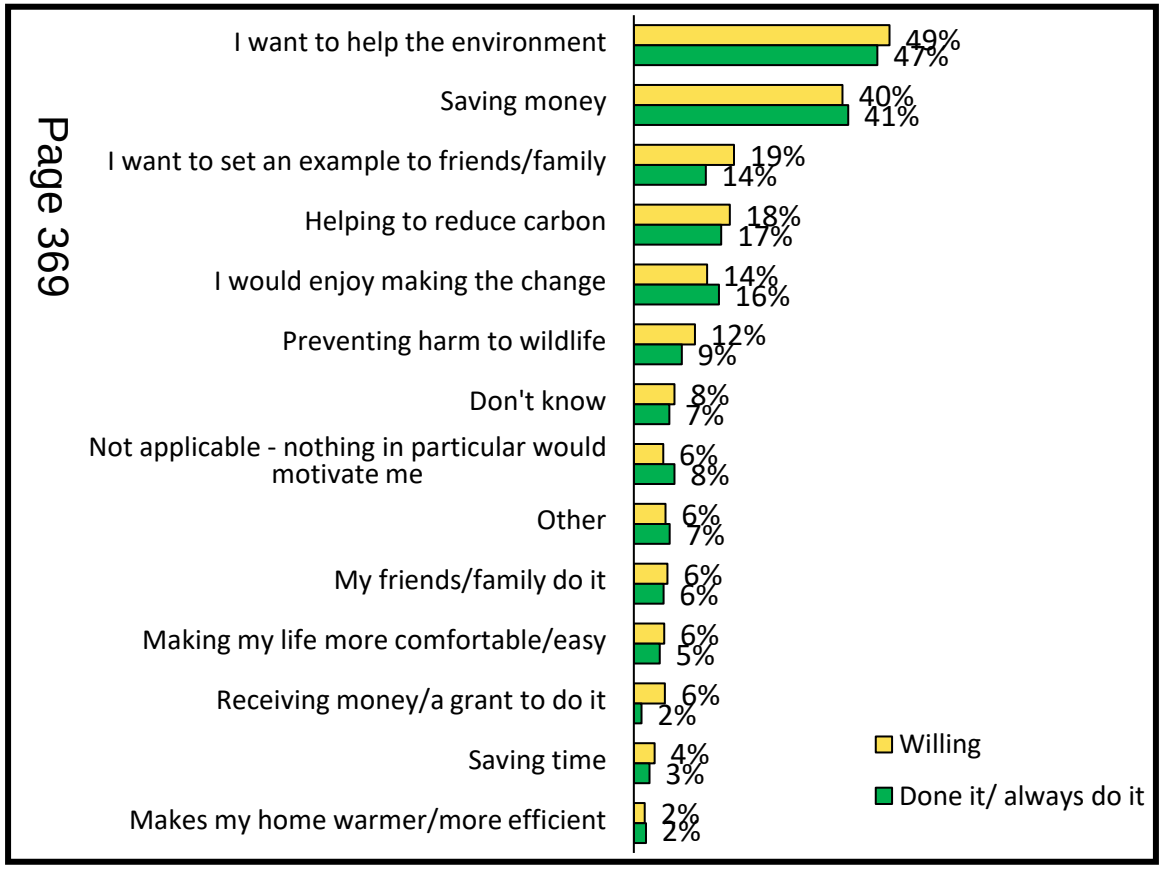


Reduce food waste

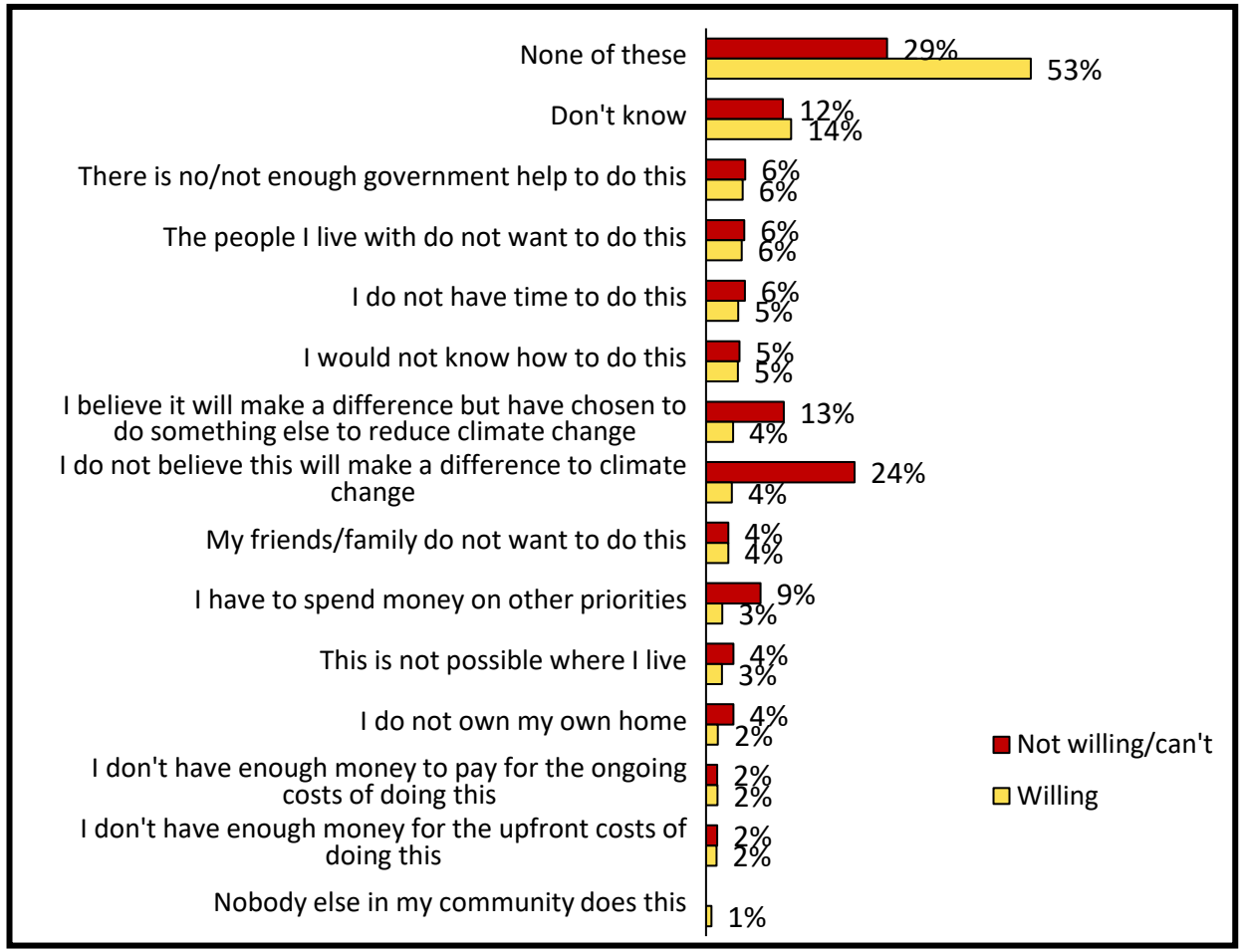
Willingness (Base: 3024)



Key motivations (Base: 1187, 2930, multi-choice)



Key barriers (Base: 109, 1187, multi-choice)



Summary/key points

- There is a high level of willingness to reduce food waste – the barrier may be detailed knowledge of what food waste is (insight from desk research)

Reduce food waste

Impact of behaviour change campaign: Medium

Existing evidence: High
Level of influence: Medium

What is the most effective practise?

- Environmental restructuring, use of social norms and information

Best evidence – Meta-analysis

- Plate size interventions resulted in up to 57% food waste reduction.
- Changing nutritional guidelines in schools reduced vegetable waste by up to 28%.
- Information campaigns had up to 28% food waste reduction.
- Other intervention types had little or no robust evidence provided.
- A greater number of longitudinal, larger sample size interventions are required (UK, 2019)

Reference
Reynolds et al., Review: Consumption-stage food waste reduction interventions – What works and how to design better interventions, 2019

Best evidence - control trial

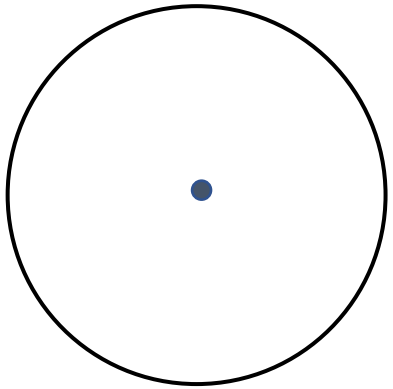
- Two simple and nonintrusive 'nudges' reduce the amount of food waste in hotel restaurants by around 20%
  - Physical cue: typical buffet plates were replaced by smaller-sized plates.
  - Social cue: Sign hung up: "Welcome back! Again! And again! Visit our buffet many times. That's better than taking a lot at once."

Reference
Kallbekken & Sælen, 'Nudging' hotel guests to reduce food waste as a win–win environmental measure, 2013, Economics Letters

Action dashboard – Reduce meat consumption

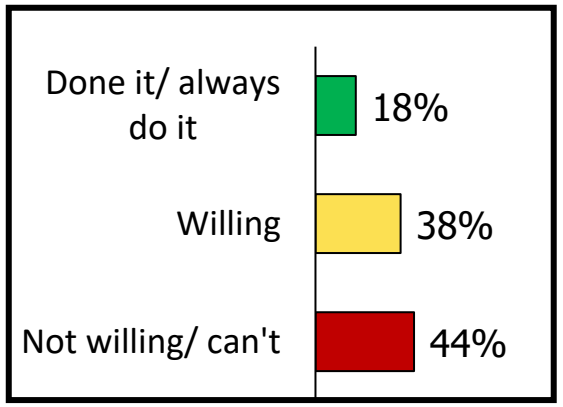
Opportunity size is moderate (9/18 actions)	Willingness is moderate (38%), CO^2 saving moderate	Social pressure and choosing alternative actions are key barriers	Health is a good angle to approach this action – dairy action is linked

Size of opportunity
(outer line reflects largest opportunity)



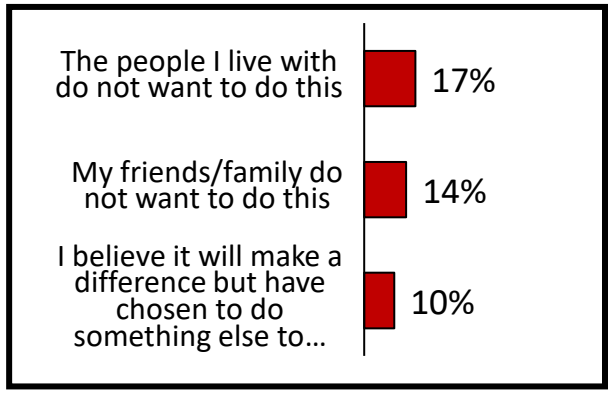
84.46 million $kgC0^2e$

Willingness (Base: 3024)

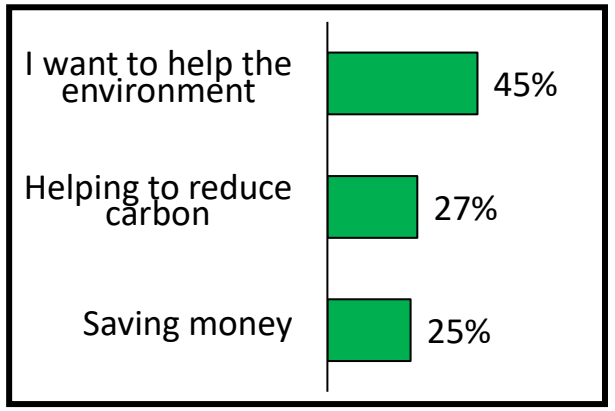


Carbon saving for one person taking the action: 150.95 $kgCO^2$ equivalent annually

Key barriers (Base: 1150)



Key motivations (Base: 1150)



Behaviour change evidence

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: Medium

Best marketing approach

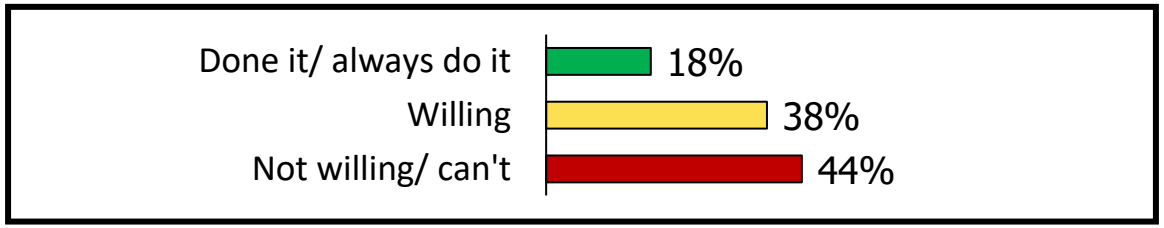
Health

Most linked action

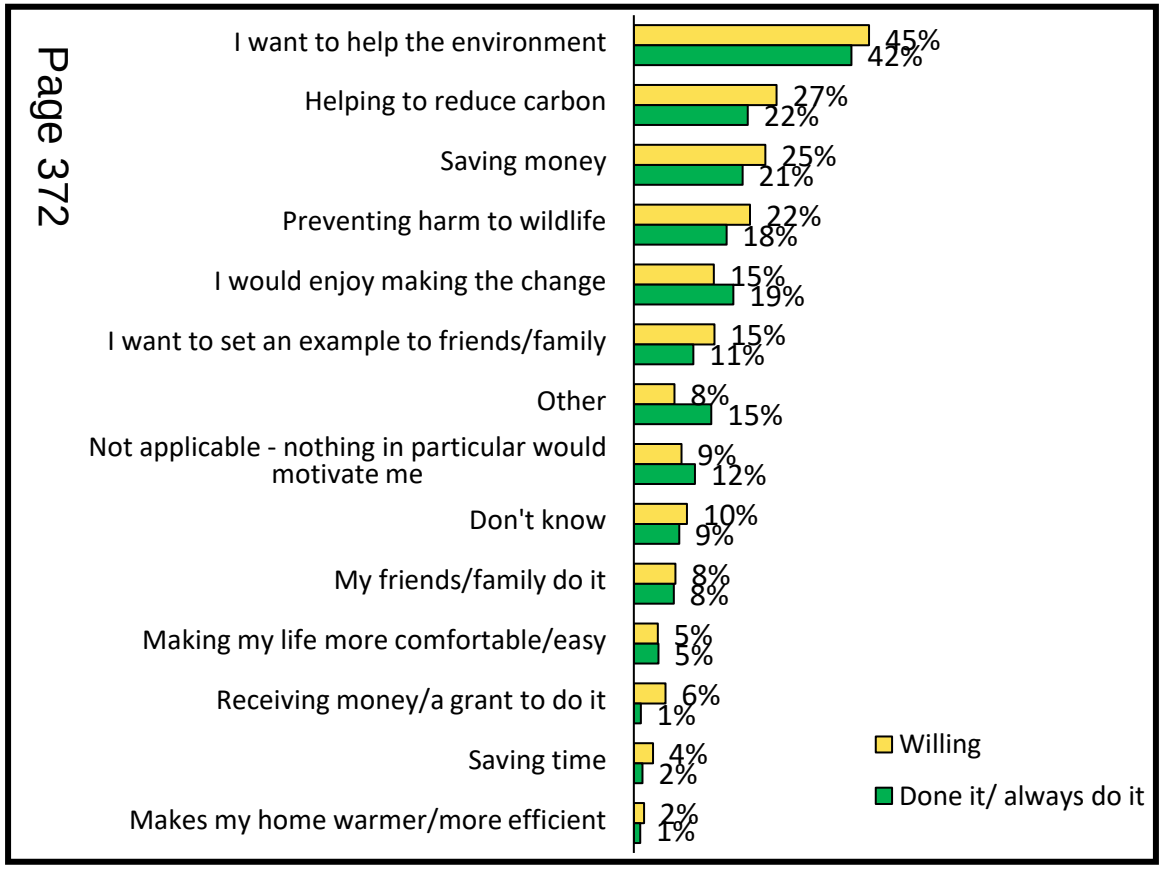
Reduce dairy consumption

Reduce meat consumption

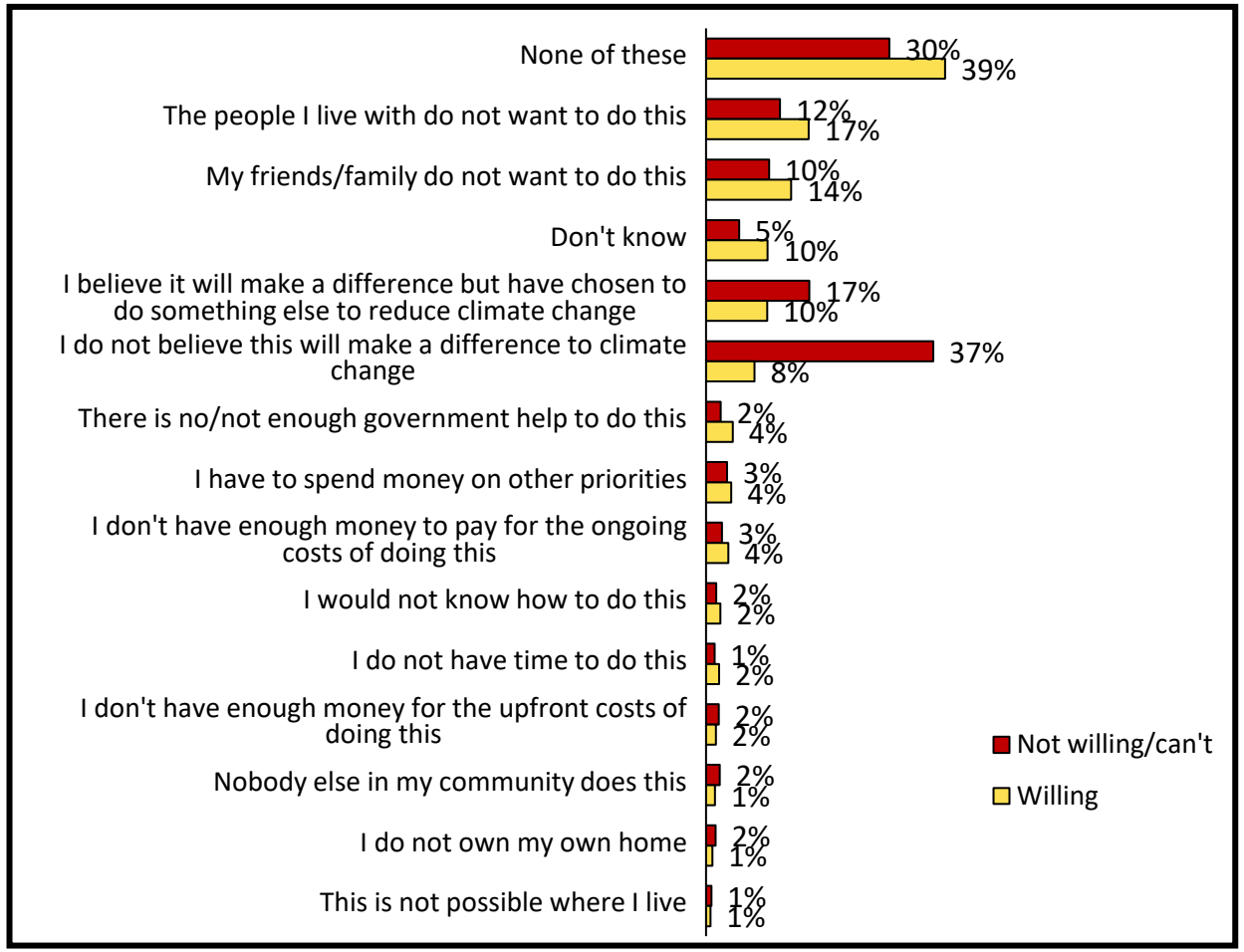
Willingness (Base: 3024)



Key motivations (Base: 1150, 2116, multi-choice)



Key barriers (Base: 1192, 1150, multi-choice)



Summary/key points

- Believing it does not make a difference is a key barrier among the unwilling
- Friends and family resisting can be a barrier for the willing
- Choosing to do another action promotes inaction

Reduce meat consumption (1)

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: Medium

What is the most effective practise?

- Environmental restructuring to promote reduced meat consumption
- Promoting self-monitoring and self-regulation

Best evidence – Systematic review of control trials to reduce meat consumption

- It was found that the following interventions reduced meat consumption:
  - reducing meat portion sizes;
  - providing meat-free alternatives with supporting educational material such as, provision of plant-based food and cooking demonstration programme;
  - manipulating the sensory properties of meat or meat alternatives reduced meat demand such as, changing the visual presentation or hedonic value of these products at point of purchase;
  - repositioning meat products to be less prominent at point of purchase were associated with lower meat demand, such as lower down a menu (UK & Germany, 2018)

Best evidence - Systematic review of control trials to change diets and activity levels

- Approaches such as self-monitoring and self-regulation, using techniques like goal-setting, prompting, self-monitoring, feedback on performance and reviewing goals, promoted behavior change. Teaching a different behaviour, recording it, such as by writing a food diary, and having strategies to cope with relapses, can all successfully change behaviour.
- Adding social support to inventions (family based) provided additional effectiveness to interventions (UK, 2011)

References
Bianchi & Garnett, Restructuring physical micro-environments to reduce the demand for meat: a systematic review and qualitative comparative analysis, 2018, The Lancet Planetary Health
Greaves et al., Systematic review of reviews of intervention components associated with increased effectiveness in dietary and physical activity interventions, 2011, BMC Public Health

Reduce meat consumption (2)

Impact of behaviour change campaign: High

Case studies

- If you integrate plant-based diets into the menu design rather than placing them in a separate chapter, people are more likely to order vegetarian because they appear as just another item, and the option is normalised rather than segregated as for vegetarians only (UK, 2018)
- When promoting sustainable food replacing labels like 'vegetarian' or 'meat-free' with language like 'field-grown' or more indulgent descriptions made non-vegetarians more likely to order vegetarian dishes (UK, 2018)
- 'Veganuary' (a campaign to promote veganism throughout January) uses behavior change principles. Self-monitoring is promoted by goal-setting; the ease of veganism is promoted by online recipes and vegan options in restaurants becoming common-place; social norms are promoted by big brands releasing vegan options e.g. Greggs and the social media presence of Veganuary
    - Veganuary was launched in 2014, with 3,300 people signing up; by 2018 there were 168,000
- In addition to 'Veganuary' Meat Free Mondays encourage a day-based approach to plant-based eating (Meat Free Mondays website) whilst Eating Better's #MeatFreeLunch campaign focuses on a meal occasion.

References
Behavioural Insights Team, Conservation for Nature 2019, page 49 and 26
Rapid Transition Alliance, Climate and Rapid Behaviour Change, 2018, page 20

Reduce meat consumption (3)

Impact of behaviour change campaign: High

Case study: Meat Your Match – the Protein Challenge

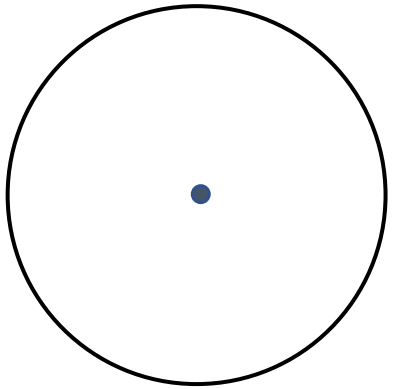
- Aimed at reducing meat consumption in 18 24-40-year-old males who currently were high meat consumers
  - How?
    - Aligned incentives with audience interest – health message
    - Set clear goals
    - Easy to fit in with current lifestyle: simple and ready to eat meals e.g. Thai vegetable curry, pulse-based stew, cottage pie and promoted direct swaps e.g. whey protein for pea protein
    - Focus on embracing something new rather than giving something up
    - Trusted sources of gym and dietary information i.e. The Body Coach, BBC Good Food
  - 80% of individuals reduced the proportion of meat in their diet
    - The environment and animal welfare message can help sustain dietary shifts, but the main motivator was health (UK, 2018)

Hubbub, Meat Your Match impact report, 2018

Action dashboard – Reduce dairy consumption

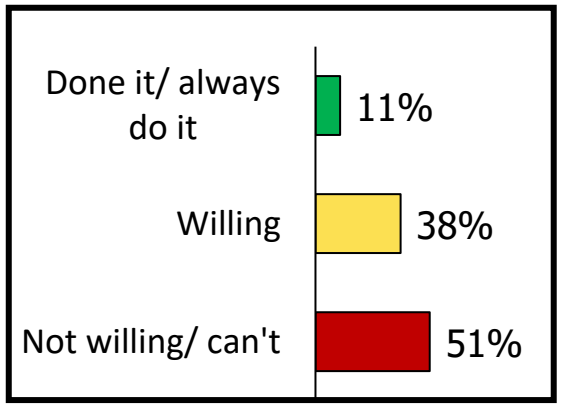
Opportunity size is moderate (11/18 actions)	Willingness is moderate (38%), CO^2 saving moderate	Social pressure and choosing alternative actions are key barriers	Health is a good angle to approach this action – meat action is linked

Size of opportunity
(outer line reflects largest opportunity)



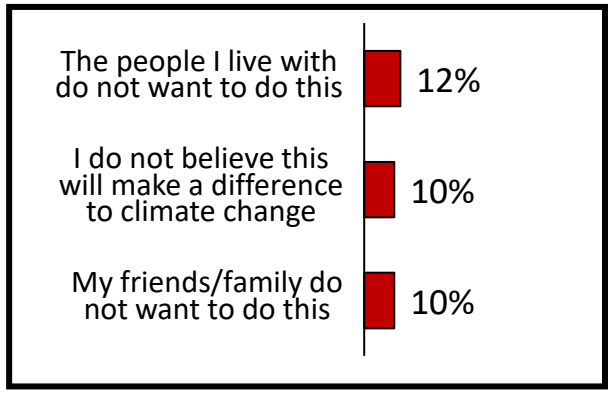
76.42 million $kgC0^2e$

Willingness (Base: 3024)

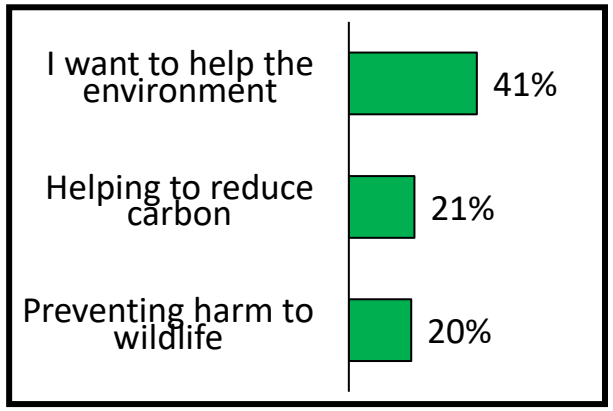


Carbon saving for one person taking the action: 136.59 $kgCO^2$ equivalent annually

Key barriers (Base: 1139)



Key motivations (Base: 1139)



Behaviour change evidence

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: Medium

Best marketing approach

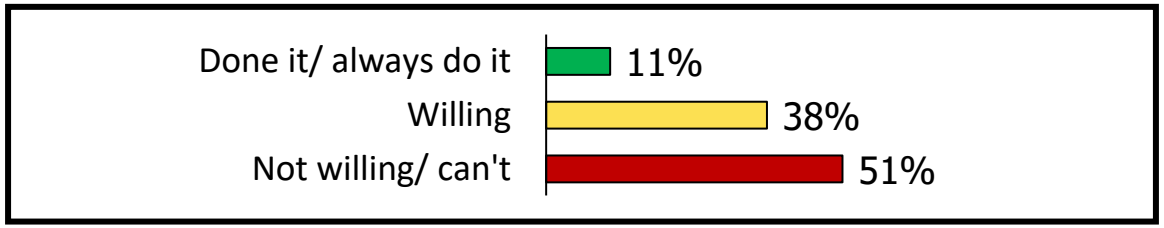
Health

Most linked action

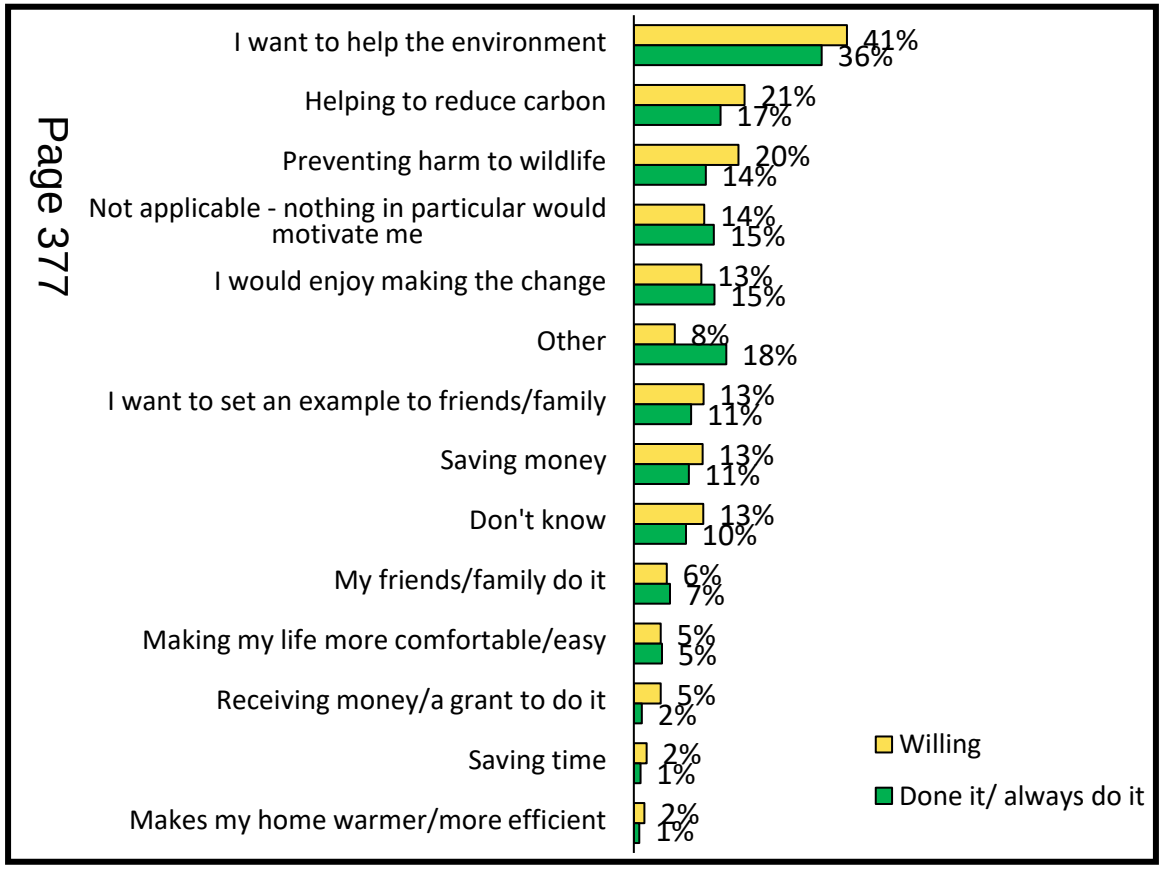
Reduce meat consumption

Reduce dairy consumption

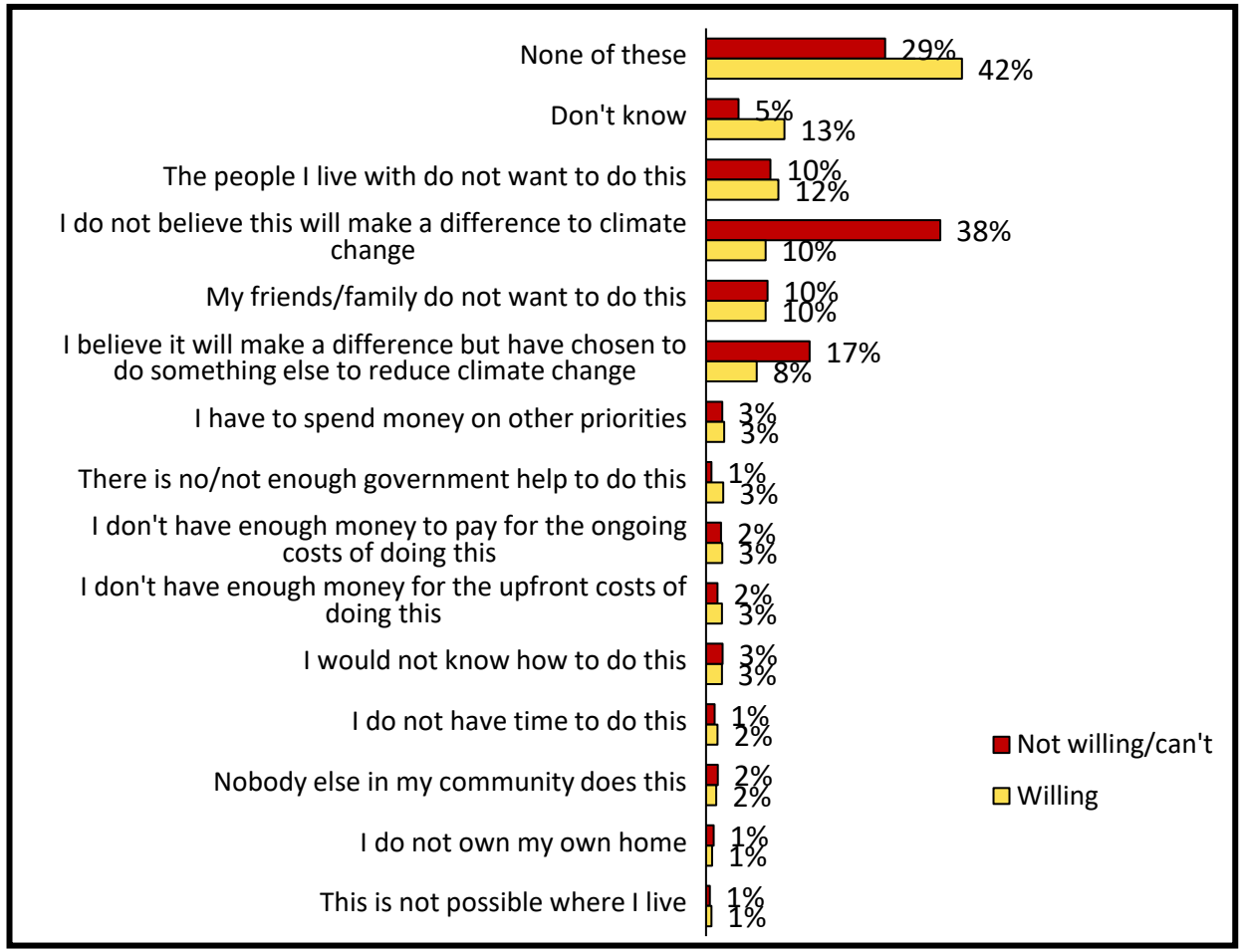
Willingness (Base: 3024)



Key motivations (Base: 1139, 1731, multi-choice)



Key barriers (Base: 1479, 1139, multi-choice)



Summary/key points

- Approx. 1 in 5 people (38% of 51% who are unwilling) do not believe reducing dairy impacts climate change – greater knowledge could drive action
- Social influencers are important in action

Reduce dairy consumption (1)

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: Medium

What is the most effective practise?

- Environmental restructuring to promote reduced dairy consumption
- Promoting self-monitoring and self-regulation

Best evidence – Systematic review of control trials to reduce meat consumption

- It was found that the following interventions reduced meat consumption:
  - reducing meat portion sizes;
  - providing meat-free alternatives with supporting educational material such as, provision of plant-based food and cooking demonstration programme;
  - manipulating the sensory properties of meat or meat alternatives reduced meat demand such as, changing the visual presentation or hedonic value of these products at point of purchase;
  - repositioning meat products to be less prominent at point of purchase were associated with lower meat demand, such as lower down a menu (UK & Germany, 2018)

Best evidence - Systematic review of control trials to change diets and activity levels

- Approaches such as self-monitoring and self-regulation, using techniques like goal-setting, prompting, self-monitoring, feedback on performance and reviewing goals, promoted behavior change. Teaching a different behaviour, recording it, such as by writing a food diary, and having strategies to cope with relapses, can all successfully change behaviour.
- Adding social support to inventions (family based) provided additional effectiveness to interventions (UK, 2011)

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Greaves et al., Systematic review of reviews of intervention components associated with increased effectiveness in dietary and physical activity interventions, 2011, BMC Public Health

Reduce dairy consumption (2)

Impact of behaviour change campaign: High

Case studies

- If you integrate plant-based diets into the menu design rather than placing them in a separate chapter, people are more likely to order vegetarian because they appear as just another item, and the option is normalised rather than segregated as for vegetarians only (UK, 2018)
- When promoting sustainable food replacing labels like 'vegetarian' or 'meat-free' with language like 'field-grown' or more indulgent descriptions made non-vegetarians more likely to order vegetarian dishes (UK, 2018)
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    - Veganuary was launched in 2014, with 3,300 people signing up; by 2018 there were 168,000
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References
Behavioural Insights Team, Conservation for Nature 2019, page 49 and 26
Rapid Transition Alliance, Climate and Rapid Behaviour Change, 2018, page 20

Reduce dairy consumption (3)

Impact of behaviour change campaign: High

Case study: Meat Your Match – the Protein Challenge

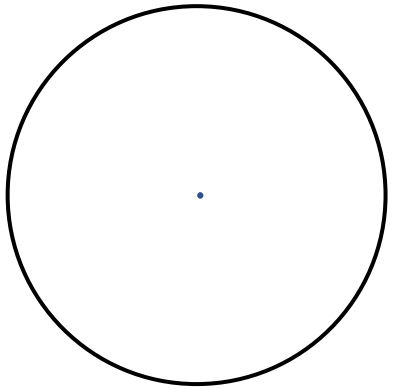
- Aimed at reducing meat consumption in 18 24-40-year-old males who currently were high meat consumers
  - How?
    - Aligned incentives with audience interest – health message
    - Set clear goals
    - Easy to fit in with current lifestyle: simple and ready to eat meals e.g. Thai vegetable curry, pulse-based stew, cottage pie and promoted direct swaps e.g. whey protein for pea protein
    - Focus on embracing something new rather than giving something up
    - Trusted sources of gym and dietary information i.e. The Body Coach, BBC Good Food
- 80% of individuals reduced the proportion of meat in their diet
  - The environment and animal welfare message can help sustain dietary shifts, but the main motivator was health (UK, 2018)

Hubbub, Meat Your Match impact report, 2018

Action dashboard – Buy locally produced food

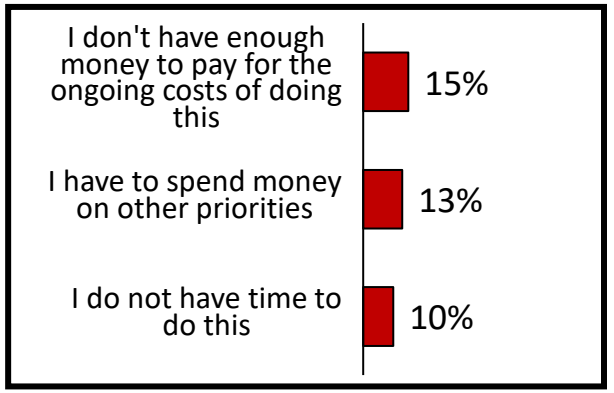
Opportunity size is low (15/18 actions)	Willingness is highest (78%), CO^2 saving is low	Finance is the key barrier to what would be an enjoyable change	Buying locally is linked to ethical food choices

Size of opportunity
(outer line reflects largest opportunity)



16.54 million $kgC0^2e$

Key barriers (Base: 2359)



Behaviour change evidence

Impact of behaviour change campaign: Medium

Existing evidence: Medium
Level of influence: Medium

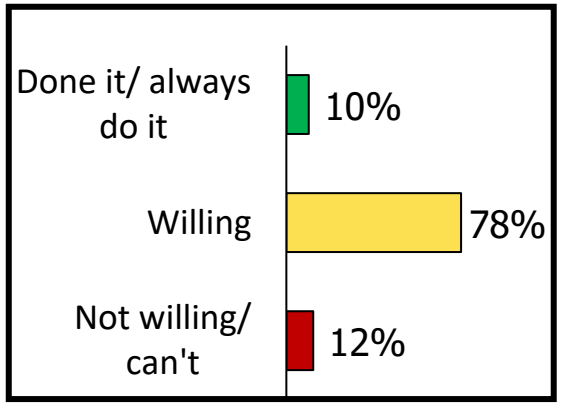
Best marketing approach

Not determined

Most linked action

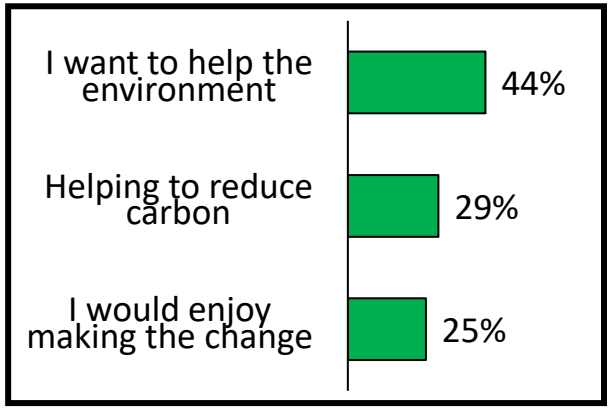
Make ethical food choices

Willingness (Base: 3024)



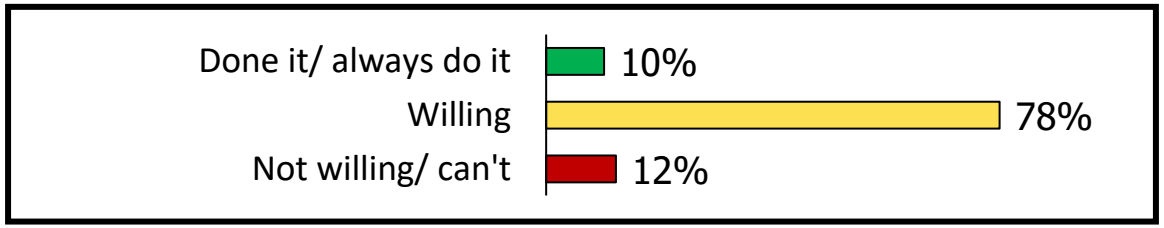
Carbon saving for one person taking the action:
14.4 $kgCO^2$ equivalent annually

Key motivations (Base: 2359)

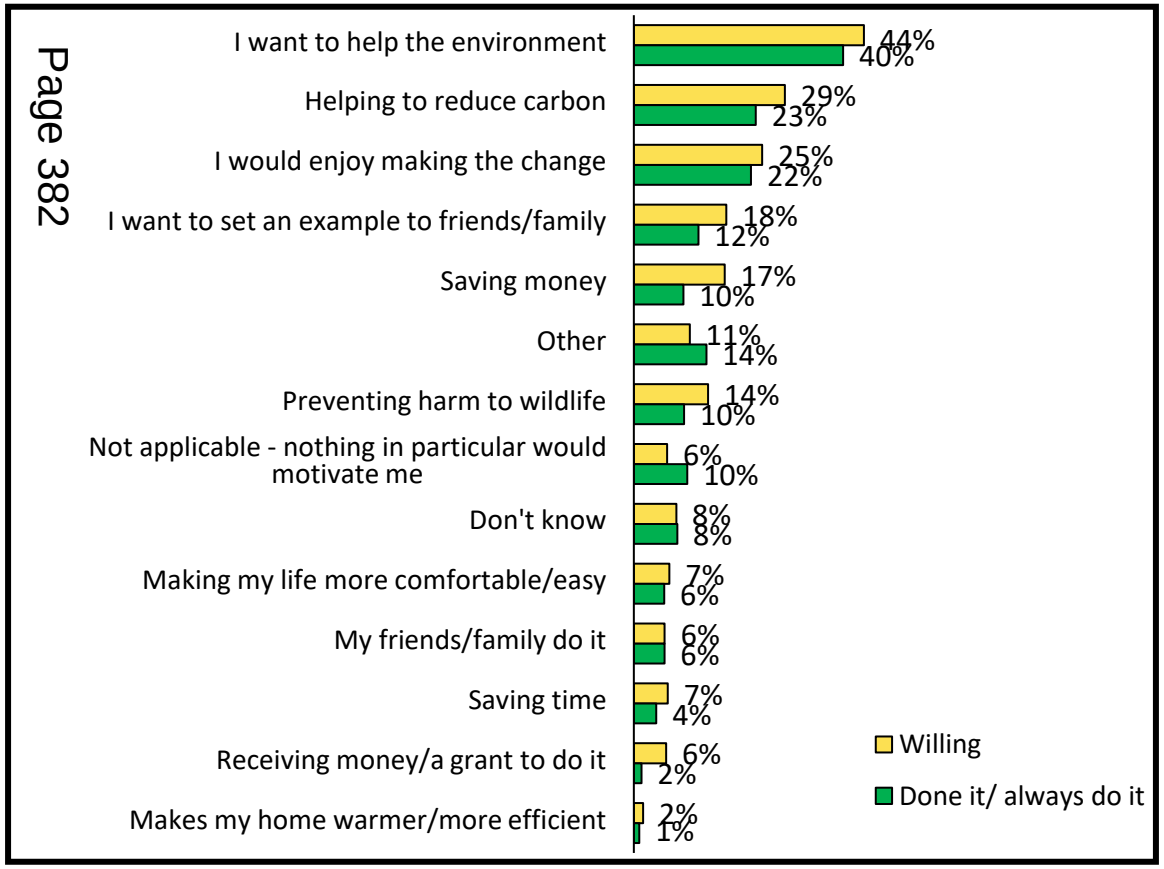


Buy locally produced food

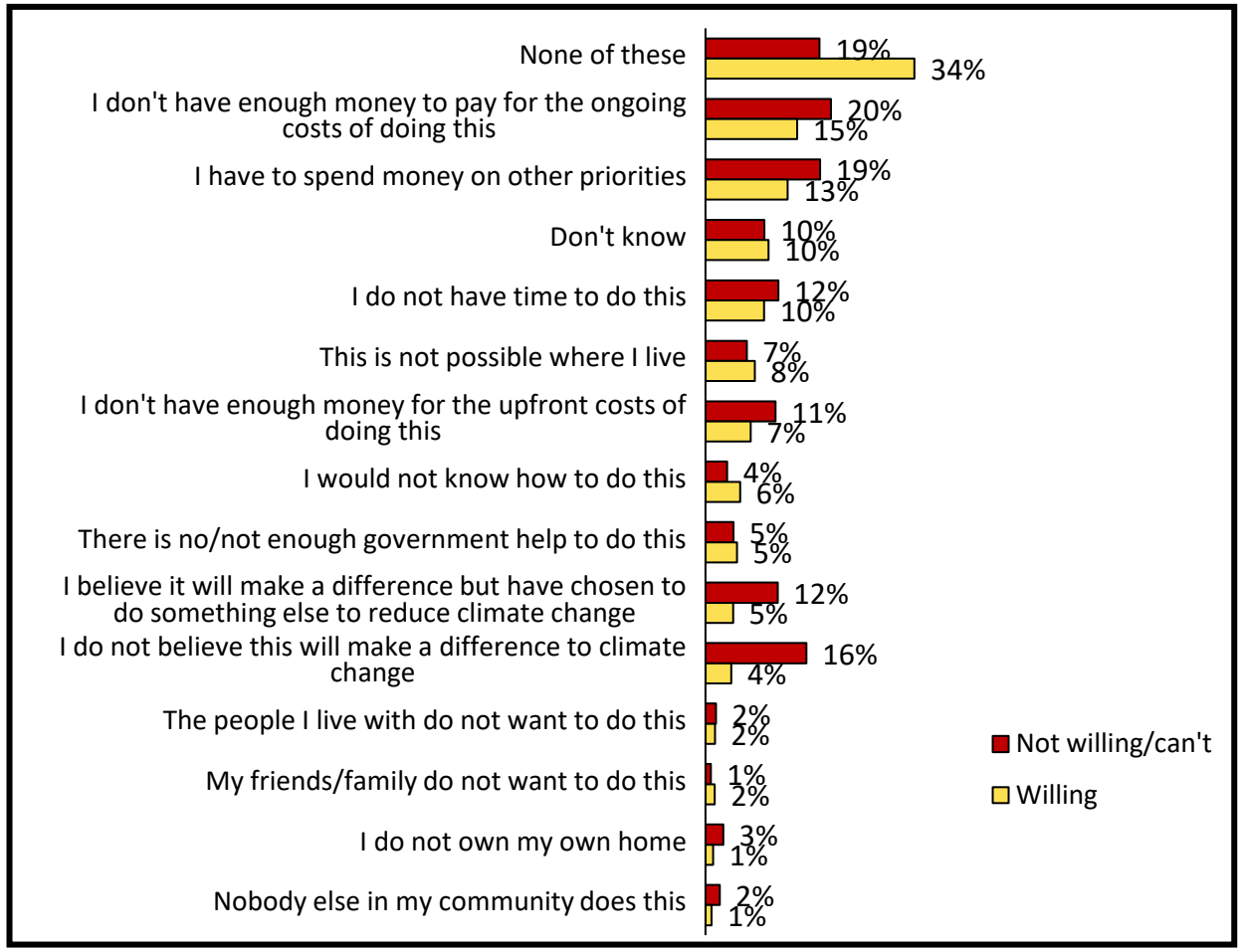
Willingness (Base: 3024)



Key motivations (Base: 2359, 2747, multi-choice)



Key barriers (Base: 336, 2359, multi-choice)



Summary/key points

- A large majority of people are willing to buy local and believe it will help the environment and reduce carbon – greater knowledge could nudge action towards more effective priorities

Buy locally produced food

Impact of behaviour change campaign: Medium

Existing evidence: Medium
Level of influence: Medium

What is the most effective practise?

- Make 'locally produced' labels salient when food shopping
- Make it easy e.g. rule of thumb to use so you know what vegetables are locally sourced
- Role models endorsing consumption of local produce

Case studies

- Purchasing decisions are often made rapidly based on one or two product factors for routine purchases – often price and health. By making the distance the food had travelled more salient (using LED fitted carts) 72% of the products purchased by shoppers had lower mean food mileages than those selected by shoppers using the regular cart. Placing shoppers in a social context – comparing different choices on the same product – was also effective (UK, 2012).
- 'Giki' makes sustainable shopping easy – you scan your food and can find out if it is UK made, has a low carbon food print, palm oil free, organic etc.
- Campaign called 'Eat Seasonably' made it easy for individuals to understand what was in season by presenting a clear and constant picture (see image). The campaign was supported by key food figures such as Gregg Wallace and Hugh Fearnley-Whittingstall (UK, 2009).
- Simple messages or 'rules of thumb' are successful ways of creating movement in the right direction. For example, encouraging people in the UK to choose root vegetables and vegetables that can be 'field grown', such as carrots and parsnips, is a simple way of increasing the consumption of UK grown veg (UK, 2006).

Reference
Kalnikaite et al., Decision-making in the aisles: informing, overwhelming or nudging supermarket shoppers?, 2012, Personal and Ubiquitous Computing
https://gikibadges.com/
Behaviour Change, Eat Seasonably, 2009
Garnett, T. (2006) Fruit and Vegetables & UK Greenhouse Gas Emissions: Exploring the Relationship. Food Climate Research Network. Centre for Environmental Strategy: UK

Action dashboard – Make ethical food choices (e.g. buy Fairtrade, don't buy palm oil etc.)

Willingness is high (66%), CO2 is N/A

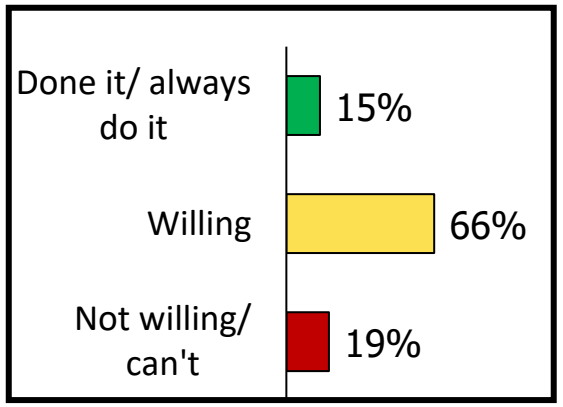
Finance is the key barrier to what would be an enjoyable change

Preventing harm to the environment and wildlife are key motivations

Size of opportunity
(outer line reflects largest opportunity)

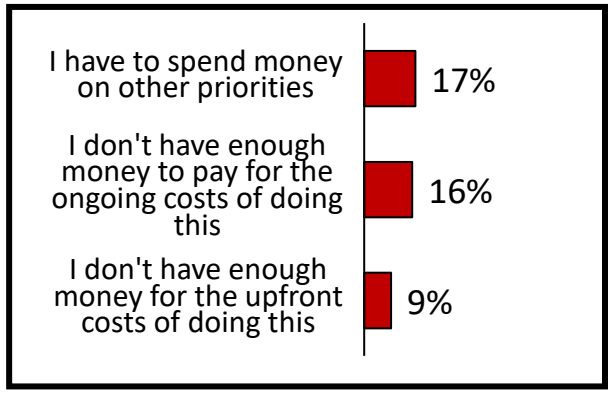
N/A – no carbon score available

Willingness (Base: 3024)

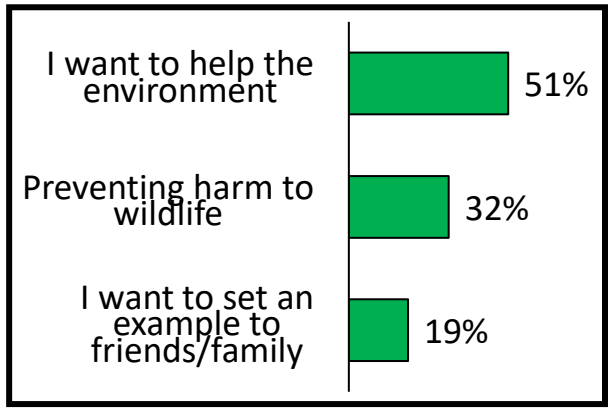


N/A – no carbon score available

Key barriers (Base: 1996)



Key motivations (Base: 1996)



Behaviour change evidence

Impact of behaviour change campaign: Medium

Existing evidence: Low
Level of influence: Medium

Best marketing approach

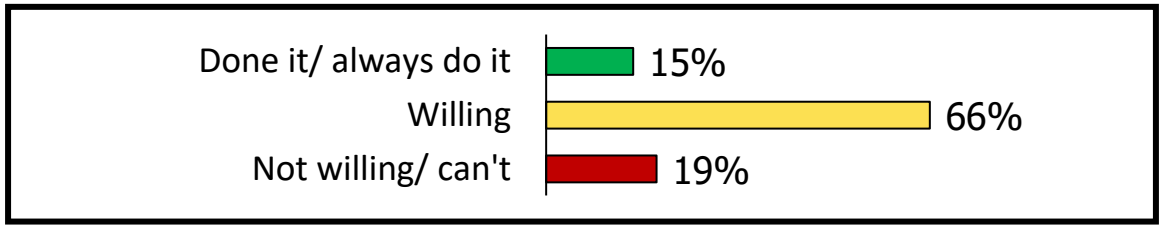
Not determined

Most linked action

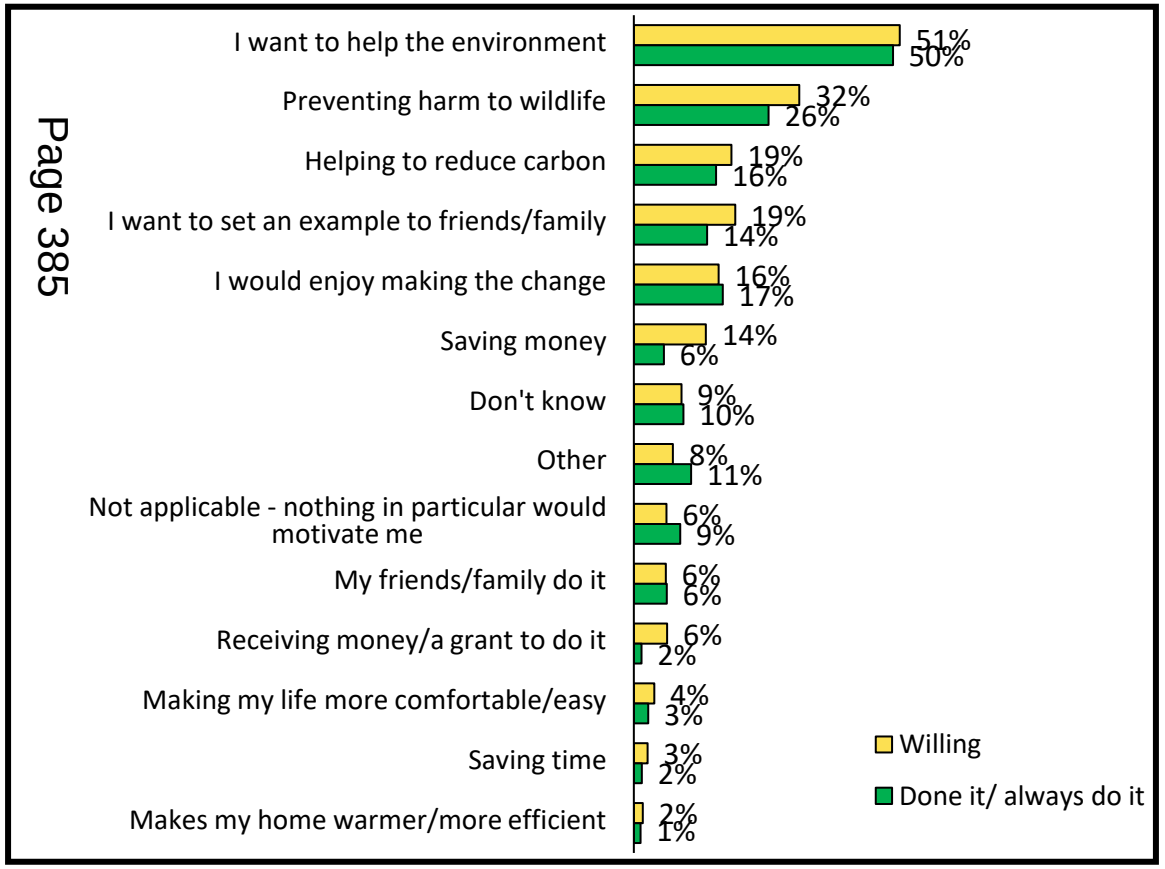
Buy locally produced food

Make ethical food choices (e.g. buy Fairtrade, don't buy palm oil etc.)

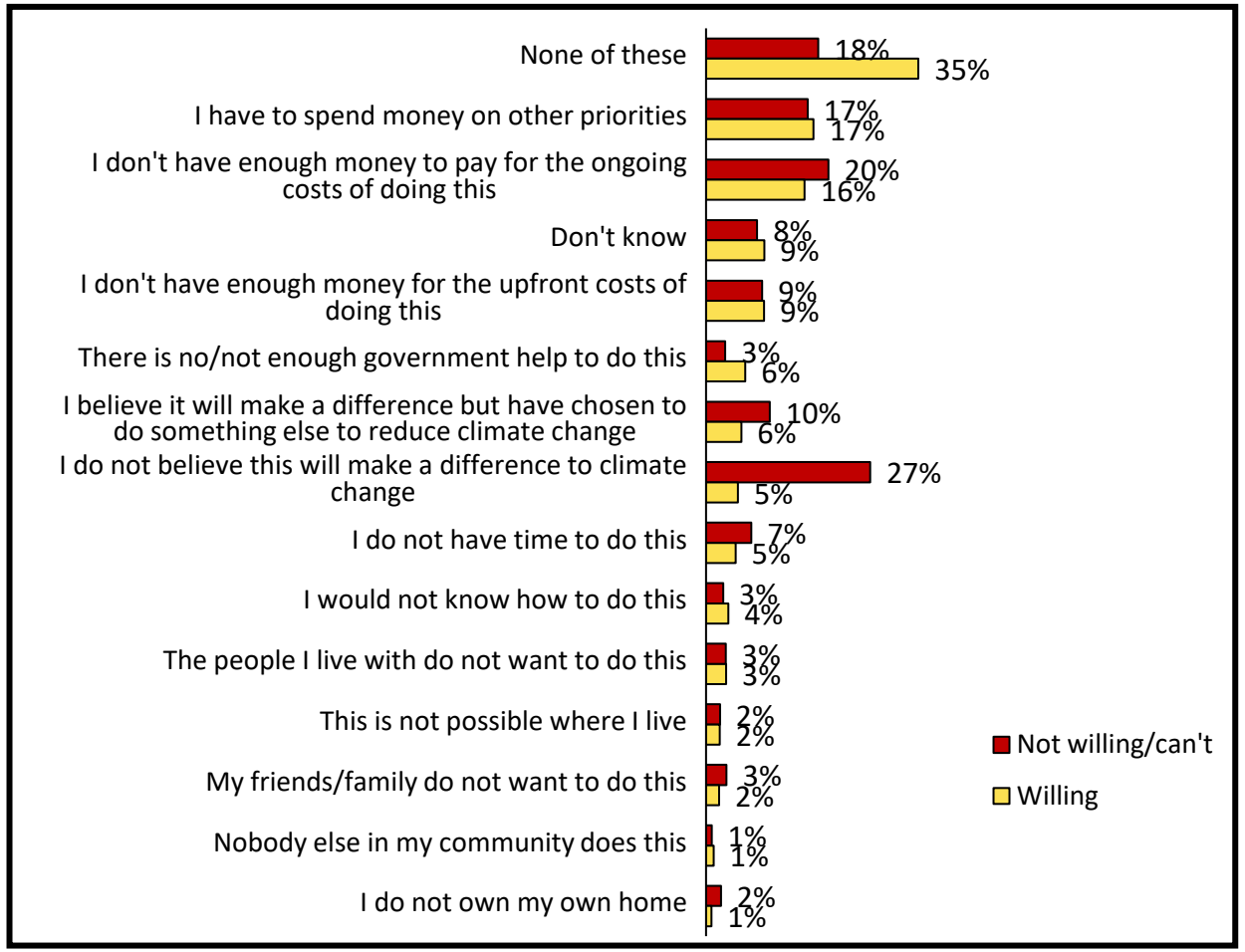
Willingness (Base: 3024)



Key motivations (Base: 1996, 2626, multi-choice)



Key barriers (Base: 532, 1996, multi-choice)



Summary/key points

- Ethical choices are motivated by the environment and wildlife
- Cost is a key barrier to action

Make ethical food choices (e.g. buy Fairtrade, don't buy palm oil etc.)

