

Public Document Pack



NOTICE OF MEETING

Meeting	Cabinet
Date and Time	Tuesday, 24th November, 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 3 - 26)

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 27 - 44)

To consider a report of the Chief Executive providing an update on the County Council's response to the Covid-19 crisis.

7. FINANCIAL UPDATE AND BUDGET SETTING AND PROVISIONAL CASH LIMITS 2021/22 (Pages 45 - 96)

To consider a report of the Director of Corporate Resources providing a financial update and an update on budget setting and provisional cash limits 2021/22.

8. ANNUAL SAFEGUARDING REPORT – CHILDREN'S SERVICES 2019-20 (Pages 97 - 112)

To consider the annual report of the Director of Children's Services regarding safeguarding.

9. ADULT SAFEGUARDING (Pages 113 - 128)

To consider the annual report of the Director of Adults' Health and Care regarding safeguarding.

10. HAMPSHIRE COMMUNITY SAFETY STRATEGY GROUP (Pages 129 - 138)

To consider a report of the Director of Adults' Health and Care providing an update on the work of the Hampshire Community Safety Strategy Group.

11. ANNUAL PREVENT REPORT (Pages 139 - 146)

To consider a report of the Director of Adults' Health and Care providing information and assurance on the County Council's delivery of the PREVENT duties and responsibilities.

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 observe the public sessions of the meeting via the webcast.

Public Document Pack Agenda Item 3

AT A MEETING of the Cabinet of HAMPSHIRE COUNTY COUNCIL held remotely on Tuesday, 29th September, 2020

Chairman:

* Councillor Keith Mans

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

Also present with the agreement of the Chairman: Councillor Carter, Glen, House, Huxstep, McNair-Scott, North, Oppenheimer and Warwick.

201. **APOLOGIES FOR ABSENCE**

All Members were present and no apologies were noted

202. **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.

Councillor Woodward declared a personal interest in the Changes to the Planning System, Major Developments and Infrastructure Funding and the M27 Junction 10 Scheme Update items by virtue of being Leader of Fareham Borough Council. With regards to the latter, he indicated his intention to respond to any Cabinet Members' questions at the beginning of the item and then leave the meeting.

Councillor Heron declared a personal interest in the Changes to the Planning System, Major Developments and Infrastructure Funding and Waterside Vision items.

203. **MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting were reviewed and agreed.

204. **DEPUTATIONS**

A deputation was received from Anne Stephenson, representing the Hampshire Climate Action Network, with regard to the “Climate Change Action Plan 2020-2025”. Ms Stephenson welcomed the work that had been undertaken to prepare the action plan and noting the expertise within her organisation, highlighted a willingness to provide a link between the County Council and local people. She questioned why not all of the suggestions arising from the stakeholder forum had been included and highlighted the need to develop the action plan further with timescales and estimated costs and savings to guide prioritisation.

A deputation was received from Sarah Gooding, representing Winchester Action on Climate Change, with regard to the “Climate Change Action Plan 2020-2025”. Ms Gooding welcomed the commitment from the County Council to the climate change programme and noted the high attendance at the August stakeholder event, although had hoped for more analysis of the community proposals set out in appendix three. She suggested that the action plan needed more work to link it to the climate change strategy, to make it quantifiable and for actions to be prioritised according to carbon savings and cost.

The Leader thanked both of the deputees for their contribution.

205. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman highlighted the ongoing objective of reducing the spread of the virus, which could be achieved by supporting each other. The need for greater testing and laboratory capacity was recognised as essential to monitoring and isolating the spread. It was anticipated that home working would largely continue for many people and the risks of social isolation were recognised. The successful reopening of schools was welcomed and it was noted that attendance in Hampshire had been above the national average.

206. **A PROGRESS REPORT 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.

At the invitation of the Chairman, Councillor Keith House addressed Cabinet. Councillor House thanked all involved for the work that had been done to keep the country and the county running. He noted that most areas were back to business as usual, with some residual issues relating to phone access. In light of possible future restrictions, Councillor House hoped that decision making would be consistent and well communicated to avoid confusion and help to ensure a positive path to recovery.

The Chief Executive introduced the report, highlighting public health responsibilities and the outbreak control functions. It was noted that rates of infection in Hampshire were rising but still relatively low and that across the country there was a significant range. The current position of testing capacity was drawn to Cabinet's attention and recent decisions regarding fairs in

Hampshire were set out. It was confirmed that the County Council was working closely with District colleagues to ensure that events that did go ahead complied with their mitigation commitments. With reference to the report, other key developments across the Council were highlighted and it was noted that although the phone lines did not have their original capacity, there was a robust system of service delivery in place through a variety of contact methods.

Cabinet welcomed the report and recognised that a highly efficient service continued to be offered despite the difficulties that were being faced. The possibility of improving testing with a rapid result option was discussed and it was noted that all testing provision was currently limited by laboratory capacity.

Members wished to emphasise the ongoing importance of social distancing and the actions that everyone could continue to take to prevent wider spread and infection. A particular strength of the County Council's in-house adult care provision being able to take people out of hospital safely, avoiding onwards transmission was highlighted and welcomed.

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

207. **FINANCIAL UPDATE**

Cabinet considered a report of the Director of Corporate Resources providing an update on the financial position of the County Council.

With the agreement of the Chairman, Councillor House addressed Cabinet. He recognised that it appeared unlikely that the Government would now reimburse the full financial impact of the Covid-19 pandemic and therefore the situation would remain very difficult. The possibility of another lockdown, with potential additional financial pressures, was recognised and the importance of local government emphasising its position as a key driver of response and recovery was highlighted.

The report was introduced and a number of key areas drawn to Cabinet's attention. It was noted that concerns about medium term sustainability already existed when the budget was agreed in February. There was now a strong likelihood of a single year financial settlement from government, which may not take the significant levels of inflation in service delivery into account. The Covid-19 crisis had exacerbated existing pressures through the unexpected extension of services, loss of income and increase in demand. There had furthermore been delays to saving expected under T21 as a number of programmes had been paused. The losses and other financial impacts set out in the report were outlined and the urgent need for proper compensation was emphasised. It was confirmed that the scenarios set out did not include the potential for further lockdown.

Members welcomed the comprehensive and unambiguous nature of the report and acknowledged the position it set out. It was clarified that government reporting requirements were very specific to ensure that a consistent comparison between areas could be achieved.

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

208. ADULTS' HEALTH AND CARE – YEAR 2 STRATEGY PROGRESS

Cabinet considered a report of the Director of Adults' Health and Care providing Cabinet with an update on the continued progress made by Adults' Health and Care over 2019/20 (the 2nd year) in relation to the Departmental Vision and 5 Year Strategy.

The report was introduced and it was confirmed that the three core priorities continued to provide a strong basis. Despite the challenges of recent months, service provision and relationships with partners remained strong and reliable.

Members welcomed the report and noted that all of the measures to achieve savings were also focussed on improving the quality of life for residents.

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

209. CLIMATE CHANGE ACTION PLAN 2020-2025

Cabinet considered a report of the Director of Economy, Transport and Environment presenting the Hampshire County Council Climate Change Action Plan 2020-2025.

The report was set out and a number of key points were highlighted. It was confirmed that work was being carried out with the Carbon Trust to establish a baseline and the potential carbon savings hadn't been calculated for each individual action because of the complexity and resources required to do so. Decision making tools were also being developed with the Carbon Trust to allow the impact of decisions on climate change to be understood and taken into account. The Plan was structured around the Climate Change Strategy, on the basis of its overarching areas, but was only to 2025 to allow flexibility and responsiveness. Many of the actions within the Plan could not be progressed within the County Council's budget and the ability to deliver was dependent on government funding. With regard to the specific proposed action of investing the Hampshire Pension Fund in the green economy, it was clarified that this would require a decision of the Pension Fund Panel and not Full Council.

At the invitation of the Chairman, Councillor Warwick addressed the meeting, highlighting the three components of strategy, plan and framework. She emphasised the value of community engagement in the process and suggested that a similar event could be held for parish and town Councils. Councillor Warwick noted the importance of the work with the Carbon Trust and praised the efforts of the team in reaching this stage.

Cabinet noted the guiding principle of "avoid, replace, reduce, offset" and were supportive of putting the County Council in the best possible position to bid for any government funding that became available, whilst also encouraging businesses and individuals to become more sustainable. It was recognised that

the Action Plan was a live document, which could be reviewed and incorporate new opportunities that arose. The high level of positive community engagement and input, through both the stakeholder event and through the deputations that had been received was welcomed. It was acknowledged that there was much more to do, but agreed that a strong starting position had been reached and that by embracing a realistic approach to change, genuine progress would be achieved.

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

210. CHANGES TO THE PLANNING SYSTEM, MAJOR DEVELOPMENTS AND INFRASTRUCTURE FUNDING

[Councillor Woodward declared a personal interest as Leader of a District Council. Councillor Heron declared a personal interest as both a planning consultant and a member of a District Council]

Cabinet considered a report of the Director of Economy, Transport and Environment updating Cabinet on changes to the Planning System, Major Developments and Infrastructure Funding.

At the invitation of the Chairman, Councillor House addressed Cabinet. He welcomed the report and highlighted a number of points regarding the dual planning and housing responsibilities of District councils. It was suggested that housing allocations would be better decided locally or regionally within a wider national target and recognised that developer contributions needed to be shared consistently.

The key aspects of the forthcoming changes arising through new legislation were highlighted with reference to the report. It was confirmed that the Government's new distribution formula has the effect of pushing development to more rural areas, which contradicts other policies. A number of major developments in Hampshire were set out. Members heard that there was an opportunity to take advantage of a return to Section 106 developer contributions, which had been successful in the past and therefore should be utilised for as long as possible.