Impact of behaviour change campaign: Medium

Existing evidence: Low
Level of influence: Medium

What is the most effective practise?

- Promote knowledge, social norms and availability

Case studies

- Survey was conducted investigating attitude and intention to buy sustainable dairy. Ethical purchasing can be promoted by
  - Raising involvement (i.e. understanding and knowledge of issues involved);
  - Raising perceived consumer effectiveness (i.e. consumer ability to contribute to protecting the environment and improving producer's welfare);
  - Promoting certainty and trust in ethical claims;
  - Social norms or peer pressure;
  - High perceived availability.

Reference
Vermeir, I., & Verbeke, W. (2006). Sustainable food consumption: Exploring the consumer "attitude–behavioral intention" gap. Journal of Agricultural and Environmental ethics, 19(2), 169-194.

Action summaries – Sustainable resources

Area summary: Sustainable resources

Correctly recycle materials

Opportunity Size
(millions of kg CO2 annually)

3

Willingness to take action	Ease of Behaviour change	Level of influence
20%	Medium	Medium

What evidence suggests you should do...

Make it easy, fun and visual

Use reusable alternatives

Willingness to take action	Ease of Behaviour change	Level of influence
34%	High	Medium

What evidence suggests you should do...

Combine financial incentives with environmental restructuring

Reduce use of plastics

Willingness to take action	Ease of Behaviour change	Level of influence
63%	High	Medium

What evidence suggests you should do...

Combine financial incentives with environmental restructuring

Action dashboard – Correctly recycle materials

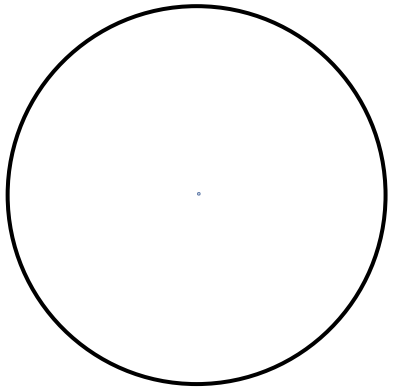
Opportunity size is the lowest (18/18 actions)

Willingness is low (20%), CO^2 saving is the lowest

Additional ability to do it or making it easier will increase recycling

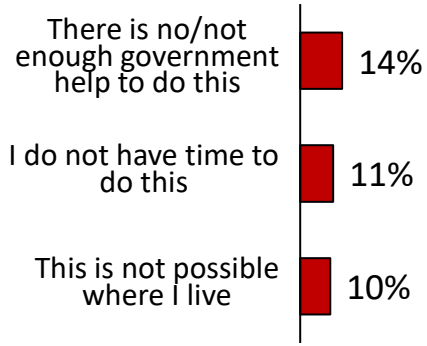
Buying locally is linked to ethical food choices

Size of opportunity
(outer line reflects largest opportunity)



2.63 million $kgC0^2e$

Key barriers (Base: 614)



Behaviour change evidence

Impact of behaviour change campaign: Medium

Existing evidence: High
Level of influence: Medium

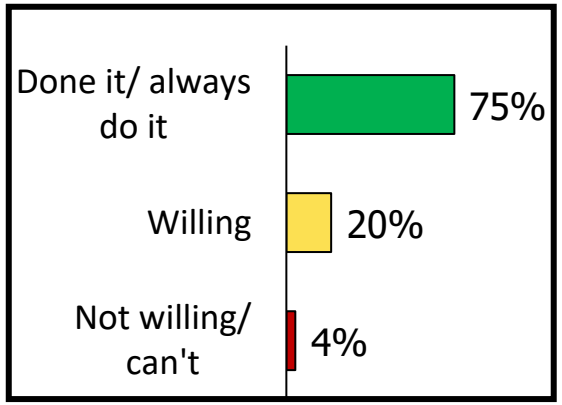
Best marketing approach

Not determined

Most linked action

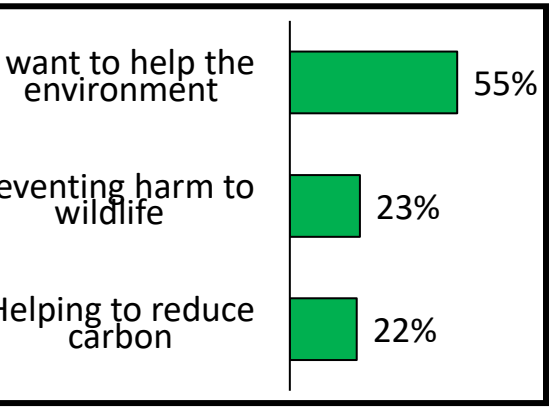
Reduce food waste

Willingness (Base: 3024)



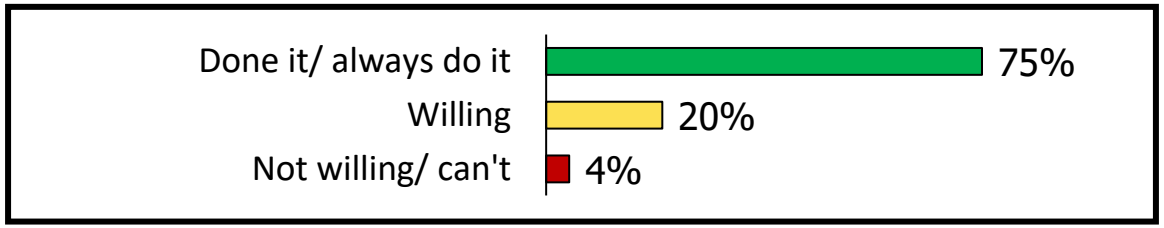
Carbon saving for one person taking the action:
8.92 $kgCO^2$ equivalent annually

Key motivations (Base: 614)

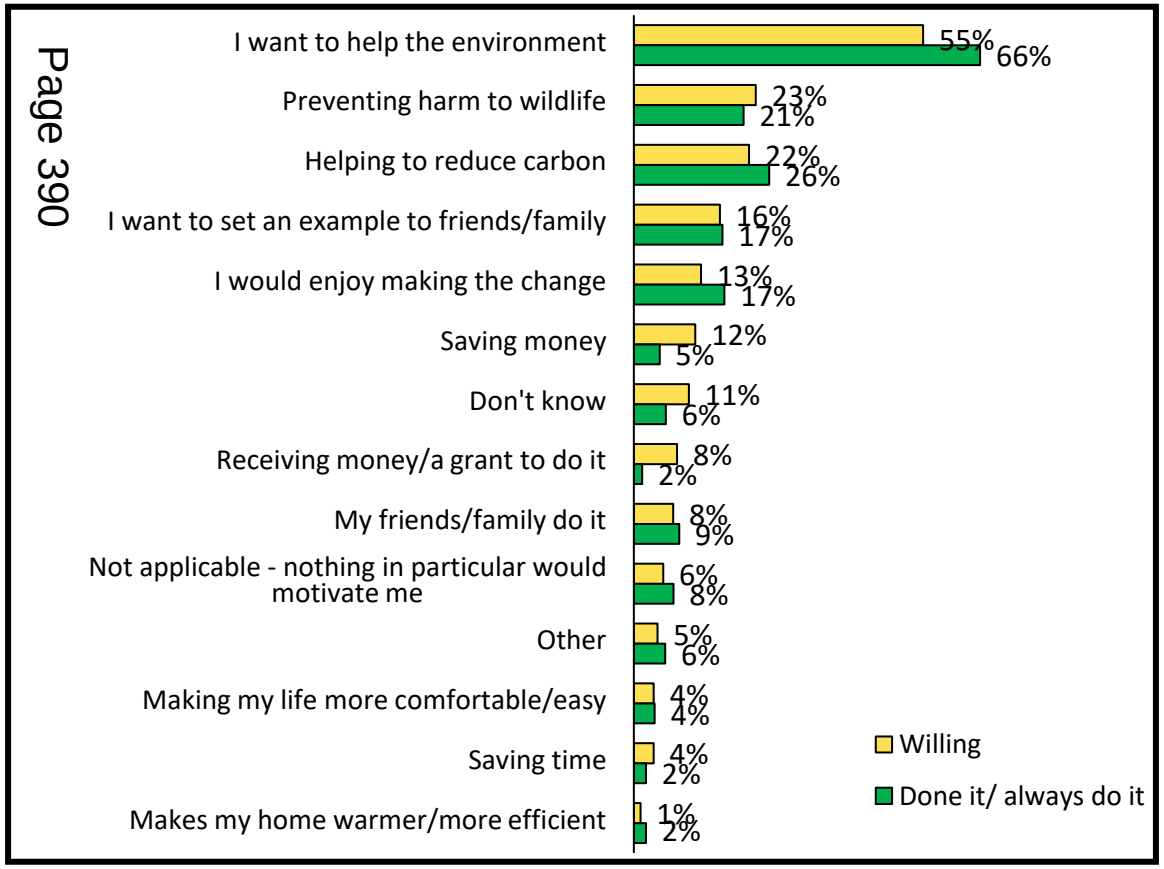


Correctly recycle materials

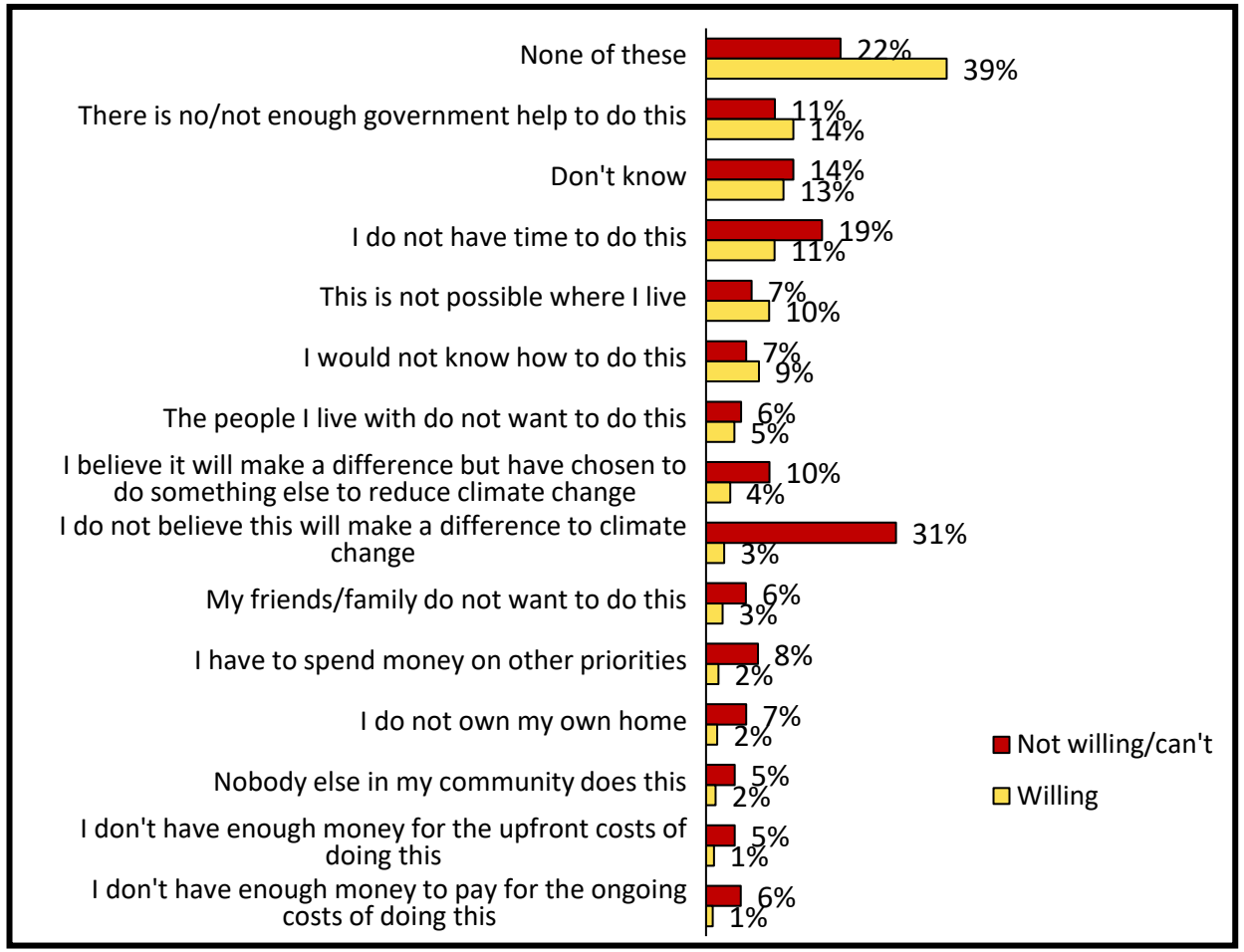
Willingness (Base: 3024)



Key motivations (Base: 614, 2968, multi-choice)



Key barriers (Base: 103, 614, multi-choice)



Summary/key points

- Willing recyclers are less motivated by the environment but more motivated by money and see barriers that need government help to overcome

Correctly recycle materials

Impact of behaviour change campaign: Medium

Existing evidence: High
Level of influence: Medium

What is the most effective practise?

- Make recycling easy

Case study: Recycle on the go and #LeedsByExample

- The number of people recycling in Leeds City Centre has almost tripled from 17% to 49%. What was effective?
  - Make recycling fun and visual – playful messaging and bright bins
  - Quality of recycling can vary – when placing bins in busy areas ensure recycling bins are visible and in locations where people are less in a rush. Ensure there is a general waste bin directly beside the recycling bin to reduce contamination.
  - Collect cups as they are a major contaminant in recycle bins. Managed spaces collecting cups yield highest quality recycling. Retailers and commuter routes collect the highest volume of cups (UK, 2019)

Reference
Recycle on the go and #LeedsByExample, 2019, Hubbub

Action dashboard – Use reusable alternatives (e.g. shopping bags, containers etc.)

Willingness is low (34%), CO^2 is N/A

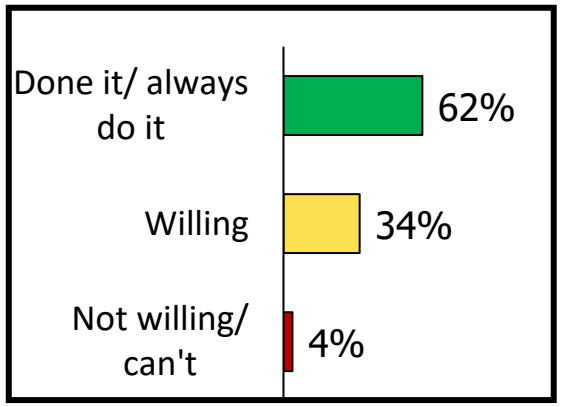
Key motivation is to help the environment

Action is linked to reducing use of plastics

Size of opportunity
(outer line reflects largest opportunity)

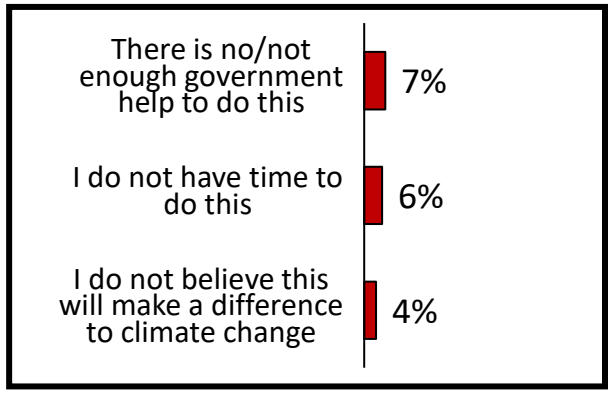
N/A – no carbon score available

Willingness (Base: 3024)

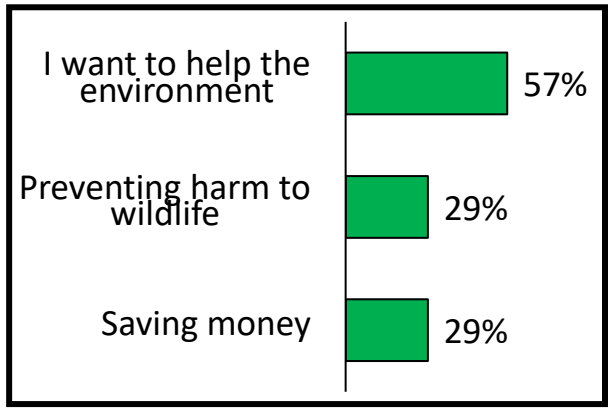


N/A – no carbon score available

Key barriers (Base: 1022)



Key motivations (Base: 1022)



Behaviour change evidence

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: Medium

Best marketing approach

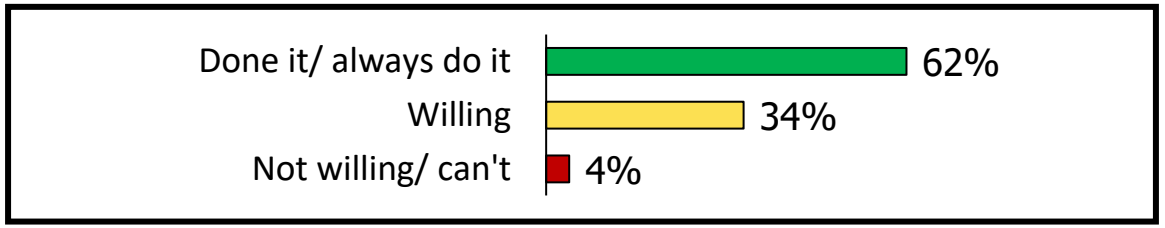
Not determined

Most linked action

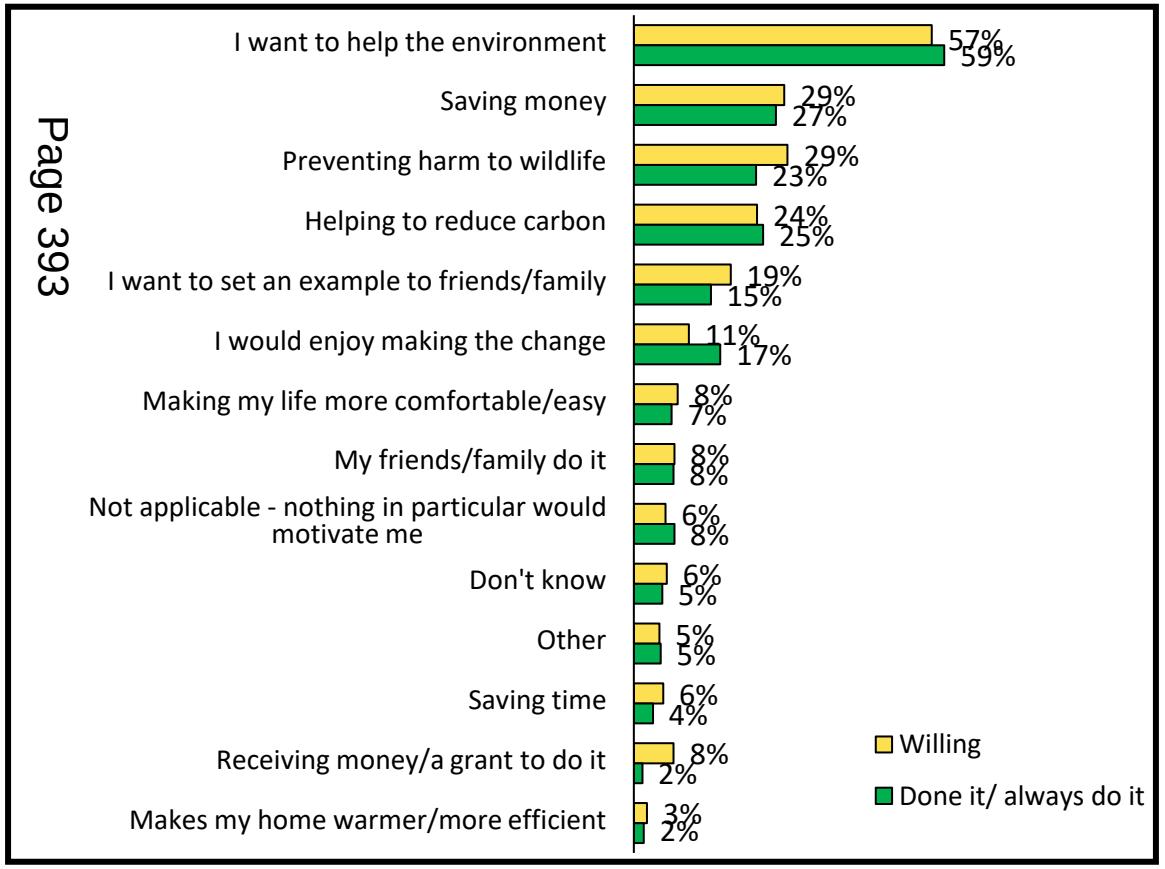
Reduce use of plastics

Use reusable alternatives (e.g. shopping bags, containers etc.)

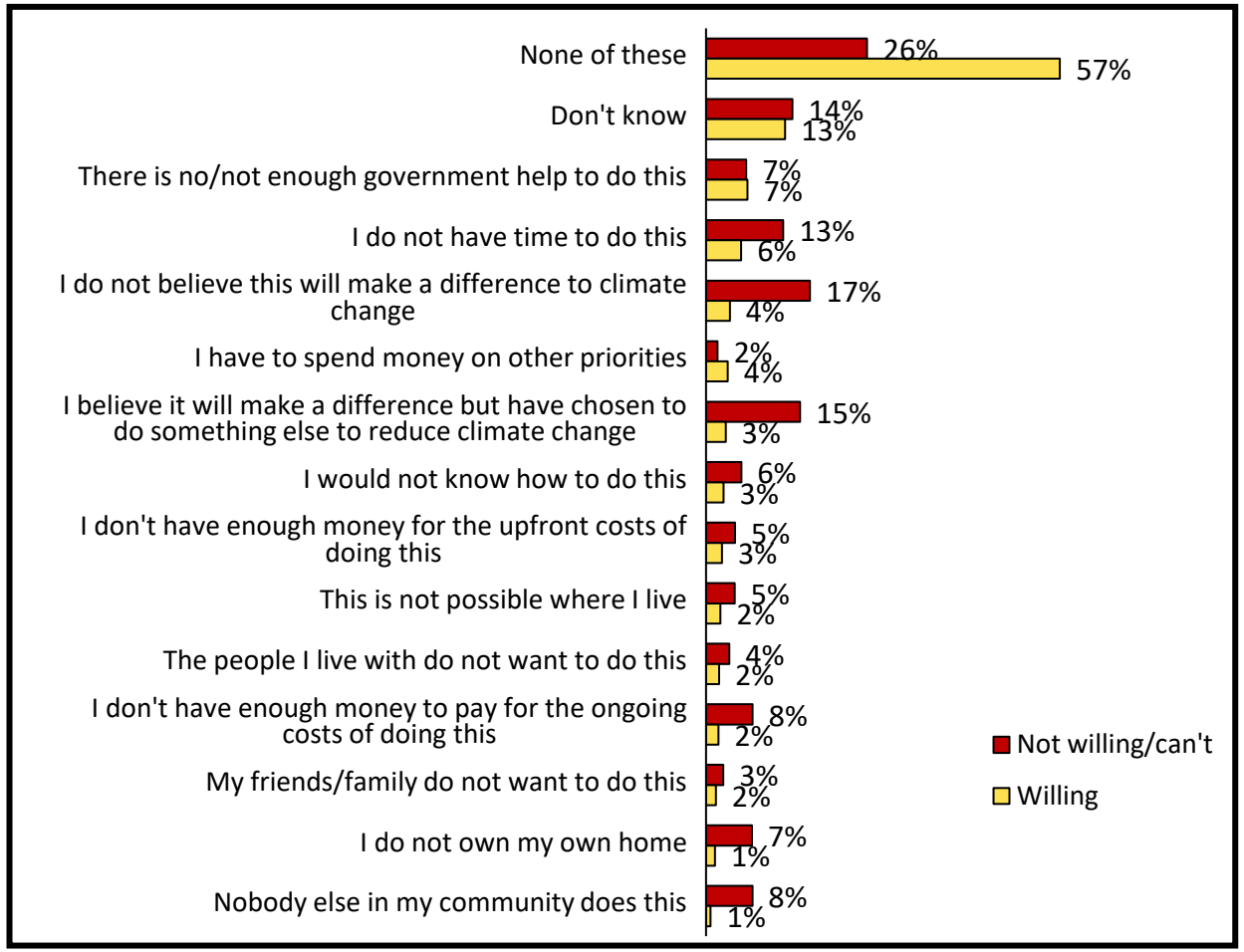
Willingness (Base: 3024)



Key motivations (Base: 1022, 2961, multi-choice)



Key barriers (Base: 104, 1022, multi-choice)



Summary/key points

- Key motivations are environment, money and wildlife harm prevention
- Key barrier is lack of government support. The automatic nature of the behaviour reflects the low scores amongst many barriers for the willing.

Use reusable alternatives

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: Medium

What is the best practise?

- Combine financial incentives with environmental restructuring

Best evidence – Control trial

- Field experiment conducted at twelve university and business sites to examine whether the use of reusable cups can be promoted through easily implementable measures. The interventions were:
  - Provision of alternatives (reusable cups for sale or given out for free)
  - Financial incentive (charged for a single use cup or given a discount for using a reusable cup)
  - Environmental messaging – shown across all cafes, including control group (see image)

Study suggests provision of a free reusable cup and financial discount is particularly effective. Discounting for use of a reusable cup is effective as people are more suspectable to losses than gain and its communicates the social norm.

- Three cafes continued with the charge after the experiment had finished and distributed more reusable cups for free among their students. This boosted the use of reusable cups up to 33.7% across three cafés (UK, 2018).

Reference
Poortinga & Whitaker, Promoting the Use of Reusable Coffee Cups through Environmental Messaging, the Provision of Alternatives and Financial Incentives, 2018, Sustainability

Action dashboard – Reduce use of plastics

Willingness is high (63%), CO^2 is N/A

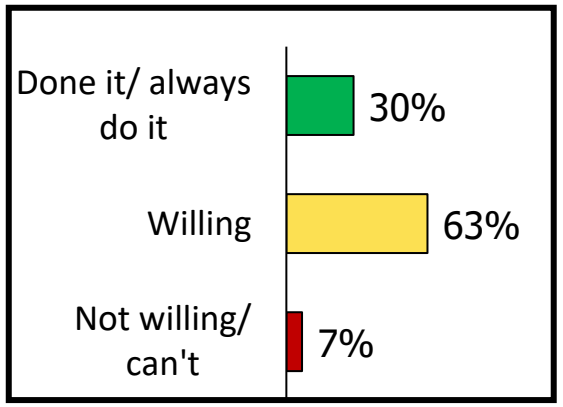
Additional practical help or restraints on options could increase the action

Making it easier to make the right choice is key

Size of opportunity
(outer line reflects largest opportunity)

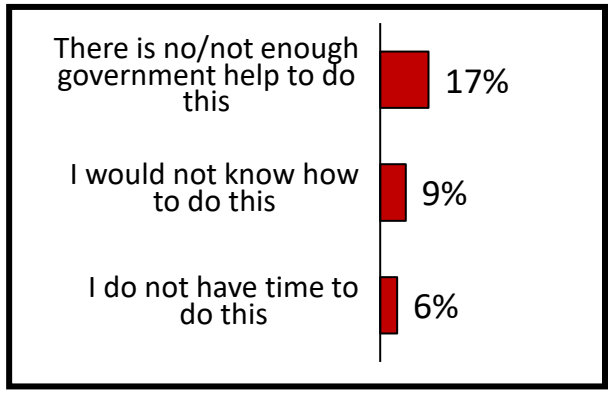
N/A – no carbon score available

Willingness (Base: 3024)

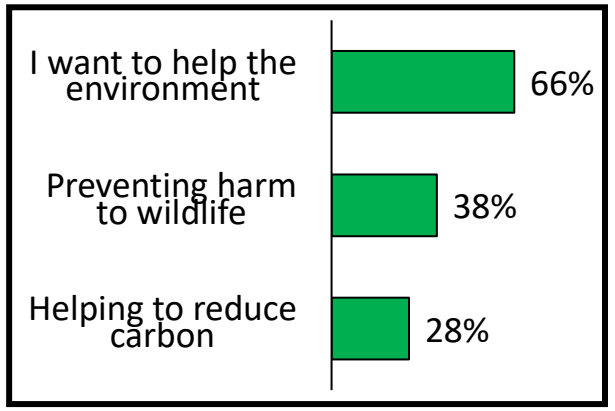


N/A – no carbon score available

Key barriers (Base: 1895)



Key motivations (Base: 1895)



Behaviour change evidence

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: Medium

Best marketing approach

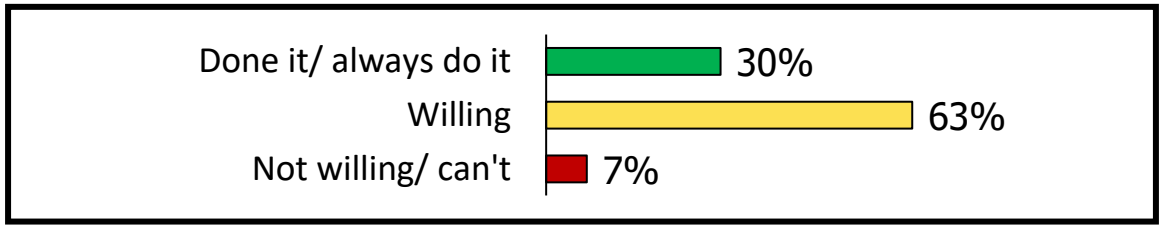
Easier

Most linked action

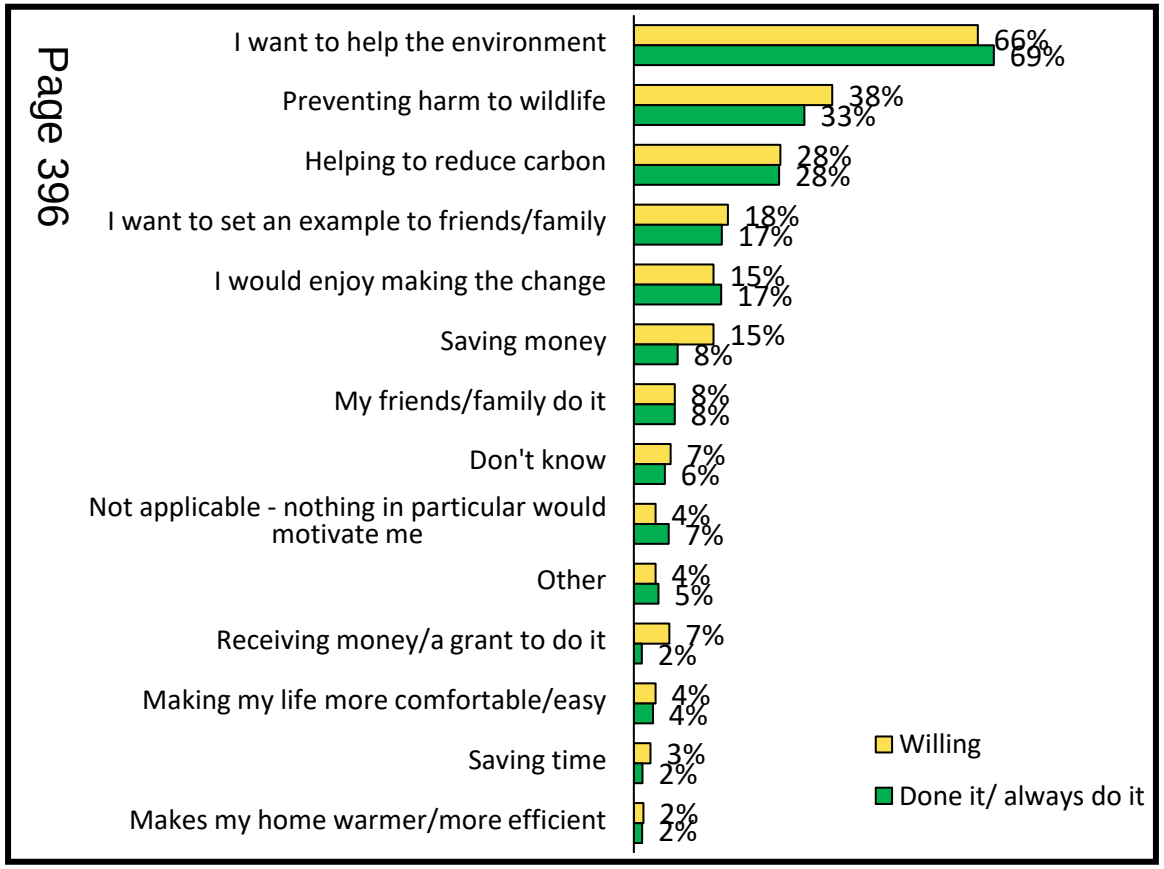
Choose energy efficient appliances

Reduce use of plastics

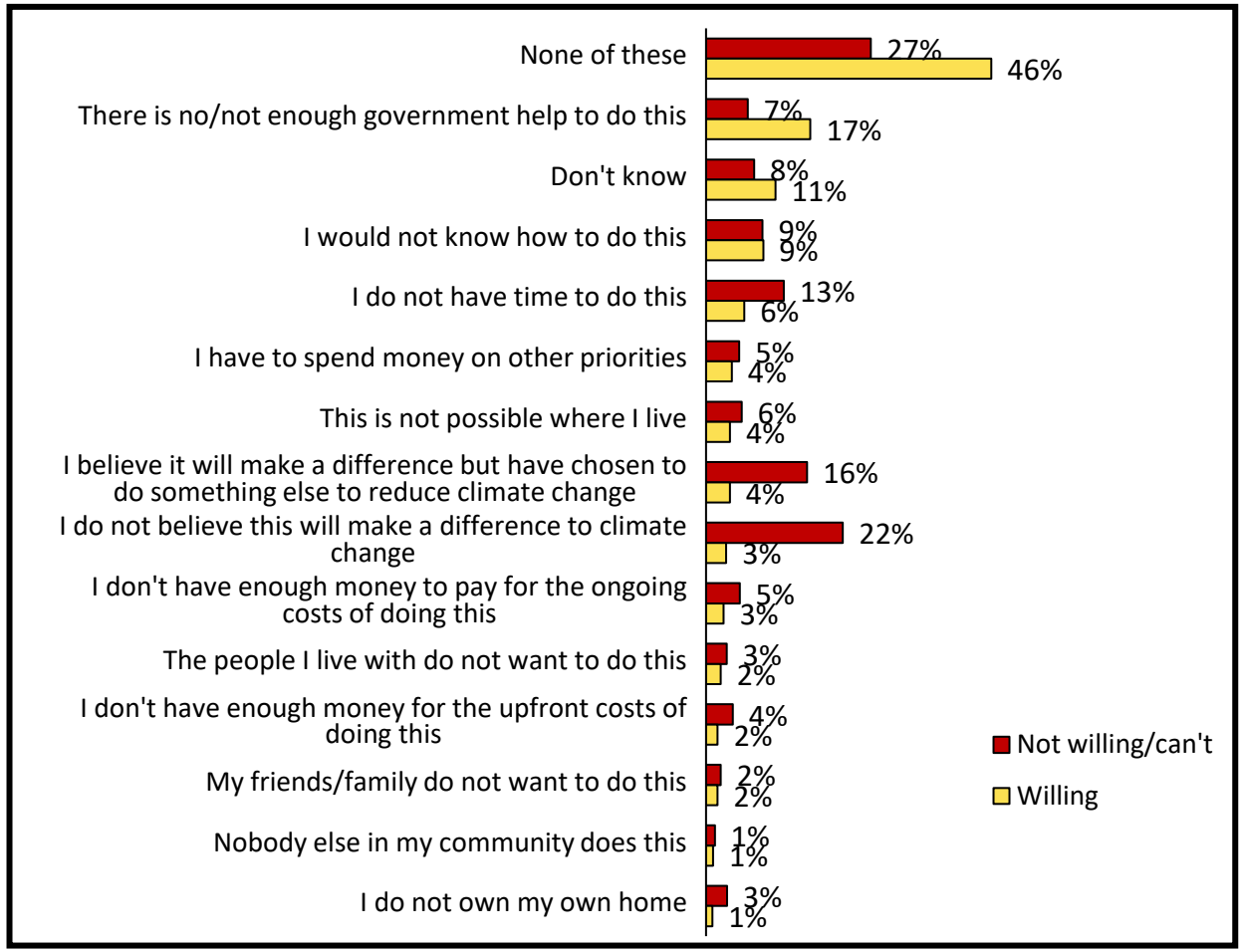
Willingness (Base: 3024)



Key motivations (Base: 1895, 2874, multi-choice)



Key barriers (Base: 200, 1895, multi-choice)



Summary/key points

- Preventing harm to wildlife stands out as a motivation among the willing
- Key barrier to action is lack of control individual's have over this

Reduce use of plastics

Impact of behaviour change campaign: High

Existing evidence: High
Level of influence: Medium

What is the best practise?

- Combine financial incentives with environmental restructuring

Best evidence – Control trial

- Field experiment conducted at twelve university and business sites to examine whether the use of reusable cups can be promoted through easily implementable measures. The interventions were:
  - Provision of alternatives (reusable cups for sale or given out for free)
  - Financial incentive (charged for a single use cup or given a discount for using a reusable cup)
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  Study suggests provision of a free reusable cup and financial discount is particularly effective. Discounting for use of a reusable cup is effective as people are more suspectable to losses than gain and its communicates the social norm.
  - Three cafes continued with the charge after the experiment had finished and distributed more reusable cups for free among their students. This boosted the use of reusable cups up to 33.7% across three cafés (UK, 2018).

Reference
Poortinga & Whitaker, Promoting the Use of Reusable Coffee Cups through Environmental Messaging, the Provision of Alternatives and Financial Incentives, 2018, Sustainability

Action summaries – Resilience to climate change

Area summary: Resilience to climate change

Modify home to be more resilient to heat and drought

Willingness to take action	Ease of Behaviour change	Level of influence
60%	Low	Medium

What evidence suggests you should do...

Make salience of extreme weather conditions less abstract i.e. relevant to individuals

Modify home to be more resilient to storms and flooding

Willingness to take action	Ease of Behaviour change	Level of influence
41%	Low	Medium

What evidence suggests you should do...

Make salience of extreme weather conditions less abstract i.e. relevant to individuals

Action dashboard – Modify my home to be more resilient to heat and drought

Willingness is high (60%), CO^2 is N/A

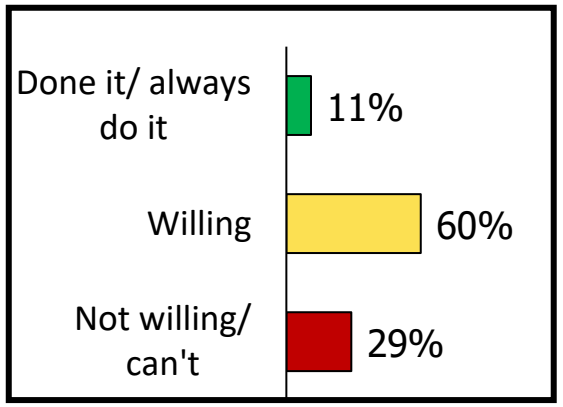
Money restraints and home ownership are key barriers

Action is linked to renewable energy devices

Size of opportunity
(outer line reflects largest opportunity)

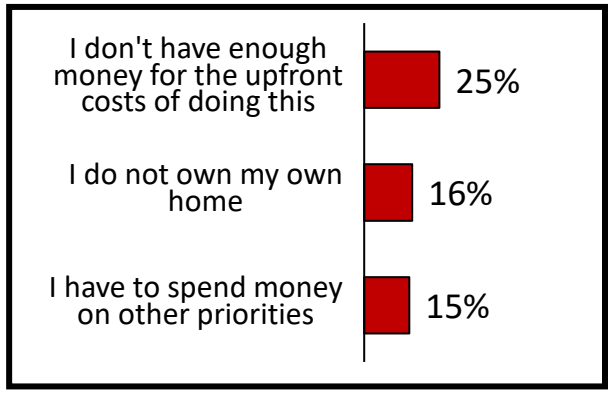
N/A – no carbon score available

Willingness (Base: 3024)

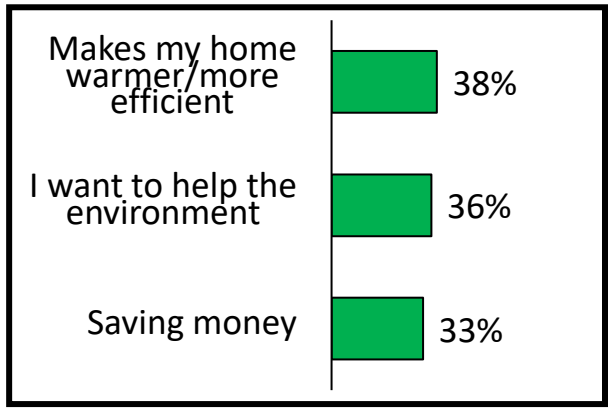


N/A – no carbon score available

Key barriers (Base: 1822)



Key motivations (Base: 1822)



Behaviour change evidence

Impact of behaviour change campaign: Low

Existing evidence: Low
Level of influence: Medium

Best marketing approach

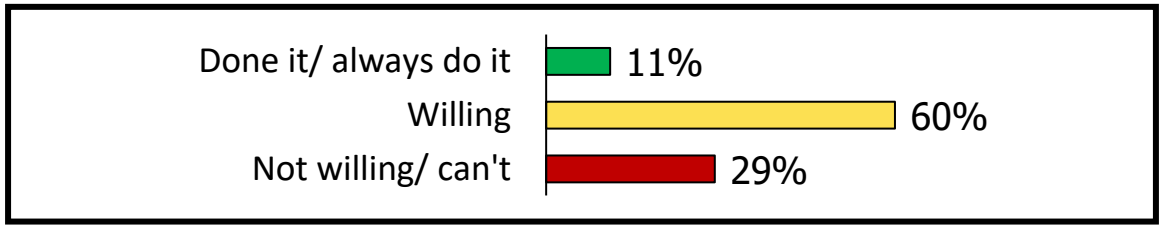
Not determined

Most linked action

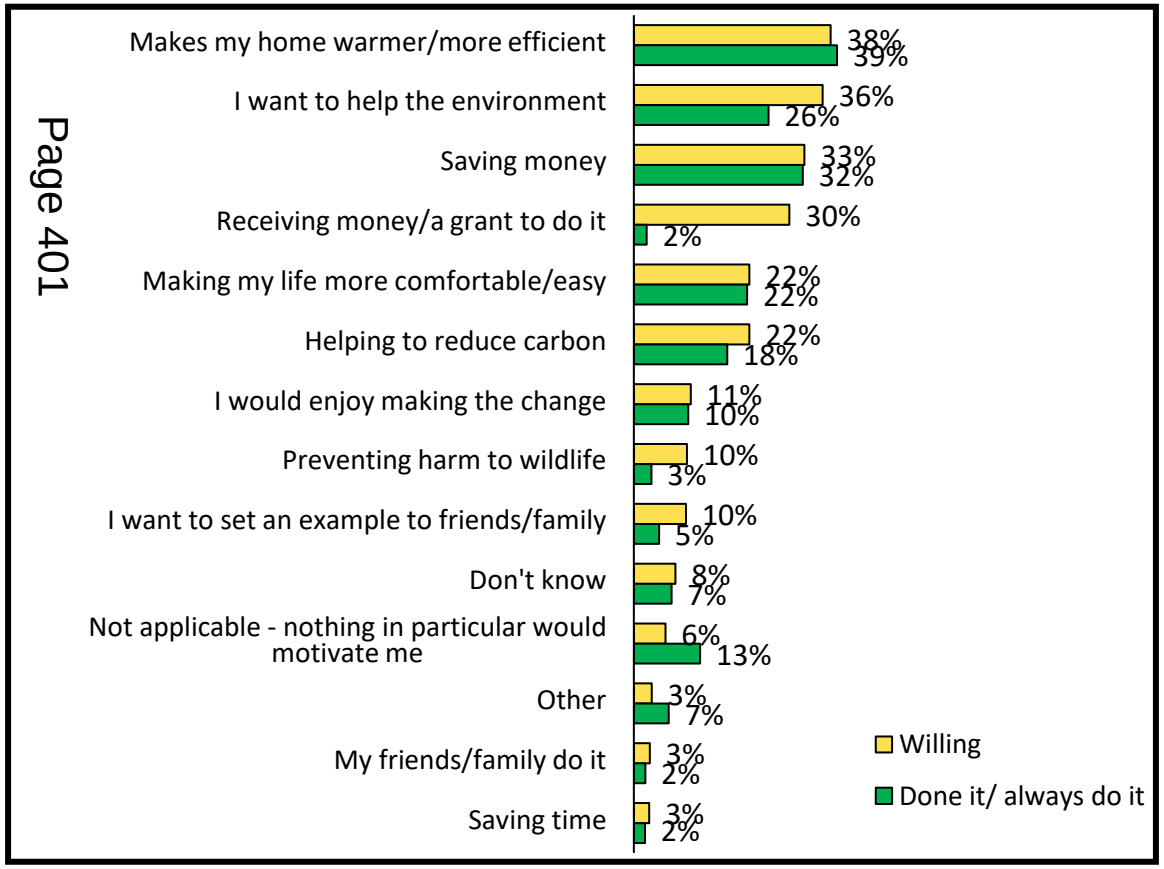
Install renewable energy devices

Modify my home to be more resilient to heat and drought

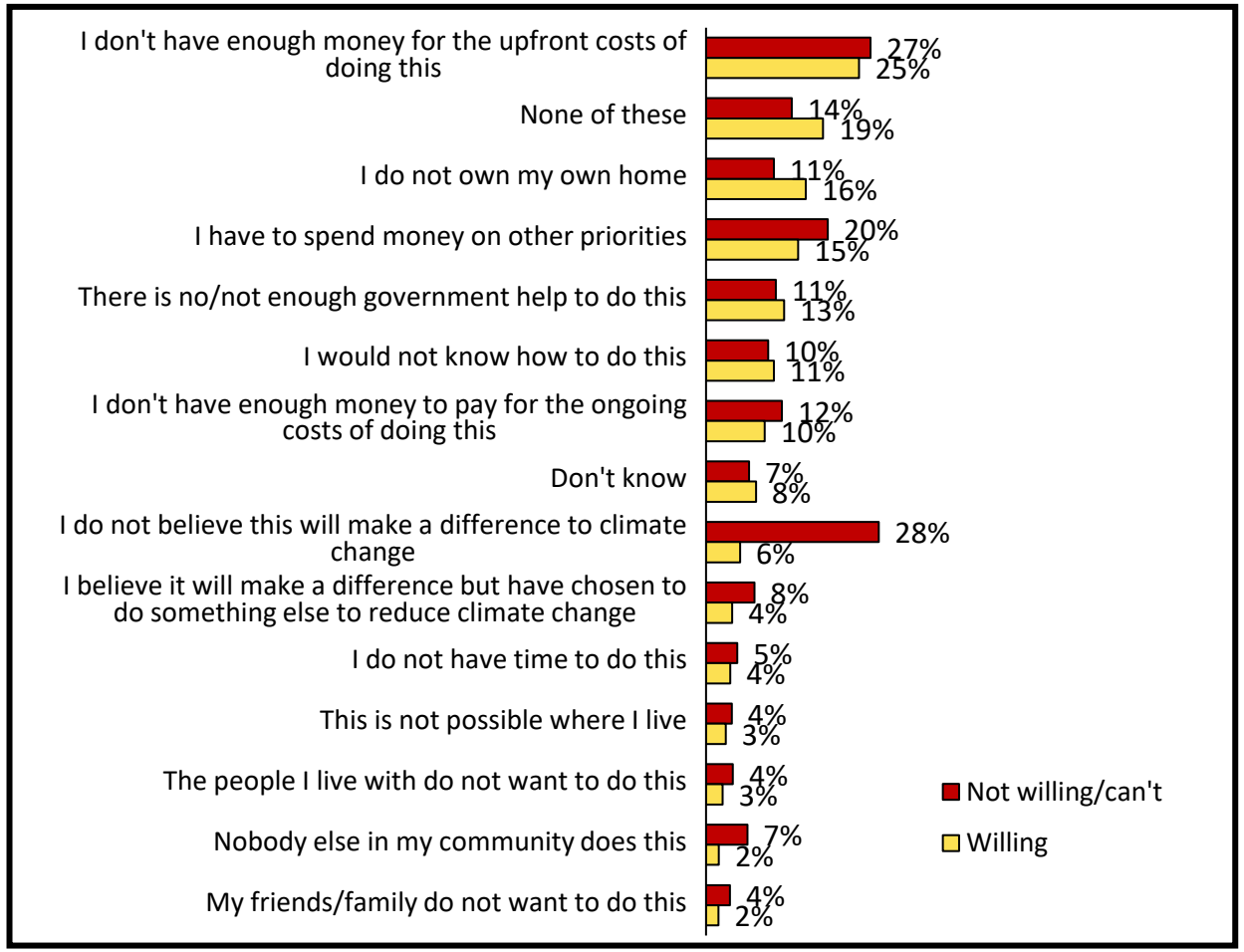
Willingness (Base: 3024)



Key motivations (Base: 1822, 328, multi-choice)



Key barriers (Base: 419, 1822, multi-choice)



Summary/key points

- Willing are motivated to do this but want to be paid/assisted to do so
- Promoting efficiencies savings with resilience measures is motivating

Modify home to be more resilient to heat and drought

Impact of behaviour change campaign: Low

Existing evidence: Low
Level of influence: Medium

What is the most effective practise?

- Make salience of extreme weather conditions less abstract i.e. relevant to individuals

See 'Install loft and wall insulation and plug gaps to stop drafts' and 'Avoid unnecessary water usage'

Case study – timely interventions

- Personal experience with an extreme weather event increases willingness to pay higher taxes to support mitigation and adaption (USA, 2019)

Reference
Bergquist et al., Experiencing a Severe Weather Event Increases Concern About Climate Change, 2019

Action dashboard – Modify my home to be more resilient to storms and flooding

Willingness is moderate (41%), CO^2 is N/A

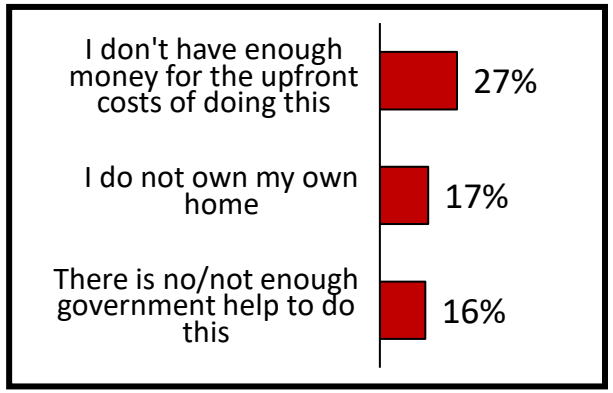
Money restraints and home ownership are key barriers

Action is linked to installing insulation

Size of opportunity
(outer line reflects largest opportunity)

N/A – no carbon score available

Key barriers (Base: 1244)



Behaviour change evidence

Impact of behaviour change campaign: Low

Existing evidence: Low
Level of influence: Medium

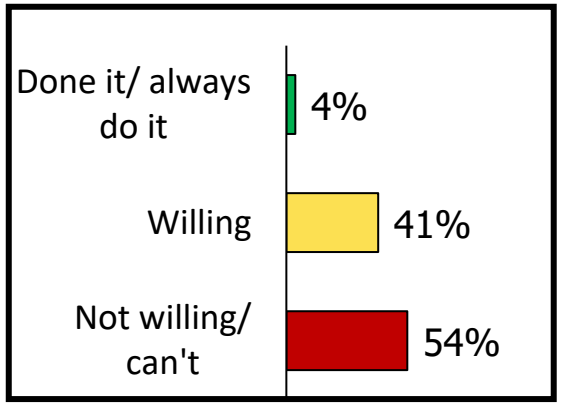
Best marketing approach

Not determined

Most linked action

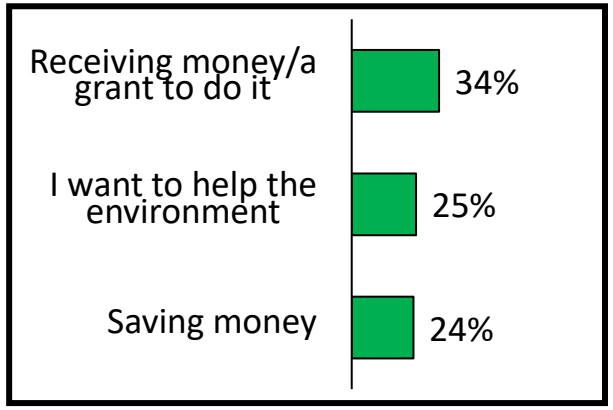
Install insulation

Willingness (Base: 3024)



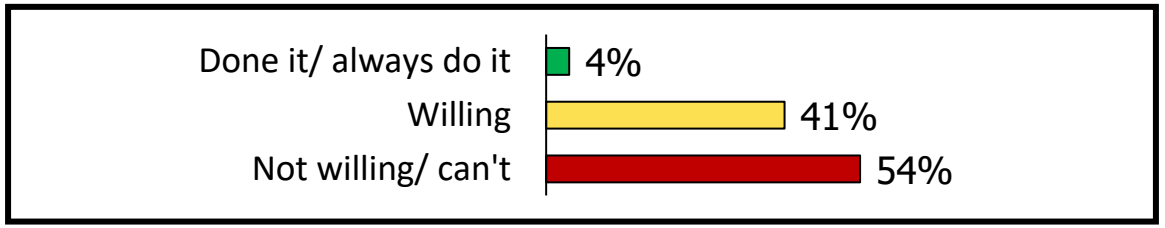
N/A – no carbon score available

Key motivations (Base: 1244)

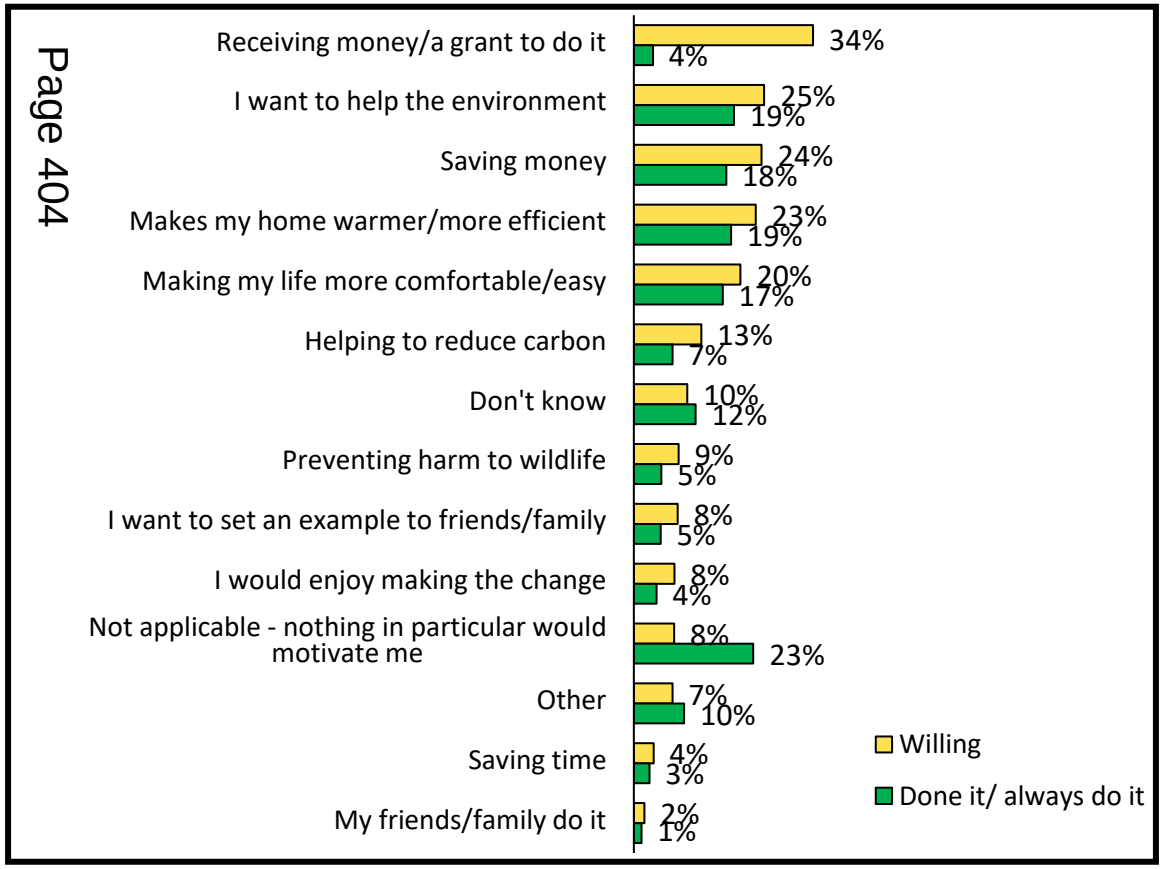


Modify my home to be more resilient to storms and flooding

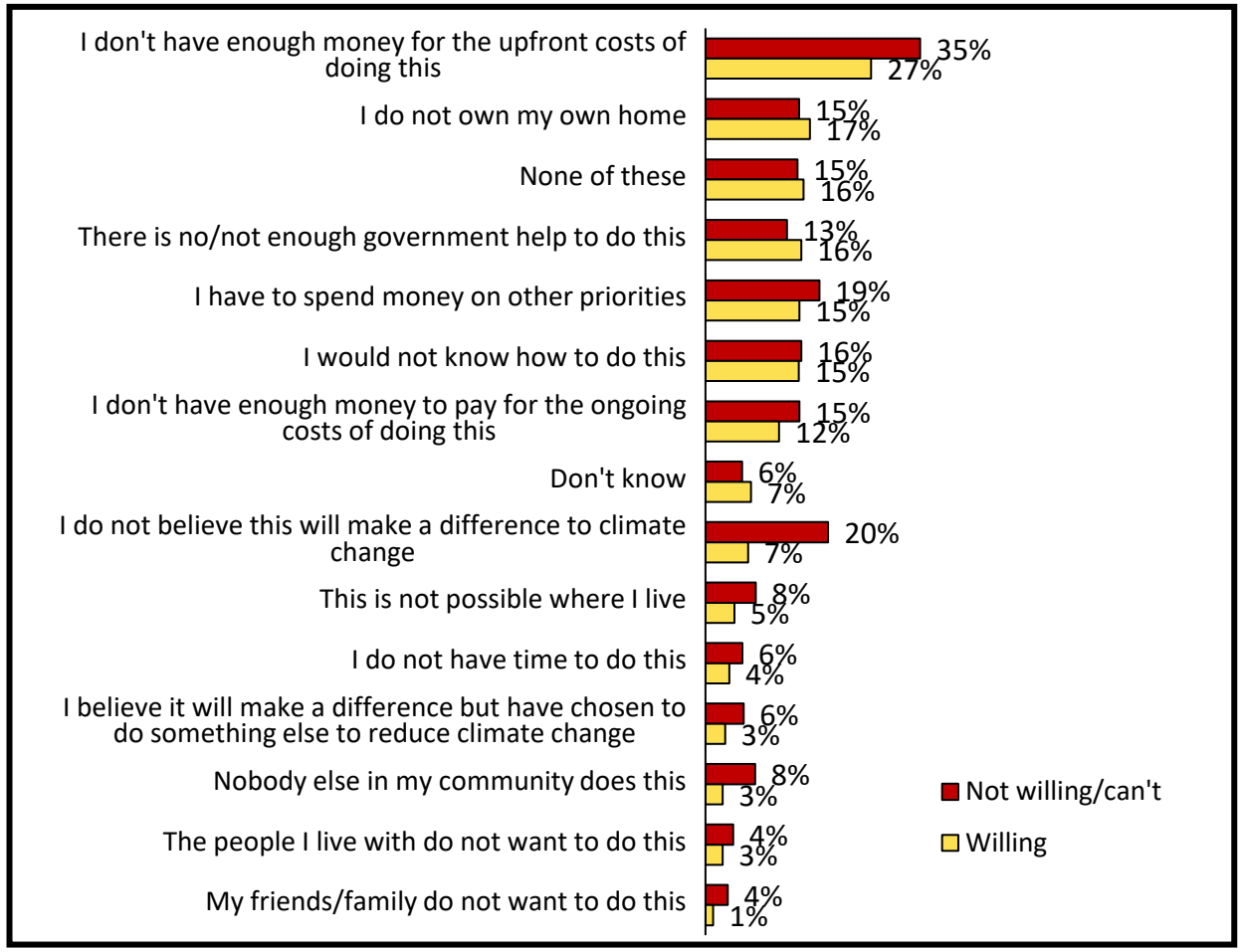
Willingness (Base: 3024)



Key motivations (Base: 1244, 131, multi-choice)



Key barriers (Base: 458, 1244, multi-choice)



Summary/key points

- Willing are motivated to do this but want to be paid/assisted to do so as money is key barrier

Modify my home to be more resilient to storms and flooding

Impact of behaviour change campaign: Low

Existing evidence: Low
Level of influence: Medium

What is the most effective practise?