Cabinet welcomed the report and supported a return to Section 106 funding as well as the progress of the major developments. Members agreed that local determination of housing need and distribution would better meet local requirements. There was concern that the changes would add to uncertainty and reduce the delivery of housing and also disappointment that the changes did not include a requirement for fibre broadband as an essential service.

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

211. WATERSIDE VISION

[Councillor Heron declared a personal interest as both a planning consultant and a member of a District Council]

Cabinet considered a report of the Director of Economy, Transport and Environment regarding the Waterside regeneration proposals.

Members welcomed and supported the statement of ambition for the area from the three relevant authorities and noted the opportunities for growth, sustainability and benefit to the community.

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

212. **M27 JUNCTION 10 SCHEME UPDATE**

Cabinet considered a report of the Director of Economy, Transport and Environment regarding the M27 Junction 10 improvement scheme.

In introduction to the report, the Director confirmed that the proposed local development could not be realised without significant improvements to the motorway junction. The County Council's position as scheme promoter and the funding of the scheme from the Solent LEP was clarified. It was noted that County Council resources for the design could not be committed beyond the funding that was available and there would be a need to review the position of scheme promotor at the end of phase three.

Councillor Woodward declared a personal interest as Leader of Fareham Borough Council. He noted that the report had been prepared prior to a funding offer from the Solent LEP. He emphasised the importance of the scheme and the risks of delay. He confirmed no work would be undertaken until necessary infrastructure was identified and funded and full funding for the scheme was in place. Following his statement, Councillor Woodward left the meeting.

Cabinet acknowledged the position set out in the report and were supportive of the scheme taking place, whilst recognising that full funding needed to be in place for it to go forward. It was noted that positive engagement was underway with the Solent LEP with regards their funding offer and that it was hoped that mutually acceptable terms for the funding could be reached shortly.

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

Chairman,

HAMPSHIRE COUNTY COUNCIL

Decision Record

Decision Maker:	Cabinet
Date:	29 September 2020
Title:	A Progress Report 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 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 what remains such a substantial and fast changing situation
- 1.2. Note in particular the additional developing initiatives that have been introduced since the most recent report including the further support to the wider care home sector, the preparations for the extended re-opening of schools in September, and the bedding in of the County Council's new responsibilities to the oversight of outbreak control through the Health Protection Board and the Leader led Local Outbreak Engagement Board as a sub-committee of the Cabinet.
- 1.3. Continue to recognise the on-going exceptional 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:

Chairman of Cabinet
Councillor Keith Mans

29 September 2020

HAMPSHIRE COUNTY COUNCIL

Decision Record

Decision Maker:	Cabinet
Date:	29 September 2020
Title:	Financial Update
Report From:	Director of Corporate Resources

Contact name: Carolyn Williamson

Tel: 01962 847400

Email: Carolyn.williamson@hants.gov.uk

1. The decision:

That Cabinet:

- 1.1. Notes, with concern, the latest Covid-19 financial position compared to that reported to Cabinet in July.
- 1.2. Notes the additional urgent decision taken in respect of a second temporary mortuary as outlined in paragraph 24.
- 1.3. Delegates authority to the Deputy Chief Executive and Director of Corporate Resources in consultation with the Leader and Chief Executive to allocate the additional £7.6m of grant funding as appropriate, together with any other future funding that may be announced.

2. Reasons for the decision:

- 2.1. To provide a further update on the financial position for the County Council in view of the impact of the Covid-19 pandemic.

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

29 September 2020

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	29 September 2020
Title:	Adults' Health and Care – Year 2 Strategy Progress
Report From:	Director of Adults' Health and Care

Contact name: Graham Allen

Tel: 0370 779 5574

Email: Graham.allen@hants.gov.uk

1. The decision:

1.1. That Cabinet:

- a) Note and endorse the continued good progress made by Adults' Health and Care in the past year (year 2) against the Vision and 5 Year Strategy that was approved by Cabinet in April 2018.
- b) Acknowledge the key achievement examples referenced in section 2019/20 progress (paragraphs 24-35) of the report.
- c) Note the key work that is planned for 2020/21 (see section "the year ahead paragraphs 36-42), which, understandably is being heavily influenced by the on-going Covid-19 response and recovery.
- d) Note that updated Covid-19 proofed Market Position Statements will be finalised and published in the second half of 2020/21.

2. Reasons for the decision:

- 2.1. To provide Cabinet with an update on the continued progress made by Adults' Health and Care over 2019/20 (the 2nd year) in relation to the Departmental Vision and 5 Year Strategy that was approved by Cabinet in April 2018.

3. Other options considered and rejected:

- 3.1. None

4. Conflicts of interest:

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

5. Dispensation granted by the Conduct Advisory Panel: None

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

7. Statement from the decision maker:

Approved by:	Date:
-----	29 September 2020
Chairman of Cabinet Councillor Keith Mans	

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	29 September 2020
Title:	Climate Change Action Plan 2020-2025
Report From:	Director of Economy, Transport and Environment

Contact name: Chitra Nadarajah

Tel: **Email:** chitra.nadarajah@hants.gov.uk

1. The decision:

That the Cabinet

- 1.1. Approves the Climate Change Action Plan 2020-2025 as set out in Appendix 1 of the report including the new section 'Framework for Strategic Programmes' set out in Appendix 2.
- 1.2. Approves the Carbon Hierarchy as set out in the Strategy as the key to our approach – 'Avoid, Reduce, Replace, Offset'.
- 1.3. Approves the proposed decision-making tools and how they will be used to assess the impact of decisions on carbon emissions and resilience to climate change.
- 1.4. Approves the proposed process for implementation, monitoring, review and reporting of the Action Plan.
- 1.5. Approves sharing the reports with relevant National ministries and Select Committees.

2. Reason for the decision:

- 2.1. To uphold the commitment to develop a climate change Strategy and Action Plan following the County Council's declaration of a climate emergency in June 2019 and the endorsement of the 2050 Commission recommendations in September 2019.

3. Other options considered and rejected:

- 3.1. Not to develop a Strategy and Action Plan following the climate emergency declaration.

4. Conflicts of interest:

4.1. Conflicts of interest declared by the decision-maker:

4.2. Conflicts of interest declared by other Executive Members consulted:

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:

29 September 2020

**Chairman of Cabinet
Councillor Keith Mans**

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	29 September 2020
Title:	Major Developments and Infrastructure Funding
Report From:	Director of Economy, Transport and Environment

Contact name: Stuart Jarvis

Tel: 01962 845260

Email: stuart.jarvis@hants.gov.uk

1. The decision:

That the Cabinet agrees:

- 1.1. The principle of the County Council fully utilising existing provisions under section 106 of the Town and Country Planning Act 1990 to secure the necessary infrastructure to mitigate the impact of development, including the cumulative impact of smaller developments.
- 1.2. That a corporate policy setting out the County Council's infrastructure and developer contribution requirements be developed based on the principles set out in the report and that authority be delegated to the Leader for final approval of the policy;
- 1.3. That a planning obligations monitoring fee be introduced as of 1 October 2020 to support the efficient monitoring and management of developer contribution funds and legal agreements.
- 1.4. That a corporate response to the white paper, 'Planning for the Future' and the consultation document 'Changes to the Current Planning System' be prepared along the lines set out in the report, with authority delegated to the Leader, in consultation with the Deputy Leader, for final approval and submission of the County Council's response.

2. Reasons for the decision:

- 2.1. To ensure that infrastructure funding is prioritised to deliver the improvements needed to mitigate against the impact of development and deliver necessary infrastructure, for the benefit of local communities.
- 2.2. To provide advice and guidance to both the local planning authorities and developers on infrastructure requirements to ensure that the infrastructure needed for new development, and to mitigate the impact of development on existing infrastructure, is secured and delivered for the residents of Hampshire.

2.3. To enable the County Council to effectively monitor planning obligations and ensure that all developer contributions are paid when required to support the capital programme and used to deliver essential public infrastructure.

3. Other options considered and rejected:

3.1. The County Council could decide not to prioritise infrastructure funding however this option was rejected as it would be contrary to the County Council's Strategic Priorities, including to enable strong and sustainable economic growth and prosperity and for people in Hampshire to enjoy being part of strong and inclusive communities.

3.2. The County Council could continue to provide guidance on a departmental basis, however this option was rejected as it is considered that a corporate approach would give local planning authorities and developers a better understanding of all the infrastructure the County Council requires and provide a sound policy basis for negotiations.

3.3. The County Council could choose not to introduce a planning obligations monitoring fee. However, this option was rejected as the revenue from doing so will enable the County Council to employ a dedicated resource to effectively monitor all planning obligations on a corporate basis and ensure that they are complied with.

4. Conflicts of interest:

4.1. Conflicts of interest declared by the decision-maker:

Councillor Woodward declared a personal interest as Leader of a District Council.

Councillor Heron declared a personal interest as both a planning consultant and a member of a District Council

4.2. Conflicts of interest declared by other Executive Members consulted:

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:

29 September 2020

**Chairman of Cabinet
Councillor Keith Mans**

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HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	29 September 2020
Title:	Waterside Vision
Report From:	Director of Economy, Transport and Environment

Contact name: David Fletcher

Tel: 01962 846125

Email: david.fletcher@hants.gov.uk

1. The decision:

- 1.1. That Cabinet approves the Waterside Vision statement.
- 1.2. That Cabinet authorises the Leader to sign the final published version of this statement on behalf of the County Council, in conjunction with the Leader of New Forest District Council and the Chair of the New Forest National Park Authority.