- Make salience of extreme weather conditions less abstract i.e. relevant to individuals

See 'Install loft and wall insulation and plug gaps to stop drafts' and 'Avoid unnecessary water usage'

Case study – timely interventions

- Personal experience with an extreme weather event increases willingness to pay higher taxes to support mitigation and adaption (USA, 2019)

Reference
Bergquist et al., Experiencing a Severe Weather Event Increases Concern About Climate Change, 2019

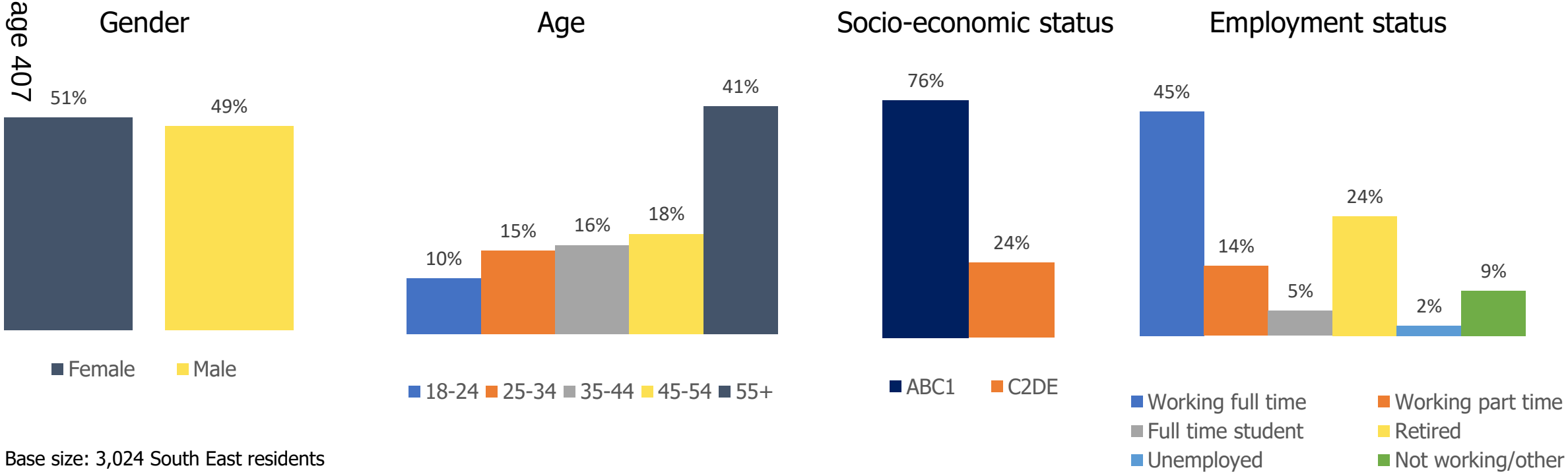
Detailed quantitative survey findings

Online survey - Methodology

What and when:

- Online survey created by the Insight and Engagement Team with sample provided by YouGov (commissioned due to their ability to deliver Mosaic demographic groups without the need to collect personally identifiable information and survey software capabilities)
- **3,024** responses between 14 April and 22 April representative of the South East by interlocking age and gender quotas

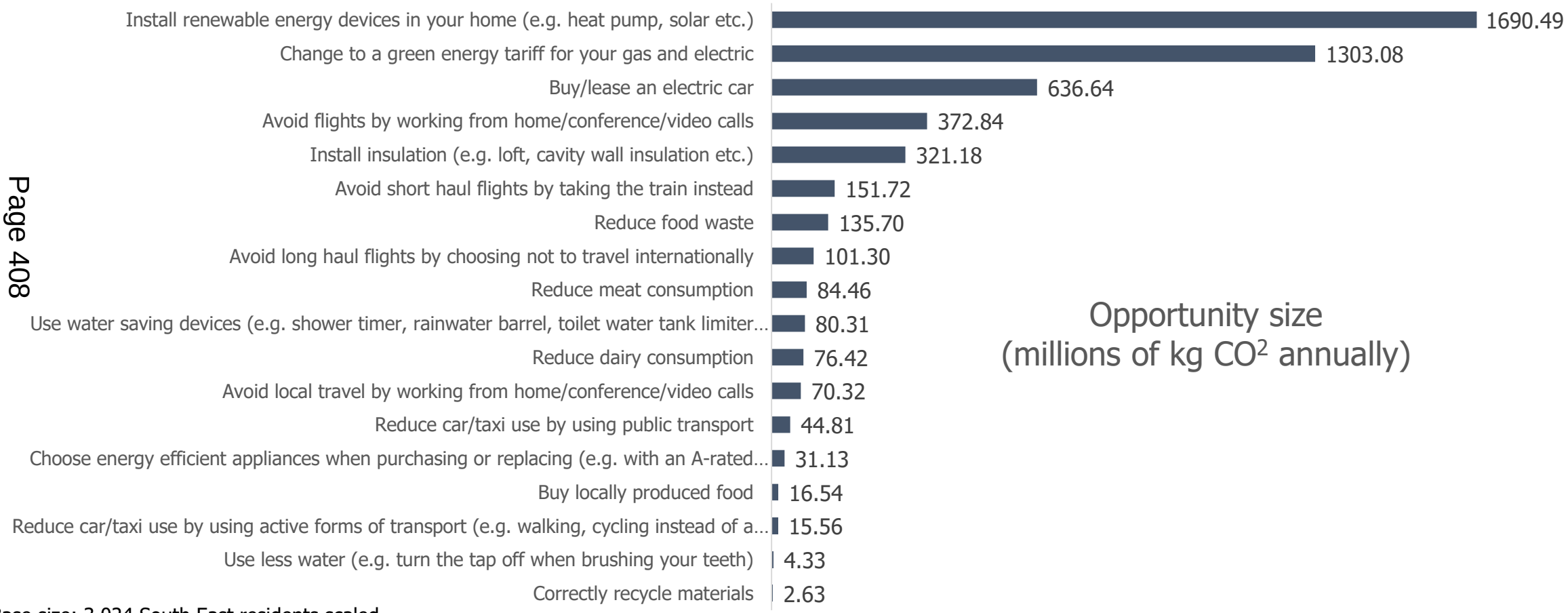
Audience Profile – Audience profile in the South East broadly matched that of Hampshire



Base size: 3,024 South East residents

Installing renewable energy devices is the largest CO^2 saving opportunity

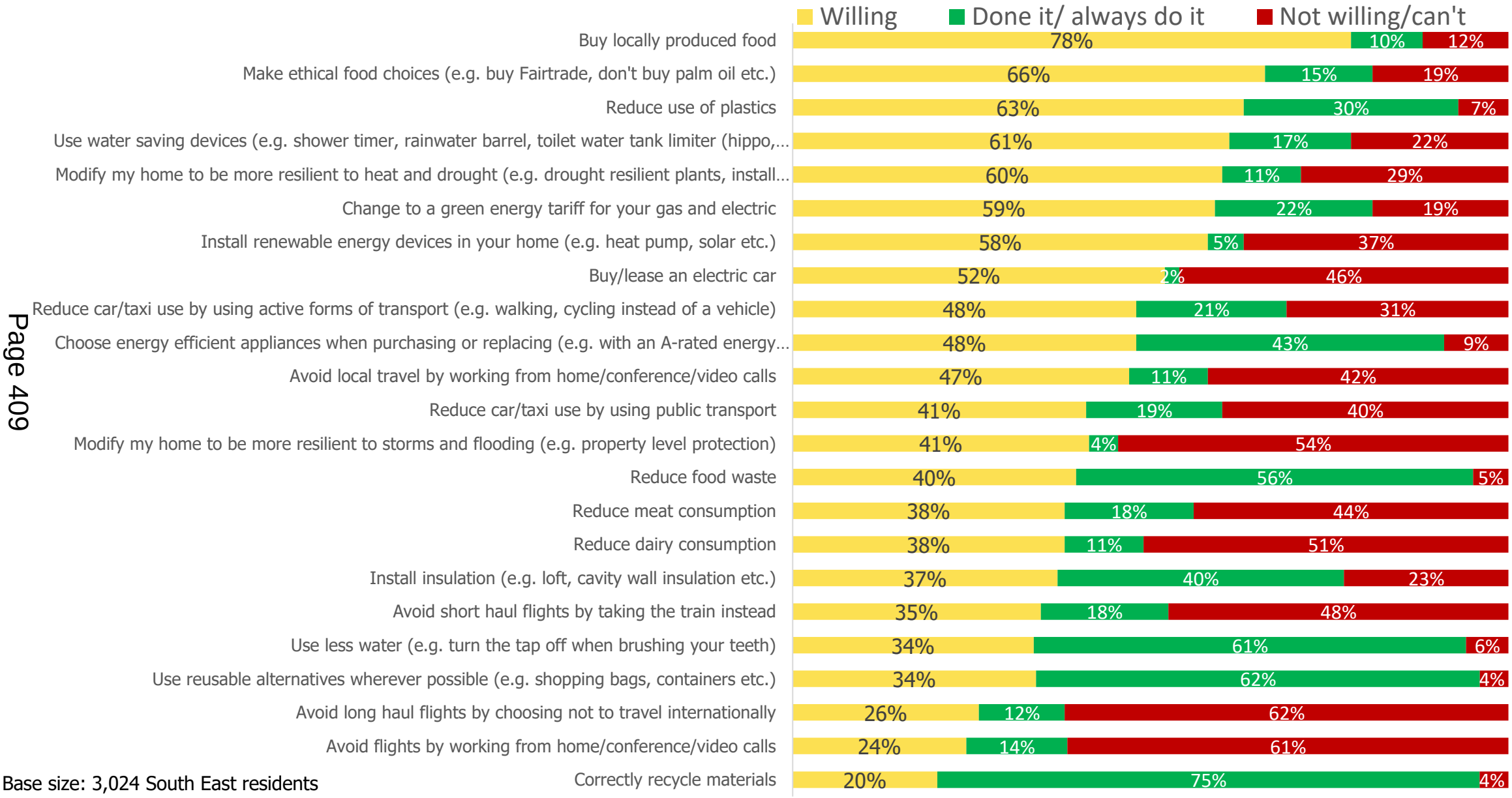
Below is a representation of the carbon opportunity size (% of the Hampshire population willing to take an action multiplied by the amount of carbon saved for doing the action) in millions of kg of CO^2 equivalent annually



Base size: 3,024 South East residents scaled to represent Hampshire

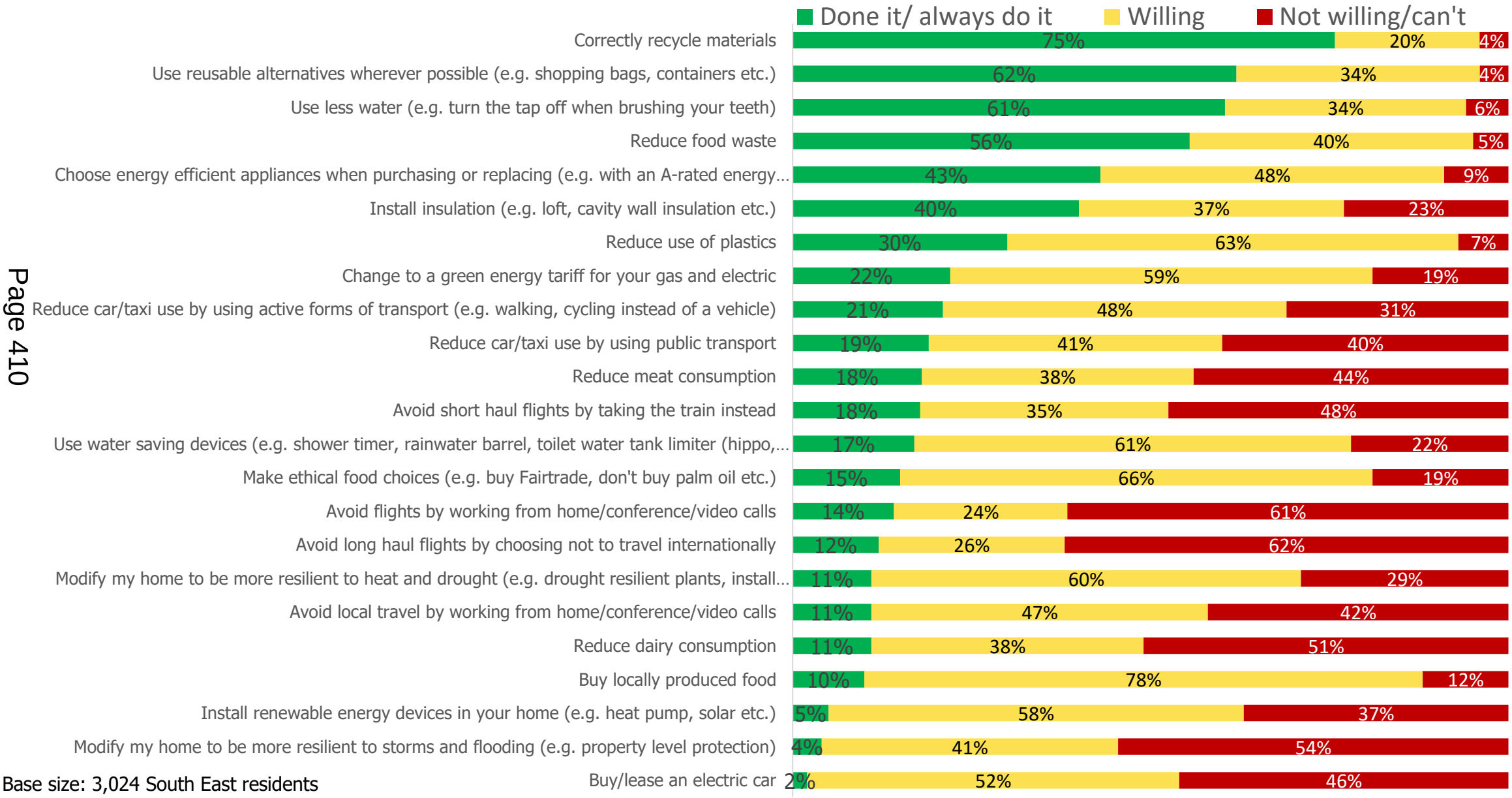
Key takeout – Home energy (renewable energy devices and green energy tariffs) is the largest opportunities to save carbon

Willingness is concentrated in food choices and improvements at home



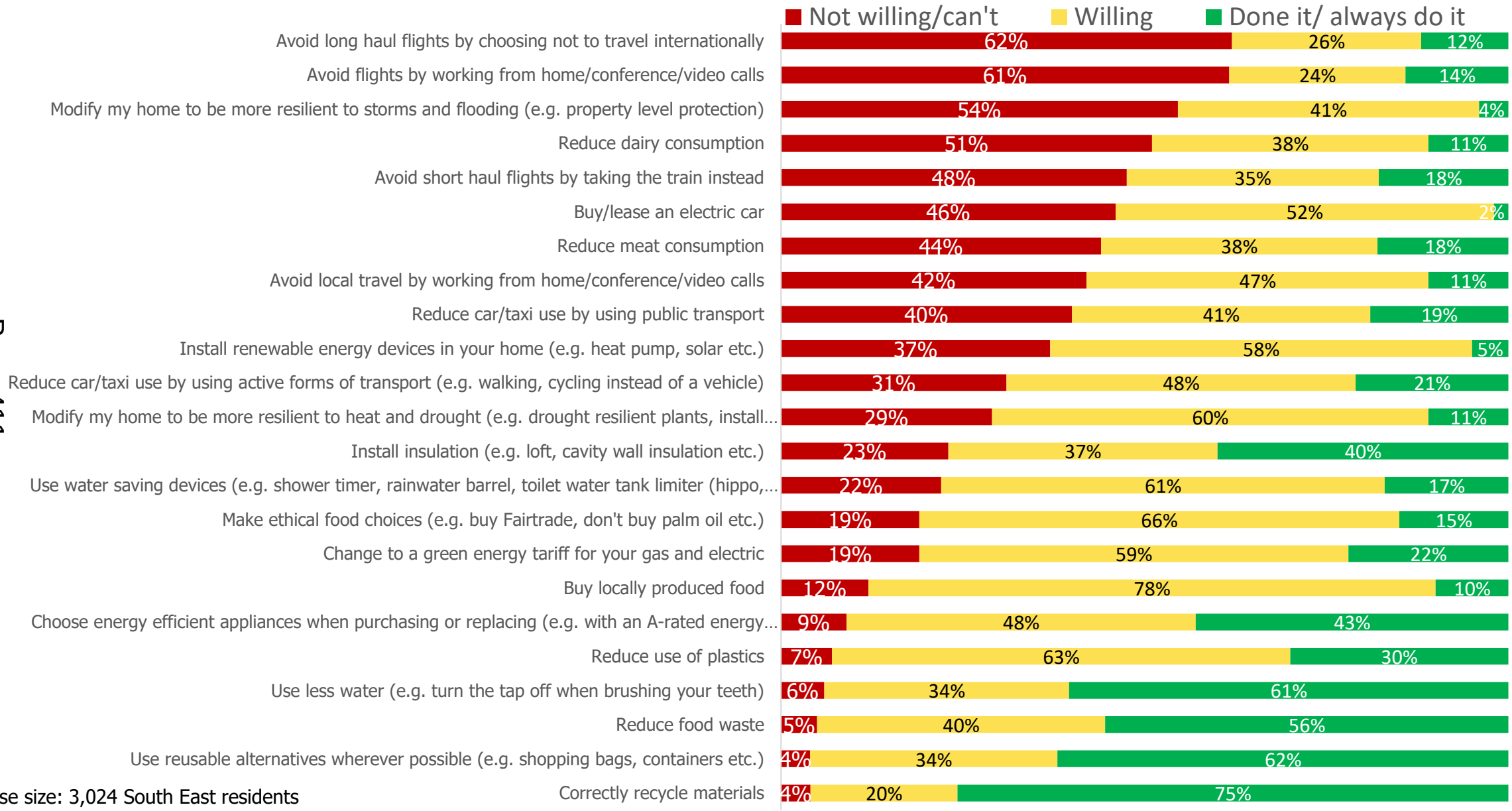
Base size: 3,024 South East residents

Majority of people believe they always recycle and reuse



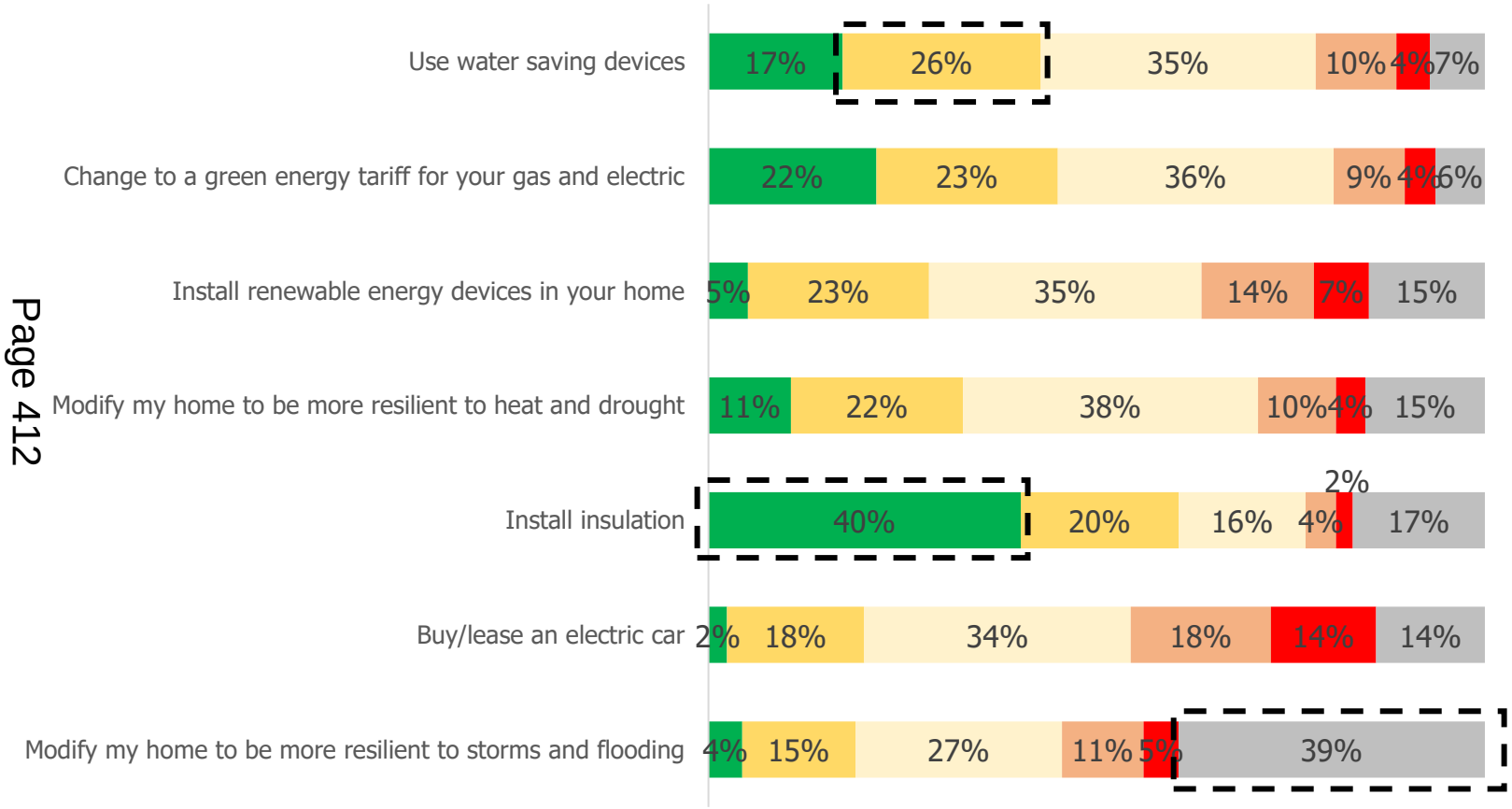
Base size: 3,024 South East residents

Resistance strongest for flying, storm resilience, electric cars and meat and dairy reduction



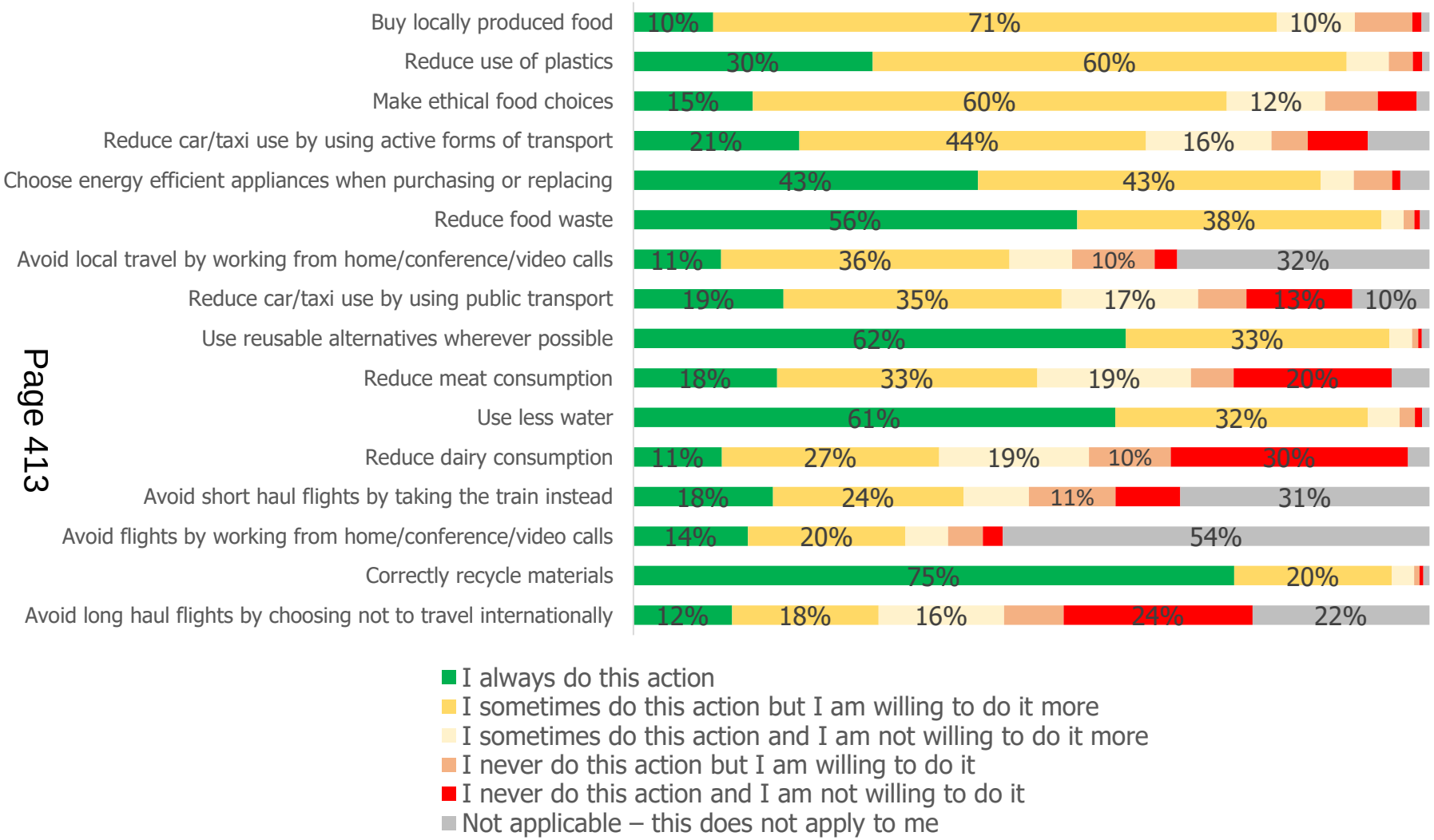
Base size: 3,024 South East residents

Detailed responses for one-off actions



- The action that the most people are very willing to take is to use water saving devices
- The action that the most people feel they have done is insulating their home
- The action that the most people feel least applies to them is modifying the home to be more resilient to floods and storms

Detailed responses for continuous actions



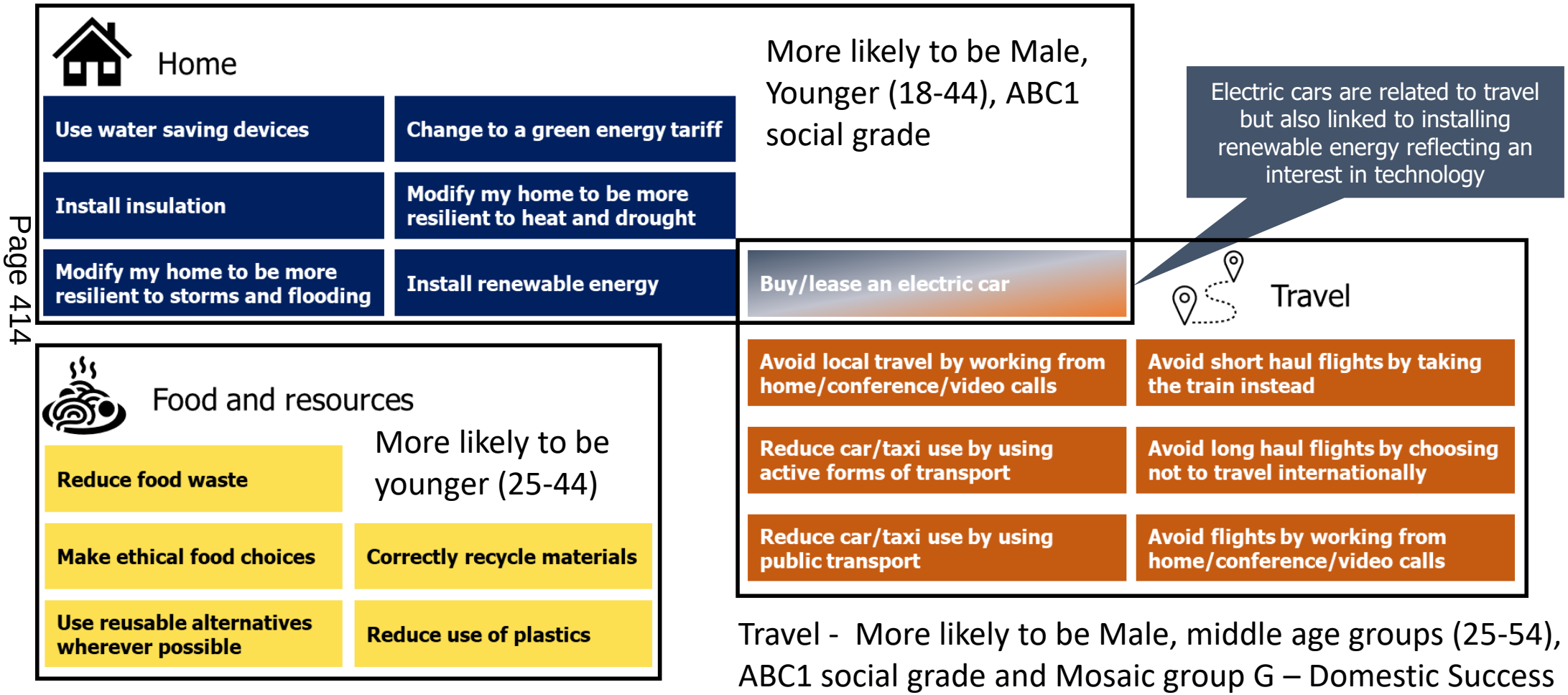
The actions that most people already do and are willing to do more of are **buying locally produced food, reducing use of plastics** and **making ethical food choices**

The actions that most people do not already do but are willing to do are **avoid short haul flights by taking the train instead, avoid local travel by working from home** and **reduce diary consumption**

Note: Any response with <10%, the number has been removed from the graph

Actions link together in clusters

There are three larger clusters of actions (Home, Food and Travel) where being willing to take one makes a person more likely to be willing to do another



Travel - More likely to be Male, middle age groups (25-54), ABC1 social grade and Mosaic group G – Domestic Success

Base size: 3,024 South East residents

Key takeout – Targeting people who have taken one action or are willing to take it may be a good way to target them for another related action

Action willingness clusters together

Table below shows the relationship between being willing to take one climate change action and any other action. Colour indicates the strength of this correlation with 1 (Dark Green) being fully correlated and 0 or dark red being completely unrelated. Any negative scores mean that being willing to take an action makes people less likely to take the related action.

Home

Travel

Food

	Use water saving devices (e.g. shower	Install insulation (e.g. loft, cavity wall insulation	Install renewable energy devices in your home	Change to a green energy tariff for your gas	Buy/lease an electric car	Modify my home to be more resilient to heat	Modify my home to be more resilient to storms	Use less water (e.g. turn the tap off when brushing	Choose energy efficient appliances when purchasin	Reduce car/taxi use by using active forms of	Reduce car/taxi use by using public transport	Avoid short haul flights by taking the train	Avoid long haul flights by choosing not to travel	Avoid flights by working from home/conference	Avoid local travel by working from home/co	Reduce meat consumption	Reduce dairy consumption	Buy locally produced food	Reduce food waste	Make ethical food choices (e.g. buy Fairtrade,	Use reusable alternatives wherever possible	Correctly recycle materials	Reduce use of plastics
Use water saving devices (e.g. shower timer, rainwa	1	0.372849	0.344101	0.306517	0.216348	0.354581	0.303667	0.076911	0.077466	0.145292	0.11882	0.103032	0.093268	0.097515	0.147308	0.058293	0.129346	0.112133	0.101597	0.138624	0.068501	0.022903	0.067907
Install insulation (e.g. loft, cavity wall insulation etc	0.372849	1	0.378494	0.311057	0.218455	0.381514	0.419917	0.068274	0.114399	0.117683	0.094845	0.115582	0.141649	0.119014	0.13703	0.055404	0.112232	0.08089	0.120475	0.104838	0.095676	0.074858	0.086869
Install renewable energy devices in your home (e.g.	0.344101	0.378494	1	0.277094	0.328044	0.445451	0.411956	0.031582	0.030381	0.139741	0.132038	0.122008	0.119854	0.142789	0.176826	0.051188	0.103026	0.117859	0.083121	0.096189	0.027669	0.01308	0.0398
Change to a green energy tariff for your gas and ele	0.306517	0.311057	0.277094	1	0.201909	0.286195	0.253598	0.039609	0.127741	0.102729	0.085097	0.087589	0.06469	0.066424	0.079296	0.082985	0.097635	0.07027	0.099392	0.136688	0.059798	0.04942	0.073161
Buy/lease an electric car	0.216348	0.218455	0.328044	0.201909	1	0.24459	0.202242	0.039157	0.018888	0.194588	0.173831	0.141475	0.145255	0.114999	0.178936	0.111903	0.136289	0.127183	0.081198	0.153262	0.05934	0.021113	0.054777
Modify my home to be more resilient to heat and c	0.354581	0.381514	0.445451	0.286195	0.24459	1	0.455181	0.045803	0.031892	0.142969	0.137647	0.104937	0.120265	0.111003	0.136586	0.078102	0.101437	0.100615	0.093845	0.126081	0.05033	-0.0083	0.053419
Modify my home to be more resilient to storms and	0.303667	0.419917	0.411956	0.253598	0.202242	0.455181	1	0.02674	0.018009	0.092764	0.095417	0.083108	0.093611	0.124977	0.154473	0.049721	0.097697	0.104757	0.046374	0.089227	0.040595	-0.00098	0.004784
Use less water (e.g. turn the tap off when brushing y	0.076911	0.068274	0.031582	0.039609	0.039157	0.045803	0.02674	1	0.170534	0.100361	0.080458	0.041544	0.00555	0.084526	0.100499	0.090047	0.071023	0.079534	0.265073	0.137954	0.221288	0.22105	0.216149
Choose energy efficient appliances when purchasing	0.077466	0.114399	0.030381	0.127741	0.018888	0.031892	0.018009	0.170534	1	0.099149	0.08169	0.085354	0.032335	0.046075	0.069803	0.064426	0.092214	0.117211	0.168914	0.167083	0.169807	0.182706	0.213171
Reduce car/taxi use by using active forms of transpo	0.145292	0.117683	0.139741	0.102729	0.194588	0.142969	0.092764	0.100361	0.099149	1	0.363987	0.213178	0.15055	0.115977	0.191867	0.211826	0.171683	0.187389	0.179587	0.202096	0.120645	0.069677	0.142913
Reduce car/taxi use by using public transport	0.11882	0.094845	0.132038	0.085097	0.173831	0.137647	0.095417	0.080458	0.08169	0.363987	1	0.210389	0.148775	0.118699	0.139851	0.144303	0.145248	0.12534	0.117157	0.160749	0.061588	0.068	0.086725
Avoid short haul flights by taking the train instead	0.103032	0.115582	0.122008	0.087589	0.141475	0.104937	0.083108	0.041544	0.085354	0.213178	0.210389	1	0.261579	0.209626	0.192595	0.126334	0.154994	0.132626	0.104591	0.13207	0.092965	0.070304	0.094472
Avoid long haul flights by choosing not to travel inte	0.093268	0.141649	0.119854	0.06469	0.145255	0.120265	0.093611	0.00555	0.032335	0.15055	0.148775	0.261579	1	0.168523	0.163347	0.139018	0.163962	0.103127	0.047679	0.106463	0.047359	0.034899	0.074973
Avoid flights by working from home/conference/vid	0.097515	0.119014	0.142789	0.066424	0.114999	0.111003	0.124977	0.084526	0.046075	0.115977	0.118699	0.209626	0.168523	1	0.477409	0.054963	0.092917	0.077716	0.120867	0.080149	0.119184	0.118688	0.081964
Avoid local travel by working from home/conferenc	0.147308	0.13703	0.176826	0.079296	0.178936	0.136586	0.154473	0.100499	0.069803	0.191867	0.139851	0.192595	0.163347	0.477409	1	0.095091	0.136401	0.143724	0.149672	0.108639	0.150436	0.121453	0.131319
Reduce meat consumption	0.058293	0.055404	0.051188	0.082985	0.111903	0.078102	0.049721	0.090047	0.064426	0.211826	0.144303	0.126334	0.139018	0.054963	0.095091	1	0.293604	0.157711	0.145907	0.217057	0.076818	0.029636	0.138505
Reduce dairy consumption	0.129346	0.112232	0.103026	0.097635	0.136289	0.101437	0.097697	0.071023	0.092214	0.171683	0.145248	0.154994	0.163962	0.092917	0.136401	0.293604	1	0.152374	0.115879	0.163092	0.046257	0.040268	0.092053
Buy locally produced food	0.112133	0.08089	0.117859	0.07027	0.127183	0.100615	0.104757	0.079534	0.117211	0.187389	0.12534	0.132626	0.103127	0.077716	0.143724	0.157711	0.152374	1	0.170093	0.28137	0.136291	0.077453	0.205877
Reduce food waste	0.101597	0.120475	0.083121	0.099392	0.081198	0.093845	0.046374	0.265073	0.168914	0.179587	0.117157	0.104591	0.047679	0.120867	0.149672	0.145907	0.115879	0.170093	1	0.202318	0.303283	0.28449	0.306843
Make ethical food choices (e.g. buy Fairtrade, don't	0.138624	0.104838	0.096189	0.136688	0.153262	0.126081	0.089227	0.137954	0.167083	0.202096	0.160749	0.13207	0.106463	0.080149	0.108639	0.217057	0.163092	0.28137	0.202318	1	0.155595	0.100183	0.251421
Use reusable alternatives wherever possible (e.g. sh	0.068501	0.095676	0.027669	0.059798	0.05934	0.05033	0.040595	0.221288	0.169807	0.120645	0.061588	0.092965	0.047359	0.119184	0.150436	0.076818	0.046257	0.136291	0.303283	0.155595	1	0.26328	0.318786
Correctly recycle materials	0.022903	0.074858	0.01308	0.04942	0.021113	-0.0083	-0.00098	0.22105	0.182706	0.069677	0.068	0.070304	0.034899	0.118688	0.121453	0.029636	0.040268	0.077453	0.28449	0.100183	0.26328	1	0.22984
Reduce use of plastics	0.067907	0.086869	0.0398	0.073161	0.054777	0.053419	0.004784	0.216149	0.213171	0.142913	0.086725	0.094472	0.074973	0.081964	0.131319	0.138505	0.092053	0.205877	0.306843	0.251421	0.318786	0.22984	1

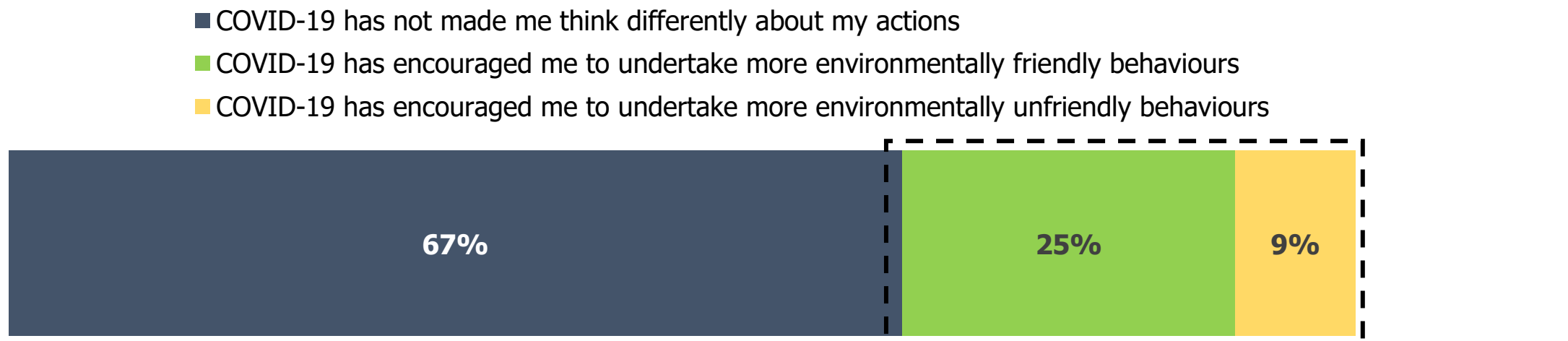
Key takeout – Targeting people who have taken or are willing to take one action can help them to take a related action

COVID-19 is making 1 in 3 people think and act differently on climate change

In an open-ended question at the end of the survey, we asked respondents whether Coronavirus has made them reconsider any of their actions. Respondents were given an opportunity to spontaneously reflect on how Coronavirus has changed their routines and lifestyles.

The open-ended question was as follows:

Thinking generally about the answers you provided in this survey. In which, if any, ways would you say the current public health situation (i.e. the outbreak of Covid-19 (Coronavirus)) causes you to think differently about any of the answers you provided?

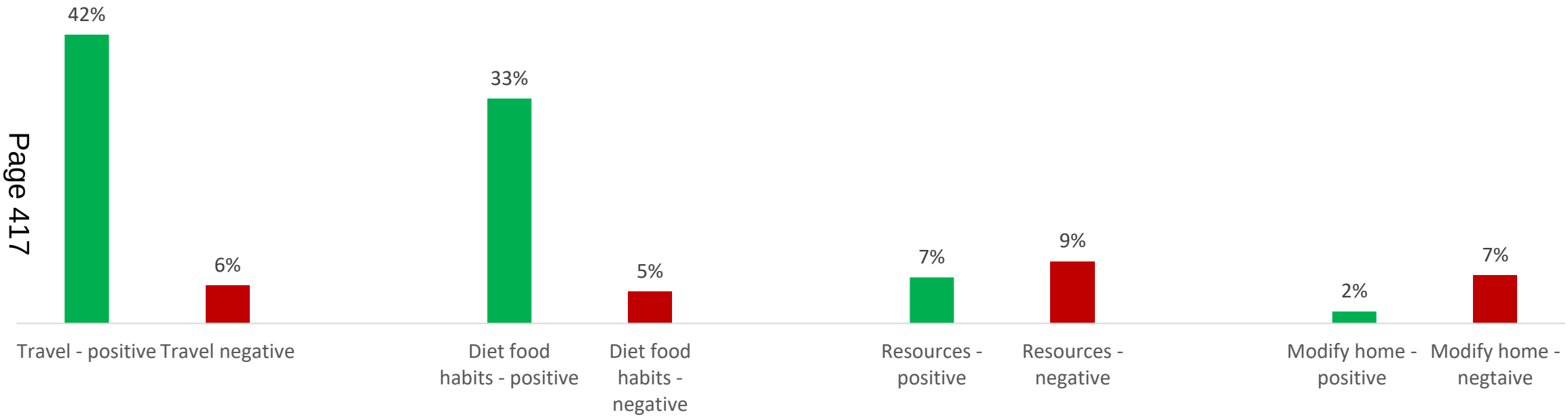


Base size: 3024

As we are interested in understanding what behaviours are particularly relevant and salient at this time, we will be looking into more detail at **34% who have reported that Coronavirus has changed their behaviour**

Travel climate actions are where most people are thinking differently due to COVID-19

People had mentioned many positives involving travel and diet whereas resources and their willingness and ability to modify their home were more mixed.

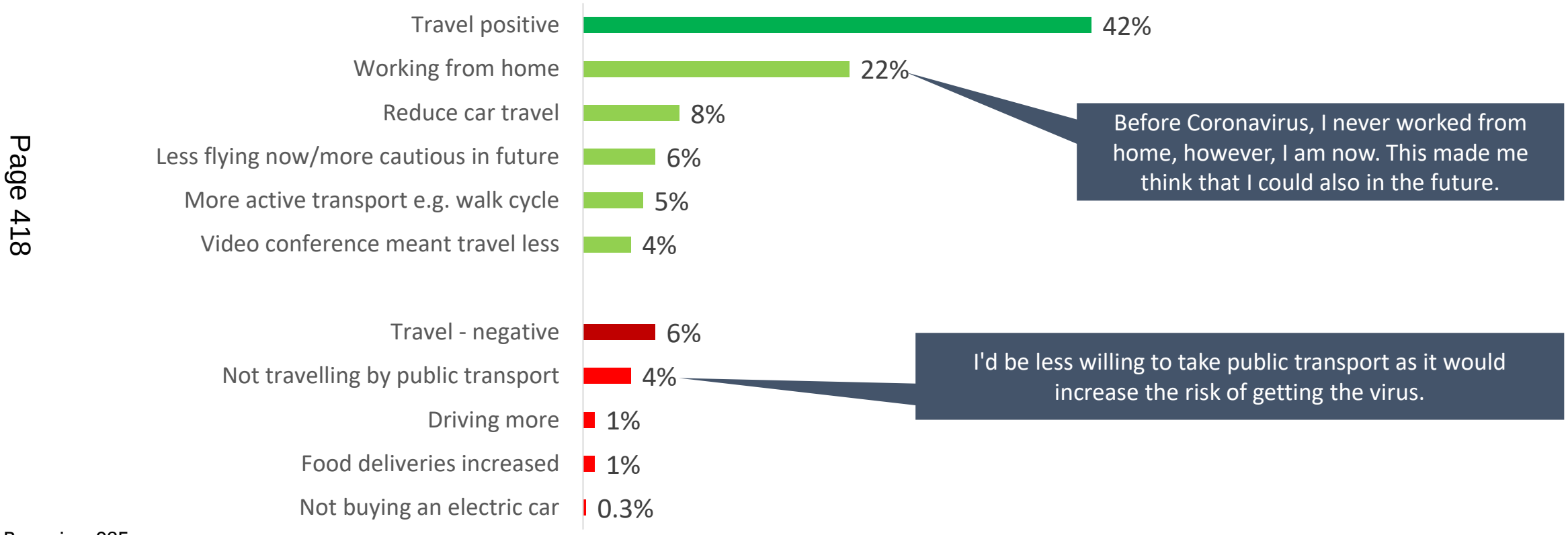


Base size: 985

Key takeout – Behaviour has changed in a number of areas, particularly travel and diet – this presents an opportunity to encourage or reinforce behaviours that are positive for climate action

What would people change – Travel positive and negative

42% of people who reported COVID-19 having changed their behaviour said they would travel more sustainably. The most common reason for this was working from home. Many people expressed a desire to continue doing so

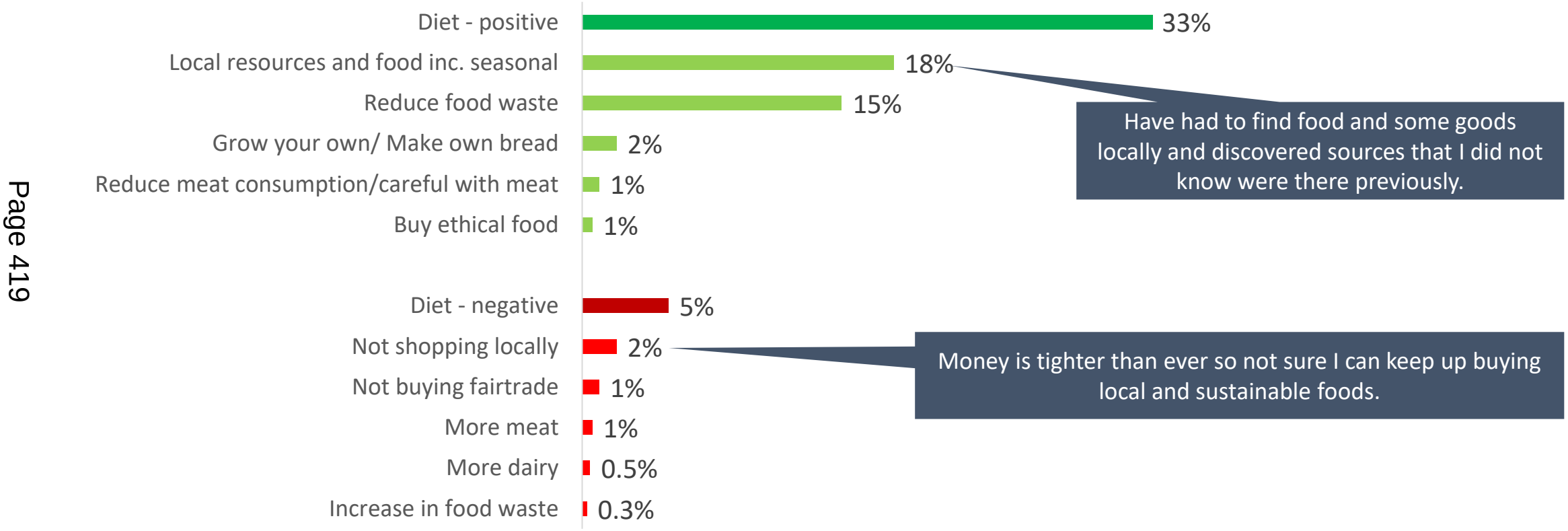


Base size: 985

Key takeout – There is a large positive opportunity to lock in working from home behaviours to reduce unnecessary travel and enhance work/life balances. This may be needed to balance out a drop in use of public transport

What would people change – Diet positive and negative

33% of people who reported COVID-19 having changed their behaviour said they are eating differently with many finding local foods, which they link with sustainability.

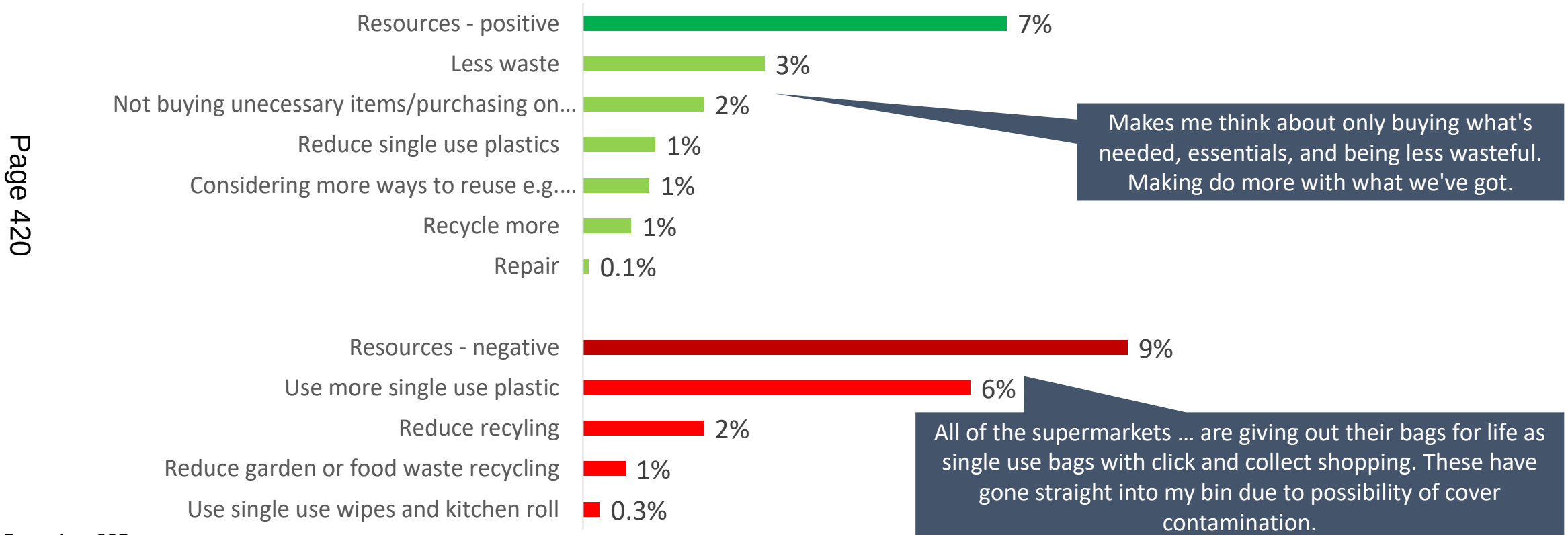


Base size: 985

Key takeout – People believe that shopping locally is helping carbon impact when it might make little difference

What would people change – Resources positive and negative

9% of people who reported COVID-19 having changed their behaviour said they use resources less sustainably. The most common reason for this was single use plastic

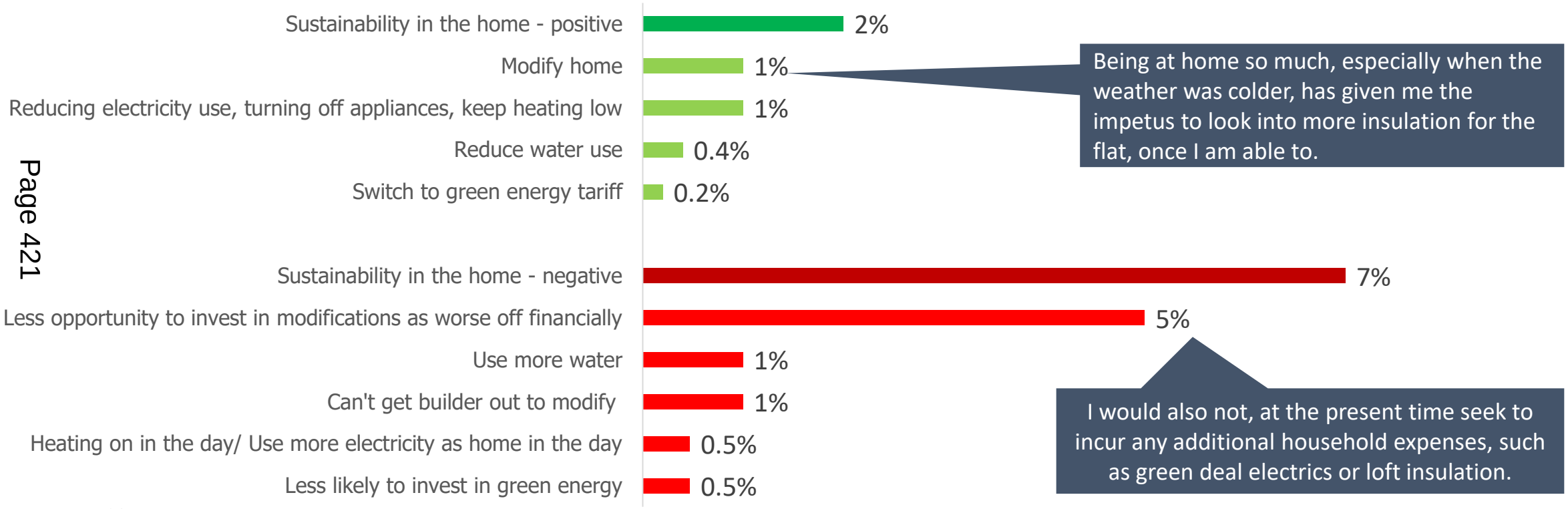


Base size: 985

Key takeout – While many respondents are making positive changes there is evidence of waste that would not usually have occurred

What would people change – Home and energy positive and negative

7% of people who reported COVID-19 having changed their behaviour said they would or are using energy less sustainably. The most common reason for this was feeling they had less ability to invest in modifications



Base size: 985

Key takeout – Many respondents may be thinking more about sustainable actions but feel less able to do this. Identifying easy to do and safe ways to save money and energy could go down well with citizens

Priorities for change in the next twelve months are led by diet

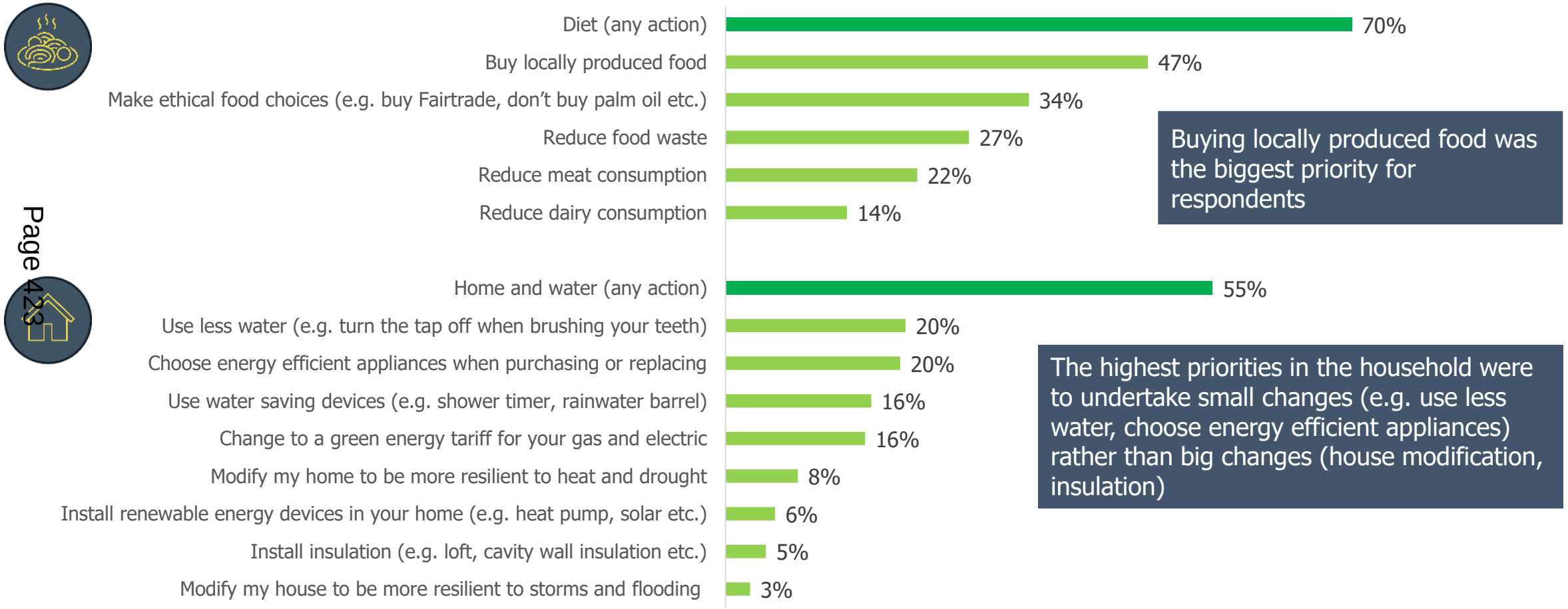
Among those who were willing to take any of the 23 climate related actions we asked whether people felt they were **likely to make changes in the next twelve months**. Below shows the broad areas where people felt they were most likely to make change in the short term.

Base size: 2,995

Key takeout – Immediate changes are dominated by diet perhaps reflecting the level of control people have and the relative ease to make change

Priorities for change 1/2

Buying locally produced food is the single climate action that is most mentioned as a change that respondents expect to make in the next 12 months



Buying locally produced food was the biggest priority for respondents

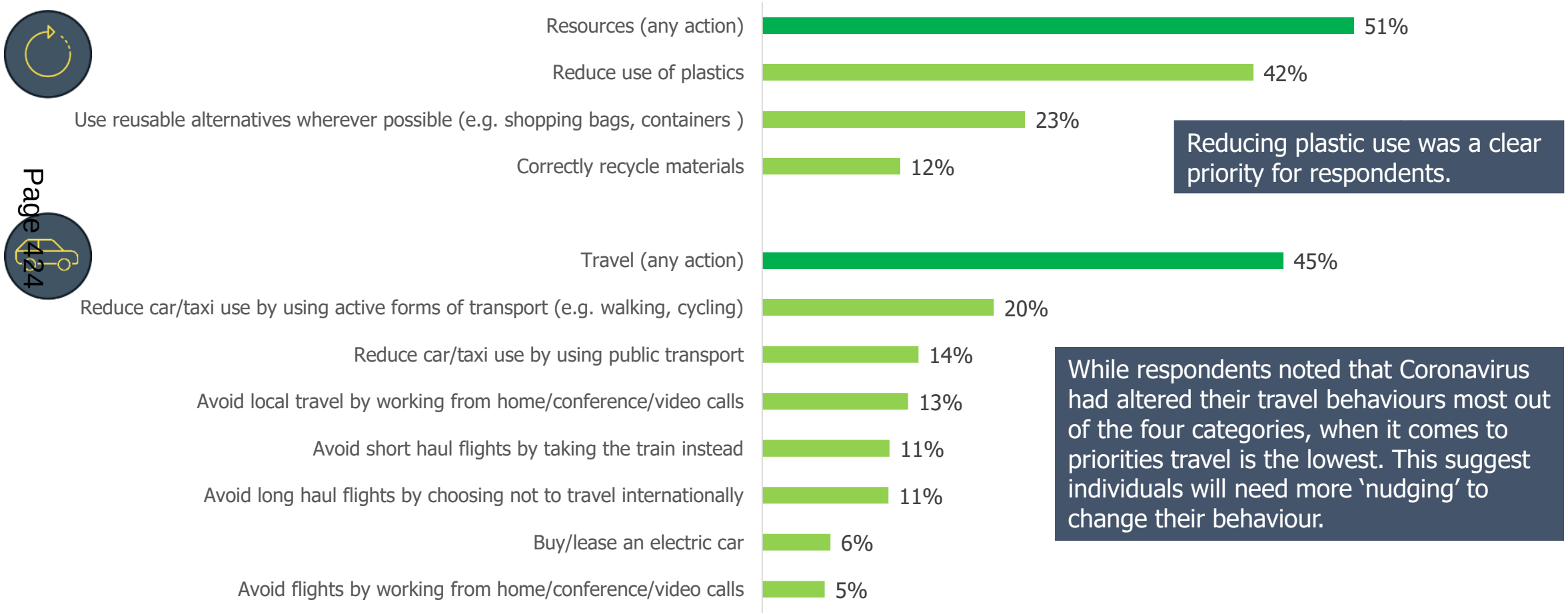
The highest priorities in the household were to undertake small changes (e.g. use less water, choose energy efficient appliances) rather than big changes (house modification, insulation)

Base size: 2,995

Key takeout – Respondents are taking climate actions but potentially not the ones the County Council would want them to take to save the most carbon

Priorities for change 2/2

Buying locally produced food is the single climate action that is most mentioned as a change that respondents expect to make in the next 12 months



Reducing plastic use was a clear priority for respondents.

While respondents noted that Coronavirus had altered their travel behaviours most out of the four categories, when it comes to priorities travel is the lowest. This suggest individuals will need more 'nudging' to change their behaviour.

Base size: 2,995

Key takeout – Respondents are taking climate actions but potentially not the ones the County Council would want them to take to save the most carbon

Who is best to target for each action – demographic groups analysed by the University of Southampton

Action	Groups that are significantly more likely to be willing to take the action
Use water saving devices	Women, Mosaic Group C – County Living, Fulltime employed, Unemployed
Install insulation (e.g. loft, cavity wall insulation etc.)	35-44, Mosaic Group C – County Living, Mosaic Group G - Domestic Success, Fulltime employed, Unemployed
Install renewable energy devices in your home	ABC1 social grade, 18-54, East Sussex, Isle of Wight, C - Country Living, G - Domestic Success, N - Urban Cohesion, Fulltime employed, Unemployed, LinkedIn, Pinterest, WhatsApp
Change to a green energy tariff for your gas and electric	Women, ABC1 social grade, 18-54, Oxfordshire, N - Urban Cohesion, Fulltime employed, Unemployed, 2 children in household, Pinterest, WhatsApp
Buy/lease an electric car	ABC1 social grade, 18-34, 45-54, A - City Prosperity, B - Prestige Positions, C - Country Living, G - Domestic Success, Fulltime employed, Unemployed, Twitter, WhatsApp
Modify my home to be more resilient to heat and drought	ABC1 social grade, Isle of Wight, B - Prestige Positions, N - Urban Cohesion, Fulltime employed, Unemployed
Modify my home to be more resilient to storms and flooding	ABC1 social grade, West Sussex, A - City Prosperity, C - Country Living, G - Domestic Success, Fulltime employed, Unemployed
Use less water	Men, 25-34, Oxfordshire, Twitter
Choose energy efficient appliances when purchasing or replacing	18-34, Isle of Wight, Surrey, Oxfordshire, O - Rental Hubs, Never married
Reduce car/taxi use by using active forms of transport	A - City Prosperity, C - Country Living, F - Suburban Stability, G - Domestic Success, H - Aspiring Homemakers, Living as married, Snapchat
Reduce car/taxi use by using public transport	Berkshire, Buckinghamshire, A - City Prosperity, B - Prestige Positions, F - Suburban Stability, G - Domestic Success, N - Urban Cohesion, Fulltime employed, LinkedIn, Skype
Avoid short haul flights by taking the train instead	18-24, A - City Prosperity, B - Prestige Positions, C - Country Living, G - Domestic Success H - Aspiring Homemakers, Skype
Avoid long haul flights by choosing not to travel internationally	Male, 18-24, A - City Prosperity, C - Country Living, G - Domestic Success, Skype
Avoid flights by working from home/conference/video calls	A - City Prosperity, Surrey
Avoid local travel by working from home/conference/video calls	25-34, Berkshire, Oxfordshire, C - Country Living, E - Senior Security, H - Aspiring Homemakers, LinkedIn, Skype
Reduce meat consumption	18-24, G - Domestic Success, I - Family Basics, M - Modest Traditions, 4 years and under, Instagram, Snapchat, WhatsApp
Reduce dairy consumption	Female, 18-24, East Sussex, Oxfordshire, G - Domestic Success, I - Family Basics, M - Modest Traditions, O - Rental Hubs, Working (Full or part-time), Skype
Buy locally produced food	Female, 25-54, H - Aspiring Homemakers, K - Municipal Tenants, O - Rental Hubs, Instagram, Twitter
Reduce food waste	Female, 18-44, H - Aspiring Homemakers, Married/ Civil Partnership, Never married
Make ethical food choices	Female, 25-44, G - Domestic Success, Pinterest, Instagram
Use reusable alternatives wherever possible	Male, 25-44, Oxfordshire, West Sussex, C - Country Living, H - Aspiring Homemakers, Full-time working, Living as married, Never married
Correctly recycle materials	18-44, East Sussex, isle of Wight, H - Aspiring Homemakers, I - Family Basics, K - Municipal Tenants, O - Rental Hubs
Reduce use of plastics	25-44, Oxfordshire, Surrey, Living as married

Who is best to target for each action – combined demographic target groups 1/3

Action	Profile	Count (# of observ.)	Proportion (%)
Use water saving devices (e.g. shower timer, rainwater barrel, toilet water tank limiter (hippo, brick)	Female, Full time, Children over 18 years old, Facebook messenger	91	3.01
	Female, Full time, Facebook messenger	**448**	**14.81**
	Female, Full time, Facebook messenger, less than 55 years old, not Widowed, having more or less than one child (i.e. except of one child), and ABC1 social grade	276	9.13
Install insulation (e.g. loft, cavity wall insulation etc.)	Full time, 35-44 years old, Pinterest	58	1.92
	Full time, 35-44 years old	**348**	**11.51**
	Full time, 35-44 years old, ABC1 social grade, not Widowed, at least one child, and Children Profile: 4 years and under	68	2.25
	Full time, 35-44 years old, ABC1 social grade, not Widowed, at least one child, and Children Profile: 12 to 16 years	36	1.19
Install renewable energy devices in your home (e.g. heat pump, solar etc.)	Full time, less than 55 years old, ABC1 social grade, not Widowed, uses LinkedIn & Pinterest & WhatsApp	66	2.18
	Full time, less than 55 years old, ABC1 social grade, not Widowed, Children over 18 years old, uses LinkedIn	36	1.19
	Full time, less than 55 years old, ABC1 social grade, not Widowed, uses LinkedIn	**396**	**13.10**
	Full time, less than 55 years old, ABC1 social grade, not Widowed, uses Pinterest	142	4.70
	Full time, less than 55 years old, ABC1 social grade, not Widowed, Children over 18 years old, uses WhatsApp	73	2.41
	Full time, less than 55 years old, ABC1 social grade, not Widowed, uses WhatsApp	**826**	**27.31**
Change to a green energy tariff for your gas and electric	Female, full time, less than 55 years old, ABC1 social grade, Married/ Civil Partnership, 2 children, uses WhatsApp	31	1.03
	Female, full time, less than 55 years old, ABC1 social grade, Married/ Civil Partnership, uses Pinterest	43	1.42
	Female, full time, less than 55 years old, ABC1 social grade, Married/ Civil Partnership, uses WhatsApp	134	4.43
	Female, full time, less than 55 years old, ABC1 social grade, Married/ Civil Partnership, uses Skype	32	1.06
	Female, full time, less than 55 years old, ABC1 social grade, uses Pinterest	99	3.27
	Female, full time, less than 55 years old, ABC1 social grade, uses WhatsApp	**344**	**11.38**
	Female, full time, less than 55 years old, ABC1 social grade, uses Skype	89	2.94
Buy/lease an electric car	Full time, less than 55 years old, ABC1 social grade, Children Profile: 12 to 16 years, uses Facebook	95	3.14
	Full time, less than 55 years old, ABC1 social grade, Children Profile: 12 to 16 years, uses Twitter	54	1.79
	Full time, less than 55 years old, ABC1 social grade, Children Profile: 12 to 16 years, uses Instagram	37	1.22
	Full time, less than 55 years old, ABC1 social grade, Children Profile: 12 to 16 years, uses WhatsApp	97	3.21
	Full time, less than 55 years old, ABC1 social grade, uses Facebook & Twitter & Pinterest & Instagram & WhatsApp	62	2.05
	Full time, less than 55 years old, ABC1 social grade, uses Facebook	**741**	**24.50**
	Full time, less than 55 years old, ABC1 social grade, uses Twitter	480	15.87
	Full time, less than 55 years old, ABC1 social grade, uses Pinterest	142	4.70
	Full time, less than 55 years old, ABC1 social grade, uses Instagram	445	14.72
	Full time, less than 55 years old, ABC1 social grade, uses WhatsApp	**827**	**27.35**
Modify my home to be more resilient to heat and drought (e.g. drought resilient plants, install window shades)	**Full time, ABC1 social grade, not Widowed, WhatsApp**	**941**	**31.12**
	Full time, ABC1 social grade, not Widowed, WhatsApp, less than 55 years old, number of children different of 2, Children Profile: 12 to 16 years	48	1.59
	Full time, ABC1 social grade, not Widowed, WhatsApp, less than 55 years old,	**826**	**27.31**
Modify my home to be more resilient to storms and flooding (e.g. property level protection)	**Full time, ABC1 social grade**	**1153**	**38.13**
	Full time, ABC1 social grade, not Widowed, less than 55 years old, uses Instagram	444	14.68
	Full time, ABC1 social grade, not Widowed, less than 55 years old, uses Facebook_Messenger	649	21.46

Who is best to target for each action – combined demographic target groups 2/3

Action	Profile	Count (# of observ.)	Proportion (%)
Reduce dairy consumption	Female, less than 55 years old, not full time employed, uses Skype	47	1.55
	Female, less than 55 years old, not full time employed, uses Skype, ABC1 social grade, not more than 2 children (i.e. less than 2 children)	36	1.19
Buy locally produced food	Female, over 35 years old, not Widowed, uses Twitter and Instagram	331	10.95
	Female, over 35 years old, not Widowed, uses Twitter	503	16.63
	Female, over 35 years old, not Widowed, uses Instagram	**607**	**20.07**
	Female, over 35 years old, not Widowed, uses Twitter and Instagram, ABC1 social grade, not more than 2 children (i.e. less than 2 children)	248	8.20
	Female, over 35 years old, not Widowed, uses Twitter, ABC1 social grade, not more than 2 children (i.e. less than 2 children)	379	12.53
	Female, over 35 years old, not Widowed, uses Instagram, ABC1 social grade, not more than 2 children (i.e. less than 2 children)	446	14.75
	Female, over 35 years old, not Widowed, uses Instagram, ABC1 social grade, not more than 2 children (i.e. less than 2 children), Children Profile: 4 years and under	40	1.32
	Female, over 35 years old, not Widowed, uses Twitter, ABC1 social grade, not more than 2 children (i.e. less than 2 children), Children Profile: 5 to 11 years	39	1.29
	Female, over 35 years old, not Widowed, uses Instagram, ABC1 social grade, not more than 2 children (i.e. less than 2 children), Children Profile: 5 to 11 years	40	1.32
Reduce food waste	**Female, not 25-34 years old (i.e from any other age group), not Never Married (i.e. with any other marrital status)**	**1064**	**35.19**
	Female, not 25-34 years old (i.e from any other age group), not Never Married (i.e. with any other marrital status), not full time employed, less or more than one child (i.e. not one child), uses Facebook	482	15.94
	Female, not 25-34 years old (i.e from any other age group), not Never Married (i.e. with any other marrital status), not full time employed, less or more than one child (i.e. not one child), uses WhatsApp	426	14.09
	Female, not 25-34 years old (i.e from any other age group), not Never Married (i.e. with any other marrital status), not full time employed, less or more than one child (i.e. not one child), uses Facebook, Children Profile: 5 to 11 years	45	1.49
	Female, not 25-34 years old (i.e from any other age group), not Never Married (i.e. with any other marrital status), not full time employed, less or more than one child (i.e. not one child), uses Facebook, Children Profile: 12 to 16 years	37	1.22
	Female, not 25-34 years old (i.e from any other age group), not Never Married (i.e. with any other marrital status), not full time employed, less or more than one child (i.e. not one child), uses WhatsApp, Children Profile: 5 to 11 years	52	1.72
	Female, not 25-34 years old (i.e from any other age group), not Never Married (i.e. with any other marrital status), not full time employed, less or more than one child (i.e. not one child), uses WhatsApp, Children Profile: 12 to 16 years	45	1.49
Make ethical food choices (e.g. buy Fairtrade, don't buy palm oil etc.)	**Female, not 25-34 years old (i.e from any other age group), not Never Married (i.e. with any other marrital status), uses Pinterest**	**194**	**6.42**
	Female, not 25-34 years old (i.e from any other age group), not Never Married (i.e. with any other marrital status), uses Pinterest, ABC1 social grade, not Part time employed, at least one child (i.e. one child or more)	38	1.26
Use reusable alternatives wherever possible (e.g. shopping bags, containers etc.)	**Inactive, female, not 25-34 years old (i.e from any other age group), not Never Married (i.e. with any other marrital status)**	**481**	**15.91**
Correctly recycle materials	Female, not full time employed, not 25-34 years old (i.e from any other age group), not Separated/ Divorced, uses Twitter	230	7.61
Reduce use of plastics	**Female, ABC1 social grade, not 25-34 years old (i.e from any other age group), not Separated/ Divorced, uses Instagram**	**389**	**12.86**
	Female, ABC1 social grade, not 25-34 years old (i.e from any other age group), not Separated/ Divorced, uses Instagram, not unemployed, less than 3 children, Children Profile: 5 to 11 years	32	1.06
	Female, ABC1 social grade, not 25-34 years old (i.e from any other age group), not Separated/ Divorced, uses Instagram, not unemployed, less than 3 children, Children Profile: 12 to 16 years	34	1.12
	Female, ABC1 social grade, not 25-34 years old (i.e from any other age group), not Separated/ Divorced, uses Instagram, not unemployed, less than 3 children, Children Profile: Over 18 years	128	4.23

Who is best to target for each action – combined demographic target groups 3/3

Action	Profile	Count (# of observ.)	Proportion (%)
Use less water (e.g. turn the tap off when brushing your teeth)	Unemployed, female, 45-54 years old, uses WhatsApp	4	0.13
	Female, 45-54 years old, uses WhatsApp	206	6.81
	Female, 55+ years old, uses WhatsApp	**382**	**12.63**
	Female, 45-54 years old, uses WhatsApp, every other marital status except of "Never Married", one child	40	1.32
	Female,45-54 years old, uses WhatsApp, every other marital status except of "Never Married", two children	40	1.32
Choose energy efficient appliances when purchasing or replacing (e.g. with an A-rated energy label)	**Female, not part time employed, over 25 years old, not Widowed, 2 children or less, uses Facebook_Messenger**	**683**	**22.59**
	Female, not part time employed, over 25 years old, not Widowed, 2 children or less, uses Facebook_Messenger, Children Profile: 5 to 11 years	69	2.28
	Female, not part time employed, over 25 years old, not Widowed, 2 children or less, uses Facebook_Messenger, Children Profile: 12 to 16 years	66	2.18
Reduce car/taxi use by using active forms of transport (e.g. walking, cycling instead of a vehicle)	Less than 55 years old, living as married	333	11.01
Reduce car/taxi use by using public transport	Not 25-34 years old, not full time employed, uses LinkedIn and Skype	52	1.72
	Not 25-34 years old, not full time employed, uses LinkedIn	**208**	**6.88**
	Not 25-34 years old, not full time employed, uses Skype	160	5.29
Avoid short haul flights by taking the train instead	18-24 years old, uses Pinterest	44	1.46
	18-24 years old, uses Skype	41	1.36
Avoid long haul flights by choosing not to travel internationally	Female, not 25-34 years old, more or less than 2 children (i.e. not 2 children), Children Profile: 18 years and under	169	5.59
	Female, not 25-34 years old, more or less than 2 children (i.e. not 2 children)	**1170**	**38.69**
	Female, not 25-34 years old, more or less than 2 children (i.e. not 2 children), Children Profile: 18 years and under, not full time employed, not Never Married, uses Twitter	32	1.06
	Female, not 25-34 years old, more or less than 2 children (i.e. not 2 children), not full time employed, not Never Married, uses Twitter	157	5.19
	Female, not 25-34 years old, more or less than 2 children (i.e. not 2 children), not full time employed, not Never Married, uses Twitter	102	3.37
Avoid flights by working from home/conference/video calls	**Not 25-34 years old, uses Skype**	**371**	**12.27**
	Not 25-34 years old, uses Skype, female, not Widowed, less than 3 children, Children Profile: 5 to 11 years, Children Profile: 17 to 18 years and/or Children Profile: 18 years and under, and/or Children Profile: Over 18 years	126	4.17
Avoid local travel by working from home/conference/video calls	No identified groups		
Reduce meat consumption	Female, less than 55 years old, not Widowed, ABC1 social grade, uses Pinterest and WhatsApp and Skype	39	1.29
	Female, less than 55 years old, not Widowed, ABC1 social grade, uses Pinterest	171	5.65
	Female, less than 55 years old, not Widowed, ABC1 social grade, uses WhatsApp	**579**	**19.15**
	Female, less than 55 years old, not Widowed, ABC1 social grade, uses Skype	126	4.17
	Female, less than 55 years old, not Widowed, ABC1 social grade, uses Pinterest, not inactive, not more than 2 children (i.e. less than 2 children), Children Profile: 18 years and under	47	1.55
	Female, less than 55 years old, not Widowed, ABC1 social grade, uses WhatsApp, not inactive, not more than 2 children (i.e. less than 2 children), Children Profile: 18 years and under	155	5.13
	Female, less than 55 years old, not Widowed, ABC1 social grade, uses Skype, not inactive, not more than 2 children (i.e. less than 2 children), Children Profile: 18 years and under	31	1.03

Qualitative focus group findings

Focus group – Methodology

What and when:

- Four focus groups were held across Hampshire
  - Gosport – 24th February
  - Romsey - 25th February
  - Basingstoke – 26th February
  - Petersfield – 3rd March
- The sample was representative of the South East (including Hertfordshire) for age (range 18-72, average age 42), gender (14 female, 12 male) and social economic status (range of social segments)
- Individuals were selected with a broad range of concerns to match national trends (e.g. EU/Brexit, health, immigration). Individuals were not aware that the focus group was centered on discussing climate actions
- The sessions were held in the evening and lasted 1.5 hours
- A total of 26 Hampshire residents took part – 5-7 people per group
- Original materials used during the group are available on request

Topics covered:

- Individuals values, lifestyles and motivations
- What low carbon actions individuals are already taking and what they are not
- Key barriers and motivations at different stages of change for different actions
- Effective messages to reduce individuals carbon emissions

Willingness to change exists but must overcome practical and psychological barriers

People are willing to change and know it is the right thing to do

But they must overcome a number of internal and external barriers

- **Limits to taking actions**
- **Other motivations overriding climate change**
- **National and local government support**
- **Lack of knowledge / wrong information**

Approaches to addressing climate change through citizen action must understand and work past these barriers

People are willing to change….

Individuals demonstrated a broad range of motivations to engage in low carbon activities:

Health	Finance	Ease	Right thing to do
"I spoke to someone who only eats meat at the weekend – they felt healthier, less tired and if that also helps the environment then it can't be a bad thing"	*"At uni found cheese expensive so cut it out"*	*"I use all public transport and live somewhere where everything is convenient shopping, exercise, work"*	*"At Christmas just two of us, and still wanted free range turkey but it was expensive so did a vegan loaf rather than a cheaper bird. Luckily, other half doesn't mind."*

Environment	Social norms	Good habits	Legislation
"I really like meat but after chatting to my nephew who works in the environmental sector, he said if everyone had a day without meat it would cause a reduction in CO^2 so I'm having one day a week at least not eating meat"	*"In certain shops it's the fashion to take your own container. It's becoming the cool thing to do, rather than weird"*	*"So when I was growing up my Mum had a water meter installed and she got really funny with us about how much water we used, so I have trained myself to shower in that way [turn it off when putting shampoo on] and it's always stuck"*	*"It baffled me when I first got there* [South Korea] *but there is not option you have to do it* [correctly recycle]*. Where you take the rubbish out they have cameras, and if you are the person to do it wrong, you get fined.*

Individuals had high engagement with visible environmental impact behaviours, with an easy to do alternative …

Most individuals actively recycled, used reusable alternatives and reduce use of plastics

"I always try to use Tupperware or a reusable water bottle but if out will buy food or bottle"

… and for some individuals this was enough to overcome challenges

"[Supermarkets aren't doing enough to reduce plastic] so that's why we vote with our feet and change if we feel they aren't"

… but actions are limited by other motivations….

Other motivations override low carbon motivations:

Health

"Growing up having milk and cheese is healthy, good for your bones. Never made a conscious effort not to have dairy. I don't have a lot anyway. Hear about osteoporosis so I make sure my kids have cereal"

"Air pollution is the biggest problem for cycling in Southampton – you're going to take years off your life"

Finance

"At the end of the day, yes they are interested in things being renewable and more energy efficient but if its going to cost them more money they will choose the cheaper option most of time and I know I would"

Established habits

"There are a million and one options to have meat free meals, but you go to your favorites, on a Sunday you have a roast. For me it's my comfort zone "

Safety

"You need to have a death wish to cycle on the road. Drivers don't care and cycle lanes disappear they lead up to a roundabout then you are dumped into trouble"

Ease

"I live 20 minutes from the town centre and I would still drive because its more convenient. You don't have to rush, time to be anywhere else carry things back, what shoes I'm wearing. Purely just convenience more than anything"

Social norms

"Happy to take the vegan option at lunch but would not consider at home as my husband will only have meat"

…and further limited by visibility of the issue and a desire to let ourselves ‘off the hook’…

Most people have concerns for the environment and want to do the right thing. People explain away behaviours that do not fit with this attitude

People justify a self-serving conclusion e.g. motivated reasoning

My actions won’t make a difference: *"Grandparents say why not fly less but I always say the plane is going anyway so I might as well be on it."*

Someone else can change: *"Its alright for Coldplay to say we aren’t going on tour anymore until we can find an alternative"*

People use one good act to justify the bad i.e. moral licensing

Comparison between flying and recycling: *"Part of peoples’ lives that they enjoy most is going on holiday. They would much rather recycle than reduce flying."*

Consequences of consumption are hard to see at point of use

"No one talks about saving water. I know every summer there is a water/ hose pipe ban, which makes me think oh okay we shouldn’t be using the hose"

People underestimate effects of extreme weather

"Not something that would ever affect me [flooding]. There are so many things that we are thinking about on this sheet, plus what’s going on in our lives. I’m not going to worry about something that’s not going to affect me … hopefully."

… and by a lack of knowledge…

People are overwhelmed by the amount of information out there and its lack of clarity

"'Mine is an ignorance thing, I haven't gone out of my way to seek as much information as I probably should do about some of these issues. It's not been thrown at me and forced on me so I'm living in a bit of bubble, there's key words – renewable energy. But do I really know? Drilling it down exactly what it means, no not really, not on all these actions. It's overwhelming and I don't now where to start"

Feeling overwhelmed leads to lack of knowledge, in 3 main areas

1. Unsure how to complete actions

Simple messages such as 'use less water', 'waste less food' and 'use less plastic' may not be effective as people do not know how they can do this

"I would [save water] if I knew how … other than taking more showers than baths"

"What is a water saving device, where would you find it?"
"I have a water butt and would be open to other water saving devices but there isn't much awareness of water saving devices"

2. Misinformed on actions

People don't know the carbon impacts of their actions …

"Curious as to why I should decrease my meat because I disagree with it. It is unproven that it produces more carbon emissions"

… and the other impacts

"You wouldn't get enough protein and would have to take lots of supplements"

3. Confusion on what action to take

Environmental issues are not clear cut and citizens don't know what to do

How much glass do you have to have to make a car journey to the recycling center worthwhile? *"You've got a lot of bottles to make the journey worthwhile"*

Some people are interested in the issues and have tried to research but are still not clear

Are electric cars environmentally friendly? *"Mining the lithium – there is a lot of eco stuff that is never talked about"*

What type of milk should I drink – soy, almond, oat, dairy? *"You read that production of the soy can use as much energy if not more* [than dairy milk], *its really difficult to find alternatives that do the job environmentally"*

…and feeling national and local government should be helping us…

Locally governments should be investing in better public transport, active transport routes, flood preparations and recycling services. Here we will look at recycling services in detail:

Recycling services used as an example (reflective of the picture for all areas)

We would do more if more services were provided for us

"That's what Hampshire should be involved in, setting up bigger [recycling] places. We are prepared to drive now [to recycle], we would do it bigger scale, so would a lot of people."

There should be a standardised service across the UK

"One county does food, one doesn't then there's foil … It really needs to start from the top … If everyone sang from the same song sheet, we wouldn't be there scratching our head about a plastic container"

Cross-country comparisons make the UK look bad / uncaring

"I was working in South Korea and their system puts ours to absolute shame."

There is a role of local government in large-scale, national problems …

"It has to start from the top, it's difficult for councils I know, but basically finding ways of forcing manufacturers to use recyclable stuff is a lot more important ultimately that what any individual can do"

… But national government should be taking forceful and directive action

"We are consumers at the end of the day, we do the best for ourselves but if the government set their plans and objectives. If we had an I have to box then we would have to and I would do it. Make certain things like renewable energy. Ban the use of gas. Don't give me the choice as a consumer cos you are always going to get people that won't"

…along with big businesses making it easier to do the right thing.

Big business should be helping me

They should be forcing me to make the right choice

"Why is the onus on consumers to make that choice [between energy efficient/non-efficient appliances]? Why don't the companies have that responsibility and automatically when you buy that"

They should be nudging me to make the right choice

"You have all these price comparison websites telling you the cheapest – they are not telling you the greenest"

Big businesses will drive technological innovation so I can continue my behaviour

"Eventually technology will have to catch up. People won't be able to drive round in cars that use lots of fuel"

Who are individuals willing to listen to and trust?

Individuals value communications from trusted and impartial organisations

Businesses

Lack of trust in big businesses…

Assumption that profit is more important than the environment *"The information just isn't there. It's left to big companies that make a profit out of it to tell us what to do. It isn't always in the best interest for us or the planet*

Businesses are associated with green washing *"Have suspicions when it says this is an ethical product and I'm going to charge you £2 more for it – is it really an ethical product. It has come to light in recent years that this has been used as a marketing tool*"

… but not all businesses

"You have Ecosia – the search engine that plants trees and another one for helping with plastic. There are a few companies that are putting their profit into helping"

Local government

Individuals value communications they receive from the council…

"I think those letters you [the Council] send out are really handy. There are usually big letters you send out which say: you can get a water butt half price. I think those letters are really informative when they come out"

"If its an official letter from Council or Southern Water I will actually read it. 'If you get this device, it will save this amount of money as well as the environmental impact'"

… and would like to receive more clear information

"I would certainly like to know more [about what the Hampshire County Council are doing]"

"We need better information, we need clarity [to know what is the right thing to do]*"*

Individuals are wary of incentives from Government

"What concerns me is that cars with low emissions are now taxed road tax – are they going to do the same thing with electric cars 5 years down the road?"

How to overcome barriers (1 – what people say)

Individuals spoke about ways that would help them to overcome barriers in relation to them conducting climate action. Ideas have been linked to the behaviour change element that the intervention is trying to change in the COM-B model

Nostalgia – back to the future

"Go backwards instead of forwards. You look at the 40's, 50's, 60's, paper bags, glass bottles, grow your own, there was all that stuff for the environment"

Resources are precious

"You know how it used to work in the old days you take it back and you get your money back, couple of pence for that."

Put value back into traditional forms of transport

"Our holidays to France involved the ferry and that used to be the highlight"

Food – buying organic and reducing food waste

"The people that come for the eggs, they go crazy for them because they can see the chickens running around … they know the eggs came from that chicken"

""I think it's a bit of a generational thing, upbringing because I was always told don't get up from the table until you have finished all your food … but when I look at my children now they are spoilt, if they don't want to eat something I can't force them and they do leave food"

Reflective motivation

Positive focus

Focus not on what we are losing by using low carbon alternatives but what we gain

"[I would be keen to try vegetarianism if I had] more exciting recipes I could try – I would be open for it"

Focus on achievable steps

"Encouragement, if you don't think you can live an eco life its okay to do as well as you can. It's okay not be to perfect. If you know most of the time you do your recycling and run it down to the shop its okay the times that you can't. It seems to be at the moment, if you aren't doing it all the time you are not getting there. It's okay to do what you can"

Reflective motivation

How to overcome barriers (2 – what people say)

Encourage reflective rather than automatic thinking

"At school they have stickers on the bins 'This bin takes paper, this bin takes …'. If we had that at home as well it would help the kids"

"If I was rewarded, I would make more of a conscious effort to be environmentally friendly, think more about what I'm doing"

"*The thing that is not very nice about it* [food waste recycling in South Korea] *is you have to handle your food waste a lot and keep it in your house for a week and the smell of it. But you become extremely conscious of the amount of food waste you produce. It made me finish my meals rather than throwing it away"*

Reflective motivation

Don't make changes look radical

"I think it's labeled as an extreme thing to do [eating vegetarian] but some things are quite nice"

Reflective motivation

Use transitions

When young people go to university, they want to save money, promote low meat and dairy diets as a financial saving

When young people finish university, they are often used to not having a car, promote use of public/active transport into a job

Reflective motivation

Set an achievable goal

"When they tell you to reduce your meat consumption – [they should] tell you what to aim for because its not that helpful to say reduce because what does that really mean. If you say reduce to 2 or 3 times a week, that's a benchmark you can work towards, otherwise its quite a general instruction"

Reflective motivation

Promote community groups to talk about climate actions

"It's interesting hearing what everyone else says. You are so focused on your own life and what your parents tell you, what your friends do. Your freecycle thing [someone in the group gives unwanted items a home using a freecycle Facebook page]*– I would never have thought of that – and you think actually that's not hard work for me to do"*

Social opportunity

Tricking friends/ families into carbon savings

"Tell wife to stop buying ironing water as can just use filtered water. So filling bottle up with water so she doesn't notice"

Taking a group of "*macho men*" to a vegetarian Indian restaurant. "*They were very surprised afterwards that is doesn't have to be steak, you can have extremely nice food and not realise* [its is vegetarian]*"*

Social opportunity

How to overcome barriers (3 – what people say)

Short term trend vs. long term change

For young people behaviour needs to be cool …

"From my daughter's perspective, teenagers are selfish unless something is cool and trendy. Then all of sudden if it's cool to have your own reusable straw in your bag or a funky water bottle, then they are completely brought into it. If not, it's not cool, its geeky to know about these things"

… But for older people it needs to be viewed as a long-term change

"Sometimes I think its all hipster stuff – opt-in, opt-out, one minute it's straws, then its plastic, then its veganism and a lot of it you stand still and watch it go by"

Social opportunity

Education

"If they took more time to educate people on all these issues, then you will probably have more converted people making a choice about something because they are informed."

Clear, engaging and simple messages are effective

"I watched an advert about how leaving switches on causes a fire – although it's stupid because you know it, when you see it and hear someone talking about it – it rewires you, I don't leave plugs on anymore"

Focus on young people

"Education needs to come a lot earlier, primary schools and secondary schools. If the next generations are coming up with this ethos behind them, then it will be easier to adapt to situations in the future. Us older lot are stuck in our ways a lot more and need a lot more education to understand.

Psychological capability

Finance and making action easier are the dominant ways to approach people to change

From our focus groups (26 participants) those who were willing to undertake an action were asked to place each action into a bucket with labels reflecting the best way to communicate this issue to them e.g. by addressing the health benefits, money or the environment

Green energy tariff	Renewable energy – solar, heat pump	Water saving devices	Electric car	Ethical food	Adapt home for hot weather	Energy efficient appliances	Eat local	Reduce flying	Public transport – bus, train, car share	Adapt home for storms and flooding	Use less water	Reduce meat	Home insulation	Active transport e.g. walk, cycle	Video calling	Reduce dairy	Reduce plastics	Reduce food waste	Reuse materials
Easier	Easier	Easier	Easier	Easier	Easier	Easier	Easier	Easier	Easier	Easier	Easier	Health	Easier	Easier	Right thing	Health	Easier	Environment	Right thing
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Finance	Finance	Finance	Finance	Right thing	If owned own home														
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Key takeout – Environment is rarely the leading way to encourage behaviour change according to respondents. Finance is a stronger motivator in many cases

Overcoming barriers is about framing the challenge in the right way 1/2

An additive approach e.g. 'every little helps' could work for climate change

Addresses which barriers?

- People using one good act to justify a bad one
- People don't know the carbon impacts of their actions
- They should be nudging me to make the right choice
- Focus on achievable steps

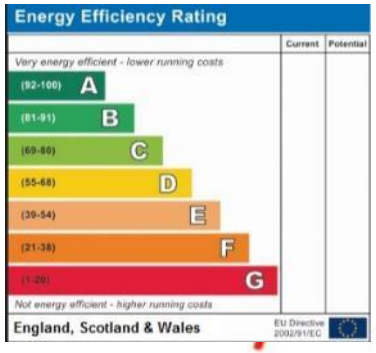
Where has this principle been used?

Encourage reflection through point of action communications

Addresses which barriers?

- Environmental issues are not clear cut and citizens don't know what to do
- Some people are interested in the issues and have tried to research but are still not clear
- Consequences of consumption are hard to see at point of use
- They should be nudging me to make the right choice

Where has this principle been used?

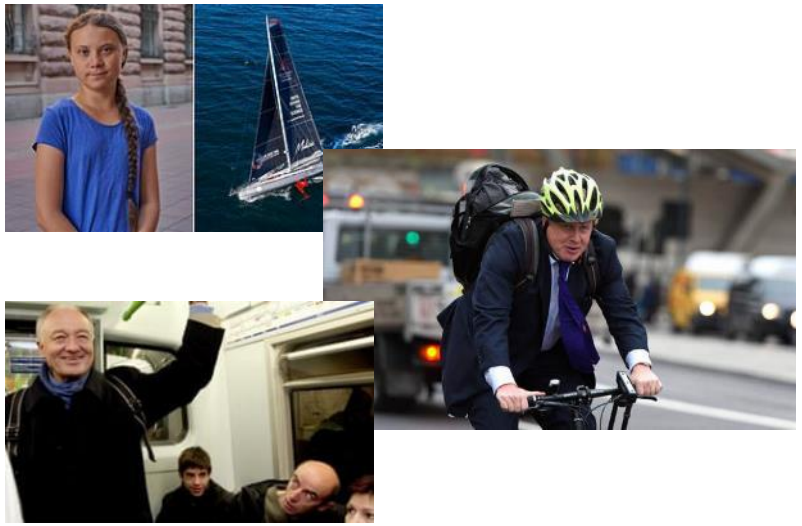


Show consistent, visible leadership

Addresses which barriers?

- Someone else can change
- Governments should be investing

Where has this principle been used?



Overcoming barriers is about framing the challenge in the right way 2/2

Make doing the right thing more visible – its not easy to see the people who didn't drive/fly

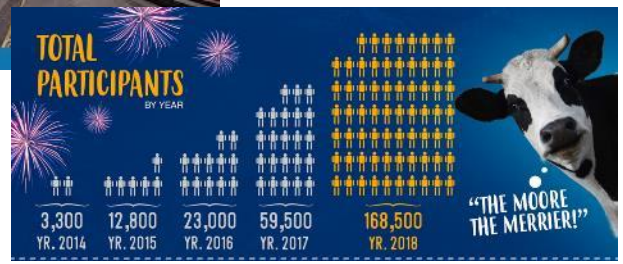
Addresses which barriers?

- People justify a self-serving conclusion
- They should be nudging me to make the right choice
- Focus not on what we are losing by using low carbon alternatives but what we gain
- Focus on achievable steps

Where has this principle been used?

Flight shame/Train pride campaign in Sweden

Showing how many people participate

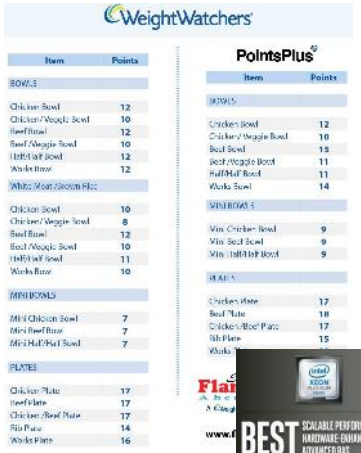


Make it clear how much each action contributes

Addresses which barriers?

- People justify a self-serving conclusion
- Consequences of consumption are hard to see at point of use
- They should be nudging me to make the right choice
- Environmental issues are not clear cut and citizens don't know what to do

Where has this principle been used?



Points system showing how one action contributes to a target or limit

Create clear shared goals – people will change a lot if they agree

Addresses which barriers?

- Environmental issues are not clear cut and citizens don't know what to do
- An ability to discuss, agree goals and commit to change could lead to more behaviour change

Where has this principle been used?

Juries – people aim to seriously assess evidence and come to a conclusion with high stakes for the people involved

For more information contact insight@hants.gov.uk

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	14 July 2020
Title:	Transport for the South East (TfSE)
Report From:	Director of Economy, Transport and Environment

Contact name: Keith Willcox

Tel: 01962 846997 **Email:** keith.willcox@hants.gov.uk

Purpose of this Report

1. The primary purpose of this report is to update Cabinet on Transport for the South East's Proposal to Government to move from shadow form to be established as a statutory sub national transport body for the South East, to be known as Transport for the South East (TfSE). This follows the initial report considered by Cabinet in December 2016, when Cabinet agreed that TfSE be established as a shadow body.
2. This report also introduces TfSE's Transport Strategy which provides a wide-ranging policy framework for the period up to 2050 to inform future sub regional transport studies and national transport investment decisions.
3. It draws attention to the active role the County Council has taken over the last three years, as a key member of the TfSE's Shadow Partnership Board, to shape the Proposal to Government and the Transport Strategy, and its on-going work with partners to develop further strategies and studies arising from the Transport Strategy.
4. The report highlights the importance of TfSE's Partnership Board securing consent from each of its constituent members, including from Hampshire County Council, for its Proposal to Government, and their endorsement of its Transport Strategy following recent consultation and prior to their submission to the Secretary of State for Transport.

Recommendations

5. That Cabinet gives its consent to the establishment of a sub national transport body for the South East, to be known as Transport for the South East (TfSE), and recommends that Full Council endorses this decision;
6. That Cabinet approves the proposed constitutional arrangements and functions for TfSE, as set out in its Proposal to Government (Appendix 1), and recommends that Full Council endorses this decision;

7. That Cabinet endorses TfSE's Transport Strategy and recommends that Full Council adopts the Transport Strategy into the County Council's policy framework.
8. That Cabinet delegates authority to the Executive Member for Economy, Transport and Environment to consider, and where appropriate approve, any subsequent studies, strategies and decisions arising from TfSE's Transport Strategy.

Executive Summary

9. This report seeks to assure Cabinet of the merits of TfSE's Proposal to Government for it to be established as a statutory corporate body under the Cities and Local Government Devolution Act 2016.
10. The constitutional arrangements and functions set out in the Proposal (see Appendix 1, sections 5.12 – 5.19) are considered necessary by TfSE's Shadow Partnership Board to meet its statutory duties, in particular the effective delivery of its Transport Strategy and to be better placed to support local highway authorities in meeting their own local transport priorities. The draft Proposal was the subject of a 12-week consultation earlier last summer and was then further amended to reflect feedback received.
11. TfSE's Transport Strategy (Appendix 2), provides a wide-ranging policy framework for the period up to 2050, as the basis for TfSE to realise its ambition for the region, namely that:

    "By 2050, the South East will be a leading global region for net-zero carbon, sustainable economic growth, where integrated transport, digital and energy networks have delivered a step-change in connectivity and environmental quality.

    A high-quality, reliable, safe and accessible transport network will offer seamless door-to-door journeys enabling our businesses to compete and trade more effectively in the global marketplace and give our residents and visitors the highest quality of life."
12. The Transport Strategy, which has also been subject to extensive consultation, sets out TfSE's vision, goals and priorities. These will direct further thematic strategies and area-based studies to inform the prioritisation of schemes, national investment decisions, and establish a Strategic Investment Plan for the region. As explained below, the Strategy marks an important shift away from 'planning for vehicles', towards planning for people and places and is explicit in aiming to reduce peoples' dependency on cars. This new regional approach should inform local policies, such as the County Council's own Local Transport Plan (LTP) version 4 which is currently under development, and why it is recommended that TfSE Transport Strategy be adopted into the County Council's policy framework.
13. Turbulence within the legislative programme for central government during the latter half of last year led the Department for Transport (DfT) to advise shadow sub national transport bodies it was unable to consider further proposals for statutory status at that time but that they should continue working in shadow form. This meant that TfSE had to push back its 2019 timeline for submitting its Proposal to Government. However, it used that period to make progress with its Transport Strategy and maintain strong links with the DfT which, following the December 2019 General Election, has indicated it is now able to consider

further proposals. Therefore, subject to securing consent from each of its constituent members, TfSE's Shadow Partnership Board aims to submit its Proposal to Government, together with its Transport Strategy, as soon as possible following its Partnership Board meeting on 16 July 2020.

Contextual information

14. The Cities and Local Government Devolution Act 2016 amended the Local Transport Act 2008 to make provision for the establishment of sub national transport bodies. The purpose was to create statutory bodies capable of advising the Secretary of State and devising transport strategies that would advance economic growth and improve the effectiveness and efficiency of transport functions across sub-national regions. Although only Transport for the North (TfN) has secured statutory status, the case for coherent and cohesive assessments of sub-national transport needs has led to the emergence of Midlands Connect, England's Economic Heartland, and TfSE – each of which have established shadow partnership boards to work with central government and its agencies to develop transport strategies appropriate to their regions. Each aim to secure statutory status as soon as possible to maximise their influence with central government.

15. Following Cabinet's approval in 2016 for the County Council to join TfSE in shadow form, the partnership has grown in strength. It has a dedicated team and website, and now includes 16 upper-tier authorities as constituent members:

- Bracknell Forest Borough Council
- Bright and Hove City Council
- East Sussex County Council
- Hampshire County Council
- Isle of Wight Council
- Kent County Council
- Medway Council
- Portsmouth City Council
- Reading Borough Council
- Slough Borough Council
- Southampton City Council
- Surrey County Council
- West Berkshire Council
- West Sussex County Council
- The Royal Borough of Windsor and Maidenhead Council
- Wokingham Borough Council

16. The TfSE region is home to over 7.5 million people and includes four million workers and 320,000 companies. TfSE's governance structure provides a voice

for the South East's five local enterprise partnerships; local district and borough councils; the two national park authorities; as well as transport industry and end-user representatives. The County Council's Executive Member for Economy, Transport and Environment serves on its Shadow Partnership Board, supported by the County Council's Assistant Director for Strategic Transport, who is a member of the TfSE's Senior Officer Group.

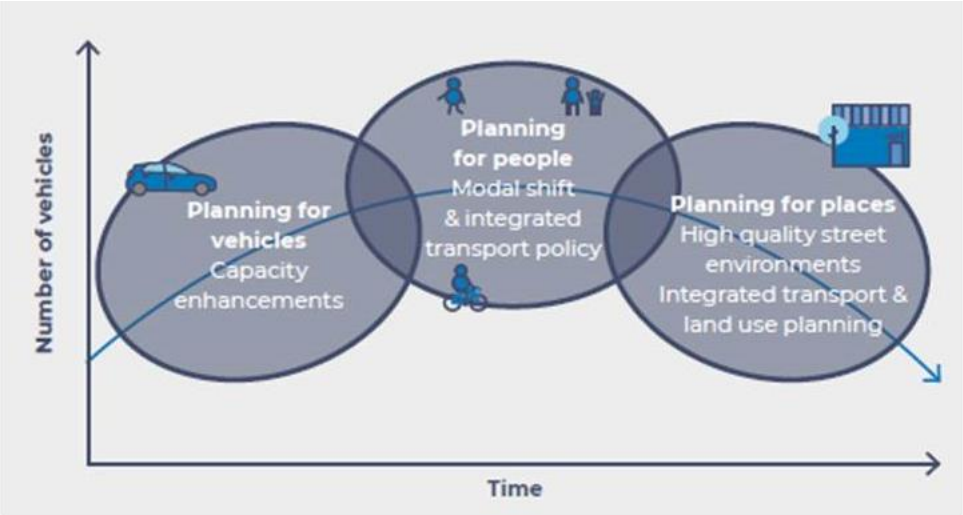
17. Over the last three years TfSE has made significant progress in developing positive relations with DfT and working with Highways England to inform the Government's Road Invest Strategy (RIS2) and Major Road Network (MRN) proposals.

18. Following initial funding from DfT in 2017/18, TfSE developed its evidence base to inform its draft Transport Strategy. That was published in May 2019 and was the focus of a launch event, *'Connecting the South East'*, held at Farnborough International last October, which was attended by the then Minister for Transport, George Freeman MP. The event was followed by other regional events and a Parliamentary reception that was well attended by Hampshire MPs. The County Council has been actively involved in all stages of developing the draft Transport Strategy.

19. Similarly, the County Council has been actively involved in developing TfSE's Proposal to Government, which sets out its ambition for the region; the strategic and economic case for establishing a sub national transport body in the South East; and its proposed constitutional arrangements and functions. The Proposal was first approved by the Shadow Board for consultation in March 2019. Following a report to the Executive Member for ETE in July 2019, the County Council provided a written response to the consultation which, together with other feedback, has helped inform updated Proposal. Formal consent is now being sought from each of the constituent members in advance of TfSE's Partnership Board meeting on 16 July 2020.

Transport Strategy

20. The Transport Strategy sets out TfSE's ambition for the South East by 2050, as contained in the summary above. It includes strategic goals and priorities which are designed to mark a shift away from traditional 'planning for vehicles', towards planning for people and places which has been strongly welcomed by stakeholders



21. The strategic goals align with the pillars of sustainability – economic, social, and environmental – to provide a robust policy framework to devise an appropriate Strategic Investment Plan to address challenges associated with the following types of movement:

    i. Radial journeys
    ii. Orbital and coastal journeys
    iii. Inter-urban journeys
    iv. Local journeys
    v. Journeys to international gateways and freight journeys
    vi. Journeys in the future

    The Strategy's methodology is underpinned by the following principles:

- Supporting economic growth, but not at any cost
- Achieving environmental sustainability
- Planning for successful places
- Putting the user at the heart of the transport system
- Planning Regionally for the Short, Medium and Long Term

22. The draft Strategy was subject to a 13-week public consultation which closed on 10th January this year. Following a report to the Executive Member of ETE on 14th January, the County Council provided further comments to TfSE which informed final amendments to the Strategy. In responding the County Council strongly endorsed the Strategy's vision and logical methodology, including its strategic priorities which it noted will need to be carefully monitored. It highlighted the fundamental role central government will also need to play in supporting TfSE's objectives to increase rail and bus usage, and the need to maintain strong links with the health sector to ensure a consistent message that encourages people to make transport choices that support health lifestyles. It

suggested that, moving forward, TfSE may wish to classify economic hubs as regionally or locally significant and take account of other investment packages, such as the Transforming Cities Fund, that may be complimentary to proposed interventions. Above all, the County Council stressed that as TfSE's strategy work advances, it should focus on adding maximum value across the region by concentrating efforts on issues that local authorities have to date been unable to resolve individually, such as integrated rail and bus ticketing. The collaborative ethos of TfSE was also reflected in comments from other constituent members who agreed that TfSE should focus on the wider strategic challenges facing the region. It was also agreed that the links between transport and land use planning, together with TfSE's environmental priorities should be strengthened.

23. Emerging from the Strategy, and subject to further funding from the DfT, TfSE will commission five area studies, and two thematic strategies to identify specific schemes and policy initiatives required in different parts of the region. Both the south western radial study which will assess north / south connectivity, including the M3 /A34 corridor, and the 'Freight, Logistics, and International Gateways' thematic strategy will be particularly important to Hampshire given the strategic importance of Southampton Port for UK exports and the movement of incoming goods to support numerous supply chains.

24. Current funding for 2019/20 has enabled TfSE to progress its Outer Orbital Area Study, which assesses connectivity along the south coast between Hampshire to Kent, and its Future Mobility Strategy. With regard to the latter, TfSE is very much looking to learn from Solent's Future Transport Zone activities following its successful bid to become one of DfT's future mobility pilot zones. Subject to further funding the next step will be to develop the Gateways Strategy.

25. The Transport Strategy makes reference to the impact the Covid19 pandemic is already having on demand for travel and touches on the longer-term impacts the current crisis may have on the way people choose to live in the future. It notes that in the short-term the impact may help towards it achieving its strategic priorities but, given the scale of modal shift required, the Strategy is clear that significant interventions will still be required in order for TfSE to realise its ambition for the region. In the meantime, further technical work is being undertaken to identify the potential short-term impacts of the Covid-19 pandemic on travel behaviour, employment patterns and the economy in the South East. Outputs from that work will be fed into the area studies and thematic strategies referenced above.

Proposal to Government

26. In order to achieve statutory status TfSE is required to develop a Proposal to Government that demonstrates a strategic economic case for the creation of a sub-national transport body and how it intends to fulfil the statutory requirements outlined in the enabling legislation. This includes identifying the power and responsibilities it seeks from the Government and setting out its own proposed governance arrangements.

27. In September 2019 TfSE's Shadow Partnership Board approved the Proposal to Government, (Appendix 1) which took account of feedback received following the public consultation which ran between 3rd May – 31st July 2019. That included comments from the Hampshire County Council based on principles

agreed by the Executive Member for ETE and set out in an Executive Member report, dated 16th July 2019.

28. The constitutional arrangements, including details of the proposed weighted voting system are set out in Section 4 of the Proposal to Government.

29. It is proposed that each constituent authority will appoint one of their elected members or their elected mayor as a member of TfSE on the Partnership Board. It is intended that the regulations should provide for the appointment of persons who are not elected members of the constituent authorities to be co-opted members of the TfSE Partnership Board. Currently two LEPs, a representative from the Boroughs and Districts, the Chair of the TfSE Transport Forum, and a representative from the protected landscapes in the TfSE area have been co-opted onto the Shadow Partnership Board. A number of voting options were considered to find a preferred option that represents a straightforward mechanism as well as the characteristics of the partnership, and which does not provide any single authority with an effective veto. The starting point for decisions will be consensus, and if that cannot be achieved then decisions will require a simple majority of those constituent bodies who are present and voting. Where consensus cannot be achieved the following matters will require enhanced voting arrangements:
    - The approval and revision of Transport for the South East's ("TfSE") Transport Strategy;
    - The approval of TfSE annual budget;
    - Changes to the TfSE constitution.

30. Decisions on these issues will require both a super-majority, consisting of three quarters of the weighted vote in favour of the decision, and a simple majority of the constituent authorities.

31. The specific functions that TfSE is seeking is set out in Section 5 of the Proposal to Government. These include the following:

    - general sub-national transport body functions relating to the preparation of a Transport Strategy, advising the Secretary of State and co-ordinating transport functions across the TfSE area (with the consent of the constituent authorities);
    - Local Transport functions;
    - being consulted on rail franchising and setting the overall objectives for the rail network in the TfSE areas;
    - jointly setting the Road Investment Strategy RIS for the TfSE area;
    - obtaining certain highways powers which would operate concurrently and with the consent of the current highways authority to enable regionally significant highways schemes to be expedited;
    - securing the provision of bus services, entering into quality bus partnership and bus franchising arrangements with the consent of the constituent authorities;
    - introducing integrated ticketing schemes;
    - establishing Clean air zones with the power to charge high polluting vehicles for using the highway with the consent of the constituent authorities;
    - power to promote or oppose Bills in Parliament;
    - incidental powers to enable TfSE to act as a type of local authority

In its response to the consultation the County Council stressed the importance of TfSE adhering to the principle of subsidiarity wherever possible, with focus being placed on drawing down powers from central government that best lend themselves to sub national governance, for example being directly involved in setting a High Level Output Specification for rail and the Road Investment Strategy. The County Council was also cautious about proposed powers to be held concurrently with local highways authorities. It requested that any such powers only be exercised by TfSE with the express consent of the affected authority(ies) and that any interventions within local highway authority areas, or affecting their borders, should only take place with their explicit consent.

Therefore, the County Council welcomes the fact the Proposal to Government has since been amended to reflect these points and, to support the principle of consent, the final Proposal to Government states it will adopt the following principles:

- That future operations of TfSE should, where possible, seek to draw down powers from central government, rather than seek concurrent powers with local transport authorities;
- That decisions on the implementation of the powers are made at the most immediate (or local) level, i.e. by constituent authorities in the particular area affected; and
- Consent from the relevant constituent authorities will be obtained in advance of any Partnership Board decision on a particular scheme or project.

Following the amendments made to the Proposal to Government, it is recommended that Cabinet approves the Proposal and gives consent to TfSE being established as a statutory body, in order to maximise its influence over future transport investment and, through TfSE's Transport Strategy, shape intra-regional transport planning over the short, medium and long term.

Finance

32. TfSE has established an annual subscription of £58,000 per county council and £30,000 per unitary.
33. To date DfT has allocated TfSE a total of £1.6million through three separate ring-fenced revenue grants. The initial £100,000 grant was allocated in 2017/18. That enabled TfSE to develop its evidence base for its Transport Strategy, including its Economic Connectivity Review. A further £1million was allocated by DfT in March 2018 to advance TfSE's Transport Strategy. In June 2019 DfT allocated TfSE a further £500,000 to support its technical work programme arising from its Transport Strategy. That latest £500,000 grant is currently being used to undertake the first of its three Area Studies, the Outer Orbital Area Study, and one of the two proposed thematic strategies i.e. the Future Mobility Strategy.
34. TfSE is actively pressing DfT to commit to further funding for 2020/21 to ensure the partnership can further progress its technical work programme.
35. Submitting its Proposal to Government this summer is considered both timely and important in order to feed into the forthcoming Comprehensive Spending Review. Once established as a statutory body, DfT will be expected to allocate

TfSE core revenue funding, on condition its constituent authorities continue to make contributions.

Performance

36. In its response to TfSE's consultation on its Transport Strategy, the County Council emphasised the importance of its performance being carefully monitored. TfSE has since committed to establishing a robust mechanism to monitor and evaluate the progress of its Transport Strategy. The Partnership plans to use a set of key performance indicators to assess the extent to which its strategic priorities, set out in the Strategy, are being achieved.

Consultation and Equalities

37. TfSE's draft Proposal to Government was subject to a public consultation between 3rd May – 31st July 2019. The consultation document was made available on TfSE's website and promoted through its e-newsletter and engaged a wide range of stakeholders including neighbouring transport authorities, such as Dorset and Oxfordshire, as well as other stakeholders, including South Downs and New Forest national park authorities, port and ferry operators and airports. In total, TfSE received 96 responses which were positive, with 92 respondents offering to support the principle of establishing TfSE as a sub-national transport body for the South East. The County Council's own response was based on the principles set out in the Executive Member report, dated 16th July 2019. Following the consultation responses, the Proposal to Government was updated to make clear that TfSE would only exercise concurrent functions and powers with the explicit consent of the relevant transport authority(ies) and that the principle of subsidiarity be adhered to so as to ensure decisions relating to TfSE's powers are made at the most relevant level and that, where possible, TfSE's future aspirations will focus on drawing down powers from central government.

38. TfSE's draft Transport Strategy was subject to a 13-week public consultation which closed on 10th January this year. The main mechanism for obtaining feedback was via a questionnaire which was made available online and in hard copy. The process was widely publicised through the media and partner communications, with direct links sent to key stakeholders, including to all South East MPs and local authorities within the region. There were over 3,500 responses, including 600 responses to the questionnaire and a further 3,076 emails following a campaign by Friends of the Earth. All comments were considered and TfSE's analysis of the consultation feedback was reported to the Shadow Partnership Board in April 2020. In summary, 84% of respondents to the questionnaire supported TfSE's vision for the region. Seventy-eight per cent supported the shift away from planning for vehicles towards planning for people and places, and 63% were of the view that the Strategy would enable TfSE to achieve its objectives. Following a report to the Executive Member for ETE on 14th January, the County Council provided its own response to the consultation and those comments have helped inform the final amendments to the Strategy.

39. A statutory Integrated Sustainability Appraisal was also undertaken alongside the preparation of the Transport Strategy to promote sustainable development by assessing environmental, social and economic impacts, as well as mitigating

any potential adverse effects that the Transport Strategy might otherwise have. This was subject to public consultation, alongside the Strategy. In summary, responses related to the length of the document, and further actions for the Strategy to reduce carbon emissions and strengthen environmental protection. The comments received have been noted by the Shadow Partnership Board which has agreed to further amendments to draft Appraisal which is expected to be finalised later this month.

Conclusions

40. Establishing TfSE as a sub-national transport body for the South East will provide the current shadow partnership with the necessary influence and powers to ensure the effectively delivery of its Transport Strategy. This, in turn, will support and inform growth plans across the region to help expedite economic recovery and to maximise the region's economic potential. Furthermore, by adhering to the principles of sustainable development, TfSE will not only help the South East secure economic benefits but also social and environmental benefits that algin to the Hampshire 2050's vision.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

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

Other Significant Links

Links to previous Member decisions:	
Title	Date
Cabinet Report 'Proposals for a Sub-National Transport Body (Transport for the South East)'	12 December 2016
Executive Member Report 'TfSE response to formal consultation on the draft Proposal to Government'	16 July 2019
Executive Member Report 'TfSE Strategy Consultation Response'	14 January 2020
Direct links to specific legislation or Government Directives	
Title	Date
Cities and Local Government Devolution Act 2016 (Part 5A)	

Section 100 D - Local Government Act 1972 - background documents

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

Document	Location
None	

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 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 disproportionally low.

2. **Equalities Impact Assessment:**

2.1. Securing statutory status for TfSE would better enable the partnership to deliver its Transport Strategy for the South East and this is considered positive for the whole of Hampshire. The Strategy is accompanied by a statutory Integrated Sustainability Appraisal to promote sustainable development by assessing environmental, social and economic impacts, as well as mitigating any potential adverse effects that the Transport Strategy might otherwise have.

2.2. The recommendations contained in this report do not have any adverse impacts on groups with protected characteristics. Specific transport schemes that might arise from TfSE's Transport Strategy, or its subsequent area studies and thematic strategies, would be subject to specific equality impact assessments.

TRANSPORT FOR THE South East

Proposal to Government for statutory status

September 2020

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1. Executive summary

1.1 Transport for the South East is a sub-national transport body (STB) established to speak with one voice on the strategic transport priorities for the South East region.