2. Reasons for the decision:

- 2.1. To demonstrate collective support of the local authorities for the Waterside regeneration.
- 2.2. To support the business case being developed for the proposed investment in transport infrastructure improvements.
- 2.3. To contribute to the confidence of private investors associated with the various elements of the overall Waterside regeneration.

3. Other options considered and rejected:

- 3.1. The County Council does, of course, have the ability to endorse, in its own right, the Waterside regeneration. However, it is critical for both Central Government and for private investors to see tangible, collective support of all the relevant local authorities for the Waterside vision.

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker:

Councillor Heron declared a personal interest as both a planning consultant and a member of a District Council

- 4.2. Conflicts of interest declared by other Executive Members consulted:

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:

29 September 2020

Chairman of Cabinet
Councillor Keith Mans

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Cabinet
Date:	29 September 2020
Title:	M27 Junction 10 Scheme Update
Report From:	Director of Economy, Transport and Environment

Contact: Heather Walmsley

Tel: 01962 846089

Email: heather.walmsley@hants.gov.uk

1. The decision

- 1.1 That the Cabinet authorises the Director of Economy, Transport and Environment to suspend all ongoing development work on the M27 Motorway Junction 10 improvement scheme (“the Scheme”) if additional external funding for this work is not made available on reasonable terms and conditions to allow the work to continue beyond September 2020.
- 1.2 That the Cabinet agrees that following any suspension of work on development of the Scheme, the County Council will reallocate or stand down project resources and relinquish its current role as Scheme Promoter, if additional external funding for further scheme development is not received within a month following the suspension of activities.
- 1.3 That the Cabinet approves a change in the approach of the County Council as Scheme Promoter to formally review its continued role on the Scheme to follow the completion of Stage 3 of Highways England’s approval process, rather than following completion of the Full Business Case stage.

2. Reasons for the decision

- 2.1 The County Council has been Scheme Promoter leading on all design, development, and business case work for the Scheme since January 2018 following a request at that time by Chris Grayling, the then Secretary of State for Transport. The Scheme is substantial in scale and complexity, being the highest value single transport scheme ever progressed by the County Council. Progress to date has been significant, but has been complicated by

the parallel work of Highways England's Smart Motorways Programme; and ongoing development and delivery funding issues.

- 2.2 All work on the Scheme to date has been funded through the Department for Transport's retained funding element within the Solent LEP Local Growth Fund. In line with the agreed County Council position in taking on the Scheme Promoter role, there has been no cost to the County Council. Current development funding is set to run out in September 2020. On 15 September 2020 the Solent LEP Board formally confirmed that they had considered a request from the County Council as Scheme Promoter for up to £900,000 to fund the completion of development work up to Stage 3 of the Highways England Project Control Framework process for M27 Junction 10, by the end of March 2021. A full understanding of the conditions associated with this funding are awaited and as such this proposal seeks a mandate for the County Council to initially suspend and then to relinquish its role as Scheme Promoter and to stop work on the Scheme should the conditions prove unacceptable or no other additional external funding is made available within a reasonable period and on acceptable terms. If the conditions for the Solent LEP development funding are acceptable, then future work can progress within a framework of deliverables up to a specified break point, and Cabinet is asked to agree to this new break or review point for the work going forward.

3. Other options considered and rejected:

- 3.1 To continue to progress the design and development work for the Scheme without confirmation of external funding would be the most pragmatic way of getting the Scheme to a point it can be delivered to help facilitate the wider development of Welborne Garden Village in the shortest possible timescale. However, without third party funding in place to enable the continuation of this work, the County Council would need to underwrite the costs, which is against its agreed policy for involvement at Welborne, and for which no funding is identified or in place. Therefore, to proceed without identified third party funding on acceptable conditions, is not considered a viable or appropriate way forward. The option of accepting funding on any conditions was also considered, and rejected as this could place unreasonable financial, outcome or work programme obligations on the County Council.

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker:

Councillor Woodward declared a personal interest as Leader of Fareham Borough Council and left the meeting before the decision was taken.

- 4.2. Conflicts of interest declared by other Executive Members consulted:

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:

In reaching this decision, Cabinet noted that positive engagement was underway with the Solent LEP with regards their funding offer and that it was hoped that mutually acceptable terms for the funding could be reached shortly, in which case the decisions at 1.1 and 1.2 would no longer be relevant and therefore would not be implemented.

Approved by:

Date:

29 September 2020

**Chairman of Cabinet
Councillor Keith Mans**

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	24 November 2020
Title:	A Progress Report of The County Council's Response to the COVID-19 Crisis
Report From:	Chief Executive

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Purpose of this Report

1. This is the fourth in what is now a series of regular reports to Cabinet, summarising the County Council's continuing responses to and recovery from the COVID-19 pandemic.

Recommendations

It is recommended that Cabinet should:

- i. Note the contents of this report as a further summary of the exceptional events and responses by the County Council concerning the COVID-19 crisis, bearing in mind that this can only be a top-level assessment of what continues to be such a substantial and fast changing situation;
- ii. Note in particular the latest position with regard to the "second wave" of the pandemic in the UK as it affects the county, and support the steps being taken with regard to outbreak management, tracking and tracing and the application of controls to public events;
- iii. Acknowledge the initial impact of the second national lockdown which came into force at the end of the period covered by this report;
- iv. Also note the ongoing work in partnership with District Councils, MPs, regional and local NHS and other key stakeholders with regard to the decision-making process concerning the "Covid tier" for the county of Hampshire subject to national decision making following the anticipated end to the second lockdown;
- v. Continue to recognise the on-going exceptional commitment and flexibility of the staff of the County Council as the crisis has progressed.

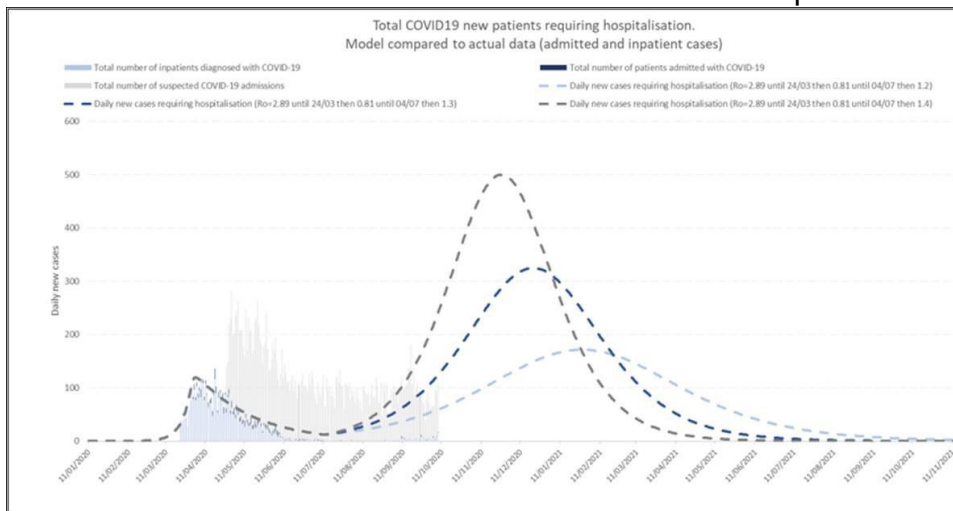
Executive Summary

2. This report, as its predecessor reports, attempts to provide Cabinet with a general update on the Covid crisis as it is affecting the County Council, as an organisation and for the residents of the county. As the crisis continues, unlike previous reports, this latest update will not provide a complete assessment of all services and all relevant activities. Instead this report will offer an analysis of the progress of the pandemic in the county in its national context, including the responses led by colleagues in Public Health, together with a summary assessment of key issues across the departments of the County Council by exception.
3. As before, but particularly in the light of the rapid development nationally of the “second wave” of infection, together with the rapidly changing nature of government response and advice such as the second lockdown, inevitably there will be dimensions of this report which will be increasingly out of date immediately after publication. Officers will ensure any such issues are highlighted in the presentation of the report at the Cabinet meeting. This will particularly apply to the latest data on the transmission of the virus and the latest position of national and local responses.
4. On 31 October 2020, the Prime Minister announced the implementation of a second national lockdown, covering England, and due to come into effect on 5 November. Whereas this second lockdown is a rapidly developing situation, and has been driven largely by data concerning the spread of the virus which is more concerning in other parts of the country, this report will also note the emerging implications of that step particularly with regard to the functions and responsibilities of the wider County Council.
5. The report will also focus upon the developing work of the County Council’s Health Protection Board under the leadership of the Director of Public Health and in close liaison with the Leader-led Local Outbreak Engagement Board. That will include an assessment of the progress of testing, tracking and tracing and the application of powers to prohibit certain activities. The report will note the close and effective working between partners including the NHS and district and borough councils. This particularly applies to the developing methodology which will help determine whether changes are required concerning the “Covid level” for the county of Hampshire which is a consideration for after the second lockdown.
6. The service specific issues which are addressed in the report include the crucial position in the care sector – namely the County Council’s directly provided care and the wider private, voluntary and independent sector. There will be a summary of the position with schools since this is the first report to be able to take a full perspective following the full reopening of schools in September.

- Cabinet will be aware that, while this report is taking an exceptions approach for the sake of clarity and to avoid repetition, the one general exception remains the unflagging commitment of the staff and managers of the County Council to sustain the highest levels of performance and service throughout this long and punishing crisis. As the crisis continues so too does the need for this commitment to be acknowledged and applauded.

National Context

- It is now evident that we have entered the “second wave” of the transmission of the virus at a national level. This general position is closely in line with the graph that has been used in previous versions of this report, considering the impact of the “R Number” on the scale of that second wave and is presented again below.



- However, our previous consideration of the second wave had not accounted for the substantial national or demographic variations in the rate of progress. It is these variations together with the legitimate cause for concern about the rates of infection generally that led to the Prime Minister’s introduction of a tiered approach to the management of outbreaks and versions of “lockdown” at a local and regional level. This approach was announced by the Prime Minister on 12 October 2020 and subsequently supported by Parliament.
- The “Local Covid Alert Levels” are well described in the table attached as Appendix 1. Clearly, to avoid any sense of local complacency, there is no “low” level of alert at this stage in the pandemic. Hampshire remains in the medium level at time of writing, Tier One, but that position will depend on the continuing rate of increase of infection, other relevant local factors such as NHS capacity, and the effectiveness and thresholds of the higher levels. This appendix also gives a clear explanation of the implications of various local restrictions.

Second National Lockdown

- On 31 October 2020, the Prime Minister announced his intention to introduce what amounts to a second national lockdown in England. This proposal was subsequently supported by Parliament on 4 November and introduced on 5 November. The initial intention is for the lockdown to conclude on 2 December 2020.

12. The rationale for this step was that the rate of increasing spread of the virus was continuing unabated in many authorities, despite those authorities having moved into the third and highest tier of intervention. Further, there was evidence that the geographical range of these areas was spreading inexorably across the country. Perhaps the most important factor that helped determine this decision was the growing evidence of increasing and exponential pressure on NHS capacity in receipt of Covid infected patients. In relation to that decision there has been public debate about the efficacy of the data that fed the decision, as well as about the economic impact of further steps, especially the restrictions on the retail and hospitality industries, which some argue may have a more severe social and economic impact than the problem that is being attacked by these measures.
13. It is not seen to be the role of this report to engage in that debate. There remains instead a fundamental responsibility for this major County Council and the local public health authority, to engage with the lockdown, adapt accordingly and provide community leadership in its implementation in the face of an undeniable and accelerating public health crisis.
14. The nature of this lockdown is markedly different from the first in its current time limit and in its scope. In particular, for the County Council as an education authority, as a children's services authority, and on behalf of staff who are parents, schools and early years settings are exempted. While these settings must obviously be managed with a strong emphasis on safety, this exemption resets the impact of the lockdown on a number of levels. The general impact on children and families in particular will not be as profound as during the first lockdown.
15. At time of writing, while there remain some areas which require further clarification, the following headlines will apply to the County Council's services and functions. As before, there is a renewed emphasis on the need for people to work from home where they can. This is being readily applied with some slight review of the newly introduced policies, for example where some exceptions may apply. HWRCs will continue to function through the now established booking system. Libraries will be closed for browsing but will remain open for other functions including "click and collect" borrowing, and public access to IT. Country parks will remain open but catering will close other than for specific take away services in some locations. The Lead member for ETE has been able to offer immediate reassurance to the operators that the County Council's "underwriting" of certain public transport costs will continue through this period in order to help sustain essential public transport services. This step has been especially well received by the operators. Perhaps a most telling example of the County Council's support to its community was that the Registration Service worked for fourteen hours on the Sunday immediately after the lockdown announcement to reschedule all of November's planned wedding ceremonies to take place where possible in the remaining three working days before the lockdown commenced.

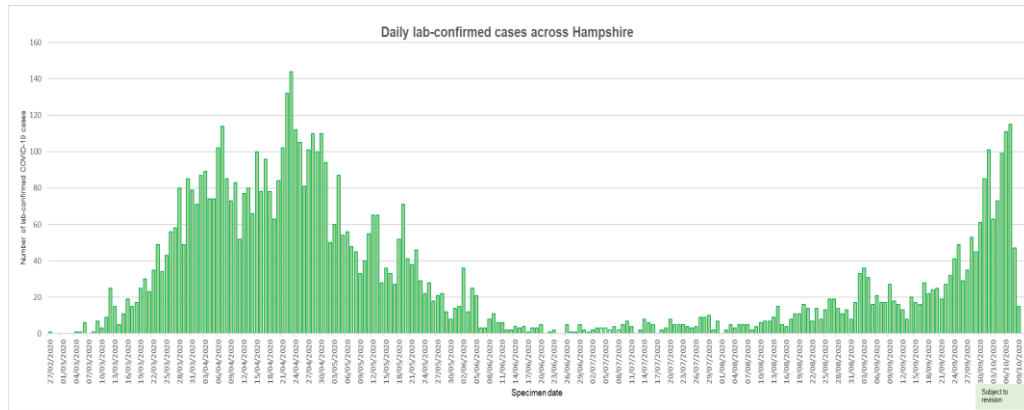
16. Adults' Health and Care remains the department with the most direct engagement with local health services and the most likely impact from the spread of the virus, especially with regard to services for older adults. Two particular impacts of the new measures are: work has moved rapidly to confirm "Covid secure" beds in older people's residential and nursing homes, largely in discharge to assess facilities, to ensure a small number of formally designated beds which will be able to safely receive and care for those patients leaving hospital who require a specific bed-based programme of support and who are COVID-19 positive at the point of hospital discharge; also, work is progressing to ensure that this department will take the lead for the supervision in the community of the former shielded group, now deemed "clinically vulnerable" or "clinically extremely vulnerable", to ensure adequate levels of community supervision for these individuals. Overall, some 52,000 Hampshire residents are expected to receive letters identifying their clinical vulnerability / clinical extreme vulnerability and to adopt measures that reduce their risk of COVID-19. Whilst the intended restrictions are reduced from the Spring of this year, the need to self-isolate and benefit from community-based support and access to priority supermarket shopping slots will remain. This is requiring the application of newly established procedures to redesignate staff from elsewhere in the council to support the tasks and the Council is fully making use of different technologies to ensure contact can be made with residents receiving letters from Department of Health and Social Care / NHS England.
17. As stated, it is the intention of the Government to review the application of the lockdown with a view to it being possibly lifted on 2 December 2020 subject to its impact on both the spread of the virus and the admissions to hospitals. Clearly, the better communities and organisations like HCC can implement the lockdown, the better the chances of the progress of the second wave being halted and that deadline being met. It must be assumed however that if the deadline is met and the full lockdown is then withdrawn, the country is likely to return to a method of local restrictions based on tiers, similar to if not the same as those discussed below in this report.

Local Position

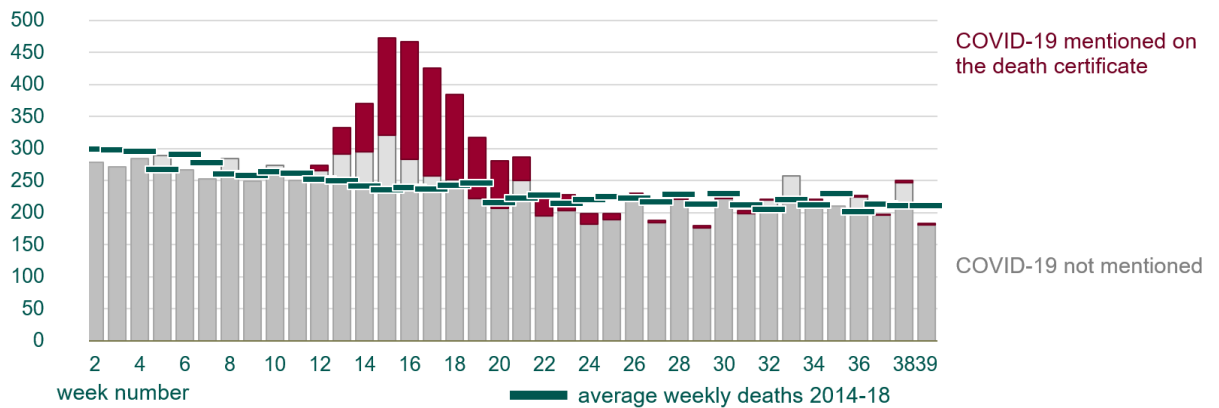
18. The following analysis gives more up to date detail in the rate of transmission in the county, the impact on the health and care sector and the mortality rates which remain generally lower than the first wave but continue to rise.
19. At the time of writing the scale of the variance was stark. Using the simplest comparative analysis, the rate of known infections per 100,000 population, on 9 October Hampshire's rate was 28, against an England average rate of 109, whereas some northern cities were in the high 500s. Even within the county the rate of variance was between the low teens and high 50s. Whereas local services and the approach to outbreak management in the county should be commended, it is clear that the significant determining factors around these variable rates are to do with demography and geography. It is also clear that while the average Hampshire rates are well below the national equivalents this is almost certainly only due to a time lag and the rates of increase in the

Hampshire give tremendous cause for concern, as will doubtless be evidenced in the verbal update to this Cabinet meeting. By the 13 November, the Hampshire county rate had reached 131.1 cases per 100,000 (insert after Cabinet briefing). This represents a continuing increasing figure, but still not at a rate of increase experienced elsewhere. By comparison on the same date the South East average was 141 and the England average was 252 (per 100,000).