1.2 Our aim is to grow the South East's economy by delivering a safe, sustainable, and integrated transport system that makes the South East area more productive and competitive, improves the quality of life for all residents, and protects and enhances its natural and built environment.

1.3 By operating strategically across the South East on transport infrastructure – a role that no other organisation currently undertakes on this scale – we will directly influence how and where money is invested and drive improvements for the travelling public and for businesses in a region which is the UK's major international gateway.

1.4 Already we are commanding the attention of government, facilitating greater collaboration between South East local authorities, local enterprise partnerships (LEPs) and government to shape our region's future.

1.5 Our proposal has been developed in partnership with Transport for the South East's constituent authorities, partners and stakeholders and represents a broad consensus on the key issues facing the region and the powers required to implement our Transport Strategy.

1.6 Our constituent authorities, partners and stakeholders are clear that a statutory sub-national transport body for the South East is vital if we are to successfully:

- Increase our influence with Government and key stakeholders;
- Secure investment in pan-regional strategic transport corridors;
- Deliver sustainable economic growth, while protecting and enhancing the environment, reducing emissions and promoting social inclusion; and
- Enable genuine long-term planning.

1.7 We have taken a proportionate approach and are only seeking those powers that will be effective in helping us achieve our strategic aims and objectives, and which will complement and build on the existing powers of our constituent authorities.

1.8 These powers will enable us to deliver significant additional value at regional level through the ability to directly influence and inform national investment programmes, enable more efficient and effective operational delivery and better coordination of pan-regional schemes.

1.9 The submission of our proposal to Government and the publication of our Transport Strategy has coincided with the COVID-19 global pandemic. It is recognised that changes to the way we live, work and do business, as a result of coronavirus, are likely to have an impact on travel behaviour and demand for travel.

1.10 Further technical work will be undertaken to try to anticipate the potential short-term impacts of the Covid-19 pandemic on travel behaviour, employment patterns and the economy in the South East. The outputs from this work will be fed into five area and thematic studies, which will follow on from our Transport Strategy.

2. Our ambition

"By 2050, the South East of England will be a leading global region for net-zero carbon, sustainable economic growth where integrated transport, digital and energy networks have delivered a step-change in connectivity and environmental quality.

"A high-quality, reliable, safe and accessible transport network will offer seamless door-to-door journeys enabling our businesses to compete and trade more effectively in the global marketplace, giving our residents and visitors the highest quality of life in the country."

Transport for the South East 2050 vision statement

2.1 Transport for the South East (TfSE) was established in shadow form in June 2017. In the short period since, we have emerged as a powerful and effective partnership, bringing together 16 local transport authorities, five local enterprise partnerships and other key stakeholders including protected landscapes, transport operators, district and borough authorities and national agencies to speak with one voice on the region's strategic transport needs.

2.2 Our 2050 vision is underpinned by three strategic goals, which align to the three pillars of sustainable development:

- improve productivity and attract investment to grow our economy and better compete in the global marketplace;
- improve health, safety, wellbeing, quality of life, and access to opportunities for everyone; and
- protect and enhance the South East's unique natural and historic environment.

2.3 Our Transport Strategy, which covers the period to 2050, forms the basis for achieving that vision. It will deliver sustainable economic growth across the South East, whilst taking account of the social and environmental impacts of the proposals outlined in the strategy.

2.4 The publication of our Transport Strategy has coincided with the COVID-19 global pandemic. It is recognised that changes to the way we live, work and do business, as a result of coronavirus, are likely to have an impact on travel behaviour and demand for travel.

2.5 Further technical work will be undertaken to try to anticipate the potential short-term impacts of the Covid-19 pandemic on travel behaviour, employment patterns and the economy in the South East. The outputs

from this work will be fed into five area and thematic studies, which will follow on from our Transport Strategy.

2.6 TfSE has already, in shadow form, added considerable value in bringing together partners and stakeholders to work with Government on key strategic issues, securing positive outcomes for the region in the Roads Investment Strategy 2 and Major Road Network, influencing rail franchising discussions and providing collective views on schemes such as southern and western rail access to Heathrow.

2.7 The requirements within our proposal seek to provide TfSE with the initial functions and powers to move to the next stage of our development – to begin delivering the Transport Strategy and realising the benefits that a high quality, sustainable and integrated transport system can unlock for people, businesses and the environment.

2.8 We are clear that we only seek those powers and functions which are necessary to deliver our Strategy and achieve our vision. Our requirements differ from those of other STBs and reflect the different geographic, economic, political, social and environmental characteristics of our region and the strategic objectives of TfSE and its partners.

2.9 We are only seeking powers that are applicable to a sub-national transport body as outlined by the legislation. There are many other bodies that have environmental and economic remits beyond those held by an STB and it will be essential that we work with these partners to deliver sustainable economic growth across the south east.

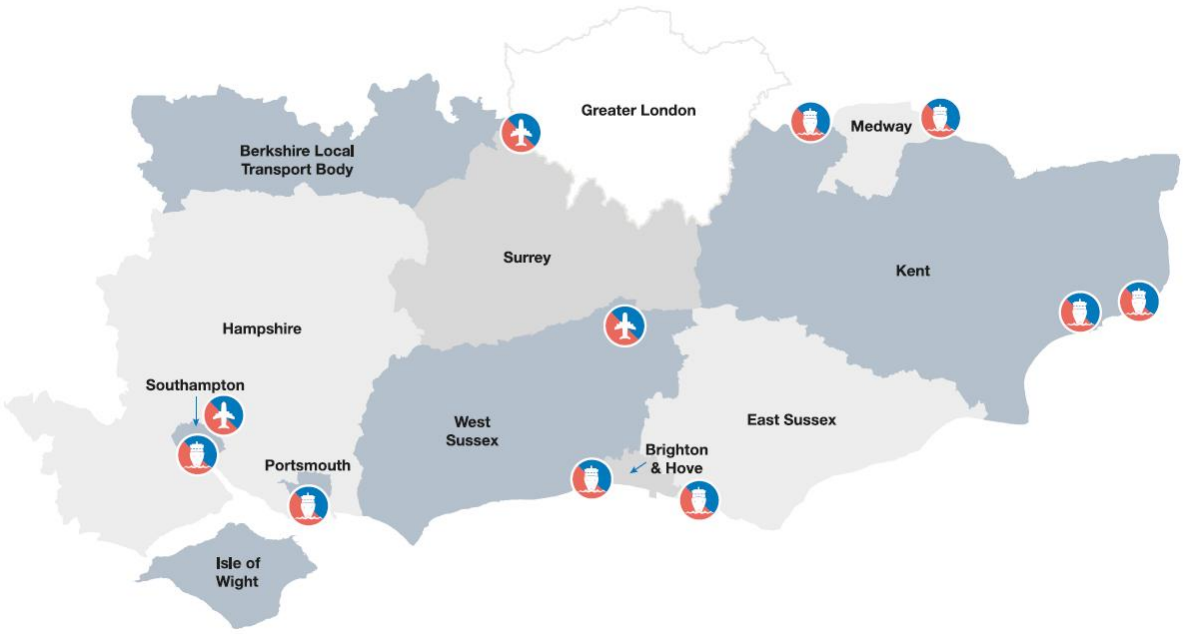
3. The strategic and economic case

The Transport for the South East area

3.1 The South East is already a powerful motor for the UK economy, adding £183 billion to the economy each year[1] – second only to the contribution made by London and more than Scotland, Wales and Northern Ireland combined.

3.2 It is home to 7.5m people and 329,000 businesses including some of the world's biggest multinationals as well as a large number of thriving, innovative SMEs. It is a world leader in knowledge intensive, high value industries including advanced engineering, biosciences, financial services and transport and logistics.

3.3 The South East area includes both of the nation's busiest airports in Heathrow and Gatwick, a string of major ports including Southampton, Dover and Portsmouth, many of the country's most vital motorways and trunk roads and crucial railway links to London, the rest of Britain and mainland Europe.



3.4 The South East's international gateways support the economic wellbeing of the whole of the UK. As we withdraw from the European Union, they will be integral to supporting a thriving, internationally facing economy.

3.5 Half of all freight passing through Dover going on to other parts of the country. Southampton sees £71 billion of international trade each year and Portsmouth handles two million passengers a year. More than 120 million air passenger a year use Gatwick, Southampton and Heathrow airports.

[1] Cambridge Econometrics "Local Economic Forecasting Model" (2017).

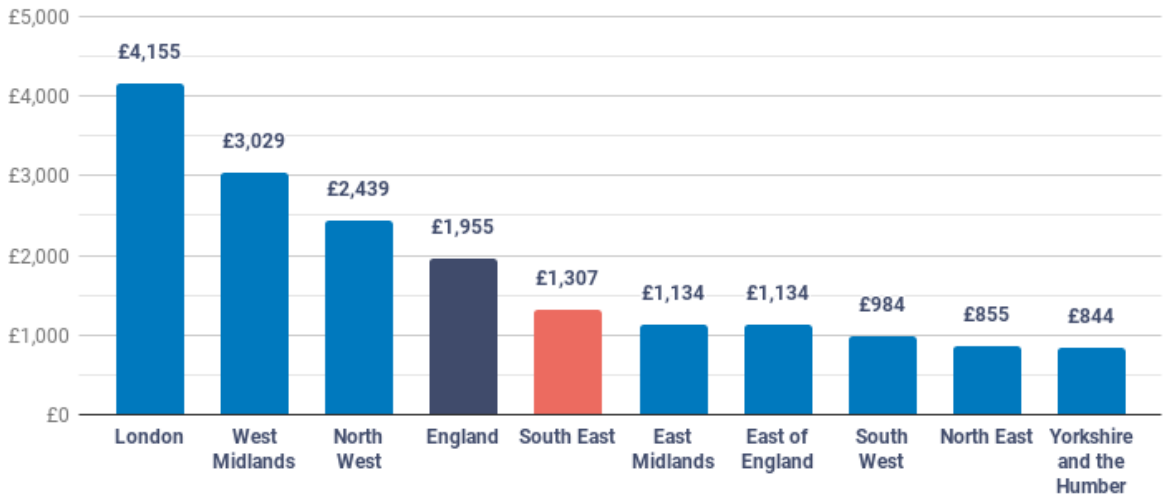
3.6 Our people and infrastructure are not our only assets. With two national parks, five areas of outstanding natural beauty and much of the region allocated as green belt, the South East draws heavily on its unique and varied natural environment for its success. It offers outstanding beaches, historic towns, dynamic cities and unparalleled links to London, the UK, Europe and the rest of the world. It is, in short, an amazing place to live, work and visit.

The scale of the challenge and why change is needed

3.7 But we face a real challenge. Despite these enviable foundations – and in some cases because of them – our infrastructure is operating beyond capacity and unable to sustain ongoing growth.

3.8 Despite the economic importance of the region to the UK economy, contributing £183 billion per year, the South East has seen continued underinvestment in transport infrastructure with a per capita spend that is significantly below the England average and a third of that in London.

Fig 1.1 Planned transport infrastructure spending per head



Source: IPPR North analysis of planned central and local public/private transport infrastructure spending per capita 2017/19 onwards (real terms 2016/17 prices)

3.9 So while transport links to and from the capital are broadly good, elsewhere connectivity can be poor – even between some of our region's major towns and cities. Train journey times between Southampton and Brighton (a distance of around 70 miles) are only marginally less than the fastest train journeys between London and Manchester. The corresponding journey on the A27 includes some of the most congested parts of the South East's road network.

3.10 Underinvestment in road and rail infrastructure is making life harder for our residents and businesses. New housing provision is being hampered by the lack of adequate transport infrastructure. In our coastal communities, lack of access to areas of employment and further education and higher education are major contributors to high unemployment and poor productivity.

3.11 The social geography of the South East is varied. The South East area is home to some of the most prosperous and productive areas of the country, but also contains significant areas of deprivation. Improving transport connectivity can help reduce the likelihood of deprivation, but this cannot be considered in isolation and needs to work alongside other important factors, such as improving skills levels.

3.12 The South East has a varied and highly valued natural environment. Significant parts of the South East area are designated as National Parks, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest. The environmental assets of the South East help make the South East area an attractive place to live, work and visit, as well as providing an important contribution to the economy. The future development of the South East area and its transport network will need to be managed to minimise any potential adverse impact and enhance these natural assets. The principle of biodiversity net gain will be vital in achieving this.

3.13 The South East area faces several significant environmental challenges in the future. There are a significant number of Air Quality Management Areas in place across the South East area. These areas have been established to improve air quality and reduce the harmful impact of Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and particulates on human health and the natural environment. Transport – particularly road transport – is one of the largest contributors to poor air quality in the South East area. Transport therefore has a significant role to play in improving air quality. Noise pollution is also a significant issue, particularly for communities located close to the Strategic Road Network.

3.14 The South East also has a significant role to play in tackling climate change. The South East accounts for 12% of the United Kingdom's greenhouse gas emissions. In 2018, transport accounted for a third of the United Kingdom's greenhouse gas emissions.

3.15 The Covid-19 global pandemic will change the way we live, work and do business. These changes may not be immediately apparent – and it may be some time before the 'new normal' establishes itself – but TfSE remains committed to achieving our vision of a better, more productive and more sustainable South East.

3.16 These are challenges that extend beyond administrative and political boundaries. They require TfSE to have the powers to effectively join up transport policy, regulation and investment and provide clear, strategic

investment priorities which will improve connectivity into and across the region, boost the economy and improve the lives of millions.

The powers to achieve our vision

3.17 To enable us to achieve our vision through the efficient and effective delivery of the Transport Strategy, we propose that a range of functions exercisable by a local transport authority, passenger transport executive or mayoral combined authority are included in the regulations to establish TfSE on a statutory footing.

3.18 We have only sought those powers which we believe are proportionate and will be effective in helping us achieve our strategic aims and objectives, complementing and building on the existing powers of local authorities. The powers will be sought in a way which means they will operate concurrently with – and only with the consent of – the constituent authorities.

3.19 These powers would enable us to deliver significant additional value at regional level in three key areas:

- **Strategic influence:** Speaking with one voice and with the benefit of regional scale and insight to influence the development of national investment programmes; a trusted partner for Government, Network Rail and Highways England.
- **Coordination:** Developing solutions which offer most benefit delivered on a regional scale; working with partners and the market to shape the development of future transport technology in line with regional aspirations.
- **Operational:** Accelerating the delivery of schemes and initiatives which cross local authority boundaries, ensuring strategic investment happens efficiently and that the benefits for residents and businesses are realised as soon as possible.

The benefits of establishing TfSE as a statutory body

3.20 **One voice for strategic transport in the South East**
TfSE will provide a clear, prioritised view of the region's strategic transport investment needs. We already offer an effective mechanism for Government to engage with local authorities and LEPs in the region; statutory status would take that a step further, enabling us to directly inform and influence critical spending decisions by Government and key stakeholders including Highways England and Network Rail.

3.21 **Facilitating sustainable economic growth**
The Transport Strategy will facilitate the delivery of jobs, housing and growth across the South East and further build on our contribution to UK GVA. Implementation of strategic, cross-boundary schemes, particularly investment in our orbital routes, will connect economic centres and

international gateways for the benefit of people and businesses, regionally and nationally. TfSE also offers a route to engage with other sub-national transport bodies and Transport for London on wider cross-regional issues.

However, this cannot be growth at any cost. The implementation of the Transport Strategy must ensure that the region's high quality environmental assets are protected and, where possible, enhanced, as well as improving health, safety, wellbeing, quality of life, and access to opportunities for everyone.

3.22 **Delivering benefits for the travelling public**
TfSE can support the efficient delivery of pan-regional programmes that will offer considerable benefits to the end user – for example, integrated travel solutions combined with smart ticketing will operate more effectively at a regional scale and can best be facilitated by a regional body than by individual organisations.

3.23 **Local democratic accountability**
Our Transport Strategy has been subject to public consultation and, provides a clear, prioritised view of investments agreed by all the South East's local transport authorities and with input from passengers, businesses and the general public. Delivery of the strategy will be led by the Partnership Board, comprising elected members and business leaders with a direct line of accountability to the people and organisations they represent.

3.24 **Achieving the longer term vision**
Securing statutory status offers TfSE the permanence and security to deliver the Transport Strategy to 2050, providing a governance structure that matches the lifecycle of major infrastructure projects. It will provide confidence to funders, enable us to work with the market to ensure the deliverability of priority schemes and support development of the skills needed to design, build, operate and maintain an improved transport network.

4. Constitutional arrangements

Requirements from legislation

Name

4.1 The name of the sub-national transport body would be 'Transport for the South East ("TfSE")' and the area would be the effective boundaries of our 'constituent members'.

Members

4.2 The membership of the STB is listed below:

Bracknell Forest Borough Council
Brighton and Hove City Council
East Sussex County Council
Hampshire County Council
Isle of Wight Council
Kent County Council
Medway Council
Portsmouth City Council
Reading Borough Council
Royal Borough of Windsor and Maidenhead Council
Slough Borough Council
Southampton City Council
Surrey County Council
West Berkshire Council
West Sussex County Council
Wokingham Borough Council

Partnership Board

4.3 The current Shadow Partnership Board is the only place where all 'constituent members' are represented at an elected member level[2]. Therefore this Board will need to have a more formal role, including in ratifying key decisions. This would effectively become the new 'Partnership Board' and meet at least twice per annum. The Partnership Board could agree through Standing Orders if it prefers to meet more regularly.

4.4 Each constituent authority will appoint one of their councillors / members or their elected mayor as a member of TfSE on the Partnership Board. Each constituent authority will also appoint another one of their councillors / members or their elected mayor as a substitute member (this includes directly elected mayors as under the Local Government Act 2000). The person appointed would be that authority's elected mayor or leader, provided that, if responsibility for transport has been formally delegated to

[2] The six constituent members of the Berkshire Local Transport Body (BLTB) will have one representative between them on the Partnership Board.

another member of the authority, that member may be appointed as the member of the Partnership Board, if so desired.

4.5 The Partnership Board may delegate the discharge of agreed functions to its officers or a committee of its members in accordance with a scheme of delegation or on an ad hoc basis. Further detail of officer groups and a list of delegations will be developed through a full constitution.

Co-opted members

4.6 TfSE proposes that governance arrangements for a statutory STB should maintain the strong input from our business leadership, including LEPs, district and borough authorities and protected landscapes. The regulations should provide for the appointment of persons who are not elected members of the constituent authorities but provide highly relevant expertise to be co-opted members of the Partnership Board.

4.7 A number of potential co-opted members are also set out in the draft legal proposal. Co-opted members would not automatically have voting rights but the Partnership Board can resolve to grant voting rights to them on such issues as the Board considers appropriate, for example on matters that directly relate to co-opted members' areas of interest.

Chair and vice-chair

4.8 The Partnership Board will agree to a chair and vice-chair of the Partnership Board. The Partnership Board may also appoint a single or multiple vice-chairs from the constituent members. Where the chair or vice-chair is the representative member from a constituent authority they will have a vote.

Proceedings

4.9 It is expected that the Partnership Board will continue to work by consensus but to have an agreed approach to voting where consensus cannot be reached and for certain specific decisions.

4.10 A number of voting options were considered to find a preferred option that represents a straightforward mechanism, reflects the characteristics of the partnership and does not provide any single authority with an effective veto. We also considered how the voting metrics provide a balance between county and other authorities, urban and rural areas and is resilient to any future changes in local government structures.

4.11 The steering group considered these options and preferred the population weighted option based on the population of the constituent authority with the smallest population (the Isle of Wight with 140,000 residents).

4.12 This option requires that the starting point for decisions will be consensus; if that cannot be achieved then decisions will require a simple majority of those constituent authorities who are present and

voting. The decisions below will however require both a super-majority, consisting of three quarters of the weighted vote in favour of the decision, and a simple majority of the constituent authorities appointed present and attending at the meeting:

(i) The approval and revision of TfSE's Transport Strategy;

(ii) The approval of the TfSE annual budget;

(iii) Changes to the TfSE constitution.

The population weighted vote would provide a total of 54 weighted votes, with no single veto. A table showing the distribution of votes across the constituent authorities is set out in Appendix 1. This option reflects the particular circumstances of TfSE, being based on the population of the smallest individually represented constituent member who will have one vote, and only a marginally smaller proportionate vote. It is considered that this option is equitable to all constituent authority members, ensures that the aim of decision making consensus remains and that smaller authorities have a meaningful voice, whilst recognising the size of the larger authorities in relation to certain critical issues.

4.13 The population basis for the weighted vote will be based on ONS statistics from 2016 and reviewed every ten years.

4.14 As outlined in paragraph 4.7, co-opted members would not automatically have voting rights but the Partnership Board can resolve to grant voting rights to them on such issues as the Board considers appropriate, for example on matters that directly relate to co-opted members' areas of interest. The current shadow arrangements to allocate votes to co-opted Board members are working well, recognising the important contribution that these members bring on environmental, economic and social issues. It would be strongly recommended that the Statutory Body would continue with these arrangements.

4.15 The Partnership Board is expected to meet twice per year. Where full attendance cannot be achieved, the Partnership Board will be quorate where 50% of constituent members are present.

Scrutiny committee

4.16 TfSE will appoint a scrutiny committee to review decisions made or actions taken in connection with the implementation of the proposed powers and responsibilities. The committee could also make reports or recommendations to TfSE with respect to the discharge of its functions or on matters relating to transport to, from or within TfSE's area.

4.17 Each constituent authority will be entitled to appoint a member to the committee and a substitute nominee. Such appointees cannot be otherwise members of TfSE including the Partnership Board.

Standing orders

4.18 TfSE will need to be able to make, vary and revoke standing orders for the regulation of proceedings and business, including that of the scrutiny committee. This will ensure that the governance structures can remain appropriate to the effective running of the organisation.

4.19 In regards to changing boundaries and therefore adding or removing members, TfSE would have to make a new proposal to Government under Section 102Q of the Local Transport Act 2008 and require formal consents from each constituent authority.

Miscellaneous

4.20 It may be necessary that certain additional local authority enactments are applied to TfSE as if TfSE were a local authority, including matters relating to staffing arrangements, pensions, ethical standards and provision of services etc. These are set out in the draft legal proposal.

4.21 TfSE also proposes to seek the functional power of competence as set out in section 102M of the Local Transport Act 2008.

4.22 TfSE will consider options for appointing to the roles of a Head of Paid Service, a Monitoring Officer and a Chief Finance Officer whilst considering possible interim arrangements.

Funding

4.23 TfSE has raised local contributions from the constituent authorities and has secured grant funding from the Department for Transport to support the development of the Transport Strategy.

4.24 TfSE will work with partners and the Department for Transport to consider a sustainable approach to establishing the formal STB and effectively and expeditiously as possible, bearing in mind the considerable support among regional stakeholders for TfSE's attainment of statutory status.

Governance: Transport Forum and Senior Officer Group

4.23 The Partnership Board will appoint a Transport Forum. This will be an advisory body to the Senior Officer Group and Partnership Board, comprising a wider group of representatives from user groups, operators, District and Borough Councils as well as Government and National Agency representatives.

4.24 The Transport Forum will meet quarterly and be chaired by an independent person appointed by the Partnership Board. The Transport Forum may also appoint a vice-chair for the Transport Forum, who will chair the Transport Forum when the chair is not present.

4.25 The Transport Forum's terms of reference will be agreed by the Partnership Board. It is envisaged that the Transport Forum will provide technical expertise, intelligence and information to the Senior Officer Group and the Partnership Board.

4.26 The Partnership Board and Transport Forum will be complemented by a Senior Officer Group representing members at officer level providing expertise and co-ordination to the TfSE programme. The Senior Officer Group will meet monthly.

5. Functions, powers and responsibilities

TfSE's proposal is to become a statutory sub-national transport body as set out in section part 5A of the Local Transport Act 2008.

General functions

5.1 Transport for the South East proposes to have the 'general functions' as set out in Section 102H (1) including:

a. to prepare a Transport Strategy for the area;

b. to provide advice to the Secretary of State about the exercise of transport functions in relation to the area (whether exercisable by the Secretary of State or others);

c. to co-ordinate the carrying out of transport functions in relation to the area that are exercisable by different constituent authorities, with a view to improving the effectiveness and efficiency in the carrying out of those functions;

d. if the STB considers that a transport function in relation to the area would more effectively and efficiently be carried out by the STB, to make proposals to the Secretary of State for the transfer of that function to the STB; and

e. to make other proposals to the Secretary of State about the role and functions of the STB. (2016, 102H (1))5.

5.2 The general functions are regarded as the core functions of a sub-national transport body and will build on the initial work of TfSE in its shadow form. To make further proposals to the Secretary of State regarding constitution or functions, Transport for the South East will need formal consents from each 'constituent member'.

5.3 Transport for the South East recognises that under current proposals the Secretary of State will remain the final decision-maker on national transport strategies, but critically that the Secretary of State must have regard to a statutory sub-national transport body's Transport Strategy. This sets an important expectation of the strong relationship Transport for the South East aims to demonstrate with Government on major programmes like the Major Road Network and Railway Upgrade Plan.

Local transport functions

5.4 Initial work has identified a number of additional powers that Transport for the South East may require that will support the delivery of the Transport Strategy. The table below provides an assessment of these functions.

5.5 The powers which are additional to the general functions relating to STBs will be requested in a way that means they will operate concurrently and with the consent of the constituent authorities.

5.6 To support the principle of consent, TfSE will adopt three further principles:

- That future operations of TfSE should, where possible, seek to draw down powers from central government, rather than seek concurrent powers with the local transport authorities;
- That decisions on the implementation of the powers are made at the most immediate (or local) level, i.e. by constituent authorities in the particular area affected; and
- Consent from the relevant constituent authorities will be obtained in advance of any Partnership Board decision on a particular scheme or project.

5.7 This approach will help to ensure that TfSE complements and supports the work of the constituent authorities and enables TfSE to promote and expedite the delivery of regionally significant cross-boundary schemes

Table 1: Proposed powers and responsibilities

POWER	RATIONALE
General functions	
Section 102 H of the Local Transport Act 2008 Prepare a Transport Strategy, advise the Secretary of State, co-ordinate the carrying out of transport functions, make proposals for the transfer of functions, make other proposals about the role and functions of the STB.	This legislation provides the general powers required for TfSE to operate as a statutory sub-national transport body, meeting the requirements of the enabling legislation to facilitate the development and implementation of a Transport Strategy to deliver regional economic growth. Government at both national and local level recognises that the solutions required to deliver regional economic growth are best identified and planned for on a regional scale by those who best understand the people and businesses who live and work there.
Rail	
Right to be consulted about new rail franchises *Section 13 of the Railways Act 2005 – Railway Functions of Passenger Transport Executives*	We are seeking the extension of the right of a Passenger Transport Executive to be consulted before the Secretary of State issues an invitation to tender for a franchise agreement. The right of consultation is significant to TfSE as it confirms our role as a strategic partner, enabling us to influence future rail franchises to ensure the potential need for changes to the scope of current services and potential new markets identified by TfSE are considered. TfSE is uniquely placed to provide a regional perspective and consensus on the priorities for rail in its area. This would benefit central government as a result of the vastly reduced need for consultation with individual authorities. We recognise that changes to the current franchising model are likely following the Williams Review; regardless of these changes, TfSE is clear that it should have a role in shaping future rail service provision.

Set High Level Output Specification (HLOS) for Rail *Schedule 4A, paragraph 1D, of the Railways Act 1993*	TfSE requires a strong, formal role in rail investment decision making over and above that which is available to individual constituent authorities. We act as the collective voice of our constituent authorities, providing an evidence-based regional perspective and consensus on the priorities for investment in our rail network. This power would enable TfSE to act jointly with the Secretary of State to set and vary the HLOS in our area, ensuring TfSE's aspirations for transformational investment in rail infrastructure are reflected in the HLOS and enabling an integrated approach across road and rail investment for the first time.
Highways	
Set Road Investment Strategy (RIS) for the Strategic Road Network (SRN) *Section 3 and Schedule 2 of the Infrastructure Act 2015*	TfSE requires a strong, formal role in roads investment decision making over and above that which is available to individual constituent authorities. We act as the collective voice of our constituent authorities, providing an evidence-based regional perspective and consensus on the priorities for roads investment. This power would enable TfSE to act jointly with the Secretary of State to set and vary the RIS in our area, ensuring TfSE's aspirations for transformational investment in road infrastructure are reflected in the RIS and enabling an integrated approach across road and rail investment for the first time.
Enter into agreements to undertake certain works on Strategic Road Network, Major Road Network or local roads *Section 6(5) of the Highways Act 1980, (trunk roads) & Section 8 of the Highways Act 1980 (local roads)*	We are seeking the power that local highway authorities currently have to enter into an agreement with other highway authorities to construct, reconstruct, alter, improve or maintain roads. These powers, operated concurrently with the local authorities, will enable TfSE to promote and expedite the delivery of regionally significant cross-boundary schemes that otherwise might not be progressed. They would overcome the need for complex 'back-to-back' legal and funding agreements between neighbouring

	authorities and enable us to reduce scheme development time and overall costs.
Acquire land to enable construction, improvement, or mitigate adverse effects of highway construction *Sections 239,240,246 and 250 of the Highways Act 1980*	This power, exercisable concurrently and only with the consent of the relevant highway authority, would allow preparations for the construction of a highways scheme to be expedited where highway authorities are not in a position to acquire land. Land acquisition by TfSE could facilitate quicker, more efficient scheme delivery, bringing forward the economic and broader social and environmental benefits. In the event that it is not possible to prevent environmental impact on the site of the scheme or project, consideration will be given to appropriate compensation/mitigation measures.
Construct highways, footpaths, bridleways *Sections 24,25 & 26 of the Highways Act 1980*	The concurrent powers required to effectively promote, coordinate and fund road schemes are vital to TfSE. Without them, we would not be able to enter into any contractual arrangement in relation to procuring the construction, improvement or maintenance of a highway or the construction or improvement of a trunk road. Granting of these powers would enable TfSE directly to expedite the delivery of regionally significant road schemes that cross constituent authority boundaries that otherwise might not be progressed.
Make capital grants for public transport facilities	
Make capital grants for the provision of public transport facilities *Section 56(2) of the Transport Act 1968*	This concurrent power would enable TfSE to support the funding and delivery of joint projects with constituent local authorities, improving deliverability and efficiency. Constituent authorities would benefit from the granting of this concurrent power as they may, in future, be recipients of funding from TfSE to partly or

	wholly fund a transport enhancement within their local authority area.
Bus service provision	
The power to secure the provision of such public passenger transport services as they consider it appropriate to secure to meet any public transport requirements within their area which would not in their view be met apart from any action taken by them for that purpose. *Paragraph 4 of Section 63 Transport Act 1985*	Local transport authorities and integrated transport authorities have the power to secure the provision of such public passenger transport services as it considers appropriate and which would not otherwise be provided. Travel-to-work areas do not respect local authority boundaries. TfSE is seeking to have this power concurrently with the local transport authorities in our area, enabling us to fill in identified gaps in bus service provision within our geography or secure the provision of regionally important bus services covering one or more constituent authority areas which would not otherwise be provided.
Quality Bus Partnerships *The Bus services Act 2017 Sections 113C – 113O & Sections 138A – 138S*	TfSE is seeking powers, currently available to local transport authorities and integrated transport authorities, to enter into Advanced Quality Partnerships and Enhanced Partnership Plans and Schemes to improve the quality of bus services and facilities within an identified area. These powers would be concurrent with the local transport authority in the area. This would allow us to expedite the introduction of partnership schemes covering more than one local transport authority area which otherwise might not be introduced.
Smart ticketing	
Introduce integrated ticketing schemes *Sections 134C- 134G & Sections 135-138 Transport Act 2000*	We are seeking powers concurrently with local transport authorities to enable TfSE to procure relevant services, goods, equipment and/or infrastructure; enter into contracts to deliver smart ticketing and receive or give payments.

	This would enable us to expedite the introduction of a cost effective smart and integrated ticketing system on a regional scale which would dramatically enhance the journey experience and increase access to transport to support jobs and education.
Air quality	
Establish Clean Air Zones *Sections 163-177A of the Transport Act 2000 – Road User Charging*	Local transport authorities and integrated transport authorities have the power under the Transport Act 2000 to implement road charging schemes. TfSE is seeking this general charging power as a mechanism for the introduction of Clean Air Zones, enabling reduced implementation and operating costs across constituent authority boundaries. This will be subject to the consent of the local transport authority. Transport is a major contributor to CO2 emissions and poor air quality; these are increasingly critical issues which our Transport Strategy will seek to address.
Other powers	
Promote or oppose Bills in Parliament *Section 239 Local Government Act 1972*	Local authorities have the power to promote or oppose Bills in Parliament; granting the power concurrently to TfSE reflects the devolution agenda of which STBs are a key part. Under the Transport and Works Act 1992, a body that has power to promote or oppose bills also has the power to apply for an order to construct or operate certain types of infrastructure including railways and tramways. Granting of this power would enable TfSE to promote, coordinate and fund regionally significant infrastructure schemes, accelerating delivery of cross-boundary schemes which might otherwise not be progressed.

Incidental amendments *Local Government Act 1972, Localism Act 2011, Local Government Pension Scheme Regulations 2013*	A statutory STB requires certain incidental amendments to enable it to operate as a type of local authority, with duties in respect of staffing, pensions, monitoring and the provision of information about TfSE. The incidental amendments sought are listed below in Appendix 2.

Powers and responsibilities not being sought

5.8 Transport for the South East does not propose seeking the following functions/powers:

POWER	RATIONALE
Set priorities for local authorities for roads that are not part of the Major Road Network (MRN)	TfSE will only be responsible for identifying priorities on the MRN
Being responsible for any highway maintenance responsibilities	There is no intention of TfSE becoming involved in routine maintenance of MRN or local roads
Carry passengers by rail	There are no aspirations for TfSE to become a train operating company
Take on any consultation function instead of an existing local authority	Local authorities are best placed to seek the views of their residents and businesses
Give directions to a constituent authority about the exercise of transport functions by the authority in their area (General Power s102P of Part 5A of the Transport Act 2008)	Constituent authorities understand how best to deliver their transport functions to meet the needs of their residents and businesses

5.9 The Williams Rail Review, to which TfSE have submitted a response, could recommend significant changes to the structure of the rail industry, including the role of STBs in both operations and infrastructure enhancement. As a result, we will keep the following functions under review pending Williams' recommendations and subsequent White Paper.

POWER	RATIONALE
Act as co-signatories to rail franchises	There are no current aspirations for TfSE to become involved in this area.
Be responsible for rail franchising	

6. Summary of support and engagement

6.1 Transport for the South East consulted on the draft proposal between 7 May 2019 and 31 July 2019. The consultation resulted in 96 responses from a wide range of stakeholders, including a number of local interest groups and members of the public.

6.2 An overwhelming number of respondents offered support for the creation of a statutory sub-national transport body in the south east. There were many, varied reasons for this support including:

- Opportunity for TfSE to speak with 'one-voice' to identify regional priorities and influence the investment decisions of central government and national agencies;
- Greater focus on integrated transport solutions, developing multi-modal solutions that improve the end user experience;
- Offering a greater level of democratic accountability; and
- The ability to accelerate delivery of long-term, strategic infrastructure schemes.

6.3 A number of amendments have been made to the final draft proposal to reflect the comments raised by respondents to the consultation:

- Greater emphasis on environmental protection, climate change and social inclusion (sections 2 and 3);
- Principle of subsidiarity and consent (para 5.6);
- Governance (para 4.14); and
- Bus and rail powers (section 5).

6.4 TfSE has secured consent from its constituent authorities and the support of a wide range of partners, including LEPs and district and borough authorities. Further information in included in Appendices 3-5.

Appendix 1: Distribution of votes

TfSE constituent authorities	Population[3]	Number of votes[4]
Brighton and Hove City Council	287,173	2
East Sussex County Council	549,557	4
Hampshire County Council	1,365,103	10
Isle of Wight Council	140,264	1
Kent County Council	1,540,438	11
Medway Council	276,957	2
Portsmouth City Council	213,335	2
Southampton City Council	250,377	2
Surrey County Council	1,180,956	8
West Sussex County Council	846,888	6
Bracknell Forest Council	*119,730*	
Reading Borough Council	*162,701*	
Royal Borough of Windsor & Maidenhead	*149,689*	
Slough Borough Council	*147,736*	
West Berkshire Council	*158,576*	
Wokingham Borough Council	*163,087*	
Berkshire Local Transport Body (total)	901,519	6
Total	**7,552,567**	**54**

[3] Population as per ONS 2016 estimates

[4] Number of votes = population/140,000 (the population of constituent authority with the smallest population, this being the Isle of Wight)

Appendix 2: List of incidental powers sought

This appendix sets out the incidental amendments that will be needed to existing legislation. They include areas relating to the operation of TfSE as a type of local authority with duties in respect of staffing, pensions, transparency, monitoring and the provision of information about TfSE.

(1) Section 1 of the Local Authorities (Goods and Services) Act 1970 has effect as if TfSE were a local authority for the purposes of that section.

(2) The following provisions of the Local Government Act 1972 have effect as if TfSE were a local authority for the purposes of those provisions—

(a) section 101 Arrangements for discharge of functions by local authorities
(b) section 111 (subsidary power of local authorities);
(c) section 113 (secondment of staff)
(d) section 116 (member of TfSE not to be appointed as officer);
(e) section 117 (disclosure by officers of interests in contracts);
(f) section 135 (standing orders for contracts);
(g) section 142(2) (provision of information);
(h) section 222 (power to investigate and defend legal proceedings);
(i) section 239 (power to promote or oppose a local or personal Bill).

(4) Sections 120, 121 and 123 of that Act (acquisition and disposal of land) have effect as if—

(a) TfSE were a principal council;
(b) section 120(1)(b) were omitted;
(c) section 121(2)(a) were omitted.

(5) Section 29 of the Localism Act 2011 (registers of interests) has effect as if—

(a) TfSE were a relevant authority, and
(b) references to "the monitoring officer" were references to an officer appointed by TfSE for the purposes of that section.

(6) In the Local Government Pension Scheme Regulations 2013—

(a) in Schedule 2 (scheme employers), in Part 2 (employers able to designate employees to be in scheme), after paragraph 14 insert—
"15. Transport for the South East.";
(b) in Schedule 3 (administering authorities), in the table in Part 2 (appropriate administering authorities for categories of scheme members), at the end insert—

"An employee of Transport for the South East	East Sussex County Council"

(7) The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 have effect as if TfSE is a local authority within the meaning of s 101 Local Government Act 1972.

Appendix 3: Register of Consents to Proposal

TfSE Constituent Authority	LTA Consent Obtained	Letter of Support Confirming Consent Returned
Bracknell Forest Borough Council		
Brighton and Hove City Council	Full Council 23 March 2020	*To follow*
East Sussex County Council	Cabinet 3 March 2020	*To follow*
Hampshire County Council		
Isle of Wight Council		
Kent County Council		
Medway Council	Cabinet 7 April 2020	*To follow*
Portsmouth City Council	Granted under Standing Order 58 of the constitution	23 April 2020
Reading Borough Council	*Cabinet 2019 / Delegated authority*	
Royal Borough of Windsor and Maidenhead Council		
Slough Borough Council	7 May 2020 – Delegated approval by Executive Member	*To follow*
Southampton City Council		
Surrey County Council	*Date TBC* - Delegated approval by Executive Member	*To follow*
West Berkshire Council		
West Sussex County Council	Letter received from Director of Highways	14 April 2020
Wokingham Borough Council		

Appendix 4: Letters of consent from TfSE constituent authorities

(Letters appended separately)

Appendix 5: Letters of consent from TfSE partners

(Letters appended separately)

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TRANSPORT FOR THE South East

TfSE's Transport Strategy – Final Text

Contents

Foreword

I'm incredibly proud to present our Transport Strategy for the South East, which sets out, for the first time, a shared vision for the South East and how a better integrated and more sustainable transport network can help us achieve it.

At the time of writing, in the midst of an unprecedented public health emergency, the future is uncertain for us all. But one thing we do know is that this crisis will pass and, when it does, thoughts will quickly turn to how best we can support people, businesses and communities in our region to recover and thrive once more. That's why it's so important that organisations like Transport for the South East continue with their work and maintain the focus on long-term positive change, even during these tough times. We know that investment in better transport will be vital for the South East's economic recovery and we know that a prosperous, better connected South East will be vital for the UK's economic recovery. The publication of this strategy marks the next step in the development of Transport for the South East, which has quickly emerged as a powerful and effective partnership for our region. Speaking with one voice on the South East's strategic transport needs, our partnership of civic and business leaders has been able to directly influence how, where and when investment takes place in our roads, railways and other transport infrastructure.

By setting out our thirty-year vision for the region and the strategic goals and priorities which underpin it, this document provides a clear framework for future decision-making which will help us create a more productive, healthier, happier and more sustainable South East. Better for people, better for business and better for the environment.

We already have the second largest regional economy in the UK, second only to London. Our strategy would help the South East's economy more than double over the next thirty years, providing new jobs, new homes and new opportunities – all supported by a modern, integrated transport network. A prosperous, confident South East where people want to live, work, study, visit and do business.

We are clear that it cannot be growth at any cost and that new approaches are needed to achieve our vision. Transport is the single biggest contributor to UK greenhouse gas emissions and the majority of those come from private cars. And transport is the only sector whose contribution continues to grow while others reduce theirs. That needs to change.

The first step on this journey is a simple one; we must make better use of what we already have. Our road and rail networks in the South East may be congested but we know that, in the short-term, targeted investment to relieve pinch-points alongside new technology like digital railway signalling are the best and most effective ways to address short-term capacity and connectivity challenges.

Beyond that, the strategy is clear that catering for forecast road traffic growth in the long term is not sustainable – so we must turn our focus towards large-scale investment in public transport. This shift has become even more important in recent months, with people advised to avoid public transport where possible.

When they return, the service on offer to them and to the new users we need to attract must be the best it can possibly be.

We need to ensure that new and emerging technology is used to its full potential to boost physical and digital connectivity. We need to make the case for policy changes which enable more joined up planning, particularly between transport and housing, to help build more sustainable communities.

And we know we will need to make some tough decisions about how, not if, we manage demand on the busiest parts of our transport networks as we cannot continue to simply build our way to growth.

This is a thirty-year strategy. The changes we want to see will not all happen overnight, and, in some instances, there are policy challenges and other hurdles which stand in our way – not least the unprecedented impact of the Coronavirus pandemic which has touched so many lives and caused far-reaching economic hardship. But I am confident in the ability of our partnership to make the case for doing things differently as we look forward, together, to a brighter future.

I'm also convinced that some of the biggest issues we face in our communities – improving air quality, investing in better public transport, supporting the switch to green vehicles, encouraging active travel and more sustainable employment and housing growth – require a bigger picture view. That's why Transport for the South East is so important, bringing together local authorities, local enterprise partnerships and organisations like Network Rail and Highways England to plan for the future we have chosen.

This strategy was published in draft in October 2019 and since then we have carried out an extensive programme of consultation. More than 3,000 responses were received as part of that process, providing valuable insight into the needs

and priorities of people, businesses and other organisations across the South East and beyond.

Our challenge now is to use this strategy to develop something which has never before existed – an integrated, prioritised, deliverable, strategic transport investment programme for the South East which will enable us to achieve our collective vision.

If we get this right, the prize is huge – for government, for taxpayers, for businesses and for everyone who lives and works in the South East.

Cllr Keith Glazier
Chair, Transport for the South East

Executive Summary

Introduction

This document is the Transport Strategy for the South East. It has been prepared by Transport for the South East, the sub-national transport body for the South East of England (see Figure i), with the support of its 16 constituent local transport Authorities, 5 local enterprise partnerships, 46 district and borough councils and wider key stakeholders.

Transport for the South East's mission is to grow the South East's economy by delivering a safe, sustainable and integrated transport system that makes the South East more productive and competitive, improves the quality of life for all residents, and protects and enhances its natural and built environment. Its

ambition is to transform the quality of transport and door-to-door journeys for the South East's residents, businesses and visitors.

In economic terms, we have identified the potential to grow the number of jobs in the region from 3.3 million today to 4.2 million and increase productivity from £183 billion to between £450 and £500 billion Gross Value Added a year by 2050. This is almost 500,000 more jobs and at least £50 billion more per year than without investing in the opportunities identified within the transport strategy.

The publication of this strategy in summer 2020 has coincided with the Covid-19 global pandemic. We recognise that changes to the way we live, work and do business as a result of coronavirus are likely to have an impact on travel behaviour and demand for travel. In the short term, these changes could go some way to helping to achieve the strategic priorities set out in this transport strategy but, given the level of modal shift required to achieve our vision for 2050, significant challenges are likely to remain that will require strategic intervention.

Further technical work will be undertaken to identify the potential short term impacts of the Covid-19 pandemic on travel behaviour, employment patterns and the economy in the South East. The outputs from this work will be fed into the five area and thematic studies, which will follow on from this transport strategy and feed into the forthcoming Strategic Investment Plan, will need to reflect on and take account of the potential impact of any changes to the economy and wider society. These changes may not be immediately apparent – and it may be some time before the 'new normal' establishes itself – but Transport for the South East remains committed to achieving our vision of a better, more productive and more sustainable South East and this strategy provides the framework to get there.

Overarching approach – planning for people and places

This transport strategy presents a shift away from traditional approaches of transport planning – one based on planning for a future based on recent trends and forecasts – to an approach of actively choosing a preferred future and setting out a plan to get there, together.

The traditional approach, one that is akin to 'planning for vehicles' with extensive highway capacity enhancements for cars, is not sustainable in the longer term. Instead, there needs to be a transition from the current focus towards more 'planning for people' and more 'planning for places' (see Figure ii).

The transport strategy has utilised modelling to understand how and where the transport network will see future strain. However, instead of simply expanding the network where strain will be most acute, the transport strategy sets out how this congestion could be alleviated by investing in attractive public transport alternatives and developing integrated land use planning policies to reduce the need to travel, adopting emerging transport technologies, and implementing more significant demand management policies (e.g. paying for the mobility consumed on a 'pay as you go' basis using pricing mechanisms and tariff structures across modes to incentivise those using all vehicle types to travel at less busy times or by more sustainable modes).

Currently, many parts of the South East are in the first stage of the process focussed on 'planning for vehicles', however, every place is different and there are exemplars that we can learn from here in the South East as well as, around the UK and internationally that are in the second and third stages. If we are to

achieve out 2050 vision, every effort must be made to ensure the transition towards planning for people and planning for places.

Our vision

Vision statement

Transport for the South East's vision is:

By 2050, the South East of England will be a leading global region for net-zero carbon, sustainable economic growth where integrated transport, digital and energy networks have delivered a step change in connectivity and environmental quality.

A high-quality, reliable, safe and accessible transport network will offer seamless door-to-door journeys enabling our businesses to compete and trade more effectively in the global marketplace and giving our residents and visitors the highest quality of life.

The vision statement forms the basis of the strategic goals and priorities that underpin it. These goals and priorities help to translate the vision into more targeted and tangible actions.

Strategic goals

The strategic goals, aligned to the pillars of sustainability, are:

- **Economy**: improve productivity and attract investment to grow our economy and better compete in the global marketplace.
- **Society**: improve health, safety, wellbeing, quality of life, and access to opportunities for everyone.

- **Environmen**t: protect and enhance the South East's unique natural and historic environment.

The interrelationship between these three pillars of sustainability is shown in Figure iii. This transport strategy aims to balance these three pillars to achieve overall sustainability, represented by the point where the three pillars interconnect at the centre of Figure iii.

Strategic priorities

Beneath each of the strategic goals lies a set of fifteen strategic priorities. These priorities narrow the scope of the goals to mechanisms and outcomes that will be most important to effectively deliver its vision. They are designed to be narrow enough to give clear direction but also broad enough to meet multiple goals.

The strategic priorities are as follows:

Economic strategic priorities:

- Better connectivity between our major economic hubs, international gateways (ports, airports and rail terminals) and their markets.
- More reliable journeys for people and goods travelling between the South East's major economic hubs and to and from international gateways.
- A transport network that is more resilient to incidents, extreme weather and the impacts of a changing climate.
- A more integrated approach to land use and transport planning that helps our partners across the South East meet future housing, employment and regeneration needs sustainably.
- A 'smart' transport network that uses digital technology to manage transport demand, encourage shared transport and make more efficient use of our roads and railways.

Social strategic priorities:

- A network that promotes active travel and active lifestyles to improve our health and wellbeing.
- Improved air quality supported by initiatives to reduce congestion and encourage further shifts to public transport.
- An affordable, accessible transport network for all that promotes social inclusion and reduces barriers to employment, learning, social, leisure, physical and cultural activity.
- A seamless, integrated transport network with passengers at its heart, making it simpler and easier to plan and pay for journeys and to use and interchange between different forms of transport.
- A safely planned, delivered and operated transport network with no fatalities or serious injuries among transport users, workforce or the wider public.

Environmental priorities:

- A reduction in carbon emissions to net zero by 2050 at the latest, to minimise the contribution of transport and travel to climate change.
- A reduction in the need to travel, particularly by private car, to reduce the impact of transport on people and the environment.
- A transport network that protects and enhances our natural, built and historic environments.
- Use of the principle of 'biodiversity net gain' (i.e. development that leaves biodiversity in a better state than before) in all transport initiatives.
- Minimisation of transport's consumption of resources and energy.

The lists above show each of the strategic priorities grouped beneath the strategic goals. This is useful for organising the principles and makes it easier to understand

broadly where these priorities are focussed. In reality, many of the strategic priorities support more than one of the goals.

Key principles for achieving our vision

Transport for the South East has developed a framework that applies a set of principles to identify strategic issues and opportunities in the South East, in order to help achieve the vision of the transport strategy.

Supporting economic growth, but not at any cost

Economic growth, if properly managed, can significantly improve quality of life and wellbeing. However, without careful management, unconstrained economic growth can have damaging consequences or side-effects. This transport strategy strongly supports sustainable economic growth which seeks to achieve a balance with social and environmental outcomes.

Achieving environmental sustainability

Transport for the South East strongly believes that the South East must reach a point where future economic growth is decoupled from damaging environmental consequences. Attractive, sustainable alternatives to the car and road freight must be provided, coupled with demand management policies. Land use planning and transport planning (along with planning for digital and power technologies) must also become more closely integrated.

Planning for successful places

This transport strategy envisages a South East where villages, towns and cities thrive as successful places, where people can live and work with the highest quality of life. Transport networks that simply aim to provide the most efficient

means of moving along a corridor have the potential to have a wide range of damaging consequences, particularly socially and environmentally.

The best way to ensure that this occurs is to develop a transport network that considers both 'place' and 'link' functions. Some parts of the transport network are designed to fulfil 'link' roles while other parts contribute more to a sense of 'place' (or both).

Putting the user at the heart of the transport system

This transport strategy envisages a transport network – particularly a local public transport network – that places both passenger and freight users at the heart of it.

This approach seeks to understand why people make journeys and why they choose between different modes, routes, and times to travel. It also seeks to understand the whole-journey experience, from origin to destination rather than just a part of the whole journey.

This principle highlights the need for much better integration between modes. This is not just limited to physical interchanges (which are undoubtedly needed), but also integration in timetables, ticketing and fares, and information sharing.

Planning regionally for the short, medium and long term

This transport strategy seeks to build on the excellent work of Transport for the South East's constituent authorities and other planning authorities in the South East. The transport strategy builds on transport plans set out by local transport authorities, local plans issued by local planning authorities, and the strategic economic plans and local industrial strategies created by local enterprise partnerships.

This transport strategy adopts a larger scale perspective that looks across the South East area focussing on cross-boundary journeys, corridors, major economic hubs, issues and opportunities. As far as possible, it also seeks to align with the ambitions of the Greater London Authority and Transport for London, and other neighbouring sub-national transport bodies.

This transport strategy also adopts a multi-modal approach. It views corridors as being served by different types and levels of infrastructure, from the Strategic Road Network to first and last mile, from intercity rail services through to rural bus operations. This transport strategy does not differentiate its approach to the future development of infrastructure based on how this infrastructure is currently managed. Transport for the South East views the transport system as a holistic system, while acknowledging key interdependencies and interfaces between different owners and actors.

Our strategy

The strategy applies the principles above to six journey types to help identify key challenges and gives an initial indication of the types of measures that will be needed to address them. These challenges, and the responses to them, will be explored further through a programme of subsequent area and thematic studies. The outputs from these studies will be fed into a Strategic Investment Plan setting out our short, medium, and longer-term scheme priorities.

Radial journeys

Challenges

- Slow journey times to North East Kent, Maidstone and stations on the Reading – Waterloo line

- Poor A21/London to Hastings Line rail corridor connectivity
- Crowding on many rail routes, particularly on the Brighton Main Line and South Western Main Line, and particular issues with reliability and resilience on the Brighton Main Line
- Constraints on road corridors passing through urban areas (e.g. A3)

Responses

- Improve connectivity to Maidstone, North Kent, Reading – Waterloo and Hastings corridors
- Provide capacity on corridors such as the Brighton Main Line and South Western Main Line rail corridors
- Improve the resilience of the Strategic Road Network
- Extend radial route public transport (e.g. Crossrail)
- Reduce human exposure to noise and poor air quality on radial corridors

Orbital and coastal journeys

Challenges

- M25 congestion
- Few long-distance orbital rail services
- Multiple issues and challenges on M27/A27/A259/Coastway Line rail corridor
- Connectivity gaps in mid Sussex/Gatwick area
- Constraints on road corridors that pass through urban areas

Responses

- Holistic demand management initiatives that address road congestion while avoiding displacement effects from one part of the network to another
- Electrification and bi-mode rolling stock on orbital rail routes
- Enhancements where orbital rail routes cross radial rail routes

- Reinstate cross country services to the east of Guildford
- Build consensus on a way forward for M27/A27/A259 corridor
- Reduce people's exposure to major orbital roads

Inter-urban journeys

Challenges

- Some routes fall below standard
- Bus services face competition and congestion from car trips and reduced financial support
- Gaps in rail routes on inter-urban corridors
- Road safety hotspots

Responses

- Support schemes proposed and prioritised locally for government's National Roads Fund for the Roads Investment Plan (2020 – 2025), Large Local Major Schemes, and for the Major Road Network
- Increase support for inter-urban bus services
- Deliver better inter-urban rail connectivity

Local journeys

Challenges

- Conflicts between different road user types
- Poor air quality in some urban areas and along some corridors
- Poor integration in some areas
- Pressure on bus services, particularly in rural areas
- Affordability of public transport
- Lack of alternatives to the car in rural areas

Responses

- Invest in infrastructure and subsidies for high quality public transport
- Improve air quality
- Prioritise vulnerable users, especially pedestrians and cyclists, over motorists
- Develop better integrated transport hubs
- Improve the management of the supply and cost of car parking in urban areas
- Advocate for a real-terms reduction in public transport fares

International gateways and freight journeys

Challenges

- The potential impact on surface transport networks from the proposed expansion of Heathrow Airport
- Access to Port of Dover
- Access to Port of Southampton (and proposed expansion)
- Dartford Crossing congestion
- Rail freight mode share is relatively low
- Freight disrupted by congestion on many strategic road corridors
- A shortage of lorry parking and driver welfare facilities
- Difficulties decarbonising heavy goods vehicles
- The UK leaving the European Union (i.e. “Brexit”)

Responses

- Further investment in improved public transport access to Heathrow
- Improved road and rail access to international ports
- Lower Thames Crossing
- Demand management policies to improve the efficiency of the transport network for road freight and to invest in sustainable alternatives

- Rail freight schemes
- New technologies
- Develop a Freight Strategy and Action Plan

Future journeys

Challenges

- Gaps in electric and digital infrastructure
- Risk that some parts of the South East will be 'left behind'
- Risk that new technologies may undermine walking, cycling and public transport
- Risk that new technologies may lead to further fragmentation
- Alternative fuel vehicles will not solve congestion

Responses

- Future proof electric and digital infrastructure (standards, etc)
- Incorporate 'mobility as a service' into public transport networks
- Encourage consistency in roll out of smart ticketing systems
- Develop a Future Mobility Strategy for the South East

Implementation

Priorities for investment

In the course of developing the strategy, a wide range of partners and stakeholders have been asked for their priorities for schemes and interventions across the South East. The priorities for interventions and suggested timescales identified by partners and stakeholders are as follows:

- **Highway schemes:** Changing traffic flow patterns of the road network means there will always be a need for localised improvements to address issues that

will continue to arise. New roads, improvements or extensions of existing ones should be prioritised in the short term but become a lower priority in the longer term. Highways schemes should target port access, major development opportunities, and deprived communities.

- **Railway schemes** are a high priority across all timelines – Brighton Main Line upgrades are prioritised for the short term, while new Crossrail lines are a longer-term goal.
- **Interchanges** are a high priority across all timelines where these facilitate multi modal journeys and create opportunities for accessible development.
- **Urban transit schemes** (e.g. Bus Rapid Transit and Light Rail Transit schemes, where appropriate for the urban areas they serve) are high priority and generally medium to long-term.
- **Public transport access to airports** is a high priority and, in the case of Heathrow Airport, must be delivered alongside any airport expansion.
- **Road and public transport access to ports** is also high priority and improvements are prioritised for delivery in the short-term.
- **Technology and innovation in transport technology** – vehicle, fuel and digital technologies – is supported, however the widespread roll-out of some beneficial technologies may only be realised in the medium to long-term.
- **Planning policy interventions** are relatively high priority and short-term.
- **More significant demand management policy interventions** are a longer-term goal.

Funding and financing

Funding sources and financing arrangements are an important consideration in the development of an implementation plan for schemes and interventions identified in the transport strategy.

A Funding and Financing Report has been developed that explores potential funding mechanisms for schemes and interventions. Multiple sources of funding and financing will be required to deliver the transport strategy.

Public finance is likely to remain the key source of funding for highway and railway infrastructure in the near future. Looking further ahead, in order to manage demand and invest in sustainable transport alternatives, new funding models will need to be pursued. This could include funding models, such as hypothecated transport charging schemes, as a means of both managing demand in a 'pay as you go' model or as part of a 'mobility as a service' package.

Monitoring and evaluation

A mechanism for monitoring delivery of prioritised interventions, as well as evaluating outcomes related to the strategic goals and priorities, will be developed as part of the area studies.

Governance

Transport for the South East has put in place governance arrangements that will enable the development, oversight, and delivery of the transport strategy.

Powers and functions

Transport for the South East proposes to become a statutory sub-national transport body and take on the 'general functions' of a sub-national transport body, as set out in legislation.

There are also a number of additional powers being sought relating to rail planning, highway investment programmes and construction, capital grants for public transport, bus provision, smart and integrated ticketing, and Clean Air Zones.

The powers which are additional to the general functions relating to sub-national transport bodies will be requested in a way that means they will operate concurrently and with the consent of the constituent authorities.

The proposal for general and additional powers were consulted upon between 7 May 2019 and 31 July 2019, concurrently to the development of the draft transport strategy.

Next steps

The route map for the next stages of the development of the transport strategy, including further studies to inform the development of the Strategic Investment Plan, is shown in Figure iv.

Five area studies will be undertaken to identify the measures that will be needed to implement this transport strategy and achieve its vision. These studies will identify the specific schemes and policy initiatives that will be required in different parts of the Transport for the South East area. They will include an assessment of the potential impact of these measures in reducing carbon emissions and the potential short-term impacts of the Covid-19 pandemic on travel behaviour, employments pattern and the economy in the South East. In addition, two thematic studies will be undertaken to identify the specific role of these two areas in achieving the vision: one on freight and international gateways, and a second on future mobility. The outputs from these area and thematic studies will be fed into a Strategic Investment Plan setting out our short, medium, and longer-term scheme priorities.

1 A Transport Strategy for South East England

Introduction

1.1 This document is the Transport Strategy for South East England1. It has been prepared by Transport for the South East, the sub-national transport body for the South East of England, with the support of its 16 constituent local transport authorities, 5 local enterprise partnerships, 46 district and borough councils and wider key stakeholders.

1.2 The publication of this strategy, in summer 2020, has coincided with the Covid-19 global pandemic. It is recognised that changes to the way we live, work and do business, as a result of coronavirus, are likely to have an impact on travel behaviour and demand for travel. In the short term, these changes could go some way to helping to achieve the strategic priorities set out in this transport strategy but, given the level of modal shift required to achieve our vision for 2050, significant challenges are likely to remain that will require strategic intervention.

1.3 Further technical work will be undertaken to identify the potential short term impacts of the Covid-19 pandemic on travel behaviour, employment patterns and the economy in the South East. The outputs from this work will be fed into the area and thematic studies that will follow on from this transport strategy. It may be some time before the 'new normal' establishes itself – but Transport for the South East remains committed to achieving our vision of a better, more productive and more sustainable South East. This Strategy provides the framework to get there.