20. Daily Confirmed Cases



All deaths in 2020 by week, with proportion where COVID-19 is mentioned



ONS - Deaths registered weekly in England and Wales, provisional

Health Protection Board and Local Outbreak Engagement Board

21. The new arrangements for oversight, management and community engagement are now securely in place in the County Council. The Director of Public Health is chairing the Health Protection Board on at least a weekly basis. The membership of the board, which is an implementation arrangement staffed by officers, includes: other representatives of the department for public health; the Chief Executive, the Director of Adults' Health and Care and the Director of Children's Services; emergency planning; and district and NHS representatives.
22. The Leader chairs the Local Outbreak Engagement Board as a political sub-committee of this Cabinet which is also joined by members of the County Council's main opposition party, representatives from district councils and an NHS non-executive director. The role of this board is to assist in setting local policy for the outbreak management arrangements, within the confines of national direction, and acting as the link between the arrangements and the local

community. While the formal meetings of this Board are planned on a monthly basis, an approach to short-notice briefing meetings has been introduced to ensure that the board can be quickly apprised of key developments as required. This is proving to be highly effective.

Testing

23. Testing remains a priority for management of the pandemic locally, although responsibility for the organisation and delivery of the majority of the testing programme remains at a national level. We have increased, with national support, the local availability of testing sites across Hampshire to ensure local people can access testing venues. The laboratory capacity for analysis, which for some weeks had been a major impediment to maximising local testing capacity, is now increasing on a weekly basis to further catch up with local demand.

Tracking and Tracing

24. Case testing investigation and contact tracing are fundamental public health activities that involve working with an individual (patient or resident) who is either symptomatic or asymptomatic and has been diagnosed with an infectious disease. The aim is to identify and provide support to people (contacts) who may have been infected through exposure to the infectious individual. This process prevents further transmission of the disease by separating people who have (or may have) an infectious disease from people who do not.
25. The National Contact Tracing Advisory Service (CTAS) started in May 2020. It has three parts to it which rely on individuals playing their part in order to contain the spread of the virus. As of the 7th October 2020, 73% of HCC cases and 85% of HCC contacts have been successfully contacted and followed up by CTAS. Evidence shows that at least 80% of contacts of an index case would need to be contacted for a system to be effective.
26. The first Local Contact Tracing System LCTS was set up in Leicestershire during an outbreak, to help that authority contact positive cases and trace their contacts. The feedback from the Leicestershire experience (and subsequently from many other local authorities who have since gone live with their own local systems), is that residents respond positively to a call from a local number and a call handler with a local voice.
27. The CTAS have since made an offer to remaining Local Authorities to support them in setting up their own LCTS. The Hampshire County Council Local Contact Tracing system had a planned go live date for the week commencing the 2 November.
28. The process for the Local Contact Tracing system will include CTAS and will attempt to make contact with the index case and complete the information on-line with 24 hours. If the CTAS are unable to contact the index case within 24 hours of being notified of a positive case, the case will be passed to the LCTS to make contact by telephone. Where there are none, or incorrect, contact

details, the LCTS call handlers will contact the relevant District Council Tax team to find the correct contact details (specific data sharing agreements are being put in place on the advice of Legal Services). Information gathered by the LCTS call handlers will be entered on to the local system and then uploaded to the CTAS.

29. The LCTS call handlers will ask positive residents if they have any welfare needs (medicines, food etc) and will refer to relevant wrap around services. Call handlers will also establish whether positive residents are eligible for isolation payments.
30. At the time of writing it is difficult to determine the precise model of tiered restrictions that may apply. There is a general consensus that if lockdown measures are withdrawn as planned on 2 December, then areas will return at least to the level of restrictions they were experiencing at the point of lockdown. IN Hampshire that was the lowest “medium” tier. It is possible the area could move to a higher tier which would still represent some reduction in restrictions (such as the re-opening of non-essential retail). It is also conceivable that the tiering approach could be operated at a wider regional level. These decisions will be driven centrally depending on the effectiveness of the lockdown arrangements at that time.
31. Finally, in public health terms, at time of writing, news of the likely arrival of an effective vaccine has been widely received. This is extremely positive in itself but our increasing understanding of the logistical and related challenges of any vaccination programme indicate that the measures required to control the spread of infection will remain essential for months to come.

Adults’ Health and Care

32. The department has continued to maintain critical functions and restore support suspended or amended in light of the initial responses to Covid-19, including the reinstatement, subject to appropriate measures subject to guidance, of day opportunity services for service users – both younger adults and older people. Key business functions across the department have remained in place throughout this year, working within amended working and business practices. It is important to note that in the period April to August 2020 we have seen an increase in safeguarding concerns for vulnerable adults being reported, in comparison to the same period in 2019. It is reasonable to speculate that the impacts of lockdown and suspension of usual pre-Covid routines have had a significant impact upon a number of individuals across our communities.
33. Support to the whole care system, in light of Government grant funding for Infection Prevention and Control, has been successfully delivered and achieved the requirements of the first grant allocation of £18.4m to Hampshire County Council received in May and July. Support has been provided across all care settings and all providers in receipt of this funding have confirmed their use of the grant. This in turn enabled our return to be made to Government at the end of September. We now have had the next round of Infection Prevention and Control grant funding confirmed as being £15.6m - and this is being paid to

providers in two tranches; one has already been paid at the end of October and a second is due to be paid in mid-December.

34. Additionally, the department has undertaken work to confirm all elements of the Social Care Winter Plan, as set out by the Department of Health and Social Care (DHSC) on 18 September, are in place. A response was forwarded to DHSC confirming the actions that we, working with NHS partners and the wider care sector, are undertaking. Alongside this a market stability self-assessment has been undertaken, submitted to DHSC on 21st October.
35. Working with NHS partners we have secured and have in place Discharge to Assess bed-based capacity, provided through our own HCC Care directly provided provision to support each acute system. This includes the implementation of a new facility in Gosport (Woodcot Lodge) supporting people in south east Hampshire. We have also re-purposed some of our existing capacity to support residents in mid/north Hampshire and also south west Hampshire. The provision is Covid-19 safe and is operating to ensure that hospital discharge pathways can be safely maintained, even for those people who may test positive at the point of a hospital discharge. Positively, of those people being received through this provision some 70% are able to return home, rather than enter long term care home provision. There can be no question that these substantial efforts by Hampshire County Council, at a strategic and operational level, have made a significant difference to the capacity of the NHS in its handling of the pandemic, as well as a significant difference to the wellbeing of individuals receiving these services at a time of great personal distress. Furthermore, an issue of particular concern to care home residents and families during the lockdown experienced in Spring and Summer were the necessary restrictions on care home visiting. Across the county in recent months we have seen care home Registered Managers continuing to undertake appropriate risk assessments and, in line with local circumstances, seeking to appropriately facilitate the resumption of visits by family members, albeit outside and safely socially distanced. New care home visiting guidance was issued by DHSC and support is being provided across the sector to continue to operate safely, whilst balancing the needs of residents, families and staff from the risks of outbreaks. Hampshire County Council's care homes, in common with many care homes across the sector, have also maintained visits, wherever possible, for residents in an 'end of life' phase. Subsequently, Hampshire has been announced as one of four authorities to pilot a testing programme aimed at enabling relative visits to care homes – a project which will make a substantial difference to relatives and cared for alike.
36. The department also continues to work closely with Public Health colleagues on sector specific outbreak management planning and also with district/borough councils, community/voluntary sector partners and the NHS. This is to ensure that access to appropriate support remains in place for vulnerable residents and those needing support through self-isolating. These actions, in-line with measures initiated earlier this year in response to lockdown measures for our most vulnerable residents, continue to be available and follow the same routes of access and contact / support as for the clinically vulnerable / clinically extremely vulnerable outlined in paragraph 15, above.

Children's Services

37. With regards to the County Council's critical children's social care services, these services continue to operate well, meaning essentially doing 'business as usual but doing it differently'. All statutory timescales for safeguarding and children in care 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 if necessary. Over 80% of home visits were being undertaken in person by September. Guidance has been issued for staff in the use of PPE when it is necessary to use it and this has recently been reiterated.
38. Since July referrals into service via the Multi Agency Safeguarding Hub (MASH) have been consistently 10-15% above the average for the time of year (although there was one exceptionally busy week in early September as the schools fully returned). This increase in referrals has fed through into all areas of social care activity, including additional children needing to come into care. The increase in workload has also been seen nationally and reflects pressures on families coming to the fore during Covid and leading, in some cases, to family breakdown. Additional resources are being redeployed within the service to address this increased demand.
39. Schools are now reporting a high number of children attending on a daily basis, with recent data (8 October) showing 97% of pupils attending in the Primary phase and 93% in secondary. Similarly, high proportions of pupils with an Education Health and Care plan and those open to our social care services are also attending.
40. The School Improvement Team has worked with school leaders to ensure that all schools opened in September whilst reducing the risks of COVID-19 transmission. An enormous amount of preparation has taken place with schools and the Children's Services have worked collaboratively with school leaders to ensure that schools are as well prepared as they can be for dealing with the full return of children into education. Since September, the service has worked closely with colleagues in Public Health (local and national) to respond when schools have positive Covid19 results amongst their pupils or staff. Our joint work then ensures that school responses are proportionate and in line with public health advice. Where a school has had a positive case this is reported on the Council's website:
<https://www.hants.gov.uk/socialcareandhealth/coronavirus/education/school-case-data>
41. One of the areas we are continuing to focus on is access to remote education. Schools have to be ready to move swiftly to a system of remote learning, in the event of a local lockdown or when children are asked to self-isolate at home for up to two weeks. We have made that clear to all school leaders and held webinar briefings, attended by 130 school leaders, to offer guidance on the preparation and management of such events. The School Improvement Team has produced curriculum packs and clear guidance for "emergency" lesson plans for each primary aged year group, based upon the national curriculum, to cover the first two days for children that have been asked to self-isolate whilst schools switch

to remote learning. Guidance has been sent out to primary, secondary and special schools setting out the DfE's expectations.