1.4 This transport strategy is supported by a significant body of evidence, much of which is published alongside this document. These documents include:

- Draft Transport Strategy for the South East: Consultation Report
- Strategic Policy Context;
- The Relationship between the South East and London;
- Potential Impacts of Brexit;
- Scenario Forecasting Summary Report;
- Scenario Forecasting Technical Report;
- Funding and Financing Options;
- Priorities for Investment Report
- Integrated Sustainability Appraisal;
- Logistics and Gateway Review;
- Smart and Integrated Ticketing Options Study; and
- Future of Mobility Study Report.

1.5 Transport for the South East's mission is to grow the South East's economy by delivering a safe, sustainable, and integrated transport system that makes the South East area more productive and competitive, improves the quality of life for all residents, and protects and enhances its natural and built environment. Its ambition is to transform the quality of transport and door-to-door journeys for the South East's residents, businesses and visitors.

1.6 Transport for the South East aspires to be a positive agent of change. It seeks to amplify and enhance the excellent work of its constituent authorities, local enterprise partnerships, transport operators and stakeholders in its geography. It embraces new ways of doing things and seeks a more integrated approach to policy development. It aims to present a coherent, regional vision

and set of priorities to central government, investors, operators, businesses, residents and other key influencers.

The purpose of this transport strategy

1.7 One of the key roles of a sub-national transport body, as set out in the Local Transport Act 2008 (as amended)2, is to outline how it will deliver sustainable economic growth across the area it serves, whilst taking account of the social and environmental impacts of the proposals outlined in the strategy. This transport strategy represents a major step in the process of determining which policies, initiatives and schemes should be priorities for delivering sustainable growth across the South East area.

1.8 This transport strategy outlines a shared vision for the South East. It expands this vision into three strategic goals that represent the three core pillars of sustainable development – economy, environment and society – and it then describes the priorities and initiatives that will help achieve its vision. This will help guide future policy development and investment decisions in the short, medium, and long term. This transport strategy will be followed by five area studies that will identify the interventions needed to deliver the strategy. Further details about the area studies are provided in Chapter 5.

This is our Transport Strategy for the South East – speaking with one voice to improve transport, travel, and mobility for everybody in our region.

How this transport strategy was developed

Working in partnership locally, regionally, and nationally

1.9 Transport for the South East started its mission to create a common vision for the South East in 2017 by establishing robust governance procedures and regular channels of communication with its partners and key stakeholders. A diagram showing the relationship between Transport for the South East and its key partners is shown in Figure 1.1. Key in this regard has been the involvement of the Transport Forum which consists of representatives from businesses, transport operators, borough and district councils, local economic partnerships and user groups. Throughout 2019, Transport for the South East held a number of workshops and meetings with its partners and stakeholders at each step of the transport strategy's development. This engagement has been invaluable in identifying the key issues, challenges and opportunities that have been reflected in the development of the transport strategy.

1.10 The transport strategy has been designed to complement and build on national, regional, and local policies and strategies. A diagram showing the relationship between this document and the other key documents produced by government, national agencies, local transport authorities, local economic partnerships and district and borough authorities is shown in Figure 1.2. At the same time, this transport strategy seeks to influence the direction of these national, regional and local policies and strategies as many of them will be critical in ensuring the vision set out in this strategy will be achieved.

Building on the Economic Connectivity Review

1.11 This transport strategy builds upon the evidence and analysis conducted in the Economic Connectivity Review for the South East. This study provided a

detailed analysis of the underlying socioeconomic conditions in the South East. It identified 22 key corridors where the evidence suggests economic investment in transport infrastructure should be focussed to generate maximum future return. The analysis in the review, and the information which it provided, has been carried forward into this transport strategy.

1.12 The Economic Connectivity Review highlighted the potential of the South East to grow its economy to a value of approximately £500 billion in Gross Value Added terms3 (from a current day value of £183 billion). It should be stressed that this potential represents a theoretical outcome based on unconstrained growth with minimal environmental constraints.

Building on the evidence base for multi-modal corridors

1.13 This transport strategy is built upon a diverse evidence base of economic, social, environmental and transport network data. This data has been collated, interpreted and analysed from a wide range of sources and is presented in the documents listed in paragraph 1.4, which are published alongside the transport strategy.

1.14 The key areas explored in the evidence base are:

- corridors that are of strategic importance in the South East;
- places or major economic hubs where large amounts of future growth will be concentrated;
- places and/or supporting transport networks that are underperforming and constraining economic growth;
- modelling of possible future scenarios and their impacts on transport and travel; and
- the relationship between London and the South East.

1.15 Ultimately, the evidence base provides the analytical foundation of this strategy and ensures that the direction promoted in this document is supported by credible and appropriately referenced evidence.

1.16 Since the Economic Connectivity Review was published, the local economic partnerships have been developing their local industrial strategies which have involved an in-depth examination of the economy of the Transport for the South East area. For the next stage of the transport strategy development, five area studies will be commissioned that will examine the key challenges and opportunities of groups of corridors in the South East area. These studies will identify a prioritised programme of interventions to feed into a Strategic Investment Plan for the South East and will take account of the latest economic analysis set out in the local industrial strategies.

Moving away from 'predict and provide'

1.17 Traditionally, transport planning has used a 'predict and provide' approach to justify the need for future investment. This approach involves using existing trends to forecast future demand and congestion on the transport network to make the case for the investment needed to alleviate that congestion.

1.18 In recent years, however, there has been a significant shift in thinking away from the 'predict and provide' approach. There is substantial evidence to suggest that providing additional road capacity and addressing bottlenecks in the highway network has the effect of generating additional demand for the road network, thus eroding or even eliminating any expected reductions in traffic congestion[4]. Furthermore, this approach, if followed in an unconstrained fashion, risks promoting urban sprawl, high dependency on car use, and significant degradation of the natural environment. In the long run, 'predict and provide' risks creating a

transport network that is less efficient and damaging for the local communities and environment it passes through.

1.19 This transport strategy involves a shift towards a ‘decide and provide’ approach to transport provision. This means actively choosing a preferred future, with preferred transport outcomes as opposed to responding to existing trends and forecasts.

1.20 The transport strategy has utilised future demand modelling to understand how and where the transport network will see significant future strain. However, instead of simply expanding the network where strain will be most acute, the transport strategy sets out how this congestion could be alleviated through investing in public transport alternatives, developing integrated land use planning policies, adopting emerging transport technologies, and adopting demand management policies. The latter would involve users paying for more of their mobility they consume on a ‘pay as you go’ basis with the potential to better manage demand across the network – using pricing mechanism across all vehicular modes, including by car, van and heavy goods vehicles to incentivise travel at less busy times or by more sustainable modes.

1.21 This proactive approach to transport planning will enable choices to be made about how the transport network will look in the future. For example, it will signal a shift towards making urban areas more ‘people friendly’ by giving the car less precedence and by providing more space for sustainable transport modes. It will also encourage investment in more sustainable modes of transport, including the rail network and potential future greener technologies.

Planning for people and places

1.22 As discussed above, traditional transport planning has tended to focus on ensuring that adequate capacity is provided to accommodate future forecast demand. This approach is akin to 'planning for vehicles.' This approach is not sustainable in the longer term. Instead, there should be a shift from the current focus on 'planning for vehicles' towards 'planning for people' and, ultimately, 'planning for places.'

1.23 Figure 1.3 shows the evolution of a transport policy process between the three different transport policy perspectives. It is based on an approach which has been developed by Professor Peter Jones of UCL through the CREATE EU Horizon 2020 and Civitas project5, to help policy makers cut road congestion in cities by encouraging a switch from cars to sustainable modes of transport. However, it has a wider applicability to help guide transport and land use policy development at a regional scale.

1.24 Currently, much of the South East is in the first stage of the process focussed on 'planning for vehicles.' The second stage of this process illustrated in Figure 1.3 – 'planning for people' – is focussed on putting at its heart the needs of many different users of the transport system including pedestrians, cyclists, public transport passengers, people with reduced mobility, freight operators and car, van and powered two-wheeler drivers. The approach seeks to achieve modal shift to ensure that forecast future demand can be managed while minimising any adverse impacts on society and the environment by encouraging greater use of more efficient and more sustainable transport modes.

1.25 The third stage – 'planning for places' – goes further by encouraging integrated transport and land use planning to deliver spatial planning policies that

both encourage sustainable travel choices but also minimise the need to travel at all (or, at the very least, minimise the need to travel far). Although planning for people and places is already underway in some areas of the South East, there needs to be a shift in emphasis towards these approaches, as soon as possible.

1.26 Planning for vehicles may well continue in the short term and even in the longer term there will be a continued need for some targeted road schemes that will improve highway capacity to address local congestion hot spots and enable bus priority measures to be introduced. Planning for people is a principle that is embedded in many of the Local Transport Plans administered by the local transport authorities. Whilst there are a number of examples where good progress has been made, more will need be done to ensure that the needs of transport users are put at the heart of the transport system.

1.27 Planning for places requires effective and close integration of transport planning with spatial planning policy across the South East. Whilst this is likely to be challenging, it will be essential to ensure a lower level of additional travel demand is generated by new developments. Planning for places, which requires integration with long term planning policy, may be a longer-term goal but every effort must be made to start the process of moving towards this approach as soon as possible.

1.28 Updates to the current system for appraising transport schemes will be required to ensure it reflects this shift in emphasis, enabling their wider societal and environmental benefits to be included in the decision-making process.

Developing scenarios for different versions of the future in 2050

1.29 The Economic Connectivity Review presented a projection for the economic potential for the South East. However, this was a theoretical 'maximum' that

assumes minimal environmental constraints and is likely to result in unacceptable levels of environmental degradation. So, in order to develop a credible and more desirable vision of the future, Transport for the South East explored how different political, economic, social, technological and environmental trends might evolve to create different versions of the future in 2050. This was achieved by exploring how four future scenarios might affect the development of the South East's economy, population and transport outcomes. Further details about the scenario forecasting work undertaken in support of the development of this transport strategy is provided in the "Scenario Forecasting Summary Report" and "Scenario Forecasting Technical Report"6. The four scenarios for 2050 were developed by combining 'axes of uncertainty', which describe the plausible outcomes of uncertain trends. These trends included the rate of adoption of emerging technology, changes in attitudes towards the environment, and the development of target business and industrial sectors in the economy. Each scenario was modelled using a land use and transport model. The outcomes of modelling each scenario were compared to a 'central case', which was developed by modelling the impacts of the Department for Transport's National Trip End Model on the South East's economy and transport networks. A description of the four scenarios that were developed and tested is provided in Figure 1.4. The key outputs generated by these scenarios are shown in Table 1.1.

1.30 The outputs of the modelling derived from the four scenarios were presented to a wide range of partners and key stakeholders. These stakeholders were asked to provide their feedback on each of the scenarios and identify elements that they felt were most plausible and desirable. The elements that were deemed by Transport for the South East's partners and stakeholders to be

most desirable for the future were then drawn together to build a vision of a 'preferred future' – "A Sustainable Route to Growth".

1.31 The key features of the Sustainable Route to Growth scenario are:

- The South East is less dependent on London and has developed successful economic hubs within its own geography, which provide high-quality, high-skilled jobs for residents. This in turn creates a future where GVA per capita is significantly higher than it is today.
- The benefits of emerging technology have been harnessed in an equitable way to improve the accessibility of the South East area without undermining the integrity of its transport networks. This also has the effect of boosting economic growth while minimising transport's impact on the natural and built environment.
- Concern for the environment has led to the widespread adoption of sustainable policies and practices, including integrated land-use and transport planning, as well as targeted demand management measures including users paying for more of their mobility on a 'pay as you go' basis, with bus and rail fares having been reduced in real terms in the longer term. This will result in a shift away from the private car towards more sustainable travel modes. There is a reduced need to travel (or, at least, the need to travel far) and this ultimately delivers a cleaner, safer environment for residents.

1.32 As Table 1.1 shows, the Sustainable Route to Growth outputs produce strong, regionally-led economic growth akin to the results yielded by the Route to Growth scenario but deliver this growth in a more environmentally sustainable manner, more aligned to the Sustainable Future scenario. This scenario delivers the second highest growth in GVA of all the scenarios (including the central case). The modelling of this scenario generated some results that run against the vision and objectives for this strategy. For example, some model runs indicated there

could be a relative decline in walking and cycling. Further work will be undertaken as part of the development of the forthcoming area studies to ensure measures are identified that will mitigate these unwanted outcomes.

1.33 This process has allowed Transport for the South East to develop a vision for 2050 that is forward looking, that accommodates and reflects the views of stakeholders, and that delivers a desired future for the South East's businesses, residents and visitors[7]. Further information about the methodology that was used to develop these future scenarios and model their impacts is contained in the "Scenario Forecasting Technical Report".

1.34 Moving forward, the outputs from the modelling work will be used to guide the five area studies. Key modelling outputs on housing population, jobs, GVA, transport CO2 emissions, traffic and passenger flows for future years will be used to identify the interventions needed to ensure the preferred future will be delivered.

Prioritising initiatives

1.35 Transport for the South East worked with a wide group of stakeholders to identify their initial priorities for investment over the short, medium, and long term. The types of schemes that emerged as highest priority, that are best placed to deliver optimal outcomes (economic, social and environmental), and that best align with the Sustainable Route to Growth scenario are presented in this strategy. This work will be taken forward in subsequent area studies, which will identify specific schemes and interventions needed to deliver the transport strategy.

Undertaking an Integrated Sustainability Appraisal

1.36 Alongside the development of the transport strategy, Transport for the South East commissioned Steer and WSP to prepare an Integrated Sustainability Appraisal. This document examined the potential impacts this transport strategy could have on a wide range of sustainable development indicators, including economic, social, and environmental aspects. These include, but are not limited to, health, equality of access to opportunities, and community safety. This document has been published alongside the transport strategy and was subject to public consultation in parallel with the transport strategy.

Holding a public consultation

1.37 A public consultation exercise was undertaken on this transport strategy over a thirteen-week period between October 2019 and January 2020. The purpose of the consultation was to seek the views of a wide range of stakeholders on the transport strategy. The aim was to ensure buy-in to the vision for the future set out in the transport strategy. The transport strategy, Integrated Sustainability Appraisal, and supporting evidence were made available to the public and all statutory consultees along with a consultation questionnaire. The consultation exercise was publicised online, in the press and on social media. The online information for the public consultation was supplemented by a series of engagement events arranged to serve different groups of stakeholders.

1.38 At the end of the consultation period, Transport for the South East produced a consultation report on the transport strategy that summarised an analysis of the responses.8

The final transport strategy

1.39 Following consideration of all feedback, Transport for the South East revised the transport strategy and published a final version in summer 2020. The transport strategy will be complemented by five area studies which will identify and prioritise the specific interventions required across the South East. The outputs from these area studies will be fed into a Strategic Investment Plan setting out the short, medium, and longer-term scheme priorities. Transport for the South East will then shift focus towards implementation, which is described in more detail in Chapter 5.

Conclusions

In this chapter we have set out the context to the Transport Strategy for the South East and described how we have worked with partners and stakeholders to develop this transport strategy. In the next chapter, the key characteristics of the South East area are highlighted and some of the challenges it currently faces are described. In addition, the national, regional and local policy frameworks that currently govern and influence transport and planning policy in the South East area are described.

2 Our Area

Introduction

2.1 The South East is a diverse area with different environmental, social and economic challenges and opportunities. These influence the way we travel and

create their own transport challenges, while also influencing the potential for improvements to our connectivity and accessibility.

2.2 This chapter introduces the South East area1 and summarises its characteristics, challenges and opportunities. It starts by describing the economic, social, and environmental characteristics of the South East area. It then explores the relationship between the South East and the rest of the United Kingdom, including London. It goes on to set out the policy context of this transport strategy and summarises the current transport corridors and patterns of movement in the South East area. This is followed by a description of the challenges facing the transport network, future opportunities, and conclusions to be considered in the strategy.

Introducing the Transport for the South East area

2.3 The area covered by Transport for the South East comprises the counties and unitary authorities that make up the south east corner of Great Britain. The South East area extends from the Thames Valley and the New Forest in the west to the white cliffs of Dover in the east and from the Isle of Wight up to the southern boundary of Greater London. It is home to approximately 7.5 million residents2. The most populated boroughs and districts in the South East (as defined by local authority population) are Brighton and Hove (289,000), Medway (276,000), Southampton (254,000) and Portsmouth (215,000). The largest built-up areas in the South East, which cut across borough and district boundaries, are South Hampshire (over one million), Brighton and Hove (475,000) and Reading (318,000)3. A map showing the constituent authorities within the Transport for the South East area is provided in Figure 2.1.

2.4 The Transport for the South East area has several of the United Kingdom's largest international gateways including the Port of Dover, the Port of Southampton, Eurotunnel and Gatwick Airport. Heathrow Airport lies just on the boundary of the Transport for the South East area. A map showing the key population centres, international gateways and transport networks in the Transport for the South East area is provided in Figure 2.2.

2.5 The Transport for the South East area encompasses 16 local transport authorities, as outlined below.

- Six unitary authorities in Berkshire represented through the Berkshire Local Transport Body: Slough Borough Council; Royal Borough of Windsor and Maidenhead Council; Reading Borough Council; Bracknell Forest Borough Council; Wokingham Borough Council; and West Berkshire Council.
- Brighton & Hove City Council;
- East Sussex County Council;
- Hampshire County Council;
- Isle of Wight Council;
- Kent County Council;
- Medway Council;
- Portsmouth City Council;
- Southampton City Council;
- Surrey County Council; and
- West Sussex County Council.

2.6 Several of these authorities are county councils, which operate a two-tiered system of local government. In these areas local spatial planning policies are determined by borough and district councils.

2.7 There are also five local enterprise partnerships in the South East area, which lead economic planning in their respective areas:

- Berkshire Thames Valley;
- Coast to Capital;
- Enterprise M3;
- South East; and
- Solent.

2.8 The Transport for the South East area includes the South Downs and New Forest National Parks, which work to their own spatial planning policies and governance arrangements, as well as several protected landscapes, coastlines and built areas.

2.9 The remainder of this chapter describes the South East area's economic, social and environmental characteristics and challenges. It then sets out the broader policy framework underpinning the transport strategy and describes the key transport corridors and patterns in the South East area. This chapter also describes the South East area's relationship with the rest of the country (and London), and explores key issues and opportunities affecting its transport networks.

Key characteristics of the South East area

Economic characteristics and challenges

2.10 The South East is a powerful motor of the national economy. It adds £183 billion a year to the UK economy[4]. It is home to over 7.5 million people (9% of the UK total)[5], four million workers (13% of the UK workforce)[6], and 320,000 companies[7]. It is also home to national and world-leading universities (six in the

UK Top 50 and world's top 350)8 and research centres which support a wide range of disciplines and sectors. The key economic characteristics of the Transport for the South East area are shown in Figure 2.1.

2.11 The South East is a relatively prosperous region. It has the second highest GVA per capita of all the UK regions and nations (second only to London)9. The average employment rate is also relatively high at 77%, above the UK average of 74%10. However, there are significant disparities in wealth and deprivation across the South East area. Many coastal communities in particular contain areas with high levels of deprivation. Spending per head on transport infrastructure in the South East is lower than that experienced in other regions. 11

2.12 The Economic Connectivity Review, published by Transport for the South East in July 2018, provided an overarching view of the South East area's current economic geography, its economic potential up to 2050, and the role of strategic transport interventions in achieving this potential.

2.13 The review identified the role of strategic transport connectivity in enabling economic growth through:

- improving business to business connectivity;
- improving access to international gateways;
- growing labour market catchments;
- enabling development; and,
- supporting deprived communities.

2.14 The Economic Connectivity Review identified the key priority industrial sectors of the South East, which are shown in Figure 2.3. These are sectors in the South East that:

- have national and international competitive advantage;

- are knowledge-intensive;
- have identified relationships with higher education and research and innovation bodies; and
- are forecast to grow.

2.15 A significant level of housing and employment development is planned for the South East area, but this development is not distributed evenly across the South East area.

2.16 As shown in Figure 2.4, particularly high levels of housing development are planned for North Kent, the Thames Valley, and along the south coast. Employment development, on the other hand, will be more geographically concentrated than future housing development. As Figure 2.5 shows, future job growth will likely occur in the urban areas around Brighton and Hove, Southampton, Portsmouth, Gatwick Airport, and the Thames Valley. This presents a significant transport challenge as many people will be living and working in different places, which means the future transport network may need to provide for longer distance commuter trips within the South East area.

2.17 As part of the development of the five area studies, the economic data used in the Economic Connectivity Review will be reviewed and updated, including consideration of the evidence base that all the local enterprise partnerships have produced to inform their local industrial strategies. This will allow an updated set of economic priorities to be developed for each of the areas under study, demonstrating how this strategy and five area studies can help ensure that the TfSE area will maximise its contribution to UK productivity, and build on its distinctive strengths to economically position the area for the future.

Social characteristics and challenges

2.18 The social geography of the South East is varied. The South East area is home to some of the most prosperous and productive areas of the country, but also contains significant areas of deprivation. The overall distribution of deprivation in the South East relative to other areas of England is shown in Figure 2.6. This appears to show a relationship between poor connectivity and higher levels of deprivation. For example, some of the least deprived areas of the South East are found around Guildford, the Blackwater Valley, Woking and Bracknell. These areas are economically productive and benefit from good connectivity to London, where there is a concentration of highly paid jobs. In contrast, many coastal communities, which are less well connected to London and other key economic hubs, have significantly higher levels of deprivation than the England average.

2.19 While there appears to be a relationship between transport connectivity and prosperity, there are also some anomalies in the South East area. The areas around Medway and the Thames Estuary, for example, are relatively well connected to London yet have relatively high levels of deprivation. This may be due to characteristics of the local economies of these areas, which are still adjusting to structural changes in the national economy since deindustrialisation in the 1980s. It also may be because this high-level connectivity has only recently been unlocked by the launch of domestic high-speed rail services in 2009 and the impact of these services may not yet be showing in deprivation data. Either way, this example shows that, while transport connectivity is important for minimising the likelihood of deprivation, there are clearly other key factors which have a role to play. It should be noted that all the economic hubs in the South East area have

some deprived areas, including those that are perceived to be relatively prosperous.

Environmental characteristics and challenges

2.20 The South East has a varied and highly valued natural environment. Significant parts of the South East area are designated as National Parks, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest. The South East area also has a long coastline. A map showing the location of key protected landscapes in the South East area is provided in Figure 2.7. The environmental assets of the South East help make the area an attractive place to live, work and visit, and they also make an important contribution to its economy. The future development of the South East area and its transport network will need to be managed to minimise any potential adverse impact and where possible enhance these natural assets.

2.21 The South East area faces several significant environmental challenges in the future. As shown in Figure 2.8, there is a significant number of Air Quality Management Areas in place across the South East area. These areas have been established to improve air quality and reduce the harmful impact of Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and particulates on human health and the natural environment. A number of the local authorities in the Transport for the South East area including Brighton and Hove City Council, the Royal Borough of Windsor and Maidenhead, Reading, Chichester District Council and Sevenoaks District Council, have Air Quality Action Plans in place to address the air quality issues in their areas. In addition, the Government has mandated a number of local authorities, including Southampton City Council and Portsmouth City Council, to produce Air Quality Action Plans. Transport – particularly road

transport – is one of the largest contributors to poor air quality in the South East area. Transport therefore has a significant role to play in improving air quality.

2.22 Noise pollution is also a significant issue, particularly for communities located close to the Strategic Road Network. As Figure 2.9 shows, noise pollution is particularly high on the busiest road corridors of the South East area, notably around the M25. This map also shows the Noise Important Areas which are 'hotspots' of transport noise from both road and rail identified by the Department for Environment, Food and Rural Affairs.12

2.23 The South East also has a significant role to play in tackling climate change. Today, the South East accounts for 12% of the United Kingdom's greenhouse gas emissions13. In 2018, transport accounted for a third of the United Kingdom's greenhouse gas emissions14. Most of the South East's local authorities have declared 'climate emergencies' and there is evidence of increasing support from politicians and residents for transport policies and interventions that help mitigate climate change and protect and enhance the natural environment. A number have identified target dates by which they aim to achieve net zero carbon emissions, some with targets dates before 2050. In some instances, these target dates relate just to the buildings and services managed by the authority but in others they also relate to the geographical area under their jurisdiction.

2.24 The differing characteristics of the local authority areas within the Transport for the South East area means that the current levels of carbon emissions, their available carbon budgets and trajectories to net zero carbon emissions will vary. Some authorities have the ability and the ambition to move forward at a faster pace. In view of this, the strategic environmental priority relating to decarbonisation set out in this transport strategy is to reduce carbon emissions to net zero by 2050 at the latest. In March 2020 the government

published ‘Decarbonising transport: setting the challenge’ 15 and is due to publish its Transport Decarbonisation Plan before the end of 2020. This strategic priority will be kept under review and will be updated as appropriate. An assessment will take place of the carbon reduction impact of the interventions that are identified as part of the five area studies. This will include:

- establishing a baseline for the existing level of carbon emissions from surface transport to, from and within the Transport for the South East area and area study geographies;
- enabling a trajectory towards a net zero position by 2050 to be identified;
- identifying the contribution of the interventions identified as part of the area studies; and
- assessing the residual requirement to achieve net zero position by 2050.

2.25 In conclusion, the South East’s future transport strategy must seek to balance economic and social needs with the environmental constraints and challenges outlined above.

The South East’s relationship with the rest of the UK

The gateway to the British Isles

2.26 The South East is crucial to the UK economy and is the nation’s major international gateway for people and business. The Transport for the South East area has several of the United Kingdom’s largest international gateways including the Port of Dover, the Port of Southampton, Eurotunnel and Gatwick Airport. Heathrow Airport is positioned just on the boundary of the Transport for the South East area. Half of all freight passing through Dover travels on to other parts of the country. Southampton sees £71 billion of international trade each year and is the principal port for the automotive industry, while Portsmouth handles two

million passengers a year. More than 120 million air passengers a year use Gatwick, Southampton and Heathrow airports. The role of these international gateways was examined in more detail in the Freight Logistics and Gateway Review that was undertaken as part of the development of this transport strategy. 16

2.27 It is estimated that approximately 10% of trips in the South East area start or finish outside the South East and London17. The South East's geographical position as the closest part of the British Isles to continental Europe means it has a unique role as the gateway to the United Kingdom. Significant business, freight and tourist flows pass through the South East area to reach London, the rest of the United Kingdom (and Ireland).

2.28 Much processing of freight in the UK occurs in the "Golden Triangle" – an area in the Midlands where there is a particularly high concentration of national distribution centres (where freight is processed and distributed to regional networks). It is quite common for freight to arrive into the UK in the South East, be transported to the Midlands for processing, and then return to the South East for regional distribution.

2.29 This means that the road and rail routes that connect the South East to the Midlands and North of England are particularly important for freight. The key corridors for each mode are:

- **For road:** The M3/A34/M4 between Southampton and the Midlands/West of England and the M2/ M20/M25 between Dover and the Midlands/East of England.
- **For rail:** The South Western Main Line/Basingstoke – Reading Line between Southampton and the Midlands and High Speed 1/North Kent Line/South Eastern

Main Line between Dover/Folkestone and London. To reach the rest of the country, most rail freight from Kent needs to pass through Greater London where track capacity is scarce due to high passenger train flows.

2.30 The transport network in the South East has significant interfaces with schemes being pursued by neighbouring sub-national transport bodies. This includes the Oxford – Milton Keynes – Cambridge Expressway and East – West Rail projects that are being advanced by England's Economic Heartland. There is an important freight interface with this sub-national transport body on the A34 corridor, which connects the Port of Southampton with the Midlands and North of England. There are also important interfaces with the Western Gateway emerging sub-national transport body on the A36, A303/West of England Main Line, M4/Great Western Main Line and M25 corridors, as well as with Transport East at the Dartford Crossing.

The South East's relationship with London

A key relationship

2.31 London's contribution to the UK economy is well in excess of the contribution of other regions in the UK. However, it does not function in isolation and its economic success relies on strong transport links with towns, cities and international gateways outside of London, including many locations within the South East. The relationship between London and the South East is reflected strongly in commuting patterns between both regions. Further analysis of this relationship is provided in "The Relationship between the South East and London" Report, which is published alongside this transport strategy. Given the importance of this relationship, arrangements are in place to ensure effective

liaison between Transport for the South East and both the Greater London Authority and Transport for London.

Commuting from the South East to London

2.32 The number of residents commuting into Greater London from the South East is substantial (350k)18. While this is a sizeable figure, it should be noted that it represents just 13% of commuting trips in the South East19. Most (83%) trips into central London are by rail20. Trips to outer London, on the other hand, tend to be made by car (80%)21. As shown in Figure 2.10, the areas with the highest number of commuter journeys to London are those that are closest to the Greater London boundary.

2.33 As the distance from London increases, the number of residents travelling to Greater London decreases. However, there are areas further from London, such as Winchester, Haywards Heath/Burgess Hill and Royal Tunbridge Wells, where a higher number of people commute to Greater London compared to their surrounding rural areas. These locations are major economic hubs, and typically have good strategic connectivity with fast journey times into London.

Commuting from London to the South East

2.34 Figure 2.11 shows the number of employees commuting from Greater London to the Transport for the South East area. Over two-thirds of these trips are by car (67%). Generally, the areas within the Transport for the South East area with the highest number of employees commuting out from Greater London are located on the boundary with outer London. These include Slough, Elmbridge, Epsom/Ewell, Leatherhead, Redhill/Reigate and Dartford. However, there are clusters further from the boundary with a higher number of employees commuting out from Greater London - notably around Reading, Maidenhead,

Bracknell, Blackwater Valley, Woking, Guildford, Crawley/Gatwick and Sevenoaks. These are locations where there is a concentration of economic activity sectors such as professional services, finance and IT. This may explain why these areas have high commuting levels from London.

Other socio-economic trends

2.35 In addition to commuting, there are strong socio-economic ties between the South East and London that drives significant development in housing and employment on London's periphery.

2.36 London is a strong attractor of talent from across the whole country, meaning most areas in the country experience a net-migration flow towards London. In the South East, however, this trend is more complex. While many people are drawn from the South East to move to the capital, a significant number of people are moving in the opposite direction in search of more affordable housing and a better quality of life. This 'ripple effect' has been attributed to tight planning constraints in building new homes in outer London[22].

2.37 This trend is expected to continue for the foreseeable future as employment in London continues to grow faster than housing provision. Some targeted transport improvements – such as a Crossrail extension into Ebbsfleet – could further encourage Londoners to move to the South East and benefit from the high-quality transport links it offers.

Policy context

National policy context

2.38 Policy at a national level is developed by government departments and delivered by those departments, or through government agencies and arms-

length bodies. A more detailed exploration of the policy context for the transport strategy is contained in the "Strategic Policy Context" Report23, which is published alongside this transport strategy. The key documents and considerations include:

National Transport Policy:

- Transport Investment Strategy (DfT, July 2017);
- The Road Investment Strategy 2 (DfT, March 2020);
- Decarbonising transport: setting the challenge (DfT, March 2020)
- Future of Mobility: Urban Strategy (DfT, March 2019).
- High-Level Output Specification for Control Period 7 (Network Rail, July 2017); and
- Long-Term Planning Process Strategy documents (Network Rail).

National Planning Policy:

- The revised National Planning Policy Framework (MHCLG, February 2019);
- The NPS for National Networks (DfT, December 2014);
- The NPS for Ports (DfT, January 2012); and
- The NPS for Airports (DfT, June 2018).

National Economic Policy:

- The Industrial Strategy White Paper (BEIS, November 2017), including consideration of Industrial Strategy Sector Deals
- Clean Growth Strategy (HM Government, October 2017)

National Environmental Policy:

- The 25-Year Environmental Plan: A Green Future: Our 25 Year Plan to Improve the Environment (DEFRA, January 2018);
- Road to Zero Strategy (DfT, July 2018);

- Air Quality Plan (DEFRA, July 2017);
- Clean Air Strategy (DEFRA, January 2019); and
- The Climate Change Act 2008 (as amended in August 2019), which sets a national target of zero net carbon emissions by 2050.

National Social Policy:

- The Housing White Paper (MHCLG, February 2017), including the Housing Infrastructure Fund;
- The Coastal Communities Fund and Coastal Revival Fund; and
- The Inclusive transport strategy (DfT, July 2018).

Regional policy context

2.39 Responsibility for developing regional economic and transport policy is currently shared between:

- Highways England, which prioritises investment on the Strategic Road Network in the South East;
- Network Rail, which prioritises investment on the railway network in the South East; and
- Five local enterprise partnerships (Enterprise M3, Coast to Capital, Solent, South East, and Thames Valley Berkshire), which set the strategic economic priorities for their areas.

2.40 It is envisaged that this transport strategy will form an important part of the regional policy framework for the South East.

2.41 The key documents published at a regional level include:

Regional Transport Policy:

- Highways England's Route Strategies (Highways England, March 2017);

- Network Rail Passenger Market Studies (Network Rail, various dates);
- Network Rail Freight Market Study (Network Rail, April 2017); and
- Network Rail Local Studies (Network Rail, various dates).

Regional Economic Policy:

- Strategic economic plans (local enterprise partnerships, 2014); and
- Local industrial strategies (local enterprise partnerships, under development).

Local policy context

2.42 Local transport policy is developed and delivered by the 16 local transport authorities in the Transport for the South East area. Some of these authorities are unitary authorities, and, as such, are also local planning authorities. In areas governed by county councils, local plans are developed by 46 borough and district councils[24] which are local planning authorities in their areas. The local plans developed by these planning authorities provide much of the development evidence base that has underpinned the development of the transport strategy.

2.43 The key documents published at a local level include:

- Local Transport Plans; and
- Local Plans.

The South East's transport networks

Key transport patterns

2.44 In 2018 it is estimated that there were 20.9 million trips each weekday in the South East. It is estimated that 80% of these trips started and finished within the South East area. The remaining trips start from or finish outside the South East (10% involve London and 10% involve other parts of the country)[25].

2.45 The split of trips by mode is estimated as follows:

- 70% of trips are by car (driver and passenger);
- 21% of trips are by foot or cycle;
- 5% of trips are by bus or taxi; and
- 4% of trips are by rail.

2.46 As walking and cycling trips tend to be much shorter than rail trips, the mode share by passenger kilometres is higher for rail and lower for foot and cycle.26

2.47 As Figure 2.12 shows, current transport demand represents significant challenges for the transport network. Significant parts of the highway network experience severe congestion during peak hours, while one in five passengers travelling to London from the South East (and South London) are standing on arrival at termini stations (nearly three in 10 at Waterloo)27.

Future transport patterns

2.48 The Department for Transport's National Trip End Model forecasts that the number of weekday trips taking place in the South East will grow by approximately 15% to 24.0 million trips by 205028. This is driven by a growing population (which is forecast to reach approximately 8.4 million by the same date) and growing productivity and wealth.

2.49 This growth in the number of trips represents an 'unconstrained' outcome and is neither realistic nor sustainable. As Figure 2.13 shows, this growth would add pressure on some of the busiest corridors in the South East area and exacerbate congestion across the whole of the South East. These outcomes risk limiting the development and economic potential of the South East area. The transport strategy therefore focuses on alternative, more sustainable approaches

to transport planning as a means of accommodating and, in the long-term, managing future demand. This is why a scenario-based approach has been adopted in designing this transport strategy.

Key corridors

2.50 The South East is served by a relatively dense network of highways and railways. It is also home to some of the largest international gateways in the United Kingdom. This transport strategy is designed to focus on multi-modal strategic transport corridors, as shown in Figure 2.2.

2.51 The strategic corridors, which are grouped into five areas, are:

South East Radial Corridors

- M2/A2/Chatham Main Line (Dartford – Dover);
- A299/Chatham Main Line (Faversham – Ramsgate);
- M20/A20/High Speed 1/South Eastern Main Line (Dover – Sidcup);
- A21/Hastings Line (Hastings – Sevenoaks);

South Central Radial Corridors

- A22/A264/Oxted Line (Crawley – Eastbourne);
- M23/A23/Brighton Main Line (Brighton – Coulsdon);
- A24/A264/A29/Arun Valley Line (Crawley – Fontwell);

South West Radial Corridors

- A3/A27/M275/Portsmouth Direct Line (Portsmouth – Surbiton);
- M3/M27/M271/A33/A326/South Western Main Line (Southampton – Sunbury);
- A33/Basingstoke – Reading Line (Basingstoke – Reading);
- A34/South Western Main Line/Basingstoke – Reading Line (Reading – Winchester);

- A36/Wessex Main Line (New Forest);
- A303/West of England Main Line (Andover – Basingstoke);
- M4/Great Western Main Line/Reading – Taunton Line (Newbury – Slough);

Inner Orbital Corridors

- M25 (Dartford – Slough);
- A228/A249/A278/A289/Chatham Main Line/Sheerness Line (Medway Ports);
- A228/A229/Medway Valley Line (Maidstone – Medway);
- Redhill – Tonbridge Line/South Eastern Main Line (Ashford – Redhill)
- A25/North Downs Line (Guildford – Redhill);
- A31/A322/A329/A331/North Downs Line (Reading – Redhill);

Outer Orbital Corridors

- A28/A290/A291 (Canterbury – Whitstable);
- A27/A259/A2070/East Coastway Line/Marshlink Line (Ashford – Brighton); and
- M27/A27/A31/West Coastway Line (Brighton – Ringwood).

2.52 Alongside these corridors there is an important network of local roads (notably the Major Road Network, which is shown alongside the Strategic Road Network in Figure 2.14), that support inter-urban and local journeys. Each corridor and transport mode have diverse challenges and opportunities. This transport strategy does not seek to prescribe a solution to each individual corridor. However, it does examine thematic journey types, which are described in more detail in Chapter 3. These journey types are illustrated in Figure 2.15.

2.53 The remainder of this chapter describes the current configuration of the South East area's transport network and the challenges it faces. This is structured along the lines of transport mode.

Highways

2.54 The South East is served by a mostly radial Strategic Road Network – managed by Highways England – that radiates from the M25 London Orbital motorway towards the coastline and West of England. These radial routes are complemented by two main orbital routes (the M25 and M27/A27). The A27, in particular, is built to a much lower specification than the M25 and most radial routes in the South East.

2.55 The Strategic Road Network is complemented by a Major Road Network, which is managed by the South East area's local transport authorities. This network serves a wide range of journey types from first/last mile to relatively long-distance trips. A map of the Strategic and Major Road Networks is provided in Figure 2.14.

2.56 The South East's radial Strategic Road Network generally provides an adequate level of connectivity (with a possible exception on the A21 corridor) but regularly suffers from congestion. As Figure 2.12 shows, congestion is particularly acute on the M25 and routes close to London. Beyond targeted interventions to address local congestion hot spots, there is limited scope to expand capacity on these corridors, which suggests a future transport strategy will need to consider a broader range of interventions – potentially including demand management policies – to accommodate future growth on these corridors.

2.57 The South East's orbital Strategic Road Network is much sparser than its radial routes, particularly between the M20 and A3 corridors. This places

significant pressure on the parts of the M25 and A27/A259/A2070 corridors that lie to the north and south of Gatwick Airport. The Major Road Network therefore supports a significant portion of inter-urban traffic on the South East area's east-west corridors. There are hotspots of congestion and poor reliability across these orbital corridors.

2.58 The highway network serves a very large portion of local journeys in the South East. These range from urban corridors that connect residents to economic hubs such as Brighton city centre, through to rural roads that connect more remote communities to the wider economy and transport network. Each route faces unique challenges related to capacity, connectivity, reliability and safety. There are opportunities for many of these routes, particularly those serving urban areas, to look again at the balance of road space provided to private cars, public transport, and active transport modes.

2.59 The highway network will be a key enabler for future mobility technologies such as ridesharing, connected and autonomous vehicles, and demand management systems. The transport strategy will need to balance the opportunities these technological advancements present with the social and environmental needs of the South East area, and ensure that the benefits of new technology are shared equitably between prosperous and more deprived parts of the South East, as well as between urban and more rural areas.

Railways

2.60 The South East has one of the densest railway networks in the United Kingdom outside London. In the main it provides good connectivity to central London through relatively fast and regular radial routes, although some corridors (e.g. Hastings Line) do not perform as well as others. As with the highway

network, orbital corridors are less well served by the railway network. The level of connectivity (i.e. frequency and speed of passenger rail services) provided by the South East's rail network varies significantly across the area. Many coastal areas have relatively poor levels of connectivity compared to more inland towns and cities on mainlines. For example, although Hastings and Winchester are around the same distance from London, journeys from Hastings to London (1hr. 45 mins) take 75% longer than Winchester to London (1hr.). Orbital connectivity to Gatwick Airport by rail from the east and the west is poor in comparison to the radial connectivity to the airport from the north and the south. A map of the railway network is shown in Figure 2.16.

2.61 The network was developed relatively early in the technological development of the railways. This means many routes were developed at a time when the economic geography of the South East area was different to how it is configured today. It also means many routes were developed to standards that fall short of modern expectations. Some cross-regional routes were closed when the railway network was rationalised in the 1960s.

2.62 Most of the rail network in the South East is owned, maintained, and developed by Network Rail. A notable exception is High Speed 1, which is owned by HS1 Ltd and maintained by a subsidiary of Network Rail. Until 2020, most franchised passenger rail services are currently delivered by private operators under franchise agreements with the Department for Transport. The Government has announced a review that will consider reform of the current governance of passenger rail services in Great Britain. Crossrail services, which will soon operate under the "Elizabeth Line" brand, are managed as a concession by Transport for London.

2.63 The current passenger rail franchises serving the South East include:

- the **Cross Country franchise** (serving Berkshire, Hampshire, Surrey, and Southampton), which provides long-distance services connecting the South East to the Midlands and North of England;
- the **Crossrail concession** (serving Berkshire), which will provide direct commuter services through central London;
- the **Great Western franchise** (serving Brighton and Hove, Berkshire, Hampshire, Southampton, Portsmouth, Surrey, and West Sussex), which delivers commuter, cross-regional, and high-speed long-distance services to the West of England, South West England and South Wales;
- the **South Eastern franchise** (serving East Sussex, Kent and Medway), which provides commuter services and some cross-regional services;
- the **South Western franchise** (serving Berkshire, Hampshire, the Isle of Wight, Portsmouth, Surrey, and Southampton), which provides commuter services, the Island Line service and some longer distance services to the West of England and South West England; and
- the **Thameslink, Southern and Great Northern franchise** (serving every local transport authority except Berkshire and the Isle of Wight), which delivers commuter services, the Gatwick Express service and cross-London services.

Additionally, international rail services are provided by **Eurostar**, which is an Open Access Operator. There are also a number of heritage rail operations across the region.

2.64 The South East is home to the United Kingdom's first and (currently) only interoperable high-speed railway (as defined under EU regulations) – High Speed 1. This railway provides both domestic and international high-speed services that can theoretically operate at a maximum speed of 300kph (186mph). Domestic high-speed services currently serve a significant number of communities in Kent.

There is potential to expand these services further, potentially into East Sussex, in the longer term.

2.65 Most of the railway network is electrified using third rail traction. This offers many benefits, not least to the environment as electric railways typically generate lower carbon emissions and lower localised air pollution than diesel railways. However, it presents a barrier in other ways. There are gaps in the electrified network that prevent through running of electric train services on a number of routes in the Transport for the South East area including the North Downs Line, Uckfield to Hurst Green, Basingstoke to Reading West and Ore to Ashford. The third rail generally delivers lower acceleration and maximum speeds compared to overhead line equipment (OLE). The third rail also presents a barrier to expansion, as safety regulations potentially limit the extent this technology can be used to 'in-fill' gaps in electrification on the current railway network. The introduction of bi-mode trains represents a way of overcoming this issue for services operating both inside and outside the Transport for the South East area, such as the Brighton to Bristol route. The Great Western Main Line has been recently upgraded to OLE which, along with new rolling stock on this route, has enabled a decrease in emissions and improvements in air quality and noise impacts on this corridor.

2.66 The most pressing challenge for the rail network in future years relates to capacity, especially on radial routes into London. More capacity is needed on most radial railway corridors in the South East area (some more so than others). There are also sections of orbital rail routes where capacity increases are needed such as the North Downs line, the Medway Valley line, Ashford to Hastings line and the two Sussex Coastway corridors. Capacity can be delivered through investing in rolling stock, track, junctions, signalling, and platforms (particularly at

London termini). All of these would require significant investment and long-term planning to deliver.

2.67 The Government has announced a review that will consider reform of the current governance of passenger rail services in Great Britain. Transport for the South East has participated in this review and looks forward to its outcomes, which may include greater involvement in the future planning and development of the rail network in the South East.

International gateways

2.68 The South East is the UK's gateway to mainland Europe. As such, it has some of the largest ports in the country, including:

- **The Port of Southampton**, which is operated by Associated British Ports. It handles the highest tonnage of freight in the South East and is the second busiest container port in the UK. In 2018 around 34.5 million tonnes passed through this port29. Liquid bulk accounted for more than half of freight handled by this port in 201830. Southampton also served 1.6 million cruise passengers in 201731.
- **Portsmouth International Port**, which is managed by Portsmouth City Council. In 2018 this port handled 3.4 million tonnes of freight32 (three-quarters by Ro-Ro33) and 1.8 million passengers34. The port also acts as an important military base for the Royal Navy.
- The **Port of Shoreham**, which is managed by the Shoreham Port Authority and, in 2018, handled 2.1 million tonnes of freight (mostly aggregate)35, almost all by dry bulk.
- The **Port of Newhaven**, which is operated by Newhaven Port and Properties Limited. In 2018, this port carried 0.7 million tonnes of freight36 and 0.4 million passengers37.

- **London Thamesport**, which is operated by the Hutchison Ports Group. This port has one of the UK's first automated container terminals. In 2017, this port carried approximately 4 million tonnes of freight[38]. This port does not serve passengers.
- The **Medway Ports**. These include Sheerness Port, which is located on the eastern side of the **Medway Estuary**, and Chatham Port, which is located on the southern side. These ports are managed by Peel Ports. In 2018, 10.2 million tonnes[39] passed through this port, mostly by dry and liquid bulk[40]. This port does not serve passengers.
- The **Port of Dover**, which is managed by the Dover Harbour Board and is the largest roll-on/roll-off (RORO) port in the world. In 2018, 24.9 million tonnes[41] passed through this port, almost all by RORO[42]. 11.8 million passengers used the Port of Dover in 2018[43].

2.69 The South East is the home of the country's only rail link to the continent – the Channel Tunnel. This key international gateway can be accessed by road at the **Eurotunnel Folkestone Terminal** and by accessing international passenger rail services at Ashford International, Ebbsfleet International, and St Pancras International railway stations (the latter being in London). This international gateway is technically a land border between the United Kingdom and France. In 2018, the Channel Tunnel carried 21.6 million passengers, 4.4 million vehicles, and 1.3 million freight tonnes (by through train)[44].

2.70 The South East is home to some of the busiest airports in the country. These include:

- **Southampton Airport**, which carried just under 2 million passengers in 2018 and serves over 40 destinations[45].

- **Farnborough Airport**, which is one of the largest general aviation airports in the country, with reportedly over 30,000 air traffic movements in 201846.
- **London Heathrow Airport**, which is the second busiest international airport in the world, with over 80 million passengers in 201847. This airport lies on the border of Greater London and the South East. There are plans to expand the airport with the possible development of a third runway to the north west of the current site. This airport will continue to have a significant impact on the economy of the South East.
- **Gatwick Airport**, which is the second busiest airport in the country and the busiest single-runway airport in the world, with over 46 million passengers in 201848. This airport supports a cluster of businesses in the "Gatwick Diamond". It serves as a particularly important gateway to continental Europe. The airport has recently published a masterplan, which seeks to use its emergency runway to increase the number of flights49.
- **Other airports**, including Biggin Hill and Brighton City Airport, which also serve the general aviation market.

2.71 The South East's highways and railways provide important connectivity to these international gateways, not just for residents and businesses in the South East, but also for London and the rest of the United Kingdom (and, indeed, Ireland). At times, the South East area's highways network can be adversely affected by border and transport operations on both sides of the English Channel.

2.72 It is therefore critically important that Transport for the South East ensures the South East's transport network continues to serve these gateways as best as possible and facilitate trade and tourism. This is particularly important as the country moves to new trading relationships with the European Union. An assessment of the potential impacts of the country's departure from the

European Union on the South East was prepared as part of the development of the transport strategy.50 Further technical work will be undertaken to identify the potential short term impacts of the Covid-19 pandemic on travel behaviour, employment patterns and the economy in the South East. The outputs from this work will be fed into the area and thematic studies that will follow on from this transport strategy.

Buses

2.73 Bus services in the South East are provided by private or municipal operators and are funded through fares, and support from local transport authorities and the government. Some areas close to the Greater London border are also served by franchised Transport for London bus services.

2.74 It is widely recognised that good local bus services are an essential part of vibrant, sustainable communities, enabling people to access health, education, leisure services, shops and jobs. They are crucial to many people's general well-being, enabling them to maintain their social networks. A full double decker bus can take up to 75 cars off the road 51 and therefore buses have a vital part to play in reducing or managing traffic congestion and greenhouse gas emissions, particularly in urban areas.

2.75 Figure 2.17 shows levels of bus use for travel to work purposes and illustrates how these levels vary markedly across the TfSE area. In general, there is a higher mode share by bus for journeys to work in urban areas than rural areas. The highest levels of bus use occur in some urban areas, notably Reading, Crawley and Brighton and Hove, which reported some of the highest number of bus passenger journeys per head in England (outside London) in 2019 52. University towns such as Canterbury and Winchester, as well as areas served by major

transport hubs, such as Gatwick Airport and Bluewater/Ebbsfleet, also appear to have a higher bus mode share than neighbouring areas. The Isle of Wight also appears to have a relatively high level of bus use given its relatively rural context.

2.76 In contrast to many other regions in the UK, most local transport authorities in the Transport for the South East area have seen an increase in bus use in recent years. In the last ten years, the number of passengers using buses in Reading and several other Berkshire authorities has grown by more than 30%. Similarly, strong growth has occurred in Brighton and Hove (20%) and Southampton (15%). 53

2.77 Bus priority measures are important in reducing bus journey times and increasing service reliability. There are different types of bus priority measures including segregation, traffic management, traffic signal control and bus stop improvements. Effective bus priority measures can achieve mode shift from car, and in so doing, reduce delays for both bus users and car drivers, however, competition for limited road space is often a barrier to introducing bus priority. There are a number of busway schemes in the Transport for the South East area providing segregated corridors for buses in Crawley, South East Hampshire, and the Thames Gateway area of Kent. The Crawley Fastway scheme is a combination of segregated guided busways and dedicated bus lanes along three routes linking Horley, Gatwick Airport and Crawley. The scheme allows buses to bypass congestion hotspots, offering faster and more reliable bus journeys. The introduction of these has resulted in average journey time reductions on these routes of 9.5 minutes. Passenger numbers have increased by 160% over 10 years with passenger satisfaction levels of 90%. 54

2.78 The bus industry faces a number of ongoing challenges. Overall, financial support for buses and patronage are in decline. Increasing congestion has the

effect of reducing the attractiveness of bus services, which in turn reduces demand and forces operators to reduce services, which in turn further reduces the attractiveness of the bus. Finally, there are challenges in decarbonising the bus fleet – a challenge that will require new technology and investment to deliver a zero emissions bus fleet.

2.79 Moving forward buses will have a key role to play in delivering a more balanced, more sustainable transport system in the South East. A key challenge will be the potential role of the bus as part of emerging 'mobility as a service' initiatives. There are examples of very successful bus services and bus priority in the Transport for the South East area that have delivered significant growth in recent years. This is due to investment in bus priority schemes, passenger information systems, improved payment systems, integrated ticketing arrangements, waiting facilities, on-board wi-fi and cleaner, more comfortable vehicles. This has shown that it is possible, with the right investment and policies, to reverse the historic cycle of decline and boost bus patronage and mode share.

Walking and cycling

2.80 The South East is a popular location for leisure walking and cycling. It is home to several nationally important long-distance footpaths and many National Cycle Network routes, which are shown in Figure 2.18. Its cycle network also includes the London – Paris "Avenue Verte" international cycle route.

2.81 It is estimated that more than a fifth of journeys in the South East area are currently undertaken by walking and cycling. Most urban areas in the South East are well served by footpaths and (increasingly) cycleways that are designed to support these journeys. However, as Figure 2.18 shows, the proportion of people cycling by local authority district varies significantly across the South East area. In

general, cycling rates are higher in Brighton and Hove, West Sussex and Surrey (particularly Elmbridge) and lower in East Sussex, the Isle of Wight, western parts of Kent and Medway. Walking rates are generally more consistent across the South East area.

2.82 There is some evidence to suggest the South East's long-distance cycle network is less accessible than that in neighbouring sub-national transport body areas. Transport for the South East's analysis of the National Cycle Network (NCN) found that 62% of residents in the South East live within approximately a 10 minute cycle ride of the NCN. This compares to 67% for the England's Economic Heartland area and 78% for the Western Gateway area.

2.83 In general, many of the long-distance footpath and cycle routes in the South East appear to be better suited to supporting leisure journeys (e.g. longer coastal routes) rather than connecting large population centres together. There are some notable gaps in the National Cycle Network (e.g. West Kent and Thanet) and the quality of cycle routes varies enormously across the network. While some sections are well surfaced and clearly lit, many other sections are unsuitable for night-time journeys and/or would be hazardous to use in poor weather. Furthermore, some Major Economic Hubs are not served by the National Cycle Network at all (for example, the Blackwater Valley). This suggests there is scope to further expand walking and cycling infrastructure to encourage more sustainable forms of transport, particularly within and between the larger urban areas in the South East. The primary mechanism for delivering walking and cycling infrastructure improvements will continue to be through the Local Transport Plans and the Local Cycling and Walking Infrastructure Plans administered by the sixteen local transport authorities within the Transport for the South East area.

Integration

2.84 The South East's transport network and transport planning framework faces several integration challenges. These challenges are driven by the current lack of integration between road and rail investment programmes, the fragmentation of public transport provision, and limitations that competition law place on the ability for independent operators to collaborate. In some places, particularly historic centres, there are also physical constraints preventing the creation of high-quality integrated public transport hubs. The consequences of these barriers mean:

- There are difficulties in providing multimodal interchanges that support housing and employment development;
- it is difficult for transport operators to provide multi-modal/multi-operator tickets for passengers travelling across operational boundaries and different modes;
- it is difficult for transport operators to co-ordinate timetables and share information to provide a consistent travel experience for passengers; and
- there are several examples where bus hubs are located some distance from rail hubs, which undermines the quality of interchange between different public transport modes.

2.85. The South East's planning framework is also relatively complex and fragmented. Most of the South East area is governed through two-tier structures where transport planning responsibilities are delivered through county councils and most spatial planning responsibilities are exercised by borough and district councils[55]. The five local enterprise partnerships are also responsible for promoting economic development. This fragmented arrangement presents a significant barrier to developing coherent, integrated, long-term plans in the South East. Looking further ahead, there may be opportunities for better

alignment of transport planning with the energy and digital sectors. This transport strategy seeks to set out the benefits of better integrated economic, spatial and transport planning for the South East.

Conclusions

In this chapter we have highlighted the key characteristics of the South East area and described some of the challenges it currently faces. This has provided a compelling case for the need for this transport strategy and long-term Strategic Investment Plan for the area. In the following chapter we set out our vision, goals and priorities for the South East and describe the five key principles we have adopted to develop this transport strategy.

3 Our Vision, Goals and Priorities

Introduction

3.1 This chapter describes the outcomes that Transport for the South East and its partners and stakeholders wish to realise by 2050. It is structured as follows:

- First, it sets a vision statement for the South East in 2050. This vision, which has been developed by Transport for the South East in partnership with constituent authorities and key stakeholders, articulates a 'preferred future' for the South East area.
- Second, it outlines three strategic goals for the South East area. These align with the three pillars of sustainable development; economic, social and environmental.
- Third, it describes fifteen strategic priorities that will help the South East area to achieve the strategic goals.

3.2 The relationship between the vision, the strategic goals, and the strategic priorities is shown in Figure 3.1. The next part of this chapter describes each of these in more detail.

Strategic Vision, Goals and Priorities

Vision statement

3.3 The vision statement, which sets out the overall direction of the transport strategy, forms the basis of the goals and priorities that underpin it. These goals and priorities help to translate the vision into more targeted and tangible actions.

3.4 Transport for the South East's 2050 vision for the South East area is:

By 2050, the South East of England will be a leading global region for net-zero carbon, sustainable economic growth where integrated transport, digital and energy networks have delivered a step-change in connectivity and environmental quality.

A high-quality, reliable, safe and accessible transport network will offer seamless door-to-door journeys enabling our businesses to compete and trade more effectively in the global marketplace and giving our residents and visitors the highest quality of life.

Strategic goals

3.5 The vision statement is underpinned by three strategic goals, which align to the three pillars of sustainable development and are shown in Figure 3.2:

- **Economic:** Improve productivity and attract investment to grow our economy and better compete in the global marketplace;

- **Social**: Improve health, safety, wellbeing, quality of life, and access to opportunities for everyone; and
- **Environmenta**l: Protect and enhance the South East's unique natural and historic environment.

This transport strategy aims to achieve a balance between these three pillars to deliver overall sustainability represented by the point where the three pillars interconnect at the centre of Figure 3.2.

3.6 The three pillars of sustainable development should be viewed in the context of the South East's existing characteristics set out in Chapter 2:

- The area is perhaps best known for its strong economic foundations. This is the most easily quantifiable of these goals to measure. However, future economic growth must not come at the expense of the natural environment.
- Despite this prosperity, the South East area faces many social challenges. It is home to some of the most deprived areas of the country, particularly in coastal regions. Addressing this issue will be challenging, but possible if future development is carefully managed. The South East area also suffers from unsustainably high house prices in many areas, which limits access to high-quality, affordable homes. Ultimately, addressing these challenges will lead to a higher quality of life for all residents of the South East area.
- The South East area has many rich environmental assets. The South East is home to two National Parks, seven Areas of Outstanding Natural Beauty, an environmentally sensitive coastline, and multiple historic monuments and conservation areas. Any intervention in the South East area's transport networks must ensure this environment is protected and, where possible, enhanced.

3.7 In some cases, these goals are mutually supportive. For example, improving the environment through focussing on air quality will also have the social benefit

of improving health outcomes for residents. In other instances, however, these goals are often in conflict. For example, unconstrained economic growth has the potential to harm the environment by allowing growth in emissions and the degradation of environmentally sensitive areas.

Strategic priorities

3.8 Beneath each of the strategic goals lies a set of fifteen strategic priorities. These priorities narrow the scope of the goals to mechanisms and outcomes that will be most important to effectively deliver its vision. They are designed to be narrow enough to give clear direction but also broad enough to meet multiple goals.

3.9 The strategic priorities are as follows:

Economic strategic priorities:

- Better connectivity between our major economic hubs, international gateways (ports, airports and rail terminals) and their markets.
- More reliable journeys for people and goods travelling between the South East's major economic hubs and to and from international gateways.
- A transport network that is more resilient to incidents, extreme weather and the impacts of a changing climate.
- A more integrated approach to land use and transport planning that helps our partners across the South East meet future housing, employment and regeneration needs sustainably.
- A 'smart' transport network that uses digital technology to manage transport demand, encourage shared transport and make more efficient use of our roads and railways.

Social strategic priorities:

- A network that promotes active travel and active lifestyles to improve our health and wellbeing.
- Improved air quality supported by initiatives to manage congestion and encourage further shifts towards less polluting and sustainable modes of transport.
- An affordable, accessible transport network for all that promotes social inclusion and reduces barriers to employment, learning, social, leisure, physical and cultural activity.
- A seamless, integrated transport network with passengers at its heart, making it simpler and easier to plan and pay for journeys and to interchange between different forms of transport.
- A safely planned, delivered and operated transport network with no fatalities or serious injuries among transport users, workforce or the wider public.

Environmental strategic priorities:

- A reduction in carbon emissions to net zero by 2050, at the latest, to minimise the contribution of transport and travel to climate change.
- A reduction in the need to travel, particularly by private car, to reduce the impact of transport on people and the environment.
- A transport network that protects and enhances our natural, built and historic environments.
- Use of the principle of 'biodiversity net gain' (i.e. development that leaves biodiversity in a better state than before) in all transport initiatives.
- Minimisation of transport's consumption of resources and energy.

3.10 Figure 3.1 shows each of the strategic priorities grouped beneath the strategic goals. This is a useful organising principle and makes it easier to understand broadly where these priorities are focussed. That said, the reality is

that many of the strategic priorities address several of the goals. For example, the strategic priority to build “a network that promotes active travel and active lifestyles to improve our health and wellbeing” clearly supports the social goal through improved healthcare outcomes and will also help to achieve the environmental goal by encouraging people to walk and cycle.

Applying the Vision, Goals and Priorities

Achieving key outcomes

3.11 The vision statement, strategic goals and strategic priorities outlined above describe the outcomes that Transport for the South East and its partners and stakeholders wish to realise by 2050. The remaining part of this transport strategy sets out how these outcomes will be delivered.