42. With regard to home to school transport, the Children's Services Department communicated the complexity of the home to school transport challenges, and the need for timely guidance to be issued to support a full return to school, to the DfE in May 2020. Throughout June, July and August, these requests were repeated but unfortunately guidance was not issued until late in the day on 11 August. Organising home to school transport (HtST) for 13,000 pupils across 1,300 routes for the September school return has been particularly challenging given the late guidance, and a number of families received late notification of transport arrangements as a result which is regrettable but was unavoidable. However, as expected, arrangements are now settling down albeit subject to change as and when a school experiences an outbreak.
43. The start of the new academic year has seen 99% of group Early Years settings open. There are a small number of providers who continue to operate reduced capacity, but such capacity is meeting demand. Out of school childcare (i.e. breakfast and after school clubs) remain a challenge, not least because of the potential logistical issues of accommodating children from different 'bubbles'. Some schools have set up to deliver direct provision or make temporary offers to third party providers.

Economy, Transport and Environment

44. The main ETE service areas of Highways Maintenance, Waste and Recycling and passenger transport have maintained services in line with previous update reports. The HWRC booking system continues to function well, and there has been a lot of positive feedback following the introduction of this system, particularly since we were also able to expand the number of available slots at most HWRCs, as use patterns settled and we gained more experience of site operations with social distancing and safe working restrictions. A significant amount of highway maintenance and improvement works have been undertaken, albeit with some disruption to planned works by the unusually severe storms experienced in the late summer, which also caused some local flooding in Winchester for example. The ETE passenger transport team also closely supported colleagues in Home to school transport to ensure that transport arrangements were in place for the return to school in September.
45. Whilst traffic has gradually returned to closer to pre-Covid levels, the main area of development and focus of new activity has been the transport 'pop-up' schemes to support social distancing in and around town centres and to encourage active travel by re-assigning road space and other measures to encourage walking and cycling. Funded through the Government's national Emergency Active Travel Fund some 42 schemes were delivered within the initial 8 week deadline using the tranche one funding allocation of £863,000, alongside adjusting some 160 crossings to increase time for pedestrians and various messaging and awareness raising work to support social distancing.

A further bid for tranche two funding of £3,450,000 is currently awaiting a final decision by the Secretary of State for Transport.

46. The fragility of the economic recovery remains a significant issue in Hampshire, as in the rest of the country, with falling levels of business and consumer confidence, rising unemployment and the likelihood of further significant business closures and job losses as the Government's initial job retention measures come to the end in October (across HIOW the peak of residents supported was around 352,000 between the job retention and self-employed schemes). These challenges are bound to be heightened in the event of any increased restrictions that may be brought about by any change in the areas Covid level of alert. Whilst the Hampshire economy has performed slightly better than the UK average in the recovery since lockdown measures were eased, and we have seen successive months of growth, the overall level of economic activity or output is around 9% below the pre-lockdown position in February, following the sharp contraction in March and particularly April, following the lockdown.
47. Whilst the LEPs are utilising whatever resources they have available, the primary source of financial support for businesses and their employees continues to be central Government, including additional business grants to cover the second national lockdown period, the job retention scheme now extended until March 2021, an extension to the self-employed income support scheme until the end of April 2021, and the repayment term for various business loans schemes extended from 6 to 10 years.

Culture Community and Business-Related Services (CCBS)

46. To the great credit of the property services client officers and the main contractors, both the primary schools (Stoneham in Eastleigh and Barton Farm, Winchester) that were in build stage as Covid-19 hit were completed to time and opened to pupils in September as planned.
47. Hillier's Gardens applied to the National Lottery Cultural Recovery Fund and has received a grant that should cover most of its loss of income due to Covid for the 2020/21 financial year.
48. HC3S has seen steady increases in meal uptake since September, running higher than the national average, although still not fully recovered to pre-Covid levels. It is also noteworthy that in several instances HC3S has been able to offer immediate support in the provision of school meals for some schools whose independent providers were disrupted by Covid.
49. Registration services, particularly marriages, remain under tremendous pressure as a result of couples wishing to rearrange or cancel their ceremonies, particularly following the '15 guests only' regulation.

Corporate Resources

50. The majority of services across Corporate Resources continue to be delivered to a high performance through working from home with a small number of staff rotating attendance in the office to deal with necessary 'paperwork' which cannot be dealt with remotely and also provide for necessary IT specialist support. A small number of staff are also supporting essential face-to-face activity such as HR casework, Occupational Health activity across our Police and Fire partners and some training and development activities across our schools.
51. Our phone lines taking urgent enquiries have remained fully open throughout the pandemic, including for vital social care for children and adults, and Registrations. In addition, the County Council launched a phone booking service to ensure the safe and successful re-opening of our Household Waste Recycling Centres, as well as a specific phone service, **Hampshire Coronavirus Support and Helpline** (Tel: 0333 370 4000), for those who have been isolated and vulnerable during lockdown, and throughout the ongoing pandemic.
52. During the pandemic, our on-site office capacity has been significantly restricted, and we have mandated that colleagues across our workforce need to work remotely where they can. This ensures we are complying with Public Health England guidance and minimising the unnecessary risk to our colleagues and members of the public.
53. Our contact centre technology has previously required a physical presence within a County Council office, and therefore our less urgent phone lines (e.g. library book renewals, highways enquiries) have been closed to minimise our office presence. In these instances, residents are directed to the County Council's webpages to resolve their enquiries or, if they have further questions, to make contact via an online form. This is available to anyone with access to the internet (or a suitable friend, family member or carer), and can be responded to by our customer service teams working remotely.
54. Over the past 6 months a significant overhaul of our telephony infrastructure has been implemented and this programme has recently replaced our contact centre infrastructure therefore all remaining public facing phone lines are now operating remotely.

Human Resources – Our People

55. Following the depth and breadth of impact from our staff survey in June Communications and Engagement colleagues have now launched another survey.
56. We are using the survey to focus on staff who have previously worked in our office buildings and who are now either working from home (the majority), working in the office due to business necessity or working in the office due to specific personal circumstances. We know when this part of workforce

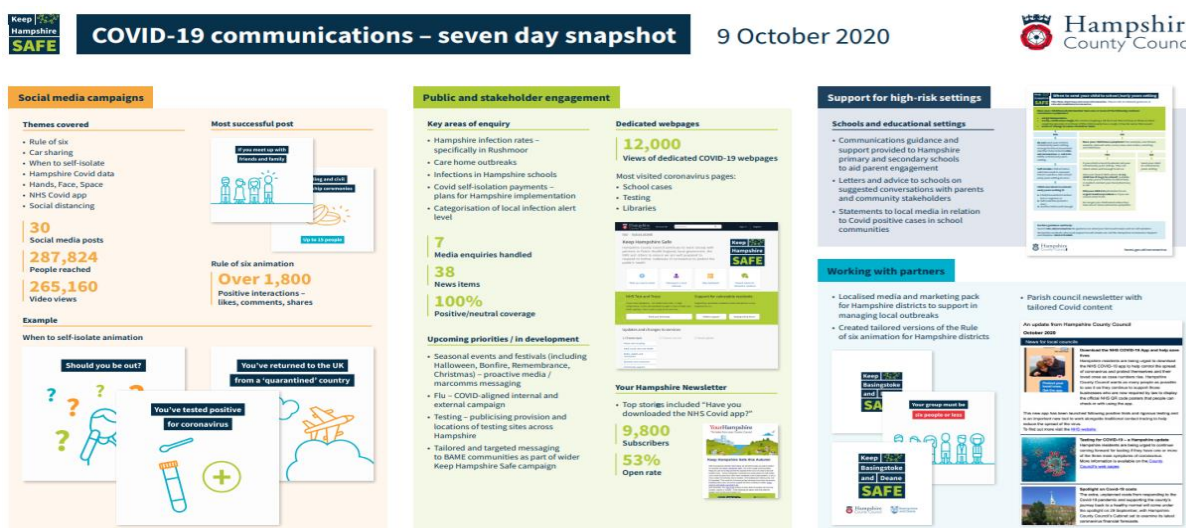
responded in June, they were largely positive about their ability to continue to work effectively and efficiently. The survey did emphasise a number of practical and emotional needs that we were able to support and address, for example through the roll-out of IT equipment and through guidance on our well-being pages and through Departmental and managerial engagement and support to individuals and teams.

57. As in June, when the October survey is collected, the data will be distilled in such a way that we can seek to understand the differing experiences of these staff based on any particular characteristics that they share. For example, we were able to see the impact more specifically on staff who identify themselves as disabled or from a Black or Asian Minority background which has enabled us to provide additional support to these staff, specifically in relation to their fears around Covid-19.
58. Despite the anecdotal evidence remaining largely positive from our workforce who are largely now working from home, we know that in some areas there are now early signs of emerging concerns about the lack of team connectivity. We know too, from professional bodies such as the Chartered Institute for Personnel and Development (CIPD), and indeed research from the wider social sciences, that the impact on our people of working from home and increased virtual connectivity is likely to change over time and it is therefore important that we continue to seek feedback and to learn from what we are hearing.
59. The Corporate Management Team is satisfied that at a Department level we have remained connected and engaged with our workforces who are employed in critical public facing roles and who have continued to serve their users throughout the duration of the pandemic. That said we are considering ways in which we can create a shared understanding to ensure that we are listening and reacting appropriately to the experiences of these staff corporately as well as Departmentally.
60. More can of course be shared on the outcomes of the engagement activity along with the experiences of our public facing colleagues in future updates.

Communications and community engagement

61. The Authority continues to prioritise effective communications and engagement which is targeted across external and internal audiences to ensure the delivery of proactive, planned, and consistent information. This is in support of the County Council's Local Outbreak Strategy, government guidance and shared priorities with partners - together seeking and securing the best outcomes for Hampshire residents. Through this period the Authority has been:
 - i. **Keeping Hampshire residents informed** through timely and targeted communications. A new [COVID-19 communications seven day snapshot](#) has been introduced, which highlights relevant social media campaigns, public and stakeholder engagement, support for high risk settings and the County Council's work with partners. The snapshot is shared with Cabinet, Hampshire MPs, Local Outbreak Engagement Board Members and Chief

Officers. Content is also shared through the regular Covid-19 briefings which are circulated to a wider range of stakeholders. In addition, a [monthly overview of activity](#) is produced for the Local Outbreak Engagement Board.



- ii. **Engaging with residents** through a new online resident engagement forum - [Hampshire Perspectives](#). Currently, a diverse group of over 1000 residents have signed up. Short, focused online surveys will be conducted on a regular basis to gather views on council services and the local area. In addition, the County Council continues to work closely, shape and share key messaging with District/Borough Councils, Town and Parish Councils and our partners through the HIOW LRF. Targeted engagement has continued, for example the County Council has recently conducted a webinar with several representatives from Hampshire’s faith communities and remains committed to maintain ongoing dialogue with faith leaders to help support and improve community messaging.
- iii. **Proactively supporting partners** and in particular, high risk settings including schools and care homes, to ensure that they have the information required and receive support and guidance to manage a variety of situations. The Authority is continually monitoring the national and local situation to ensure that it is **effectively prepared** for changes to guidance and likely issues. In addition, the County Council has careful oversight of local and national events, commemorations and celebrations to ensure that these are managed safely and sensitively.

Conclusion

62. Even while focussing on exceptions reporting, this paper reflects the continuing scale and depth of the challenges being taken on routinely now by the County Council. It remains the case that the County Council is on an on-going “crisis” footing, overseen by the Gold Command Structure and working in partnership with the multi-agency Local Resilience Forum. Regrettably, these arrangements

remain essential while the pandemic remains and especially as infection rates grow.

63. At time of writing, the Hampshire rates remain below the worst areas of the country and the Medium Alert Level applies. But escalating infection rates demand the highest levels of attention and the continued drive of our Public Health services. The nature of the crisis continues to demand the best of the organisation and especially its staff and managers, who continue to deliver admirably.

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:

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

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

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

2. Equalities Impact Assessment:

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*

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet County Council
Date:	24 November 2020 3 December 2020
Title:	Financial Update and Budget Setting and Provisional Cash Limits 2021/22
Report From:	Deputy Chief Executive and Director of Corporate Resources

Contact name: Carolyn Williamson – Deputy Chief Executive and Director of Corporate Resources

Tel: 01962 847400

Email: Carolyn.Williamson@hants.gov.uk

Section A: Purpose of this Report

1. The purpose of this report is to provide a further update to Cabinet and County Council on the financial position for the County Council in view of the impact of the Covid-19 pandemic. It provides a snapshot of the latest position in respect of the current financial year, as at the end of September, and also for the medium term, compared to that reported to Cabinet and County Council in July as part of the update of the Medium Term Financial Strategy (MTFS).
2. In addition, the report includes an update on business as usual financial monitoring, including the transformation programmes (Transformation to 2019 and to 2021), and sets out the process and framework for the setting of the 2021/22 budget, together with the prospects for the medium term under a business as usual scenario.
3. In light of the announcement of a single year Spending Review the report considers the timing for the next savings programme that needs to be put in place to achieve a further £80m of savings albeit that we have no information beyond 2020/21 at this point.
4. It is also considered necessary to determine some critical requests for one off funding and how these might be accommodated given the current financial constraints.

Section B: Recommendation(s)

It is recommended that Cabinet:

5. Notes the latest Covid-19 financial position for the current year as at the end of September compared to that reported to Cabinet in September, which was as at the end of August.
6. Notes the latest Medium Term forecast arising from Covid-19 as at the end of September and the County Council's response to it.
7. Notes the latest position in respect of the business as usual financial resilience monitoring for the current financial year.
8. Approves the mid-year report on treasury management activity at Appendix 1 and notes the action to be taken should we encounter negative interest rates as set out in paragraphs 83 and 84.
9. Notes the additional government funding of £1bn announced on 12 October of which the County Council will receive £8.8m.
10. Approve the revised baseline position for the Transformation to 2019 and Transformation to 2021 Programmes as outlined in Section G.
11. Approves funding of £3.82m to meet the critical one off health and safety priorities identified in Section I.
12. Approves the provisional cash limits for 2021/22 set out in Appendix 3.
13. Notes the announcement of a one year Spending Review and the impact on the County Council's medium term financial planning and therefore the timeline for the next successor savings programme.
14. Notes that the 2023 savings programme will need to be delivered in full by 1 April 2023.
15. Approves the capital guideline amounts for the next three years set out in paragraph 139.
16. **Recommends to County Council that:**
 - a) The updated position for the impact of Covid-19 in this year and for the medium term is noted.
 - b) The schemes detailed in Appendix 4 are added to the Economy, Transport and Environment Capital Programme
 - c) The updated departmental savings targets for a successor savings programme, as set out in paragraph 149, be approved.

- d) The updated timetable for a successor savings programme, as set out in paragraph 150, be approved.

RECOMMENDATIONS TO COUNCIL

Council is recommended to:

- a) Note the updated position for the impact of Covid-19 in this year and for the medium term.
- b) Approve the addition of the schemes detailed in Appendix 4 to the Economy, Transport and Environment Capital Programme.
- c) Approve the updated departmental savings targets for a successor savings programme, as set out in paragraph 149.
- d) Approve the updated timetable for a successor savings programme, as set out in paragraph 150.

Section C: Executive Summary

- 17. During the Covid-19 pandemic, regular reports have been provided to Cabinet and County Council on the financial consequences, together with the medium term impacts of Covid-19 in areas such as social care in particular. Members will therefore 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.
- 18. The Medium Term Financial Strategy (MTFS) Update reported to Cabinet and County Council in July 2020 sought to assess the medium term impact of Covid-19 on the financial sustainability of the County Council. It explained that we were treating the medium term impact of Covid-19 as a one off financial impact that we aimed to address through a financial response package of Council resources and further government support and concluded that further government funding of £52.4m was required to ensure that the Council was financially sustainable in the medium term.
- 19. The September return to the Ministry for Housing Communities and Local Government (MHCLG) shows a net decrease in response costs and losses, mainly as a result of clarification in the guidance that some savings made during the year should be directly offset against the costs and losses within the return. Increased Tranche 4 grant of £8.8m from the Government, together with additional savings identified across departments means that the overall position returned to the MHCLG has improved by £15.3m compared to the position presented to Cabinet in September.

20. The County Council welcomes the further financial support that has been provided by the Government but it is obvious that the latest distribution methodology is designed to address political pressure points rather than being based on any assessment of real need and even following this allocation of funding we still face a gap of £39.7m in the current year.
21. Whilst the direction of travel appears positive, the MHCLG return focuses primarily on the immediate impact of the Covid-19 pandemic and indications are that longer term, there could be further increases in demand costs within adults' social care, income losses within Communities, Culture and Business Services (CCBS) may not return to normal levels next year and the County Council's transformation programmes have been impacted.
22. Taking these factors into account, the latest medium term 'snapshot' position has now been extended to 2023/24 and despite an improving current year position and additional government grant, the County Council still faces an unfunded gap of £210.7m over the period and the County Council will continue to press the Government to fund the full financial consequences of Covid-19. In the meantime, it is clear therefore based on this position that a minimum level of government support of at least £50m is still required to help balance this deficit once the financial response package has been applied.
23. In conclusion, whilst the financial values will no doubt continue to fluctuate, the over-riding message is that significant additional funding is still required from the Government if the County Council is to continue to be financially viable for the medium term and remain in a strong enough position to address the business as usual pressures it faces.
24. The impact of Covid-19 is being dealt with as a separate one off financial impact as highlighted above and the second half of the report considers business as usual financial monitoring and the prospects for the 2021/22 budget setting process which is progressing with no detailed information available from the Government on what might happen to public sector finances beyond the current year.
25. The report sets the framework for developing the detailed revenue budgets and the Capital Programme that will be presented to Executive Members, Cabinet and County Council during January and February.
26. Targets for 2021/22 based on a reduction of circa 13% in cash limited spend, were approved by the County Council in September 2018 as part of the Looking Ahead - Medium Term Financial Strategy report. Proposals to meet these targets were approved by Executive Members, Cabinet and County Council in October and November 2019 and are being implemented through the Transformation to 2021 (Tt2021) Programme. Given this position, no new savings proposals will be presented as part of the 2021/22 budget setting process.
27. The report includes funding approvals in respect of investment in critical one off areas that have been identified and need to progress despite the current

financial constraints. Consideration of other unavoidable pressures and future investment priorities (over which there is some choice) is delayed until after the Provisional Local Government Finance Settlement is announced.

28. We await details of the single year Provisional Local Government Finance Settlement in early December and this will enable us to assess the deficit that we face for 2021/22 but will not help in considering the medium term financial position. A further consequence of this is the impact on the scope and timing for the next successor savings programme which is also considered in this report.