3.12 As described in Chapter 2 (paragraph 2.50), Transport for the South East has identified six thematic journey types, which are shown in Figure 2.15.

3.13 Transport for the South East has developed a framework that applies a set of principles to identify strategic issues and opportunities for each journey type in the South East.

3.14 The key principles that have applied in this process are as follows:

- Supporting sustainable economic growth, but not at any cost
- Achieving environmental sustainability
- Planning for successful places
- Putting the user at the heart of the transport system
- Planning regionally for the short, medium and long term

3.15 Each principle is described in detail in the next part of this section. The relationship between these principles and the journey types is shown in Figure 3.3.

Supporting sustainable economic growth, but not at any cost

3.16 Economic growth, if properly managed, can significantly improve quality of life and wellbeing. Stronger economic growth means more jobs, wider prosperity, better opportunities and services, and a higher quality of life for residents. It delivers much needed additional housing and employment opportunities and helps improve the productivity and well-being of the South East. Much of this new housing and employment development is directly dependent on the delivery of adequate transport networks and services. This is why an integrated approach to spatial and transport planning is essential to achieve sustainable economic growth.

3.17 However, without careful management, unconstrained economic growth can have damaging consequences or side effects. For example, increases in trade flows can lead to a rise in traffic congestion and associated emissions of greenhouse gasses and a decrease in local air quality, with significant adverse impacts on climate change and human health.

3.18 This transport strategy strongly supports sustainable economic growth which seeks to achieve a balance with social and environmental outcomes. This means economic growth must be viewed as a means to improving the long-term quality of life for residents of the South East, rather than an end in itself. There are areas of the transport strategy that focus explicitly on encouraging economic growth. However, where it does so, it also considers the potential social and

environmental consequences this may bring. Ultimately this reflects the overall vision of this document, and the strategic goals which lie beneath it.

Achieving environmental sustainability

3.19 Transport for the South East strongly believes the South East must reach a point where future economic growth is decoupled from damaging environmental consequences. This will be challenging, but against a background of global climate change and worsening local environmental quality (as evidenced, for instance, by Air Quality Management Areas within the South East), this goal is nonetheless critical.

3.20 There are several clear and practical ramifications of this approach. For example, spatial planning and transport planning must become more closely integrated, ensuring that future development occurs in locations close to jobs and opportunities. This approach will ensure that people are able to travel shorter distances to reach economic opportunities, which helps lower the environmental impacts of doing so. Where people still need to travel longer distances, better provision of sustainable transport options should be provided to reduce dependency on the private car. Better integration of different transport modes (for example, through initiatives such as 'park and ride') will help people easily make multimodal journeys and access economic hubs, such as city centres, without needing to rely on the private car.

3.21 A natural capital approach should also be taken to transport planning, maximising opportunities for biodiversity and delivering wider environmental net gains to create a more resilient transport network across the region. For example, incorporating green infrastructure as part of new or enhanced transport networks can contribute to Nature Recovery Networks, natural flood risk management,

infrastructure resilience, carbon reduction, and clean air, as well as other place-making and visitor economy objectives.

All these approaches will help ensure that the transport strategy provides a transport network that is more sustainable but does not limit future economic growth. They will also help to deliver the ambitions of the government's Twenty-Five Year Environment Plan, Clean Growth Strategy and Environment Bill, as well as support work undertaken by Natural England, Network Rail and Highways England on green transport corridors. 1

Planning for successful places

3.22 This transport strategy envisages a South East where villages, towns and cities thrive as successful places, where people can live and work with the highest quality of life. Transport networks that simply aim to provide the most efficient means of moving along a corridor have the potential to bring a wide range of damaging consequences, particularly socially and environmentally. The transport network therefore has competing, dual priorities. On the one hand it must ensure that people can efficiently and easily move from one place to another. On the other hand, however, it must also ensure that 'places' are protected and ideally enhanced.

3.23 The best way to ensure that this occurs is to develop a transport network that considers both 'place' and 'link' functions. Some parts of the transport network are designed to fulfil 'link' roles while other parts contribute more to a sense of 'place'. A diagram illustrating the difference between these functions is provided in Figure 3.4.

3.24 Areas with high 'place' functions are areas such as town and city centres where 'active' modes, such as walking and cycling, should be prioritised over

motorised forms of transport. This will help to enhance the environmental quality of these places, ultimately ensuring that they can continue to fulfil their role as the focus of their communities.

3.25 By contrast, sections of the transport network with a high 'link' function must allow journeys to move as efficiently as possible along them. Motorways and high-speed rail lines such as HS1 are examples of this function, as these enable high volumes of vehicles to move through corridors as quickly as possible while minimising contact with vulnerable users such as pedestrians and cyclists.

3.26 In an ideal transport network, high speed and low speed components of the network should be clearly segregated from each other. For example, it is more appropriate for long distance rail services to use high speed railways (such as HS1) while stopping services should focus on slower corridors. Similarly, pedestrians and cyclists should be kept far away from the Strategic Road Network and other high-volume roads.

3.27 The most optimal transport network is one where traffic flows are aligned to their link function, and where conflicts between user types are minimised to ensure the efficient and safe operation of the transport network.

3.28 The application of the movement and place framework will require compromise. To ensure the best outcome for both movement and place, the process must be as inclusive and exploratory as possible, including looking at a range of options with experts from different disciplines and key stakeholders as well as those who use the space.

Putting the user at the heart of the transport system

3.29 This transport strategy envisages a transport network – particularly a public transport network – that places the passenger and freight user at the heart of it.

This approach mirrors the philosophy adopted by the Williams Rail Review, which seeks to place the passenger at the heart of the passenger rail industry.

3.30 This approach seeks to understand why people make journeys and why they choose between different modes, routes, and times to travel. It also seeks to understand the whole-journey experience, from origin to destination rather than just a part of the journey.

3.31 This principle highlights the need for much better integration between modes. This is not just limited to physical interchanges (which are undoubtedly needed), but also integration in timetables, ticketing and fares, and information sharing. Similarly, there is more that can be done to better integrate highways traffic management and information systems between the Strategic Road Network and other roads in the South East area.

3.32 The affordability of transport is a key issue. Many people can be left cut-off from opportunities and essential services, including education, work and healthcare because of the costs of car ownership and the cost and availability of public transport alternatives. It is an issue that affects people in both urban and rural areas. Moving forward it is vital to ensure that the current inequalities in mobility and accessibility do not deepen and widen. Action needs to be taken to ensure that new transport technologies and innovations that are emerging are accessible to all, and in particular to the groups that currently find it hard to access the transport system.

3.33 It is recognised that, in a highly fragmented industry, there are significant barriers to promoting integration. However, one of the roles a sub-national transport body can undertake is to support the development of pan-regional smart card systems (as is currently being developed by Transport for the North).

While this specific initiative may not be the right solution for the South East, it demonstrates the role a regional body such as Transport for the South East can play in fostering better integration between transport geographies and modes. 'Mobility as a service' is, however, one such option – a model whereby consumers have a 'bundle' of travel or 'mobility' across multiple modes of transport (much like a mobile phone plan with call minutes, messages, and data) or on a 'pay as you go' basis.

3.34 Mobility as a service could incorporate travel by car, as well as public transport and shared mobility options such as bike hire. This has the ability to ensure we only pay for the travel or mobility we 'consume', while also having the potential to better manage demand across the network.

3.35 Pricing mechanisms could be used to incentivise travel at less busy times or by more sustainable modes, or there is the potential to charge a premium if you travel at busier 'peak' times (e.g. similar to train travel, flights, and Uber), on more congested routes, by yourself or by more heavily polluting means, with options for road freight.

Planning regionally for the short, medium and long term

3.36 This transport strategy seeks to build on the excellent work of Transport for the South East's constituent authorities and other planning authorities in the South East. The transport strategy builds on transport plans set out by local transport authorities, local plans issued by local planning authorities, and the Strategic Economic Plans and Local Industrial Strategies created by local enterprise partnerships.

3.37 This transport strategy adopts a larger scale perspective that looks across the South East area focussing on cross-boundary journeys, corridors, issues and

opportunities. As far as possible, it also seeks to align with the ambitions of the Greater London Authority and Transport for London, and other neighbouring sub-national transport bodies.

3.38 This transport strategy also adopts a multi-modal approach. It views corridors as being served by different types and levels of infrastructure, from the Strategic Road Network to first and last mile, from intercity rail services through to rural bus operations. This transport strategy does not differentiate its approach to the future development of infrastructure based on how this infrastructure is currently managed. Transport for the South East views the transport system as a holistic system, while acknowledging key interdependencies and interfaces between different owners and actors.

Conclusions

In this chapter we have described our vision for the South East as a leading global region for net-zero carbon, sustainable economic growth. This vision is supported by a set of economic, social, and environmental goals and priorities for the South East area, which have also been outlined in this chapter. We have described the five key principles that we have drawn upon to develop our transport strategy, which are:

- Supporting sustainable economic growth, but not at any cost;
- Achieving environmental sustainability;
- Planning for successful places;
- Putting the user at the heart of the transport system; and

• Planning regionally for the short, medium and long term.

In the following section we focus on the six journey types that, together, describe the way people and goods move in the South East. We also highlight the key challenges facing each of these movement types and give an initial indication of the types of measures that will be needed to address them.

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4 Our Strategy

Introduction

4.1 This Chapter outlines how Transport for the South East proposes to deliver its vision for the South East in 2050. It will do so by applying the principles introduced in Chapter 3 (paragraph 3.14) to each of the six journey types described in Chapter 2 (paragraph 2.50). This process will help identify key issues and opportunities, which will be explored further in subsequent area studies. A diagram illustrating this approach is shown in Figure 3.3.

4.2 The linkages between the principles and journey types have helped identify several key issues and opportunities. For example, applying the 'planning for successful places' principle to orbital and coastal journeys highlights significant issues relating to the mix of traffic passing through urban areas on the M27/A27 corridor. This is currently contributing to poor local air quality and conflicts between users. Similarly, applying the 'achieving environmental sustainability' principle to 'inter-urban' routes points towards a need for better allocation of space on urban corridors to public transport, cycling and walking. Funding sources and financing arrangements will be an important consideration in the

development of schemes and interventions identified in the subsequent area studies. This issue is explored in more detail in Chapter 5.

4.3 The rest of this chapter summarises the context, challenges and opportunities relevant to each of these six journey types. It also sets out an initial indication of the types of initiatives (schemes and/or policies) that the evidence suggests will help the South East area to address the challenges described below. This transport strategy will be complemented by five area studies which will identify and prioritise the specific interventions required across the South East to deliver the strategy. Further technical work will be undertaken to identify the potential impacts of the Covid-19 pandemic on travel behaviour, employment patterns and the economy in the Transport for the South East area. The findings from this work will be used to inform the area studies. The outputs from the area studies will then be fed into a Strategic Investment Plan setting out our short, medium, and longer-term scheme priorities.

Radial journeys

Context

4.4 Radial journeys are longer distance passenger journeys between the South East and Greater London area and, in the case of Berkshire and Hampshire, between the South East and the South West / South Midlands. These journeys typically use the Strategic Road Network that radiates from the M25 towards the south coast and West of England, and/or main line railways that terminate in central London. A map showing the key radial corridors serving the South East, which also highlights key issues and opportunities affecting these corridors, is provided in Figure 4.1.

4.5 Most radial corridors are served by frequent and, in many cases, fast rail services that terminate in central London. Most radial journeys into central London are undertaken by rail (83%)1. This is unlikely to change as UK government and GLA policy strongly encourages high public transport mode share for trips to and from central London2.

4.6 In contrast, a significant number of trips in outer London are made by car (44%)3. This perhaps reflects the relatively low level of public transport interchanges that support trips between the South East and outer London compared to central London.

4.7 There is a significant imbalance in jobs and homes in London. For every four jobs created in Greater London, just one additional dwelling is delivered4. In 2017, more than 1.2 million people entered central London on a typical weekday5. This imbalance in housing supply and demand gives rise to high levels of commuting to the capital.

4.8 London is expected to continue to grow and generate employment opportunities for the foreseeable future6. While TfSE supports the development of employment at economic hubs within its region, it acknowledges many people who live in the South East will continue to work in London. In general terms, commuting to London is highest in local authority areas that are closest to the Greater London boundary. Some areas with fast rail links, such as Brighton and Hove, also have relatively high levels of commuting to London7.

Challenges and opportunities

4.9 In general terms, the radial routes to London from the South East have evolved to accommodate the high demand for employees to service the London economy, and are historic in nature rather than strategically planned. Virtually all

major settlements and economic hubs have good access to a radial road on the Strategic Road Network and/or a radial railway. There is no obvious need to create a new radial corridor on the Strategic Road Network or rail network. However, these radial corridors face several challenges. In particular:

Challenge 1

While Kent has benefitted from significant improvements in rail journey times to London thanks to the introduction of High Speed 1 domestic services in 2009, some areas in **North and East Kent** risk being left behind. For example, the towns of Maidstone and Margate have relatively poor levels of connectivity compared to other parts of the region[8]. This undermines the potential for these corridors to support regeneration and unlock housing development in North and East Kent. There are also capacity constraints on several routes into London (many of which are only dual tracked, meaning longer distance services compete for track space with London/suburban stopping services) and at key termini such as London Charing Cross and London Cannon Street[9]. Similarly, journey times to London on the **Reading – Waterloo** Line are long compared to neighbouring corridors such as the Great Western Main Line.

Challenge 2

Both the road and railway serving the **A21/Hastings Main Line Corridor** deliver poor connectivity to the Hastings area[10]. The A21 is the least developed SRN road in the South East area and runs as a single carriageway for most of the route south of Pembury in Kent. Rail journeys from London to Hastings are typically 75% longer than from London to Brighton, even though the distances covered by these services are similar[11]. This undermines the potential for this corridor to support

regeneration and economic development in ‘left behind towns’ such as those in the Hastings area.

Challenge 3

The **M23/A23/Brighton Main Line Corridor** is heavily utilised, has a significant ‘capacity gap’ and suffers from poor resilience12. This undermines the potential for this corridor to support the economy and unlock development near key economic hubs. This corridor has several branches at its southern end, which together means it serves a large area of the Sussex coast (from Chichester to Eastbourne). Any disruption at the north end of this corridor has the potential to cause significant delays in the south. Highways England and Network Rail are both investing in schemes to improve resilience on this corridor, including a smart motorway on the M2313 and a resilience and renewal programme on the Brighton Main Line14.

Challenge 4

The **A3/Portsmouth Direct Line Corridor** passes through the Guildford and Portsmouth urban areas. The A3 trunk road contributes to poor air quality and noise in these areas15. This has the potential to undermine the health and wellbeing of the people served by this corridor. This corridor suffers from significant congestion around Guildford16.

Challenge 5

The **M3/South Western Main Line Corridor** provides important connectivity for freight traffic using the Port of Southampton, which is set to expand17. This corridor has high capacity (including an eight-lane smart motorway and a four tracked railway). However, it is also heavily utilised and regularly suffers from congestion18. The South Western Main Line railway suffers from serious

overcrowding at peak times. This undermines the potential of this corridor to support economic productivity and development, particularly at fast growing towns such as Basingstoke. Capacity constraints on this line also limit the opportunity to provide faster journeys on the Portsmouth Direct Line. This is a challenge because it currently takes longer to travel to London from Portsmouth than it does from Southampton (even though Portsmouth is closer to London). Network Rail is developing proposals to address bottlenecks on this corridor but funding to implement these proposals is not confirmed.

Challenge 6

The **M4/A4/Great Western Main Line Corridor** has benefitted from significant investment in recent years (Crossrail, Great Western Main Line electrification, new rolling stock and enhancements to Reading station)19. The M4 smart motorway enhancements are currently under construction and scheduled for completion in 2022. However, there are plans to expand Heathrow, which would mean this already very busy corridor is expected to come under increasing pressure. There is a risk it could hold back the economic benefits arising from improved global connectivity delivered by expansion at Heathrow.

The initiatives that are needed to address the radial journey challenges are:

Extend radial routes (e.g. Crossrail from Abbey Wood to Ebbsfleet and/or extend South Eastern franchise passenger services to the Isle of Grain) that serve particularly large new housing developments.

- Addresses: Challenge 1

Invest in rail improvements to speed up journey times to London, particularly by utilising spare capacity on High Speed 1 and investing in parts of the railway that are served by high speed services.

- Addresses: Challenge 2

Improve connectivity by both road and rail to deprived communities – particularly potential 'left behind towns' in Swale, Thanet, Hastings, Bognor Regis, Littlehampton, Worthing and Shoreham.

- Addresses: Challenge 1 and Challenge 2

Provide additional capacity and resilience on radial railways, particularly the busiest corridors such as the South Western Main Line, Reading to Waterloo Line and Brighton Main Line.

- Addresses: Challenge 3 and Challenge 5

Improve the resilience of the road network, potentially by adopting holistic demand management policies.

- Addresses: Challenge 3 and Challenge 5

Reduce human exposure to noise and poor air quality from radial roads, particularly where these run through urban areas such as Guildford and Portsmouth (e.g. by reducing speed limits, reallocating road space to cleaner transport modes, moving routes underground and/or away from urban areas, and/or supporting the uptake of cleaner technologies such as electric vehicles).

- Addresses: Challenge 4

Facilitate an increase in radial journeys by public transport, including longer distance coach services, particularly to/from outer London and to/from Heathrow Airport, with improvements to interchange facilities to help facilitate this shift.

- Addresses: Challenge 6

Orbital and coastal journeys

Context

4.10 Orbital and coastal journeys describe longer distance passenger journeys that use corridors that run perpendicular to the radial corridors described previously. The roads and railways serving these flows are sparser and have lower capacity and speeds than most radial corridors[20]. They provide important links between economic hubs across the South East but have perhaps not received the level of investment that their function warrants in recent years[21]. A map showing the key orbital corridors serving the South East, which also highlights key issues and opportunities affecting these corridors, is provided in Figure 4.2. A further map highlighting some of the rail connectivity issues that are described in more detail below is provided in Figure 4.3.

4.11 The corridors serving these orbital journeys are heavily constrained by protected landscapes, which tend to run along an east – west axis in the South East area between the ridges of the North and South Downs. In contrast to the radial corridors, the road and rail networks are not closely aligned on the orbital corridors.

4.12 Journey times by rail on orbital corridors are typically much slower than on radial routes (largely due to cross-regional services having to serve local, regional and interurban markets simultaneously). Most rail routes on these corridors are split between different train operators and, in some cases, are divided by gaps in electric traction. A single trip from Maidstone to Reading requires changing trains twice, and a trip from Ashford to Southampton requires more changes. Indeed, it is often faster to travel via London rather than use an orbital rail route[22].

Challenges and opportunities

4.13 The challenges and opportunities for orbital corridors vary across the South East area and are as follows:

Challenge 1

The M25 corridor is one of the busiest and one of the most congested corridors in Europe23. There is very little scope for increasing capacity on this road, especially on the south west quadrant (between Junctions 7 and 15) where traffic diverts onto local routes. There are currently limited public transport alternatives on this route, although work needs to be undertaken to identify how these could be improved. There is a risk that lack of capacity on this corridor will hold back economic development and productivity improvement for the whole country, not just the communities and businesses in the South East who depend on it. The Lower Thames Crossing, which will improve access to the North and Midlands via the northern part of the M25, could divert demand away from the south west quadrant.

Challenge 2

There are very few long-distance orbital rail services in South East England. This is partly because of the rail franchise geography, which splits east-west routes between up to three different operators (e.g. Reading to Ashford). It is also partly due to gaps in electrification on these corridors (e.g. Marsh Line between Hastings and Ashford)24 and the poor quality of infrastructure on some routes. Orbital connectivity to Gatwick Airport by rail from the east and the west is poor in comparison to the radial connectivity to the airport from the north and the south. Cross-country connectivity has declined on this corridor (intercity rail services from the Midlands and North of England used to run as far south and east as Gatwick Airport, Brighton, Ramsgate and Portsmouth)25. Furthermore,

there are some parts of the orbital and coastal rail network that suffer from severe crowding in peak hours. The quality of the railway infrastructure on orbital and coastal corridors therefore presents a barrier to economic development on these corridors.

Challenge 3

The M27/A27/A259/East Coastway/West Coastway Corridor has multiple issues and challenges. The M27/A27/A259 serves as a grade separated expressway around Brighton, an urban distributor road in Worthing, a city centre corridor in Hastings, a rural single carriageway in Kent, an outer ring road in Chichester, and an inter-regional motorway in South Hampshire. The railway similarly tries to accommodate slow, stopping rural and suburban services alongside faster, non-stopping longer distance services26. This mixture of traffic types creates multiple conflicts between users and undermines capacity and performance on this corridor. The poor performance of this corridor represents a significant barrier to fostering sustainable growth along the South Coast – particularly growth that encourages more local employment in economic hubs such as Brighton. The proximity of this corridor to protected built and natural landscapes means it also impacts on quality of life and wellbeing.

Challenge 4

While there are several high capacity links between the A3, M3, M4 and M40 in the west of the South East area and the M2 and M20 in the east, **there are several gaps between the M20, M23/A23 and A32727**. This forces traffic to use the A27 and M25 and limits east-west access to Gatwick Airport and the "Gatwick Diamond" economic hub. Furthermore, there are some **bottlenecks on orbital links between the M3 and M4 such as the A404(M).**

Challenge 5

Some high capacity orbital links pass through urban areas such as Bracknell, which impacts negatively on air quality, safety and quality of life.

The initiatives that will help address orbital and coastal journey challenges are:

In the longer term, introduce holistic demand management initiatives that address congestion across the road network while avoiding displacement effects from one part of the network to another (ideally when alternative public transport options are available).

- Addresses: Challenge 1

Deliver the Lower Thames Crossing, which will provide an alternative route around the north of the M25, avoiding the south west quadrant.

- Addresses: Challenge 1

Encourage the wider electrification of the network and/or wider use of bi-mode trains across the south east to enable more direct, longer distance services on orbital corridors such as the North Downs Line.

- Addresses: Challenge 2

Provide capacity enhancements at bottlenecks where orbital railways cross busy radial routes, such as at Redhill.

- Addresses: Challenge 2

Improve long distance rail and coach connectivity and capacity particularly between the Midlands, South West and North of England into the South East area along orbital corridors and support the introduction of more direct east-west services to Gatwick Airport.

- Addresses: Challenge 2

Build a consensus on a way forward for the M27/A27/A259/East Coastway/West Coastway corridor, based on a multi-modal approach that seeks to reduce conflicts between different users on this corridor and improves interchange facilities.

- Addresses: Challenge 3

Improve orbital connectivity between Gatwick Airport and Hampshire and Kent.

- Addresses: Challenge 4

Improve orbital links between the M3 and M4, ideally in a way that avoids directing heavy traffic through urban areas such as Bracknell.

- Addresses: Challenge 4 and Challenge 5 – and potentially Challenge 1 by relieving pressure on the M25 South West quadrant.

Reduce the exposure to the adverse environmental impacts of road traffic on orbital corridors that pass through urban centres such as Gosport, Hastings, Portsmouth and Worthing, which may include reducing speed limits, reallocating road space to cleaner transport modes, and/or supporting the uptake of cleaner technology such as electric vehicles.

- Addresses: Challenge 5

Inter-urban journeys

Context

4.14 Inter-urban journeys primarily describe medium-distance passenger journeys between economic hubs and the Strategic Road Network. These

journeys are predominantly served by the South East area's Major Road Network and any railways that mirror these corridors.

4.15 Inter-urban journeys take several forms:

- There are journeys **between economic hubs** (such as town and city centres) across the country that do not use the Strategic Road Network at all (e.g. A26/A228 (Lewes – Strood));
- There are journeys between the Strategic Road Network and economic hubs (e.g. A264 (Horsham – M23));
- There are journeys that **shadow strategic road corridors** and act as distributor routes for these corridors (e.g. A4 (Slough – Newbury)). The routes that serve these journeys are highly susceptible to 'spill over' from the Strategic Road Network during periods of congestion and/or disruption.

4.16 In contrast to the (radial) Strategic Road Network, the railway network does not align particularly well to many of the corridors that serve inter-urban journeys. For this reason, the primary public transport alternative on the corridors that serve inter-urban routes is the bus. There are also some well-developed longer distance cycleways (some of which replaced abandoned railways).

Challenges and opportunities

4.17 Inter-urban routes, and the Major Road Network in particular, face the following challenges and opportunities:

Challenge 1

Routes that act as secondary routes for radial and orbital roads (e.g. A22, A24 and A30) fall below standard in places. Where possible, these routes should be developed to offer a consistent standard across the corridors they serve. In some cases, this may require investment in improvements to junctions and/or targeted

widening. Several interventions have been identified by local transport authorities that aim to bring these routes up to a more consistent standard.

Challenge 2

Bus services risk deteriorating on inter-urban routes if congestion rises. This in turn risks slowing down bus services and reducing their attractiveness and viability. Interventions may be needed to provide bus priority measures and improved interchange facilities to ensure bus performance does not deteriorate, particularly on corridors within urban areas and/or that serve park and ride facilities on the edges of large urban centres.

Challenge 3

There are many gaps in the railway network serving inter-urban corridors, which represents an issue as rail is better placed to provide public transport services on many inter-urban corridors, although the introduction of new rail lines is expensive. For example, the West Coastway Line runs too far north of the A259 in places for it to provide a realistic public transport alternative on this road.

Challenge 4

There are several road safety 'hot-spots' on the Major Road Network, which may require intervention through speed limits, junction improvements and other interventions.

The initiatives that will help address inter-urban journey challenges are:

Support existing Major Road Network and Large Local Major schemes (e.g. A22 junction improvements) that bring secondary routes up to an appropriate standard.

- Addresses: Challenge 1 and Challenge 4

Support initiatives that enhance, or at the very least, maintain the viability of bus services on inter-urban corridors such as bus priority measures and improved interchange facilities between different forms of transport, including integration between public transport and cycling.

- Addresses: Challenge 2

Deliver better inter-urban rail connectivity, such as direct rail services from Brighton/Lewes to Uckfield.

- Addresses: Challenge 3

Local journeys

Context

4.18 Local journeys are short distance journeys to destinations within the same community, village, town or city. They also include the first or last part of longer distance journeys including the first mile/last mile movements that form an important element of other journey types described in this strategy.

4.19 Local journeys can be undertaken by almost any mode of transport, including walking and cycling. In rural areas, where the bus network is much sparser than in urban areas, the choice of mode for these journeys may be more limited.

4.20 This journey type is particularly well suited to the 'planning for successful places' framework outlined in Chapter 3 (paragraph 3.14). This framework emphasises the importance of protecting vulnerable users, particularly in urban areas. This approach guides transport and spatial planners towards creating spaces and corridors that are safe and attractive to pedestrians and cyclists and that prioritise public transport modes over other motorised transport.

4.21 Interventions needed to support local journeys are typically smaller in scale and tend to be sponsored by local authorities (as opposed to national and regional bodies) through their Local Transport Plans. Funding arrangements therefore tend to differ to larger schemes. Funds such as the 'Transforming Cities Fund' and 'Housing Infrastructure Fund' have been established to support initiatives at this scale. Specific mechanisms for developing improvements that will support local journeys have been put in place such as the Local Cycling and Walking Infrastructure Plans developed by local authorities.

Challenges and opportunities

4.22 The challenges relating to local journeys vary between urban and rural contexts. In urban environments they broadly relate to congestion and conflicts between different users and modes. In rural contexts, the key challenge is ensuring adequate levels of accessibility, especially for the most vulnerable of transport users. The key challenges and opportunities for this journey type are as follows:

Challenge 1

There are many conflicts between different modes and user types, particularly vulnerable users and people with reduced mobility in urban areas. There are several examples of urban corridors in the South East where too much priority is given to the car over other transport modes. This is particularly common where the Strategic Road Network passes through urban areas (e.g. at Worthing and Bexhill). There are also examples of corridors that serve both long-distance and short-distance trips, which risks creating conflicts between heavy road traffic and more vulnerable road users such as pedestrians and cyclists.

Challenge 2

There are significant issues with air quality and road safety on many urban corridors that serve local journeys, with emissions from vehicles operating in congested conditions and brake and tyre wear leading to poor air quality. Some of these corridors are designated as Air Quality Management Areas or Clean Air Zones. The poor air quality and road safety concerns have the effect of deterring people from walking and cycling, which in turn can generate higher demand for car transport, which risks undermining air quality and road safety further still. This behaviour also results in increased congestion, which reduces the speed and attractiveness of bus services.

Challenge 3

Integration between transport modes could be better. There are limits to the degree that bus and rail companies can align timetables and ticketing arrangements (due to competition law). There are places where bus hubs are not well connected to rail hubs, particularly in historic towns and cities (e.g. Canterbury). This presents significant barriers to achieving modal shift and for access for people with reduced mobility. There is scope for wider use of park and ride sites on the periphery of large urban centres, and for greater use of water-based transport in the Solent area and along the Thames. Smart ticketing could be rolled out further than it is at present. Looking further ahead, there are opportunities to better integrate 'mobility as a service' modes with traditional transport modes, including bus, rail and even by car (or other private vehicles).

Challenge 4

Bus services have come under significant pressure in recent years, particularly in rural areas. Local transport authority budgets have been squeezed in recent years

and this has limited the level of support these authorities have been able to provide for socially necessary bus services. Any further retrenchment of the bus network risks leaving some of the most vulnerable members of society isolated and unable to access key services.

Challenge 5

Public transport is not always affordable for everybody. While very affordable rail fares are available for those who book in advance, rail fares have increased ahead of inflation in most years since privatisation in 1996, and today are reportedly among the highest in Europe28. Bus fares have also increased significantly ahead of inflation in recent years29. This trend risks putting access to transport beyond the means of some of the most vulnerable people in the South East. In addition, current season ticket options do not support flexible working practices.

Challenge 6

Rural areas have particular transport challenges. They are characterised by low population density, limited public transport service provision and high levels of car dependency. This denies people choice, opportunity and creates isolation by excluding those groups who do not have access to a car. These are most often the young, older people, those with disabilities and those in lower income households.

The initiatives that will help address local journey challenges are:

Develop high-quality public transport services on urban corridors, such as Bus Rapid Transit and Light Rail Transit, as appropriate.

- Addresses: Challenge 1 and Challenge 2

Improve air quality on urban corridors by, for example, reducing speed limits, reallocating road space to cleaner transport modes, and/or supporting the uptake of cleaner technology such as electric vehicles.

- Addresses: Challenge 2

Prioritise the needs of pedestrians and cyclists over the private car, making streets safer for pedestrians, cyclists and public transport users to help encourage greater use of these sustainable forms of transport.

- Addresses: Challenge 1 and Challenge 2

Invest (or encourage others to invest) in integrated passenger information systems to provide passengers with dynamic, multi-modal travel information.

- Addresses: Challenge 3 and Challenge 6

Develop integrated transport hubs (bus, rail, park and ride, new mobility and cycle parking), integrated 'smart ticketing', and integrated timetables, where feasible.

- Addresses: Challenge 3

Lobby government to protect and enhance funding for socially necessary bus services in rural areas.

- Addresses: Challenge 4, Challenge 5 and Challenge 6

Lobby government to reduce public transport fares in real terms in the longer term.

- Addresses: Challenge 5 and Challenge 6

Improve the accessibility of transport infrastructure and public transport services in urban and rural areas by investing in accessibility improvements and by ensuring streets and public places are accessible to all.

- Addresses: Challenge 1, Challenge 2 and Challenge 6

Encourage the roll out of integrated ticketing arrangements that enable multi-operator and multimodal journeys and new tickets that provide better value for those working flexible hours.

- Addresses: Challenges 3, Challenge 5 and Challenge 6

Improve the management of the supply and cost of car parking in urban areas to encourage modal shift to more sustainable forms of transport.

- Addresses: Challenge 1 and Challenge 2

Identify the potential for technological developments to transform transport and accessibility in rural areas as part of the development of a Future Mobility Strategy for the South East.

- Addresses Challenge 6

International gateways and freight journeys

Context

4.23 As described in Chapter 2 (paragraphs 2.64 to 2.68), and the "Logistics and Gateway Review" technical report30, the South East is home to many of the most important and busiest international gateways in the UK. These gateways serve both passenger and freight markets. Many of the people who use and who benefit from these gateways live outside the South East and, indeed, outside the UK. These international gateways are therefore critically important for the whole country. Many businesses in the North of England and Midlands depend on these

gateways to access suppliers and customers, while many visitors to London pass through the Channel Tunnel and Gatwick Airport.

4.24 A map showing the key corridors serving international gateways and freight journeys in the South East is provided in Figure 4.4. However, it should be noted that inter-urban and local roads also support the delivery of 'first mile/last mile' freight services. These types of freight trips include those driven by strong recent growth in internet shopping, which rely on package deliveries.

4.25 The international gateways in the Transport for the South East area are a focus for employment and commerce. Several large business parks have developed near Heathrow Airport (along the A4/M4 corridor) and Gatwick Airport (in the Gatwick Diamond cluster). The businesses located here see a benefit in being located to high-quality international hubs.

4.26 Most of the busiest international gateways are well connected to the Strategic Road Network and the railway network, although some offer better onward connectivity to the rest of the country than others (e.g. the Port of Southampton is better served by the Strategic Road Network and railway network than Shoreham Port).

4.27 The key corridors that enable road freight to access the South East's key ports are:

- the A2/M2 corridor from Dover to the East of England, Midlands and North of England via the Dartford Crossing;
- the A20/M20 corridor from Dover and the Channel Tunnel terminal at Cheriton to the East of England and North of England via the Dartford Crossing, or the West of England and Midlands via the M25 and M4/M40; and
- the M3/A34 corridor from Southampton to the Midlands.

4.28 The most important corridors for accessing the South East area's airports are:

- the M4/Great Western Main Line and M25 corridors for Heathrow Airport; and
- the A23/M23/Brighton Main Line corridor for Gatwick Airport.

4.29 The key railway corridor for accessing the Channel Tunnel is served by the country's only high-speed railway – High Speed 1. This corridor could carry more rail freight and is underutilised at present. Currently, most rail freight from Kent is forced to pass through inner London (notably on a busy section of the South London Line between Nunhead and Wandsworth Road, which carries up to two freight trains per hour) to reach the rest of the country. There are also heavy freight flows between Southampton and Reading, with up to 40 freight train paths in each direction, each day[31]. There are a number of constraints on increasing rail freight capacity, including continued growth in the number of local and regional passenger services using off peak capacity, the lack of alternatives to busy orbital routes across and around London, gauging and route clearance constraints and, limited opportunities on the network for freight trains to wait to find compliant train paths.

4.30 The operation of the South East area's international gateways impacts the South East area's surface transport networks and vice versa. For example, delays on the M25 could cause passengers to miss their flights, while delays on cross-channel ferry operations can cause significant tailbacks on the M20/A20 and M2/A2 highways.

4.31 Many of the South East area's international gateways are expected to grow. For example, Heathrow Airport is developing proposals for a third runway to the

north-west of its current site; Gatwick Airport has launched its masterplan and a Development Control Order process to seek permission for expansion; while the Port of Southampton is developing proposals to expand its operations. It will be important to ensure that any future growth at these gateways can be accommodated, by more sustainable modes where possible, and minimising adverse impacts on the communities and environment nearby.

4.32 Any future transport strategy for international gateways and freight must provide enough flexibility to respond to the most plausible future relationship between the United Kingdom and the European Union.

4.33 There are exciting opportunities for improving the efficiency of road freight thanks to emerging technologies such as connected and autonomous vehicles (also known as 'CAVs').

4.34 Technology also offers scope for more efficient logistics models. Better information sharing between steps on the logistics chain has the potential to make freight delivery significantly more efficient. This could help to ensure that there is less congestion on the roads, liberating space for other road users and providing more reliable delivery services. Improvements in service-based freight models have the potential to reduce last mile delivery costs for operators and reduce multi-attempt delivery trips.

4.35 In addition to accessing international gateways, there are important regional freight flows that also depend on the Strategic Road Network.

4.36 Congestion on these roads has a significant impact upon the attractiveness of these international gateways for trade and has an impact upon other road users. Several of the largest international gateways in the South East lie near city centre locations (most notably Southampton and Portsmouth), therefore this

congestion has a significant impact upon the local population. However, heavy goods vehicle movements account for a small percentage of vehicle movements, therefore tackling congestion around international gateways needs to comprise a rounded approach that encompasses all road users.

4.37 The provision of adequate lorry parking and driver welfare facilities are critical to the operation of the freight and logistics sector in the UK. There is currently a shortage of lorry parking both nationally and in the South East. Inappropriate lorry parking causes issues for not only residents with litter, noise, damage to kerbs/verges but also for the drivers, with a lack of adequate facilities causing potential road safety issues, and concerns of personal safety/crime towards drivers and their loads. The lorry parking issue was examined as part of the Freight Logistics and Gateways study that was undertaken as part of the development of the transport strategy 32.

4.38 The freight market and international gateways in the South East predominantly serve two distinct markets: containerised freight and roll-on, roll-off shipping. These two markets are served by different components of the transport network. Transport networks need to be adaptable and flexible to the changing make up of freight as these two distinct markets evolve in the future.

Challenges and opportunities

4.39 The key challenges to international gateways and freight relate primarily to accommodating future growth and reducing the impact of freight transport on the environment:

Challenge 1

Heathrow Airport is planning to develop a third runway to the north-west of the current site, which will enable up to three aircraft to take off and/or land

simultaneously. This has the potential to accommodate growth in excess of 35% of air traffic movements in the long term[33]. This expansion will enable the doubling of the current cargo volume and 260,000 additional air traffic movements. Additional growth at Heathrow, which currently has a public transport surface access mode share of 40%[34], presents significant transport and environmental risks to the South East. Currently there are no rail links from the west or the south to Heathrow Airport. It is critically important that viable public transport alternatives are put in place to enable access to and from Heathrow Airport by other means than the car. These improvements are required regardless of the current expansion plans. If expansion proceeds, these improvements will need to be accompanied by demand management policies (e.g. parking and drop-off charges). **Gatwick and Southampton airports** also have expansion plans. Gatwick has plans for expansion within the existing airport estate by bringing its emergency runway into use. This will bring significant, challenges for both passenger, airport worker and freight flows on corridors serving this airport. Southampton Airport also wants to extend its runway and increase the number of flights. Again, the additional passenger and employee journeys arising from this expansion should principally be mitigated by increasing sustainable transport mode share.

Challenge 2

The roads serving the **Port of Dover and the EuroTunnel terminal** routinely suffer from poor resilience due to port and border operations on both sides of the English Channel, which can cause freight traffic to build up on the M20[35]. The A2 trunk road east of Canterbury could be further developed to strengthen the resilience of both corridors serving these two important gateways.

Challenge 3

There are opportunities for port expansion at several locations in the South East, including at **Southampton** and (to a lesser extent) at **Dover**. Any expansion will need to be supported by appropriate access to the highway and railway networks.

Challenge 4

The **Dartford Crossing (M25)** currently experiences severe congestion. Highways England is developing the Lower Thames Crossing scheme to relieve congestion on this route. However, this scheme risks diverting traffic from the M20 to the M2/A2 corridor (as the crossing route starts at Strood). This may place additional pressure on the A229 between the M2 and M20.

Challenge 5

Rail freight mode share nationally is relatively low[36] and there are constraints limiting the scope of rail freight to expand (for example, on the A34 corridor). In some areas (e.g. Dover) there are constraints in the railway gauge that limit the transport of containers by rail. There are understandable commercial reasons for a preference for road haulage, especially as the nature of logistics is changing (by moving away from bulk deliveries towards smaller 'just-in-time' package deliveries). However, this is holding back the potential for freight to contribute to reducing carbon emissions and improving air quality in the South East.

Challenge 6

Freight is dependent on some of the most congested roads in the South East area. This is particularly the case for the M25 and the A34 corridors.

Challenge 7

There is a **shortage of lorry parking and driver welfare facilities in the South East** inhibiting the efficient operation of the freight sector, causing potential road safety issues, and concerns of personal safety/crime towards drivers and their loads.

Challenge 8

It is much harder to reduce heavy goods vehicle emissions than lighter road vehicles. Battery powered freight vehicles are less developed than smaller electric vehicles. Different traction technologies to the battery may be needed to provide non fossil fuel alternatives for freight vehicles.

Challenge 9

Finally, the **United Kingdom's future relationship with the European Union** also presents potentially significant uncertainty and challenges for the South East area's international gateways. There is a risk of more disruption at the Channel ports in the short term, which could disrupt transport networks across Kent. In the longer run, there could be a shift in freight patterns.

The initiatives that will help address key international gateway and freight journey challenges are:

Improve public transport access to Heathrow Airport through delivering the western rail and southern access schemes, and improvements in public transport access to Gatwick Airport and Southampton Airport.

- Addresses: Challenge 1

Support the use of demand management policies at Heathrow Airport, such as vehicle access charges, to minimise traffic growth arising from expansion at this airport.

- Addresses: Challenge 1

Provide appropriate links and improvements to the highways and railway networks at expanding and/or relocating ports in the South East. This should include improvements to road routes, such as the A34 and A326, and parallel rail routes (serving Southampton) and A2 (serving Dover).

- Addresses: Challenge 2 and Challenge 3

Deliver Lower Thames Crossing and associated improvements on the A229, Junctions 3, 5 and 7 of the M2 and Junction 6 of the M20. Deliver improvements at Junction 9 of the M3.

- Addresses: Challenge 4

Implementing rail freight schemes, such as electrification and gauge enhancements, to increase capacity on strategic routes and encourage modal shift from road to rail.

- Addresses: Challenge 5 and Challenge 6

Improve the efficiency of freight vehicle operations through adoption of new technologies.

- Addresses: Challenge 7

Help international gateways adapt to changes in trade patterns. This may include investing in facilities such as customs checkpoints away from key locations such as Dover.

- Addresses: Challenge 9

Develop a Freight Strategy and Action Plan for the South East to improve the efficiency of freight journeys, and specifically identify potential solutions to the current shortage of lorry parking and driver welfare facilities.

- Addresses: **All Challenges**

Future journeys

Context

4.40 Future journeys encompass any journey type that may be facilitated by an emerging technology. This is an exciting and rapidly developing area of transport that has the potential to deliver significant change to all aspects of mobility. A more detailed exploration of the potential impact of this emerging technology on the South East area is described in the "Future Transport Technology"37 and "Ticketing Options Study"38 technical reports

4.41 This transport strategy sets a vision for the South East in 2050, which is more than thirty years in the future. To understand the degree of change that could be delivered over this period, one only needs to consider what the world looked like thirty years ago in 1990. At this time:

- The Cold War was coming to an end following the fall of the Berlin Wall;
- China had not yet emerged as a superpower; and
- The internet could only be accessed by a tiny portion of the population.

4.42 Transport was also very different thirty years ago. In 1990:

- Railway patronage (by passengers) was approximately half the level it is today;
- The Channel Tunnel was still under construction;

- The low-cost airline industry was yet to emerge; and
- Many of the major roads in the South East had not been built, including parts of the M20 and M25.

4.43 It is therefore difficult to predict which technologies and social trends will influence the future over a thirty-year time horizon. That said, some trends seem more certain than others, and some of these trends will have a greater impact on transport demand than others. In the "Future Transport Technology" Technical Report 39, six themes of trends are identified that have the potential to significantly affect transport demand. These themes are:

- **Demographic trends**: Including a growing, ageing population and urban densification;
- **Social trends:** Including greater acceptance of 'sharing', higher expectation of immediacy and customer centricity, and a greater appreciation of experiences over assets;
- **Environmental attitudes**: Greater awareness and concern about climate change, air quality, scarcity of resources, circular economy and interest in greener technologies;
- **Economic changes**: Including the rise of the 'gig economy', increased automation, new business models, and on-demand manufacturing; and
- **Political landscape**: Including increased devolution to regions and countries and increasing conflict between globalisation and protectionism.

4.44 The technologies that are arguably most likely to succeed are those that respond best to the challenges and trends outlined above. The "Future transport strategy" categorises these technologies into the four following groups:

- **Connected,** which encompasses the movement of data between people, other people, vehicles, assets and systems;
- **Autonomous**, which includes any technology that replaces 'mundane' human tasks with technology;
- **Alternative fuels**, which includes the decarbonisation of energy production, storage and consumption; and
- **Shared**, which describes the sharing of services that traditionally were 'owned' by individuals.

4.45 The technologies outlined above are delivered to the public through different business models, which include:

<u>People-based mobility models, such as:</u>

- Ride-sharing, which match private vehicle drivers with potential passengers (sometimes co-workers) making similar regular or one-off trips;
- Ride-sourcing, which match customers with available rides using a smartphone application and enable users to pay on account via pre-approved payment methods, with prices set according to supply and demand; and
- Asset-sharing, which allow customers to access and to share use of different mobility modes without having to own them (e.g. car or bicycle). Assets are generally available at permanent or semi-permanent parking locations and booked, paid for and located via an application.

<u>Service-based mobility models, such as:</u>

- Mobility as a service, which integrates multimodal public and private sector mobility services through digital platforms by incorporating travel information, payments, and reservation systems into a single application;

- Parking platforms, which provide consumers with information and app-based payment functions to reduce the traditional problems associated with finding and paying for parking; and
- Digital as a mode, which uses digital connectivity to reduce/remove the need to travel (e.g. by enabling remote working and remote access to services including health and education).

Freight-based mobility models, such as:

- Digital-based freight models, which offer customers easier access to real-time and price transparent freight services, which helps improve supply chain visibility and asset utilisation; and
- Service-based freight models, which use data and automated technologies to provide customers with a wider selection of flexible last-mile delivery and collection options.

4.46 The impact that these trends have upon transport patterns will be modulated by 'critical uncertainties', which include:

- willingness to share data;
- willingness to adopt new technologies;
- preferences for sharing transport or travelling alone;
- future levels of automation;
- future rates of electrification; and,
- the role of/authority of the private and public sectors.

4.47 These uncertainties are significant and could have a major bearing on future technological development. This makes it difficult to develop a narrow or specific strategy when it comes to future journeys. Therefore, this strategy

identifies broad challenges and opportunities relating to future journeys for further consideration.

Challenges and opportunities

4.48 While Transport for the South East may not be able to control all the levers driving the development of technology in the South East, it can help steer the direction and uptake of these innovations and shape the regulatory framework governing them. It is important to ensure that these new technologies develop in a way that supports this transport strategy (e.g. by contributing to zero-net carbon) rather than undermining any of its objectives (e.g. by encouraging mode-shift from walking/cycling/public transport to shared taxis and potentially contributing to traffic growth). Transport for the South East's overarching objective for future journeys is to ensure they are accessible to all, environmentally acceptable, and do not undermine the efficiency of the transport network.

Some of the key challenges and opportunities for future journeys in the South East include:

Challenge 1

There are gaps in electric and digital infrastructure. The South East's power distribution network needs to have the capacity to accommodate the uptake of electric vehicles. It also needs to provide widespread access to charging points to ensure electric vehicles can be conveniently charged anywhere in the region. While there has been some investment in charging infrastructure in the South East, this has not yet been consistent, meaning there are gaps in accessing them. Similarly, there are gaps in internet connectivity across the region, which could

undermine the development of internet-based services and (in the longer term) connected vehicles.

Challenge 2

There is a risk some parts of the South East may be 'left behind' as some future mobility initiatives may not be accessible to all because of their cost or the technology needed to access them. Many of the service-based mobility models described above have the potential to make the lives of residents around the South East significantly easier, particularly those who have limited mobility, such as ageing members of the population who struggle to access conventional public transport modes. However, these services may not be affordable to all users or economically viable in rural areas, which means that some parts of the South East risk being left behind. There is also a risk that new mobility services may only be accessible through channels that target particular demographics (e.g. younger people with access to smart phones), which may mean other parts of society who cannot easily access these channels will miss out on the benefits these services offer.

Challenge 3

There is a risk that new technology may undermine walking, cycling and public transport modes. There is some evidence from North America that the popularity of service-based mobility models is attracting users away from public transport to private vehicles (albeit taxis rather than privately owned vehicles). If this trend were to emerge in the South East, then this could risk increasing road traffic congestion, thus undermining any economic or environmental benefits that might arise from the uptake of new technologies.

Challenge 4

There is a risk that new technologies may further fragment the delivery of transport services. This has the potential to undermine strategic planning in the South East and make it difficult to find ways of better integrating different transport modes to promote sustainable transport choices. This is particularly pertinent of smart ticketing technologies, which are currently being developed by multiple operators across the South East area.

Challenge 5

There is a risk that the uptake of internet shopping will generate more freight traffic, particularly freight that is not well suited to more sustainable transport modes such as rail.

Challenge 6

Alternative fuel private vehicles won't solve the congestion problem. Although the switch to electric cars may reduce harmful greenhouse gas emissions, it will not reduce traffic levels on the network.

The initiatives that will help address key future journey challenges are:

'Future-proof' the digital and energy infrastructure within the South East by making provision for accelerated future uptake. The South East Energy Strategy that has been produced jointly by the Coast to Capital, Enterprise M3 and South East Local Enterprise Partnerships aims to achieve clean growth from now until 2050 in energy across the power, heat and transport sectors. The Thames Valley Berkshire LEP has produced a similar strategy for their area. 40

- Addresses: Challenge 1

Incorporate ‘mobility as a service’ into the current public transport network (and potentially for private vehicles too), to provide better accessibility for a wider range of the population in both rural and urban areas.

- Addresses: Challenge 2, Challenge 3, Challenge 4 and Challenge 5

Encourage consistency in the ‘smart ticketing’ arrangements across the South East, expanding the use of ‘pay as you go’ and contactless payment.

- Addresses: Challenge 4

Develop a Future Mobility Strategy for the South East to enable Transport for the South East to influence the roll out of future journey initiatives in a way that will meet Transport for the South East’s vision.

- Addresses: All Challenges

Conclusions

In this chapter we have shown how we have applied the principles described in Chapter 3 to the six Journey Types to address the key transport challenges facing the South East area. In the following chapter, we describe how we plan to implement this transport strategy.

5 Implementation

Introduction

5.1 This chapter outlines how the transport strategy will be delivered. It outlines broad priorities for interventions, outlines a high-level schedule for these interventions, describes who will be involved in delivering the transport strategy, how progress will be monitored, governance arrangements, and next steps.

Priorities for interventions

5.2 The previous chapter highlighted examples of schemes, interventions and policies that will support the delivery of this transport strategy. Some of the schemes identified are relatively advanced in their development. Others are at feasibility stage, or earlier, in their development cycle. Five area studies will be undertaken to identify the particular schemes and interventions that will be needed in different parts of the Transport for the South East Area. Further technical work will be undertaken to identify the potential impacts of the Covid-19 pandemic on travel behaviour, employment patterns and the economy in the South East. The outputs from this work will be used to inform the area studies.

5.3 It is acknowledged that the current pipeline of highway and rail schemes being delivered through the Road Investment Strategy and rail investment programmes will address short term capacity and connectivity challenges. However, in the longer term, the focus should shift away from road building ('planning for vehicles') towards investing in public transport services ('planning for people') and, supporting policies such as integrated lands use and transport planning and demand management policies ('planning for places').

5.4 In the course of developing the strategy, a wide range of partners and stakeholders have been asked for their priorities for schemes and interventions across the South East. The interventions have been categorised by importance (high, medium and low) and timeline (short, medium and long term).

5.5 The priorities for interventions and suggested timescales identified by partners and stakeholders are shown in Figure 5.1 and are summarised below:

- **Highway schemes** Changing traffic flow patterns on the road network means there will always be a need for localised improvements to address issues that will continue to arise. New roads, improvements or extension of existing ones should be prioritised in the short term but become a lower priority in the longer term. Highways schemes should target port access, major development opportunities and deprived communities.
- **Railway schemes** are high priority across all timelines – Brighton Main Line upgrades are prioritised for the short term, while improvements to orbital rail links such as the East and West Coastway, Gatwick to Reading, Kent to Gatwick and new Crossrail lines are a longer-term goal.
- **Interchanges** are a high priority across all timelines where these facilitate multi modal journeys and create opportunities for accessible development.
- **Urban transit schemes** (e.g. Bus Rapid Transit and/or Light Rail Transit schemes, where appropriate for the urban areas they serve), are high priority and generally medium to long term.
- **Public transport access to airports** is a high priority and, in the case of Heathrow Airport, must be delivered regardless of whether airport expansion takes place.
- **Road and public transport access to ports** is also high priority and prioritised for delivery in the short term.
- **Technology** and innovation in transport technology – vehicle, fuel and digital technologies – is supported, however the widespread roll-out of some beneficial technologies may only be realised in the medium to long term.
- **Planning policy** interventions are relatively high priority and short term.
- **More significant demand management policy** interventions are a much longer-term goal.

Funding and financing

5.6 Funding sources and financing arrangements are an important consideration in the development of an implementation plan for schemes and interventions identified in the transport strategy. In this context, it should be noted that:

- Funding refers to the capital which pays for the up-front costs of the scheme (i.e. it does not need to be directly repaid); and
- Financing refers to how the capital requirements of the scheme are met from various sources that are repaid over time. Financing is generally required for a project if funding is insufficient to cover the projects total costs during construction.

5.7 A “Funding and Financing Options” technical report has been developed as part of the transport strategy, which explores potential funding mechanisms for schemes and interventions. The approach it sets out has been designed so that it can be tailored to specific infrastructure investment projects.

5.8 Due to the number and scale of schemes and interventions put forward as priorities, it is acknowledged that multiple sources of funding and financing will be required to deliver the transport strategy. A summary of the most common routes to financing infrastructure is provided in Figure 5.2.

5.9 Public finance is likely to remain the key source of funding for highway and railway infrastructure in the near future. Looking further ahead, in order to manage demand and invest in sustainable transport alternatives, new funding models will need to be pursued in future in order to secure finance to implement schemes. This could include funding models, such as hypothecated road user charging schemes, as a means of both managing demand in a ‘pay as you go’

model or as part of a ‘mobility as a service’ package, as well as providing much needed funding for investing in sustainable transport alternatives. Transport for the South East will continue to identify and secure additional sources of funding to help deliver the transport strategy.

Monitoring and evaluation

5.10 A mechanism for monitoring and evaluating the progress of the transport strategy will be established. This will include monitoring the delivery of the priorities summarised in paragraph 5.5. It will also include tracking outcome orientated key performance indicators, which are described below. In addition, any interventions arising from the transport strategy would need to demonstrate compliance with environmental legislation. Development that would be likely to have a significant effect on a European Natura 2000 sites (designated for nature conservation)1 will be subject to assessment under habitats regulations at project application stage.

5.11 Transport for the South East will use a set of key performance indicators to monitor how well the strategy is progressing. These key performance indicators will consist of a range of measures that will be used to assess the extent to which the strategic priorities, outlined in Chapter 3 (paragraph 3.14), are being achieved. The key performance indicators that are going to be used to monitor the performance are listed in Table 5.1 below.

Transport for the South East's role

Powers and functions

5.12 Transport for the South East proposes to become a statutory sub-national transport body, as described in Part 5A of the Local Transport Act 2008 (as amended). Transport for the South East proposes to have the 'general functions' of a sub-national transport body as set out in Section 102H (1) of this legislation. The general functions are:

- to prepare a transport strategy for the South East;
- to provide advice to the Secretary of State about the exercise of transport functions in relation to the South East (whether exercisable by the Secretary of State or others);
- to co-ordinate the carrying out of transport functions in relation to the South East that are exercisable by different constituent authorities, with a view to improving the effectiveness and efficiency in the carrying out of those functions;
- if the sub-national transport body considers that a transport function in relation to the area would more effectively and efficiently be carried out by the sub-national transport body, to make proposals to the Secretary of State for the transfer of that function to the sub-national transport body; and
- to make other proposals to the Secretary of State about the role and functions of the sub-national transport body.

5.13 Under current legislation relating to sub-national transport bodies sets out that the Secretary of State will remain the final decision-maker on national transport strategies. However, the Secretary of State must have regard to a sub-national transport body's statutory transport strategy. This demonstrates the

need for the strong, ongoing relationship between Transport for the South East and government on developing schemes and interventions.

5.14 The consultation on the draft Proposal to Government ran from 7 May to 31 July 2019. This process was concurrent with the development of the draft transport strategy. The draft proposal identifies powers required in order to successfully deliver the transport strategy. These powers include:

- **General functions:** The powers to prepare a transport strategy, advise the Secretary of State, co-ordinate the carrying out of transport functions, make proposals for the transfer of functions, make other proposals about the role and functions of the sub-national transport body;
- **Railways:** The right to be consulted about new rail franchises and to set High Level Output Specification for the railway network in the South East;
- **Highways:** The powers to set a Road Investment Strategy for the Strategic Road Network in the South East, to enter into agreements to undertake certain works on roads in the South East, to acquire land to enable the delivery of schemes, and to construct highways, footpaths, bridleways;
- **Capital grants for public transport facilities**: The powers to make capital grants for the provision of public transport facilities;
- **Bus service provision:** The power to secure the provision of bus services through Quality Bus Partnerships;
- **Smart ticketing**: The powers to introduce integrated ticketing schemes;
- **Establish Clean Air Zones**: The powers to establish Clean Air Zones;
- **Other powers**: The right to promote or oppose Bills in Parliament; and
- The powers which are additional to the general functions relating to sub-national transport bodies will be requested in a way that means they will operate concurrently and with the consent of the constituent authorities.

5.15 Transport for the South East does not propose seeking the following functions or powers (some of these are subject to any changes recommended in the forthcoming devolution White Paper and governance of the rail network recommended by the Williams Rail Review):

- set priorities for local authorities for roads that are not part of the Major Road Network;
- be responsible for any highway maintenance responsibilities;
- carry passengers by rail;
- take on any consultation function instead of an existing local authority;
- give directions to a constituent authority about the exercise of transport functions by the authority in their area;
- act as co-signatories to rail franchises; or
- be responsible for rail franchising.

5.16 The Williams Rail Review may recommend significant changes to the structure of the rail industry which could affect the role of sub-national transport bodies in the planning and delivery of rail infrastructure and service specifications. Transport for the South East will review the White Paper due for publication in summer 2020 and assess its potential future role in the railway industry in due course.

5.17 Transport for the South East is intending to submit the Proposal to Government in autumn 2020, following approval of the transport strategy by the Shadow Partnership Board.

Governance

5.18 Transport for the South East has put in place governance arrangements that will enable the development, oversight, and delivery of the transport strategy. It is envisaged that this governance framework will be further formalised when Transport for the South East becomes a statutory sub-national transport body. The governance arrangements are summarised as follows:

- Transport for the South East is governed by a **Shadow Partnership Board.** The Shadow Partnership Board is formed of elected members from each constituent member authority, with the six Berkshire unitary authorities being represented by one elected member through the Berkshire Local Transport Body. This body elects a chair and vice chair from the constituent members. It currently meets four times a year. Transport for the South East's regulations provide for the appointment of persons who are not elected members of the constituent authorities but provide highly relevant expertise to be co-opted members of the Partnership Board. Currently a representative from two of the five local enterprise partnerships in the geography, two representatives from the boroughs and districts, a representative from the protected landscapes in the geography, the chair of the Transport Forum and representatives from Network Rail, Highways England and Transport for London have been co-opted onto the board.
- The Partnership Board works by consensus but has an agreed approach to voting where consensus cannot be reached and for certain specific decisions.
- The Partnership Board has appointed a Transport Forum to act as an advisory body to the Senior Officer Group and Partnership Board. This forum comprises a wider group of representatives from user groups, transport operators, borough and district councils and business groups. The Transport

Forum meets quarterly and is chaired by an independent person appointed by the Partnership Board.

- The Partnership Board and Transport Forum are complemented by a Senior Officer Group, which provides expertise and co-ordination to Transport for the South East's activities and the Shadow Partnership Board (including the development of the transport strategy). The Senior Officer Group meets monthly.

Next steps

Future programme of studies

5.19 Further studies will be undertaken to identify the measures that will be needed to implement this transport strategy and achieve its vision. Five area studies will identify the specific schemes and policy initiatives that will be required in different parts of the Transport for the South East area. These studies will include an assessment of the potential impact of these measures in reducing carbon emissions. Figure 5.3 shows the area that will be covered by three radial area studies and Figure 5.4 shows the extent of two orbital area studies. In addition, two thematic studies will be undertaken to identify the specific role of these two areas in achieving the vision: one on freight and international gateways, and a second on future mobility. The outputs from these area and thematic studies will be fed into a Strategic Investment Plan setting out our short, medium, and longer-term scheme priorities.

5.20 A diagram showing a revised route map for our technical programme, including the timing and phasing of the area studies and thematic studies and Strategic Investment Plan outlined above, is provided in Figure 5.5.

In this chapter, we have set out how this transport strategy will be delivered, including: the broad priorities for interventions; possible funding sources and financing arrangements; how it will be monitored; our governance arrangements moving forward; and the next steps.

Overall in this transport strategy, we have set out a clear, ambitious vision for the South East area as a leading global region for net-zero carbon, sustainable economic growth. We are committed to turning this vision into a reality, working with our partners to deliver a better connected, more sustainable South East which will benefit of everybody who lives in, works in, and visits our area.

HAMPSHIRE COUNTY COUNCIL

Report

Decision Maker:	Cabinet
Date:	14 July 2020
Title:	*Serving Hampshire* – 2019/20 Performance Report
Report From:	Chief Executive

Contact name: Philippa Mellish, Head of Insight and Engagement

Tel: 01962 847482 **Email:** philippa.mellish@hants.gov.uk

1. Recommendations

1.1. It is recommended that Cabinet:

a) notes the County Council's performance for 2019/20, including plans to refresh the Strategic Plan and Performance Management Framework;

b) notes progress to advance inclusion and diversity;

c) approves the Modern Slavery Statement contained in Appendix four; and

d) notes the findings of the 2019-20 Local Government and Social Care Ombudsman report.

2. Report purpose

2.1. The purpose of this report is to:

- provide strategic oversight of the County Council's performance during 2019/20 against the *Serving Hampshire* Strategic Plan for 2017-2021;
- set out plans to refresh the *Serving Hampshire* Strategic Plan and update the County Council's Performance Management Framework;
- outline ongoing work and achievements to advance inclusion and diversity, including the development of a draft Modern Slavery Statement; and
- set out the results of the 2019-20 Local Government and Social Care Ombudsman report.

3. Performance reporting arrangements

Current arrangements

3.1. The County Council's Performance Management Framework (PMF) provides the governance structure for performance management and reporting to Cabinet. The PMF specifies that Cabinet receives bi-annual reports on the

County Council's performance against the strategic priorities set out in the *Serving Hampshire* Strategic Plan. The four strategic aims set out in the Plan are:

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

3.2. Alongside these aims, the *Strategic Plan* contains eights 'ways of working' which support the ambition to 'put our residents at the heart of everything we do'. These are to:

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

3.3. Performance information on children's and adults' safeguarding, major change programmes, including *Transformation to 2021*, and the County Council's financial strategy are reported separately to Cabinet.

3.4. To report progress against *Serving Hampshire*, departments are asked to rate performance against a core set of performance metrics on a quarterly basis. For each measure, a risk-based 'red, amber, green' rating is applied, informed by the most recent data and management information.

3.5. Departments also provide an overview of key achievements and risks/issues against agreed priorities, as well as the results of any recent external assessments and resident feedback.

3.6. **Appendix one** sets out the sources of external validation which apply to the County Council's performance during 2019/20.

Future arrangements

3.7. The current *Serving Hampshire* Strategic Plan is due to be refreshed in 2021. Work has commenced to review and develop an updated Plan, to cover the period 2021 to 2025. The revised Plan will consider the wider national policy landscape and reflect the impact of Covid-19 on the County Council's operations. It will also reflect wider strategic priorities arising from the Hampshire 2050 Commission of Inquiry, including the County Council's climate change ambitions, and be informed by resident and stakeholder feedback.

3.8. The updated Plan will be considered by the County Council's Cabinet alongside the half-year 2020-21 performance report and in advance of the 2021 performance year (commencing April 2021).

3.9. The Performance Management Framework will be reviewed alongside the Strategic Plan to ensure ongoing alignment, including of key performance metrics. The first performance report using the revised PMF will be the quarter one 2021-22 performance report, due in autumn 2021.

4. Overall Performance

Performance outcomes

4.1. **Overall performance** measured against *Serving Hampshire* remained ***good*** during 2019/20, evidencing strong performance in the delivery of core services – as well as resilience towards the end of the year as the Covid-19 pandemic started to impact services and the people of Hampshire[1].

4.2. Performance levels were maintained whilst continuing to manage increased demand and cost pressures - and delivering significant savings. The County Council continues to use its resources wisely and invest prudently through the careful use of reserves to innovate and work more efficiently. This ongoing careful balance of maintaining quality service provision, along with sound financial stewardship, enables the County Council to provide consistent value for money for Hampshire residents.

Performance against targets and improvement trend

4.3. Overall, **74%** of measures, where data was available, were reported as low performance risk[2], **26%** as medium risk[3] and **none** as high risk.

4.4. **63%** of measures showed improvement or that the level of performance remained consistent[4].

4.5. In addition, **61%** of measures had met, or exceeded, the target set by the relevant department[5].

4.6. In cases where targets were not met, departmental improvement plans were in place. Similarly, where measures were reported as *medium* risk, mitigating actions were being undertaken by relevant services.

4.7. **Performance highlights** for 2019/20 include:

- The County Council implemented an effective response to the COVID-19 pandemic across all service areas, in line with central Government guidance - and commenced Recovery planning, working closely with wider partners across all Sectors. It continues to adapt its response in line with the evolving situation.

[1] The full impact of COVID-19 on County Council services and performance is likely to be evidence throughout 2020-21 and is not detailed in this report, which covers performance up to the end of March 2020. However, Appendix Two provides an overview of some of the key steps taken by the County Council to provide an effective response across its services.

[2] 34 out of the 46 measures for which 2019/20 data was provided alongside a RAG status (of a total possible of 51 measures included on the performance scorecard)

[3] 12 of the 46 measures for which 2019/20 data was provided alongside a RAG status

[4] 30 of the 48 measures for which 2019/20 data was provided alongside a 'direction of travel' rating

[5] 20 of the 33 measures for which 2019/20 data was provided alongside a target status

- **Appendix two** provides a summary of key COVID-19 measures implemented to date, including the County Council's Personal Protective Equipment (PPE) warehouse operation – a collaboration between County Supplies, Emergency Planning and Hampshire's voluntary network. The operation was described as 'gold standard' by the Royal Logistics Corps, commissioned by the Government to review England's LRF procedures. Designed to ensure the County Council's care and nursing homes are stocked with compliant PPE, the warehouse acted as a 'resource of last resort' for Local Resilience Forum partners' key workers, and the county's independent care sector. The warehouse operation has made more than 750 deliveries and collections across the county since lockdown began on 23 March 2020.

- Effective plans were put in place to ensure Hampshire's readiness for the UK's department from the European Union on 31 January – for example, sites for Heavy Goods Vehicles to wait in a safe and managed way were identified and prepared.

- Ofsted rated the County Council's Children's Services as *Outstanding* in all areas. Hampshire is one of only two authorities to have received this judgement across the board.

- Over 97% of parents in Hampshire were offered a place for their child at one of their preferred choices for a secondary school. Of those who applied for a Year 7 place for September 2020, more than 92% were offered a place at their first-choice school.

- More than 98% of Hampshire families (not including Portsmouth and Southampton) applying for school places for Year R and Year 3 were successful in obtaining one of their top three choices for September 2019, consistent with 2018's performance of 99%.

- In Hampshire, 68.4% of pupils taking GCSE exams in 2019 achieved a pass at grade 4 in English and Mathematics, compared to 66.7% in the previous year and a national average of 64.9%. The 'attainment 8' outcome, which measures the results across the wider curriculum, also improved from a score of 47.2 in 2018 to 47.6 in 2019, above the national average of 46.8.

- CO2 emissions from the County Council's operations continued to reduce, down to 75,868 tonnes in 2018/19 (the most recent data). This is a decline from 78,685 tonnes in 2017/18 and exceeds the target of 78,000 tonnes.

- The Hampshire Domestic Abuse Service launched on 4 June 2019, providing crisis accommodation and community-based support to break the cycle of abuse for families across Hampshire.

- The County Council's Country Parks were awarded the Green Flag status for 2019. Lepe, River Hamble, Queen Elizabeth and Royal Victoria country

parks have the highest possible environmental standards. Royal Victoria Country Park also received the Green Heritage Site Accreditation for the management of its historic features.

- A video explaining the steps that Armed Forces parents and carers need to take to secure a school place for their child was developed and launched by the County Council – helping remove disadvantage from Service families.

- Children in Hampshire read over 174,000 books over the summer period as part of this year's Summer Reading Challenge – 73,500 more than in 2018.

- Customer satisfaction within the County Council for its Integrated Business Centre averaged 88% satisfied (% of customers scoring the service 6 out of 10 or more) and 84% highly satisfied (% of customers scoring the service 8 out of 10 or more) at the end of 2019, the highest level on record - with the satisfaction of service users assessed by the Institute of Customer Services (ICS). The service recorded a UK Customer Satisfaction Index (UKCSI) score of 69% for 2019, 5% higher than seen in 2018.

Climate change update

4.8. In addition to the above achievements, the County Council has made progress to advance its climate change ambitions. Over the last nine years, the County Council has achieved a significant reduction of over 43% of its own carbon emissions and accelerated the target, for its own estate, to become carbon neutral by 2025. However, recognising this only represents approximately 1% of the total Hampshire emissions, in June 2019 the County Council declared Climate Emergency and set two ambitious targets for both the County Council and the wider Hampshire area:

- to achieve carbon neutrality across the whole of Hampshire by 2050, and
- build resilience and plan for a rise in temperature of 2°C.

4.9. The following progress was made against these targets:

- work commenced to review all County Council policies and strategies in light of climate change. This includes the current review of the Local Transport Plan which is intended to encourage more active travel and use of public transport, equally resulting in health benefits through greater exercise and better air quality;
- a programme of tree and wildflower planting on highways amenity land was established, funded through 100% of the capital released from the sale of surplus highway land;
- a Strategic Alliance with Forestry England, Forestry Commission and the Woodland Trust was agreed. This jointly recognises the urgency of tackling climate change through land use and the strategic planting, management and maintenance of trees;

- behavioural insight research was undertaken to inform an evidence-based, targeted communications and marketing strategy to reduce domestic emissions;
- a new climate change website was launched;
- the County Council supported the grass roots initiative *the Greening Campaign*, working with District, Town and Parish Councils, which provides a simple and accessible process for residents to take action on climate change;
- initial work commenced to develop a corporate action plan, drawing on the activity underway across all services;
- the Carbon Trust was commissioned to develop a comprehensive process to determine Hampshire's carbon baseline, budget, adaptation framework and impact assessment tool to inform key decisions. The Trust has an excellent and long running reputation for working on carbon emissions and adaptation and this work will underpin further development of the County Council's overarching strategy and action plan.

4.10. A more extensive list of key performance achievements is included in **Appendix three**.

4.11. **Performance risks at year end 2019/20:**

4.12. No performance measures were rated as high risk for the 2019/20-year end. However, departmental returns highlighted several wider areas of risk relating to the current COVID-19 pandemic. These included risks to:

- **service continuity**, addressed by redeploying and training staff where needed, to manage demand – as well as adapting and prioritising key services;
- **staff welfare**, which resulted in the majority of office-based staff working from home, the implementation of social distancing measures for remaining office based and frontline staff, and wider safeguarding measures, including provision of Personal Protective Equipment; and
- **the Hampshire economy**, acknowledged through the provision of County Council grant funding to local organisations, as well as provision of advice and support to local businesses.

5. Equality update

Key achievements

5.1. The Equality Act 2010 places a duty on local authorities to prepare and publish one or more measurable and specific equality objective(s). The County Council has a programme of work in place to advance inclusion and diversity in line with its corporate Equality Objectives. This includes undertaking both internal and external assessment of its performance to identify areas of strength and for improvement.

5.2. Activity to ensure the inclusivity and accessibility of external facing provision is embedded within the day-to-day work of departments and individual services. The section below provides an overview of specific activities undertaken during

2019-20 aligned to the equality objectives. These are predominantly internally focused actions undertaken corporately to maintain, and strengthen, the organisation's position as an inclusive employer:

- participating in **Inclusive Employers' National Inclusion Standard** (2019) - a wide ranging and comprehensive assessment of performance against six categories[6]. The County Council was assessed as achieving *Bronze* Standard for the second year running – ranking third out of 20 participating organisations and top of the *Bronze* category. Actions for improvement were incorporated into the overarching Inclusion, Diversity and Wellbeing work programme;

- developing a **positive action statement of intent for recruitment**, to encourage people from all backgrounds to consider a career with the County Council;

- hosting the **first staff networks' conference**, and establishing new staff groups within departments, including an emerging 'working parents and carers' group;

- **extending existing governance arrangements** to cover wellbeing, alongside inclusion and diversity – and identifying senior departmental 'sponsors';

- delivering a programme of **activity to celebrate National Inclusion Week** (28 September to 04 October 2019) and World Mental Health Day (10 October 2019);

- launching **new Inclusion and Diversity e-Learning** for staff; and

- publishing a **cumulative Equality Impact Assessment** to consider the potential impacts of *Transformation to 2021* savings proposals as a whole.

5.3. Looking ahead, the County Council's work to advance inclusion and diversity will be further shaped by recent events surrounding the tragic death of George Floyd in the US and the subsequent resurgence of the Black Lives Matter movement in this country. Chief Officers are working closely and constructively with the Authority's Inclusion, Diversity and Wellbeing Steering Group, the BAME Staff Network and a range of concerned individuals to ensure that existing plans and strategies are as robust and impactful as they should be at this juncture - and that there is no ambiguity regarding the County Council's support for its BAME communities and condemnation of racism in all its forms.

5.4. The County Council will continue to do all it can to protect the vibrancy and diversity of Hampshire's communities, reducing inequality and advancing cohesion. This includes through its response to the Coronavirus pandemic,

[6] These include, for example, the extent to which staff are engaged, equipped and empowered to advance inclusion, and the degree to which diversity is embedded into the organisation's culture and evaluated, leading to continuous improvement.

which has shone a light on deep-seated social inequalities. Officers are closely following the work of Public Health England nationally to understand the impact of the virus on protected characteristic groups, including BAME residents - and awaits recommendations arising from further work being undertaken by the Equalities Minister on this matter. In parallel, the organisation continues to take a proactive approach through local modelling and research to understand further, assess, and mitigate the risks of Coronavirus to BAME residents in Hampshire – and to staff. As part of COVID-19 recovery planning the County Council also continues to develop its programme of resident engagement, with a clear focus on ensuring that the voices and experiences of BAME residents – and wider minority groups - are heard and acted upon.

Modern slavery

5.5. In addition to the above activities, a draft Modern Slavery Statement was produced – set out at **Appendix four**. The Modern Slavery Act (2015) places specific duties on local authorities with respect to tackling modern slavery, and a duty on commercial organisations[7] to publish annual 'transparency in supply chains statements' setting out steps taken to ensure the absence of modern slavery in their supply chains.

5.6. In July 2018, the Home Secretary commissioned an independent review of the Act to assess its effectiveness. The Government's response to the review indicated an intention to extend Section 54 to require Public Sector organisations whose budget exceeds £36m to produce modern slavery statements – and for Public Sector transparency requirements to mirror those of commercial organisations. At present, local authorities are currently not required to publish annual statements – however, this is considered best practice (the Local Government Association reports that 132 councils have voluntarily published statements).

5.7. Hampshire has a positive track record of taking proactive steps to prevent modern slavery but has yet to publish an annual Statement. Not only may this be required in future, but the County Council is coming under increasing pressure from external organisations to demonstrate a policy position on Modern Slavery. For example, earlier this year the Hampshire Courier Service was asked to submit the County Council's Modern Slavery Statement as part of the tender process for a contract valuing over £14m.

5.8. The Statement contained in Appendix four was developed in this context and is intended to lead to action to dive further improvement. Agreed actions will be incorporated within the County Council's overarching programme to advance inclusion, diversity, and wellbeing. Initial steps already taken include embedding information about the signs of modern slavery within the new Inclusion and Diversity e-learning, ensuring a basic level of awareness for all staff with managerial or supervisory responsibilities. Cabinet are asked to approve the draft document as the County Council's Modern Slavery Statement for 2020-21.

[7] Although, technically, any corporate body with an annual aggregate turnover of at least £36m and providing goods and services in the UK will meet the definition of "commercial organisations", most have interpreted section 54 of the Act as not being applicable to businesses rather than local authorities.

6. Local Government and Social Care Ombudsman determinations 2019/20

6.1. There is a duty on the monitoring office to report to the Authority / Executive on matters including maladministration or injustice under Section 5 and Section 5A of the Local Government and Housing Act 1989 (LGHA).

6.2. Where complainants have exhausted the County Council's complaints processes and remain dissatisfied, reference can be made to the Local Government and Social Care Ombudsman (LGSCO). Complaints to the Ombudsman can be made regarding the exercise of the County Council's administrative functions (maladministration), and/or its service provision (injustice in consequence of maladministration). Upon receipt of a complaint the Ombudsman makes a determination whether or not to investigate. Cases are only investigated where the Ombudsman has jurisdiction to do so, and where the Ombudsman considers it appropriate to investigate under the LGSCO Assessment Code.

6.3. In 2019/20 (April 2019 – March 2020), 33 determinations were received from the LGSCO. In 21 cases the LGSCO determined that there had been maladministration/injustice. In 12 cases the LGSCO determined that there had not been maladministration/injustice. More details of individual decisions are provided at **Appendix five**. It should, however, be noted that this represents only a very limited number of references to the LGSCO. The overwhelming majority of complaints made to the LGSCO regarding the County Council are not investigated by the LGSCO, and the County Council therefore only receives notification of those references to the LGSCO which the LGSCO determines he will investigate. There are a number of reasons why complaints are not investigated, including where a complainant has left it too long before complaining, where there is a statutory right to appeal or another course of legal action available, where a complainant is not personally affected or suffered injustice, where the issue affects most people in the area, and employment matters.

6.4. An annual report is published by the LGSCO in July each year with assessment decisions, including those complaints received by the LGSCO, but not investigated. In 2018/19, being the latest year for which statistics from the LGSCO are available, 122 references were made to the LGSCO, of which the LGSCO determined that 25 (20.4%) required investigation. In 2017/18 there were 126 references to the LGSCO of which the Ombudsman determined 21 (17%) required investigation.

6.5. Comparison with LGSCO published statistics with other large comparator County Councils in the region demonstrates that the LGSCO receives around 16% fewer complaints regarding Hampshire County Council than other Councils. In 2018/19, 21 of the County Council's complaints were upheld, a total which is around a third lower than the comparator councils.

7. Conclusion

7.1. This report and its supporting appendices demonstrate that the County Council continued to perform well in the delivery of core public services during 2019/20.

7.2. The revised Strategic Plan and Performance Management Framework will be developed in this context. Good progress also continues to be made to

advance inclusion, diversity wellbeing, supporting the County Council's overarching equality objectives.

7.3. The County Council also performed well in handing complaints, outperforming wider councils in the number of complaints upheld.

CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

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

Other Significant Links

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

Section 100 D - Local Government Act 1972 - background documents

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

Document	Location
None	

IMPACT ASSESSMENTS:

1. Equality Duty

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

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

1.2. **Due regard in this context involves having due regard to:**

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

2. Equalities Impact Assessment:

The County Council has a programme of work in place to advance inclusion and diversity in line with its corporate Equality Objectives. This includes undertaking both internal and external assessment of its performance to identify areas of strength and for improvement. This report reviews past performance - the activities and services that are described were subject to appropriate equality impact assessment in accordance with this programme.

Appendix one: Sources of internal and external validation

The following table sets out the results of external and internal assessments and validations which apply to the County Council at the end of 2019/20.

Assessment title	Area	External/internal	Latest judgement
Children's Services			
Inspection of Local Authority Children's Services	Full children's social care inspection	External – Ofsted	June 2019 – Hampshire was judged as *Outstanding* across all areas. Hampshire is one of only two authorities to have received this judgement across the board
Inspection of children's homes	Residential care homes inspection	External – Ofsted	Ten of the Children's Homes operated by the County Council have been inspected in 2019/20, including the County Council's Secure Children's Home and Respite Unit. Of these, two homes *Require Improvement* to be *Good* and actions are being taken to achieve this. Two homes were rated *Outstanding*
School Inspections	Inspections of schools	External – Ofsted	Ongoing - as at the end of March 2020 93% of schools were judged to be *Good* or *Outstanding* by Ofsted
Social care self-assessment	Self-evaluation is an integral element of inspection of the local authority children's services (ILACS) framework	Internal and external – shared with Ofsted prior to annual conversation with the Director of Children's Services	The 2019 self-assessment was sent to Ofsted ahead of the annual conversation due to take place in March 2020. This was subsequently postponed due to Covid-19
Inspection of Hampshire youth offending services	YOT inspection	Her Majesty's Inspectorate of Probation	Overall *Good* 2018. The inspectorate considered the arrangements for organisational delivery, the quality of court disposals, and out-of-court disposals work when making its judgement www.justiceinspectorates.gov.uk/hmiprobation/inspections/hampshireyos/

Assessment title	Area	External/internal	Latest judgement
Restorative Justice Council's Restorative Services Quality Mark	Youth Offending Team	External – Restorative Justice Council	Restorative Services Quality Mark awarded (April 2016) and still applies
Adults' Health and Care			
Adult Social Care Services Inspection	Inspection of in house provided residential and nursing homes	External – Care Quality Commission	22 in-house care providers are rated *Good* (including the four Community Response Teams that deliver reablement to clients at home)
Gold Standards Framework	Residential and nursing homes	External - National Gold Standards Framework (GSF) Centre in End of Life Care	Four of the County Council's residential and nursing homes were awarded Platinum accreditation with the Gold Standards Framework: Emsworth House Fleming House Malmesbury Lawn Westholme
Economy, Transport and Environment			
Accreditation to ISO9001:2015 – Quality Management	Economy, Transport & Environment (ETE) Department – whole department	External – British Standards Institute (BSI)	Usually assessed every May and November. Last visit (November 2019) resulted in accreditation being successfully maintained. The next assessment is due in July 2020, delayed due to Covid-19 restrictions
Culture, Communities and Business Services			
UKAS Accreditation	Hampshire Scientific and Asbestos Management services following an annual assessment	External – UKAS (UK Accreditation Service)	UKAS provide accreditation that Hampshire's scientific testing and inspection activities are conducted to the standard set out in ISO 17020 and 17025 UKAS audit Hampshire Scientific Service annually for compliance and the last assessment was in May 2019 - accreditation was maintained

Assessment title	Area	External/internal	Latest judgement
Adventure Activities Licensing Services (AALS) Inspection	Hampshire Outdoor Centres	External – Adventure Activities Licensing Authority	Calshot Activities Centre: Validation expires July 2021 Hampshire and Cass Foundation Mountain Centre: Validation expires June 2020
Learning Outside the Classroom (LOtC)	Hampshire Outdoor Centres	External - Council for Learning Outside the Classroom (CLOtC)	Calshot Activities Centre: Validation expires June 2021 Runway's End Outdoor Centre: Validation expires February 2021 Tile Barn Outdoor Centre: Validation expires May 2020
Adventuremark	Hampshire Outdoor Centres	External - Adventure Activity Industry Advisory Committee (AAIAC)	Calshot Activities Centre: Validation expires June 2021 Runway's End Outdoor Centre: Validation expires February 2021 Tile Barn Outdoor Centre: Validation expires May 2020
National Indoor Climbing Award Scheme (NICAS)	Hampshire Outdoor Centres	External - ABC Training Trust	Calshot Activities Centre: Validation expires at the end of May 2020
Royal Yachting Association (RYA) Recognised Training Centre	Hampshire Outdoor Centres	External - Royal Yachting Association (RYA)	Calshot Activities Centre – Recognised Training Centre – expires January 2021
Royal Yachting Association (RYA) Sailability accreditation	Hampshire Outdoor Centres	External - Royal Yachting Association (RYA)	Calshot Activities Centre – Recognised Training Centre – expires January 2021 to provide accessible shore-based facilities for sensory, physical or other disabilities
British Canoeing Quality Mark (BC)	Hampshire Outdoor Centres	External - British Canoeing	Calshot Activities Centre – Quality mark – expires December 2020
Green Flag Awards	Outdoor accreditation for a variety of areas	External - Keep Britain Tidy	Awards are currently suspended due to Covid19. Intention is to apply for all parks when possible

Assessment title	Area	External/internal	Latest judgement
Ease of Use Survey	Volunteer survey of the Rights of Way network	External	Audits a minimum of 5% of the network each year (2.5% twice a year, in May and November), based on a set methodology
Sites of Special Scientific Interest (SSSIs)	Countryside sites in Hampshire, as part of UK wide assessment	External – Natural England	Natural England assesses the condition of SSSIs using Common Standards Monitoring (CSM)1, developed by the Joint Nature Conservation Committee (JNCC) for the whole of the UK
Rural Payment Agency (RPA) Inspections	Countryside sites with Pillar 1 and Pillar 2 common agricultural agreements in place	External - Rural Payment Agency (RPA)	The Rural Payments Agency (RPA) inspects a percentage of agreements each year on behalf of Natural England. The inspections check agreement holders are meeting the schemes' terms and conditions
Animal and Plant Health Agency (APHA) checks	Inspect animal health and welfare	External - Animal and Plant Health Agency	Spot check countryside sites for animal health and welfare and plant disease
Food Hygiene Ratings	Countryside Country Park cafes	Environmental Health Officer	Current ratings: 5-star ratings at Manor Farm, Staunton Farm, Titchfield Haven, Royal Victoria, Lepe Country Parks and 4-star ratings at Queen Elizabeth Country Park
General Register Office (GRO) – Stock and Security Audit	Registration – provides assurance to the GRO Compliance and Performance Unit	External - General Register Office	Received positive high rating in 2016, Next assessment due November 2020 (4-year cycle for those with a high rating)
General Register Office (GRO) Annual Performance Report	Registration- provides assurance to the GRO on local performance against agreed KPIs and improvement plan	External - General Register Office	Last rating was *Good* with positive comments on performance and development of service. Submitted annually in April (will be delayed in 2020 due to impact of Covid-19)

Assessment title	Area	External/internal	Latest judgement
Hyperactive Children's Support Group's Highest Award for Excellence in School Catering	HC3S annual assessment to retain accreditation for removal of specific additives in primary school meals	External - Hyperactive Children's Support Group	Current accreditation has been extended to September 2020 due to Covid-19
Food Hygiene Rating Scheme	HC3S	External – Allergen Accreditation	EII Restaurant and Coffee Shop, SHHGA, secondary schools, Fareham Library, Winchester Discovery Centre, Eastleigh Borough Council Coffee Shop – annual re-accreditation awarded July 2019
Annual kitchen audits	HC3S internal audit covering various aspects of catering operation i.e. health and safety, training, finance	Internal	Healthy Kitchen Assessments (HKA's) are undertaken throughout the year and records are held of all those completed per academic year, Sept to Aug. For the 2018/19 academic year there were 338 HKA's completed
Food for Life Served Here	HC3S	External - Soil Association	Bronze re-accreditation achieved in January 2020 having been assessed against their criteria as providing freshly made, locally sourced food
Eat Out Eat Well	HC3S	Trading Standards, Environmental Health and others by Public Health	EII Restaurant and Coffee Shop accredited to July 2020
European Notified body Status for measuring instruments and Non-automatic Weighing machines	Trading Standards	External - National Weights & Measures Laboratory (NWML) on behalf of the Secretary of State for BEIS	Status maintained. Latest full external reassessment undertaken on 30 Jan 2020. Due for external surveillance audit between September and November 2020 (Reported to Regulatory Delivery at the Department for Business, Energy & Industrial Strategy)

Assessment title	Area	External/internal	Latest judgement
Institute of Road Transport Engineers (IRTE) Workshop Accreditation	Hampshire Transport Management	External - Freight Transport Association (FTA)	HTM have an external accreditation and audit by the FTA every 3 years for the workshop to be IRTE Workshop accredited. All 5 workshops were audited and passed in February 2018. The duration is 3 years and is due again in February 2021
Compliance with the Port Marine Safety Code	River Hamble Harbour Authority	External - Maritime and Coastguard Agency	Certification of compliance with the Port Marine Safety Code. Compliance at 3 yearly intervals. Expires March 2021
Compliance with Merchant Shipping (Oil Pollution Preparedness Response and Co-operation Convention Regulations 1998)	River Hamble Harbour Authority	External - Maritime and Coastguard Agency	Endorsement of Oil Spill Contingency Plan. Compliance with Merchant Shipping (Oil Pollution Preparedness Response and Co-operation Convention Regulations 1998). 5 yearly intervals. Expires August 2023
Compliance with the Merchant Shipping and Fishing Vessels' (Port Waste Reception Facilities) Regulations 2003	River Hamble Harbour Authority	External - Maritime and Coastguard Agency	Endorsement of Port Waste Management Plan. Compliance with the Merchant Shipping and Fishing Vessels' (Port Waste Reception Facilities) regulations 2003. 3 yearly intervals. Expires September 2020
Corporate Services			
2019 National Inclusion Standard	Corporate	External – Inclusive Employers	Participated in the 2019 Standard Assessment and awarded *Bronze* (September 2019)
Accreditation to ISO20000 Service Management and ISO27001 Information Security for IT services	IT services.	External - British Standards Institute (BSI)	Audited on compliance in July 2019, with certificate of compliance reissued in August 2019 to run until August 2020

Assessment title	Area	External/internal	Latest judgement
Public Sector Internal Audit Standards	Audit services	External - Institute of Internal Auditors	Awarded for 2015-2020
Shared Services infrastructure and business processes have been independently accredited to ISAE3402	Shared Services	External – audit undertaken by Ernst and Young	ISAE3402 has been successfully achieved for 19/20 based on the design of the control environment. This enables all partner organisations to get independent assurance comfort to an external accredited standard on the overall control environment. In 2020/21, this assurance work will extend to both the design and operation of controls
Annual Payment Card Industry (PCI) Data Security Standard	Corporate	Internal audit	Self-assessment against an industry standard, but is subject to Independent Internal Security Assessor

Appendix two: Response to Covid-19

The County Council implemented an effective response to the COVID-19 pandemic across all service areas, in line with central Government guidance, and commenced Recovery planning, working closely with wider partners across all Sectors. The County Council continues to adapt its response in line with the evolving situation. Key measures are outlined below.

- The County Council's Personal Protective Equipment (PPE) warehouse operation – a collaboration between County Supplies, Emergency Planning and Hampshire's voluntary network - was described as 'gold standard' by the Royal Logistics Corps, commissioned by the Government to review England's LRF procedures. Designed to ensure the County Council's care and nursing homes are stocked with compliant PPE, the warehouse acted as a 'resource of last resort' for Local Resilience Forum partners' key workers, and the county's independent care sector. The warehouse operation has made more than 750 deliveries and collections across the county since lockdown began on 23 March 2020.

- Extensive partnership arrangements were established to implement the Government's shielding programme, thereby reducing the risk of severe illness to Hampshire's most vulnerable residents. This included establishing the *hantshelp4vulnerable* helpline and implementing a network of *Local Response Centres* to coordinate provision of voluntary support within local communities. Care homes also stopped all but emergency visits to protect vulnerable residents.

- Hampshire's schools and childcare providers remained open to vulnerable children and the children of Key Workers, including throughout the Easter break

- The restriction on the use of free bus passes by Hampshire's older and disabled residents before 9:30am was lifted to enable these residents to access dedicated early morning shopping hours.

- Hampshire Transport Management organised delivery of Personal Protective Equipment for Adults Services and maintained school meals distribution over the Easter break. In addition, the service modified its courier vans for mortuary purposes and provided transit vans to enable occupational therapists to transport large equipment around Hampshire.

- The County Council's catering service *HC3S* maintained provision of school meals to children who need them, including take-away food for those on free school meals who are not in school, and during school holidays.

- Hampshire's Domestic Abuse Service remained operational via a phone and online service. Access to refuge for those with urgent needs continues to be provided.

- Hampshire's libraries increased digital resources whilst libraries are closed, leading to an increase in membership of the digital platform, *Borrowbox*, by 770% in a single week in late-March 2020. In addition, fees for overdue items were frozen and the maximum loan limited was increased prior to library closures.

- Bus subsidy, concessionary fares, and home to school transport payments where students use bus services were maintained, providing support to Hampshire's bus operators. A retention rate is also giving financial assistance to contractors who provide taxi and minibus journeys for Home to School Transport purposes.

- Essential highway maintenance and support services continued to keep highways and buildings operating safely and effectively. Non-essential maintenance works, and new developments were suspected temporarily.

- Facilities Management maintained the cleanliness of buildings during the pandemic, and security and building checks continued on closed site.

- Support and advice was provided to Hampshire businesses across a range of areas including: the Job Retention Scheme; Business Interruption Loan Scheme; Self-Employed Income Support Scheme; Business Rate holidays for nurseries and the retail, leisure and hospitality sector; VAT and Tax payments; cash grants for retail, hospitality and leisure businesses; and the extension of Business Improvement Districts (BIDs) arrangements.

- The County Council communicated over 500 plus news items, with 91% neutral or positive media coverage.

Appendix three: 2019-20 key performance achievements

***Serving Hampshire* priority**	**Achievement**
Outcome one: Hampshire maintains strong and sustainable economic growth and prosperity	361 County Council staff started an apprenticeship in 2019-20, bringing the total to c.900. The County Council's Levy Transfer Scheme was also rolled out to small and medium sized employers in Hampshire, supporting employers who train apprentices within Hampshire, prioritise apprenticeships for vulnerable people and priority sectors.
	In May 2019, work started on a £45m maintenance, repair and overhaul facility for the jet manufacturer Gulfstream, in Farnborough. The 200,000 sq ft state of the art facility is due for completion in June 2020 and will create up to 600 new jobs. The County Council's Economic Development function has worked with the Enterprise M3 Local Enterprise Partnership, Farnborough Airport and Rushmoor Borough Council to deliver a package of measures to support the company's relocation, and the County Council won the Best Implementation award from the Institute of Economic Development (IED) for its role in securing this investment.
	The County Council maintained a score of 53% satisfaction with highways maintenance in the 2019 National Highways and Transport Public Satisfaction Survey, higher than the national average (52%). Performance also exceeded the national average for satisfaction with the cleanliness of roads (61%, compared with a national average of 56%) and cold weather gritting operations (65%, compared with a national average of 60%).
	The County Council committed an extra £5m funding for 2020-21 to repair potholes and road damage following the wettest autumn on record. Hampshire Highways deployed over 50 repair teams, four pothole patching machines and 21 drain cleansing units across the county in early 2020 address road damage.
	£13m funding was secured by the County Council from the Enterprise M3 Local Enterprise Partnership for the Brighton Hill improvement scheme in Basingstoke. The investment totals £20 million, which will involve improvements to roads and roundabouts in the area.
	The County Council signed up to the *Positive Parking Agenda* - a national initiative between local authorities and the British Parking Association, which works to promote best practice in the parking sector

***Serving Hampshire* priority**	**Achievement**
	Effective plans were put in place to ensure Hampshire's readiness for the UK's department from the European Union on 31 January. This included: • working with the local stakeholders and national Government agencies to identify and prepare sites for Heavy Goods Vehicles to wait in a safe and managed way; • surveying Voluntary and Community Sector organisations in Hampshire to understand concerns regarding EU Exit, and support required; • launching dedicated webpages signposting information, advice and guidance as part of a wider communications and engagement strategy; • supporting local Chambers of Commerce to secure funding from the Government's Business Readiness Fund, used to deliver bespoke events on trade (export and import) and to support Small and Medium Sized Enterprises; and • promoting the European Settlement Scheme.
Outcome two: people in Hampshire live safe, healthy and independent lives	Ofsted rated the County Council's Children's Services as ***Outstanding*** in all areas. The County Council is one of only two authorities to have received this judgement across the board.
	Over 97% of parents in Hampshire were offered a place for their child at one of their preferred choices for a secondary school. Of those who applied for a Year 7 place for September 2020 by the application deadline, more than 92% were offered a place at their first-choice school. In addition, more than 98% of Hampshire families (not including Portsmouth and Southampton) applying for school places for Year R and Year 3 were successful in obtaining one of their top three choices for September 2019, consistent with 2018's performance of 99%
	At the end of Key Stage 2 (Year 6, age 11) 68% per cent of Hampshire's primary school children met the required standards for reading, writing and mathematics, compared with 65% nationally. As well as the overall score, the percentage of Hampshire children who achieved the expected level in individual subjects was higher than the national average: • reading: 76% versus 73% nationally; • writing: 81% versus 78% nationally; and • mathematics: 80% compared with 79 per cent nationally.

***Serving Hampshire* priority**	**Achievement**
	A-level, vocational and technical results showed improvement when compared with the previous year, with the average A-level grade moving up to a B minus from a C plus in 2018. Point scores (translating to UCAS points) across all types of qualification have also improved to an average of: • 35.5 at A-level (up from 33.4 in 2018); • 29.9 for technical qualifications (compared with 28.2 the previous year); and • 39.6 for vocational qualifications (against 27.8 last year)
	In Hampshire, 68.4% of pupils taking GCSE exams in 2019 achieved a pass at grade 4 in English and Mathematics, compared to 66.7% in the previous year and a national average of 64.9%. The 'attainment 8' outcome, which measures the results across the wider curriculum, also improved from a score of 47.2 in 2018 to 47.6 in 2019, above the national average of 46.8.
	Children in Hampshire read over 174,000 books over the summer period as part of this year's Summer Reading Challenge – 73,500 more than in 2018.
	The Hampshire Safeguarding Children Board and NHS West Hampshire Clinical Commissioning Group were recognised at national level for the ICON initiative, being awarded *Regional Winner for Excellence* in Primary Care in the NHS Parliamentary Awards. The ICON Preventative Programme (https://iconcope.org) takes a multi-agency approach to supporting parents and carers to cope with a crying baby, reducing the risk of Abusive Head Trauma.
	The County Council successfully increased the number of people receiving support for substance misuse, with 999 people accessing the Hampshire Substance Misuse Treatment Service in 2019 compared to 744 in 2016 (a 34% increase – the highest growth across the South East).
	The Carers' Support and Dementia Advisor Service, provided by Andover Mind, launched across the county on 1 September 2019. This Hampshire-wide service was commissioned jointly by the County Council, NHS Hampshire Clinical Commissioning Group (CCG) and the Hampshire and Isle of Wight Partnership of CCGs to provide support and advice to people aged 18 and over who care for another adult, as well as people living with dementia.

***Serving Hampshire* priority**	**Achievement**
Outcome three: People in Hampshire enjoy a rich and diverse environment	The Hampshire 2050 Commission concluded its inquiry into key issues likely to shape Hampshire over the next 31 years. The Commission's final report set out a vision for Hampshire's future that addresses the challenges of climate change, whilst taking advantage of opportunities. The report and recommendations were endorsed by the County Council in September 2019.
	CO2 emissions from the County Council's operations continued to reduce, down to 75,868 tonnes in 2018/19 (the most recent data) from 78,685 tonnes in 2017/18, and surpassing the target of 78,000 tonnes.
	Annual bus patronage figures for 2018/19 show that passenger numbers in Hampshire rose from 31.0m to 31.m, in contrast to a national reduction from 4.34bn to 4.32bn
	The County Council announced £370,000 to provide 136 new charging points for electric vehicles, following a 55% increase in electric vehicle registrations in 2018. This is just one aspect of the County Council's programme of work to address the Climate Change emergency and support carbon neutrality.
	A virtual tour of the Royal Victoria Hospital was introduced at the County Council's Royal Victoria Country Park enabling people to experience the Hospital online, as well as through Virtual Reality headsets, which can be used for free within the chapel.
	The County Council's Country Parks were awarded the *Green Flag* status in 2019. Lepe, River Hamble, Queen Elizabeth and Royal Victoria country parks have the highest possible environmental standards. Royal Victoria Country Park also received the Green Heritage Site Accreditation for the management of its historic features.
Outcome four: people in Hampshire enjoy being part of strong, inclusive communities	The Hampshire Domestic Abuse Service launched on 4 June 2019, providing crisis accommodation and community-based support to break the cycle of abuse for families across Hampshire.
	Between 2015 and 2019 Hampshire's Supporting Families programme saved and avoided costs totalling £27million to the public purse, according to an independent evaluation by Solent University. The multi-agency approach to working with families was embedded within the County Council's Family Support Service Hubs.

Serving Hampshire priority	Achievement
	The County Council supported a range of events to commemorate the 75th anniversary of D-Day across the county. These included the *Lepe into History* Festival in June and a concert in Gosport which brought together 90 Junior School children and students from the Hampshire Music Service.
	The County Council secured the 15th July as a designated *Hampshire Day*, providing an annual opportunity for people across the county to share in celebrating Hampshire's history, its traditions, and the diverse culture of Hampshire communities. As part of the national campaign to celebrate historic counties of England, the Lord-Lieutenant of Hampshire, together with Hampshire local authorities and other organisations, supported the design and registration of a county flag. The flag is not owned by any one organisation but signifies the whole of Hampshire.
	The County Council signed up to the Mental Health Prevention Concordat, which was officially launched at an event for World Mental Health Day on 10th October. The Concordat involves a pledge to work with partners to collectively develop an approach to improve wellbeing and prevent mental ill health across the county.
	A new video explaining the steps that Armed Forces parents and carers need to take to secure a school place for their child was developed and launched by the County Council, helping to remove disadvantage for Service families. Furthermore, during 2019/20 the Council has secured £125,041 from the Covenant Trust Fund, and organisations were supported to secure £62,998 grant funding for projects, to support the Armed Forces Community in Hampshire.
The way we work: • Develop accessible and efficient online services • Work closely with our partners • Use taxpayers' money wisely • Value people's differences • Keep improving	Customer satisfaction within the County Council for its Integrated Business Centre averaged 88% satisfied (% of customers scoring the service 6 out of 10 or more) and 84% highly satisfied (% of customers scoring the service 8 out of 10 or more) at the end of 2019, the highest level on record - with the satisfaction of service users assessed by the Institute of Customer Services (ICS). The service recorded a UK Customer Satisfaction Index (UKCSI) score of 69% for 2019, 5% higher than seen in 2018.

***Serving Hampshire* priority**	**Achievement**
	A new Joint Working Agreement was agreed between Hampshire's Property Services and Southampton City Council, providing a potential further source of income for the County Council.
	The County Council retained the *Bronze* Inclusion Standard for the second year following an external assessment by Inclusive Employers. Of the 20 organisations that participated in the 2019 Standard, the County Council ranked third and top of the *Bronze* category.

Appendix four: draft Modern Slavery Statement

HAMPSHIRE COUNTY COUNCIL

DRAFT MODERN SLAVERY STATEMENT FOR FINANCIAL YEAR 2020-21

ISSUED PURSUANT TO SECTION 54 OF THE MODERN SLAVERY ACT 2015

1. Introduction

Modern slavery, which includes human trafficking, is the illegal exploitation of people for personal or commercial gain. It can take various forms, including:

- Domestic exploitation;
- Labour exploitation;
- Organ harvesting;
- EU Status exploitation;
- Financial exploitation;
- Sexual exploitation[8]; and
- Criminal exploitation.

Hampshire County Council (the Council) is fully committed to preventing slavery and human trafficking in its business activities and across its supply chains – and to being open and transparent about any specific instances of slavery identified.

In line with best practice, and in compliance with Section 54 of The Modern Slavery Act 2015 (The Act), this statement sets out the actions taken by the County Council to understand, prevent and address all modern slavery risks within its services (directly provided and commissioned) and supply chains.

The County Council also recognises its legal duties under Section 43 of the Act, which states that specified public authorities (including local authorities) have a duty to cooperate with the Independent Anti-Slavery Commissioner. Specifically, this means that:

- the Commissioner may request the County Council to cooperate in any way that the Commissioner considers necessary for the purposes of the Commissioner's functions;
- the County Council must, in so far as reasonably practicable, comply with a request made to it under Section 43.

The Commissioner's Strategic Plan identifies several priorities, including *best practice within partnership working*. The County Council demonstrates this through its membership of the Hampshire and Isle of Wight Modern Slavery Partnership, which takes a cohesive approach to addressing the risks of modern slavery, and ensuring Hampshire is a supportive place for victims and a hostile place for perpetrators of slavery.

2. Organisation and supply chains

Hampshire County Council is a large upper tier authority in the South East of England. It spends around £1.9 billion a year on serving Hampshire's 1.3 million residents across eleven

[8] Further information about the modern slavery, its types and prevalence can be found on the Hampshire and Isle of Wight Modern Slavery Partnership's website: https://www.modernslaverypartnership.org.uk/index.php.

districts/boroughs: Basingstoke and Deane, Eastleigh, East Hampshire, Fareham, Gosport, Hart, Havant, New Forest, Rushmoor, Test Valley and Winchester.

This statement directly supports the County Council's *Serving Hampshire* Strategic Plan (2017-2021). This contains four strategic aims, including a commitment to ensuring people in Hampshire enjoy being part of strong, inclusive communities and can live safe, healthy and independent lives.

In achieving its objectives, the County Council provides a diverse range of public services delivered both in-house, through external contractors and in partnership. Consequently, the County Council has an equally diverse supply chain. For full information on the County Council's organisational structure, please refer to its website: https://www.hants.gov.uk/aboutthecouncil/governmentinhampshire. Information on the County Council's business activities and supply chains is set out in Appendix A.

This statement covers all activities of the County Council and encompasses direct employees, agency workers and services delivered on behalf of the County Council by third party organisations and in its supply chains.

3. Country of Operation and Supply

The County Council operates in the United Kingdom[9], where data suggests incidents of modern slavery are growing in prevalence. For example, according to the Government's UK Annual Report on Modern Slavery, there was a 36% rise between 2017 (5,138) and 2018 (6,985) in the potential victims referred to the National Referral Mechanism. The number of modern slavery crimes recorded by the police grew by 49% between March 2018 and March 2019, when there were 5,059 recorded offences in England and Wales[10]. In this context, the County Council remains vigilant and will take all steps available to manage risks presented.

Any organisation that works with the County Council, i.e. partnerships and suppliers, which are covered by Section 54 of the Act, are expected to understand and comply with the Act's requirements.

The County Council's procurement and contract management activities (set out below) help to ensure that the Authority works with compliant organisations. In addition, suppliers are expected to carry out checks on their sub-contractors to ensure there is no slavery or human trafficking in their own supply chains.

4. Responsibilities

The County Council's Corporate Management Team is responsible for ensuring appropriate recruitment, employment and purchasing policies are in place and reviewed on an annual basis.

Directors are responsible for ensuring that robust risk assessments are undertaken across relevant service areas where there is deemed to be a risk of modern slavery, including human trafficking. Modern Slavery risks are identified and mitigated within departmental risk

[9] The County Council also has an officer presence in Brussels

[10] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/840059/Modern_Slavery_Report_2019.pdf

registers, with areas of medium – high risk added to the Corporate Risk Register, held centrally, as deemed necessary by departmental Directors.

Service managers are responsible for ensuring that corporate policies - such as those relating to the recruitment of personnel or procurement of goods and services – are adhered to by staff, and that all relevant training relating to modern slavery is undertaken and kept up to date (see section eight below).

It is the responsibility of all staff – including those directly employed by the County Council, agency staff and within commissioned services, to report any concerns regarding modern slavery.

5. Policies

The County Council has a wide range of policies and processes in place which support its commitment to preventing and tackling modern slavery throughout its business operations. All policies are subject to robust assurance processes, are agreed by the relevant Board or Committee, and are reviewed on a regular basis to ensure they remain complaint and fit for purpose. These include:

Employee code of conduct – The County Council expects the highest standards of behaviour and ethical conduct from its employees. This code sets out the standards expected of staff when representing the Authority. The code also applies to contractors, agency staff and volunteers. Any breaches are investigated, and action taken as necessary.

Expectations of suppliers – The County Council requires its suppliers to provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and legally in their use of labour. Violations of these expectations will lead to review and investigation and ultimately may lead to the termination of the business relationship, if the supplier is found not to have taken appropriate corrective actions.

Pay – The County Council operates a job evaluation system which is objective and non-discriminatory and supports the principles of equal pay. All County Council employees are in receipt of at least the UK minimum wage.

Agency workforce – The County Council uses a Managed Service provider – Connect2Hampshire – to source temporary agency staff, apart from a small number of very specific exceptions. Connect2Hampshire is a joint venture partnership between the County Council and Commercial Services Kent Ltd. Connect2Hampshire directly sources agency workers, as well as through reputable employment agencies (who are part of their procurement framework), to provide agency workers. The County Council's contract to source temporary staff, delivered through Connect2Hampshire, similarly mandates the use of the UK minimum wage and robust immigration and other compliance checks as required for specific roles, prior to placing a candidate within the County Council. Connect2Hampshire also conduct compliance audits with their supply chain.

Emergency planning – The County Council has a duty to partake in the multi-agency response to investigations into modern slavery by assisting victims. Its Children's Services

and Adults' Health and Care teams work daily to uphold the Authority's duties to safeguard adults and children, as set out in legislation[11].

Safeguarding Hampshire's residents – The County Council has a duty to safeguard Hampshire residents and has a range of policies and procedures in place to protect vulnerable groups from harm and abuse. For example, modern slavery is referenced throughout the Adults' Health and Care Department's care governance including, for example, being embedded within the social work practice manual. Similarly, Children's Social Care Safeguarding policies and procedures set out the County Council's duty to identify the risks associated with Child Exploitation and to stop children becoming the victims of Child Exploitation, including Trafficking and Modern Slavery.

Inclusion and diversity – The County Council is committed to ensuring all Hampshire residents enjoy being part of strong, inclusive communities – and that it continues to be an inclusive employer with a diverse workforce. The Authority's Equality Objectives set out how it will support the aims of the Equality Act 2010. These are upheld by a range of policies and procedures designed to advance equality of opportunity and provide fair access and treatment in employment, the delivery of services and partnership working.

Whistleblowing policy – the County Council is committed to the highest standards of openness, probity and accountability. As such, employees, customers and other business partners are encouraged to report any concerns related to the direct activities, or the supply chains, of the organisation. This includes any circumstances that may give rise to a heightened risk of modern slavery. The County Council will endeavour to resolve such concerns without the need to raise a whistleblowing complaint – however, it is also recognised that this is sometimes necessary. The whistleblowing procedure is designed to make it easy for people to voice serious concerns without fear of harassment or victimisation.

6. Due diligence and risk management

The County Council undertakes due diligence in both its recruitment processes, and when reviewing or taking on new suppliers.

Recruitment processes – The County Council has robust recruitment policies and processes in place which ensure that all prospective employees undergo immigration and pre-employment checks in line with the latest UK guidance on Right to Work Checks (e.g. can confirm personal identifies and qualifications, are paid directly into an appropriate, personal bank account and can supply evidence of eligibility to work in the UK). All staff with responsibilities for recruitment and selection receive appropriate training, including their legal obligations under existing employment legislation. Agency appointments are subject to the same rigour.

Managing Supply Chains: The County Council takes a practical, risk-based approach to managing its supply chain by identifying key risk areas and working with suppliers to monitor and mitigate these where practicable. Contract management is devolved across the County

[11] The Care Act 2014; the Children Act 1989; Working Together to Safeguard Children 2018

Council and it is the responsibility of individual contract managers to undertake appropriate due diligence checks when taking on new suppliers.

As a Contracting Authority, the County Council undertakes procurement in compliance with the UK Public Contract Regulations 2015. The Standard Selection Questionnaire (asked in all competitive tenders) includes a requirement to declare and evidence (where applicable) compliance with the Modern Slavery Act 2015.

The County Council's due diligence and reviews include:

- requiring suppliers covered by the Act to self-certify that they comply with the Modern Slavery Act, as part of the tender process;
- including provisions in all new contracts requiring compliance with the Modern Slavery Act and enabling contact suspension / termination in the event of a breach where deemed necessary; and
- introducing action plans / sanctions where areas of poor compliance and/or performance are identified.

7. Reporting suspicions of modern slavery

If the County Council, or any of its staff, suspects slavery or human trafficking activity either within the organisation or through its supply chain, it will be reported to Hampshire Constabulary via the Modern Slavery Helpline (08000 121 700)[12]. Concerns with regard to children are also reported through the Hampshire Multi-Agency Safeguarding Hub (MASH). The County Council will also fulfil its statutory obligations to refer via the National Referral Mechanism where required.

8. Staff training and capacity building

All staff undertaking recruitment are required to complete Hiring Manager eLearning. This includes tailored information on how to recruit safely and mitigate the risk of modern slavery occurring in the supply of labour. The eLearning also signposts to a separate online learning tool intended to raise awareness of the signs of modern slavery and human trafficking. This is available to all staff via the County Council's Learning Zone.

The County Council also works through the Hampshire Modern Slavery Partnership to improve professionals' understanding of their responsibilities, and to increase the level of reporting by both professionals and the public. For example:

- establishing a partnership engagement plan which incorporates a quarterly media campaign focusing on how to spot the signs of modern slavery and promotes the Modern Slavery Helpline;
- providing awareness raising materials, training and events, including the 'enslaved' theatre production to mark Anti-Slavery Day 2019; and
- utilising the partnerships website and Community Partnership forum to share to information.

Regular communication activity and involvement in national events and campaigns support awareness raising. Examples include:

[12] https://www.modernslaverypartnership.org.uk/contact-us/

- supporting Anti-Slavery Day (18th October 2019), which included alerting staff to its message, via HantsHeadlines;
- marking the International Day of Abolition of Slavery (2nd December 2018), which included dedicated staff communications, via HantsHeadlines;
- contributing to, and signposting, external resources, including a regional awareness raising video produced by South East England Councils, of which the County Council is a member.

Signed:

Chief Executive:

Date:

Appendix A – Business Activities and Supply Chains

A wide range of business activities are undertaken by the Council and across its five departments, as summarised below:

Corporate Services - activities include Human Resources, IT, Finance, Legal, Audit and Procurement, Marketing and Communications

Adult's Health and Care (AHC) - activities include Safeguarding, Care Homes, Support for Adults with Disabilities

Children's Services - activities include Education (including schools) Fostering and Adoption, Care Homes, Youth Offending and Safeguarding

Culture, Communities and Business Services (CCBS) - activities include Property Services, Facilities Management, Country Parks, Fleet Management, Printing, Catering (including in Schools, Country Parks and Staff Canteen), Asbestos Management, Libraries, Registration Service, Trading Standards and County Supplies.

Economy, Transport and Environment (ETE) – activities include Highways, Traffic, Transport, Waste, Economic Development.

Appendix five: Detail of individual decisions made by the Local Government and Social Care Ombudsman during 2019-20

Department	Complaint	Decision	Remedy	Remedy Completed
Children's Services	The Council failed to consistently provide the school transport their son was legally entitled to.	Upheld	Financial remedy £2535	Yes
Adult's Health and Care	The Council's billing for care services it provided his mother was inaccurate.	Upheld	Send revised bill to complainant	Yes
Adult's Health and Care	The Council failed to deal properly with their son's placement at Care Home B, resulting in the placement breaking down and significant inconvenience to them. The Council failed to ask the Care Provider to sign a new contract and failed to take action which may have prevented the dispute over fees from escalating.	Upheld	Financial remedy £300 and apologise	Yes
Adult's Health and Care	The Council failed to deal properly with the complainant's request for an increase in the client's direct payments. While accepting it has not dealt with this matter properly, the Council has also failed to pay an increase in the cost of the live-in carer.	Upheld	Financial remedy £250, increased cost of live-in carer to be backdated, apology letter	Yes
Children's Services	The complainants' child was out of education for 18 months, and the Council handled their complaint poorly. The delays in getting their child into education have disadvantaged their child.	Upheld	Apologise	Yes

Department	Complaint	Decision	Remedy	Remedy Completed
Children's Services	The Council decided to close the school the complainant's child attended.	Not upheld	N/A	N/A
Children's Services	There was fault in the way the Council dealt with the complainant's application and appeal for home to school transport for the complainant's child.	Not upheld	N/A	N/A
Adult's Health and Care	There was fault in the quality of care given by a care home and NHS Trust to the complainant's family member.	Upheld	Apologise, financial remedy £1011.20	Yes
Children's Services	A school transport appeals panel failed to properly consider the complainant's appeal against a decision by the Council to withdraw home to school transport.	Not upheld	N/A	N/A
Adult's Health and Care	Staff from the Council and Southern Health NHS Foundation Trust failed to follow the proper procedures and the guiding principles of the Code of Practice when deciding that her family member should be detained under section 3 of the Mental Health Act 1983.	Not upheld	N/A	N/A
Economy, Transport and Environment	There was fault in the actions of the Council over highways works to create a new pedestrian crossing place on a street close to his home.	Not upheld	N/A	N/A
Children's Services	The Council delayed placing her daughter in an appropriate school, which resulted in her missing out on	Upheld	£1,200	Yes

Department	Complaint	Decision	Remedy	Remedy Completed
	special educational need (SEN) provision for a term.			
Children's Services	The Council mishandled the annual review of the complainant's child's Education, Health and Care plan, and failed to advise of the right to appeal to the Special Educational Need and Disability Tribunal. This meant the child remained at a school which was unsuitable and led to the child's exclusion. The Council failed to make alternative provision for the child in good time; and when it did, the provision was inadequate.	Upheld	Financial remedy £1500, reminders to staff to ensure plan is being delivered by provider. Update website to identify named officer. Update policy on provision of education for children out of school with medical needs. Undertake a full review of how it handles the key elements of the complaint	Yes
Children's Services	The Council failed to complete the complainant's child's EHC Plan before the start of a new school term.	Upheld	Financial remedy £100, undertake EHCP	Yes
Adult's Health and Care	The Council has failed to approve the complainant's application for a disabled facilities grant (DFG) to provide the complainant with a downstairs toilet. The complainant says the toilet is necessary because of a disability, but the Council it is not as the condition is temporary.	Not upheld	N/A	N/A
Children's Services	The Council failed to provide the complainant's child with education for four months and there were delays handling the complaint. The complainant's child missed out on education and exacerbated the	Upheld	N/A	N/A

Department	Complaint	Decision	Remedy	Remedy Completed
	child's illness. The complainant had to provide the child with education.			
Children's Services	The Council included inaccurate information in its assessment. The Council failed to implement actions included in the Child Protection Plan. The Council failed to address these issues in its responses to the complaint.	Not upheld	N/A	N/A
Adult's Health and Care	A care home failed to properly deal with allegations that the complainant made inappropriate comments to a carer. The Council funded the complainant's care, therefore, it is responsible for any fault by the care home.	Upheld	Apologise – unfortunately this can not be delivered as complainant is now deceased	N/A
Adult's Health and Care	The Council failed to carry out an assessment of his care needs.	Not upheld	N/A	N/A
Children's Services	The Council did not handle the annual review process for the complainant's children's Education and Health Care (EHC) Plans properly.	Upheld	Financial remedy £200	Yes
Children's Services	The Council's handling of child protection matters concerning the complainant's grandchild.	Not upheld	N/A	N/A

Department	Complaint	Decision	Remedy	Remedy Completed
Children's Services	The Council failed to have a policy in place that complied with relevant legislation with regard to home to school transport for young people of sixth form age. As a result the complainant's application for home to school transport to enable the complainant's child to attend the college named on the child's Education, Health and Social Care Plan was refused and this resulted in the child missing out on two terms of education for which transport should have been provided.	Upheld	Financial remedy £5100 and review other affected cases	Yes
Children's Services	The Council's decision to change the complainant's child's home-to-school transport arrangements.	Upheld	Resubmit appeal, revise Home to School transport policy	Yes
Corporate Services	The Council agreed to deal exclusively with the complainant when he was buying a house from it. The complainant then spent £2,000 on searches and a survey. The Council received a higher offer and withdrew from the sale to the complainant.	Upheld	Financial remedy £2,250, apologise	Yes
Corporate Services	The Independent Appeal Panel did not admit the complainant's child to the first preference school. This caused the complainant inconvenience and distressed the complainant's child.	Not upheld	N/A	N/A

Department	Complaint	Decision	Remedy	Remedy Completed
Children's Services	The Council did not provide her son with adequate alternative education in a timely manner when he was out of school.	Upheld	Financial remedy £200, apologise	Yes
Economy, Transport and Environment	The Council initially agreed to process a stopping-up order to extinguish the highway rights but then decided not to go ahead. The Council suggested a licence agreement instead but the complainant considered that unworkable.	Not upheld	N/A	N/A
Corporate Services	There was fault in the way the Council dealt with the school admissions appeal process the complainant's child.	Upheld	N/A	N/A
Corporate Services	There was fault in the way an independent admission appeals panel considered the complainant's appeal for a place for the complainant's child.	Upheld	N/A	N/A
Adult's Health and Care	The care home, which provides care for the complainant's parent, implemented an increase to its fees which was not in accordance with its terms and conditions.	Upheld	Financial remedy £100, review of financial arrangements with complainant, remove increased payments, apologise	Yes
Corporate Services	There was fault in the way an independent admission appeals panel considered the complainant's appeal for a place for the complainant's child.	Not upheld	N/A	N/A

Department	Complaint	Decision	Remedy	Remedy Completed
Adult's Health and Care	The Council failed to properly support the complainant's child during an emergency placement and the complainant says the care plan does not meet the complainant's child's needs.	Upheld	Financial remedy £200, apologise, provide detailed care plan	Yes
Adult's Health and Care	The Council failed to fully investigate safeguarding concerns the complainant raised about their partner. The complainant also complains about how the Council dealt with the complaint about this matter.	Upheld	N/A	N/A

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