Section D: Contextual Information

29. During the Covid-19 pandemic, regular reports have been provided to Cabinet and County Council on the financial consequences, together with the medium term impacts of Covid-19 in areas such as social care in particular.
30. The Medium Term Financial Strategy (MTFS) update presented to Cabinet and County Council in July explained that we were treating the medium term impact of Covid-19 as a one off financial impact that we aimed to address through a financial response package of Council resources and further government support.
31. The aim was to place the County Council in the same financial position it would have otherwise been in if Covid-19 had not happened in order to ensure that it still had sufficient fire power in its reserves to address the business as usual deficits of at least £40m per annum predicted after the current Transformation to 2021 (Tt2021) Programme has been implemented.
32. The financial response package used up all flexibility within the resources that we have available and still relied on additional government funding of at least £52.4m in order for us to remain financially sustainable in the medium term, albeit that this position left us very vulnerable to any future financial shocks. An update on this position is provided within this report, but it should be re-iterated that the situation remains very fluid and it is difficult to make accurate predictions on the short and medium term financial consequences of Covid-19.
33. The figures presented in this report aim to achieve a balanced position based on what little information we have for future years at this stage. Prudent assumptions have been made without being overly pessimistic, but it should be noted that the figures do not, by any means, reflect a worst case scenario. Even allowing for this, the current position is that the County Council is not financially sustainable in the medium term.
34. The impact of Covid-19 is being dealt with as a separate one off financial impact as highlighted above and the second half of the report considers the prospects for the 2021/22 budget setting process which is progressing with no detailed information available from the Government on what might happen to public sector finances beyond the current year, made worse by the

announcement of a single year Spending Review for 2021/22, details of which will not be available until 25 November.

35. We await details of the single year provisional Local Government Finance Settlement in early December and this will enable us to assess the deficit that we face for 2021/22 but will not help in considering the medium term financial position. A further consequence of this is the impact on the scope and timing for the next successor savings programme which is also considered in this report.
36. At the current time, the intention is still to treat the medium term Covid-19 financial consequences separate from the business as usual medium term financial strategy, but clearly the validity of this approach will be kept under review.

Section E: MHCLG September Return and Funding Announcement

37. Members will be familiar with the format of reporting for the current year, which in the main is based on actual response costs and losses experienced in the early part of the year, together with forecasts for recovery costs and additional demand costs for the second half of the year. The original intention within this report was to provide Cabinet and County Council with the latest October Ministry of Housing Communities and Local Government (MHCLG) return figures. However, with the announcement of a further one month lockdown starting from 5 November, further work needs to be undertaken to assess the potential impact of this. The Chief Financial Officer has therefore decided to report on the September return figures in this report as these are better understood based on the assumptions made at the time.
38. In line with government reporting formats and to be consistent with information being produced by other County Councils, we will only include future years losses arising from slipped savings programmes in the medium term position, leaving current year reporting to stand on its own. This change is highlighted in the table overleaf by re-stating the August figures and then goes on to provide a summary of the September MHCLG return in comparison:

	August Return £'000	August Re-Stated £'000	September Return £'000	Change £'000
Response and Recovery Costs	85,035	85,035	81,121	(3,914)
Lost Savings – 2020/21 only	9,996	9,996	10,421	425
Business Rate / Council Tax Losses – 2020/21 only	34,600	34,600	34,600	0
Lost Sales Fees and Charges Income	15,862	15,862	14,164	(1,698)
Commercial / Other Income	13,787	13,787	11,129	(2,658)
Total Costs and Losses	159,280	159,280	151,435	(7,845)
<i>Add Back:</i>				
Further Years of Lost Savings	27,775			
Market Underwriting Costs	24,955	24,955	26,184	1,229
Gross Losses for 2020/21	212,010	184,235	177,619	(6,616)

39. The main reason for the reduction in response and recovery costs is that the guidance has clarified that some savings made during the year should be directly offset against the costs and losses within the return. The same applies to the improved position in sales fees and charges, and in total across the two areas £2.4m of the reduction is due to this change and is also reflected in the funding table below.
40. The improved position for Commercial / Other income losses partly relates to the fact that adult social care clients' contributions of £1.1m have been more than covered by reduced expenditure and so have been taken out for the latest return. In addition, County Supplies have seen a general improvement in warehouse turnover compared to that previously forecast, reducing their anticipated net losses by just over £0.9m.
41. The total gross losses of just over £177.6m have partially been funded through a range of government grants, CCG funding, the Sales Fees and Charges Compensation Scheme and savings that the County Council has been able to make itself as follows:

	August Return £'000	August Re-Stated £'000	September Return £'000	Change £'000
Total Costs and Losses	212,010	184,235	177,619	(6,616)
Service Specific Funding (CCG's and Government)	(6,819)	(6,819)	(7,808)	(989)
Covid-19 Grant Allocations	(61,610)	(61,610)	(70,395)	(8,785)
Test and Trace, Infection Control and Emergency Assistance Grants	(24,174)	(24,174)	(24,174)	0
Income Reimbursement	(2,400)	(2,400)	(2,500)	(100)
Forecast Savings	(9,279)	(9,279)	(6,860)	2,419
Market Underwriting (Budgeted)	(24,955)	(24,955)	(26,184)	(1,229)
Total Savings and Funding	(129,237)	(129,237)	(137,921)	(8,684)
Net Unfunded Costs and Losses	82,773	54,998	39,698	(15,300)

42. The table shows that the re-stated position for the August return is an unfunded loss for the year of nearly £55m compared to September which is £15.3m lower. This is a combination of the reduced costs outlined above and an increase in Government Covid-19 grant following the October announcement. These have been partially offset by the movement of some savings to directly offset costs in line with government guidance.
43. The announcement of a further £1bn of Tranche 4 funding on 12 October is already reflected in the table, but it was felt important to highlight to Members the methodology that has been applied in distributing it. Members will recall that the basis for distributing the £500m Tranche 3 funding was adjusted to include factors (such as deprivation) that favoured the Metropolitan and London authorities, leaving Hampshire with an allocation of £7.6m which was at the lower end of the range that had been predicted.
44. Even under this distribution methodology Hampshire would have expected to receive around £15.2m of the £1bn announced on 12 October, which would have gone some way to help closing the current year gap of £39.7m outlined above.
45. On 22 October, the Government released the allocations of the £1bn stating that it was on the same distribution basis as Tranche 3. However, what soon became apparent was that all of the previous tranches of funding had been re-calculated using the Tranche 3 methodology to give each authority a revised total across all four tranches of funding. The Government have then only paid the difference between that total amount and what had already been received from the other three tranches (albeit with a minimum allocation of £100,000 for all authorities).

46. For Hampshire, the total amount for all four tranches based on the Tranche 3 methodology is £70.4m of which we had already received £61.6m meaning that our Tranche 4 allocation is only £8.8m, only just over half of what we might have expected. In contrast, Manchester, which was featured heavily in the news at around this time received £24.3m in Tranche 4, some 3.4 times more than they received under Tranche 3.
47. It is obvious that this distribution methodology is designed to address political pressure points rather than being based on any assessment of real need. Indeed, the letter from Robert Jenrick on the Tranche 4 allocations states they expect the funding to be used for *“adult social care, children’s services, public health services, household waste services, shielding the clinically extremely vulnerable, homelessness and rough sleeping, domestic abuse, managing excess deaths (including costs relating to additional mortuary capacity) and support for re-opening the country.”*
48. This list is almost identical to the priorities that were outlined for the very first tranche of funding and yet had Hampshire received the Tranche 4 funding on the same basis as that first allocation, we would have received £18.5m. Whilst the County Council welcomes the financial support that has been provided by the Government, it needs to reflect the real needs that we have and even following this allocation of funding we still face a gap of £39.7m in the current year let alone the worsening medium term impact described in the next section.

Section F: Medium Term Impact of Covid-19

49. Members will recall that in addition to the unfunded costs and losses detailed above, the MTFS update report presented in July made further assessments for departmental pressures (mainly social care costs and increased social worker capacity), the ongoing impact of council tax and business rate losses and other pressures such as investment losses.
50. Combining all of these factors gave a base case for unfunded costs, losses and pressures up to the end of 2022/23 of £210.3m. The County Council will continue to press the Government to address the full financial impact of Covid-19 on local government but has also looked at what potential response package it might be able to put in place as a back-up.
51. A one off financial response package was outlined in the MTFS in July to address the deficit, but the report concluded that further government support of at least £52.4m was required if the County Council was to remain financially sustainable before starting to tackle the future financial challenges that lay ahead.
52. Since that time further work has been undertaken to update the figures in light of the following information and factors:
 - A continued growth in the number of adults’ and children’s social care referrals which is likely to increase care costs in the medium term.

- The expectation that income levels in some areas may take time to return to normal levels.
- Information from other authorities that suggest that demand costs and council tax and business rate losses could extend at least to 2023/24.

53. Taking these factors into account, the latest medium term ‘snapshot’ position which has now been extended to 2023/24 is set out in the table below:

	2020/21	2021/22	2022/23	2023/24	Total
	£'000	£'000	£'000	£'000	£'000
Net Unfunded Costs and Losses	5,098	11,533	11,533	11,534	39,698
Slipped Tt2019 & Tt2021 Savings		22,714	4,688	596	27,998
Departmental Pressures		42,703	32,498	15,000	90,201
Business Rates & Council Tax		21,000	14,000	7,000	42,000
Other Pressures	1,700	4,200	3,200	1,700	10,800
Total Gap	6,798	102,150	65,919	35,830	210,697

54. For the departmental pressures shown for future years, the assumption is that Covid-19 will create a peak of demand next year and will then start to return to normal growth levels. Similarly, for business rates and council tax, the losses are expected to reduce over time as normal annual growth erodes the losses, but it should be pointed out that in previous years this normal annual growth was used to meet new pressures or initiatives and to help balance the budget.

55. The table shows, that despite an improving current year position and additional government grants of £18.9m since the July figures, the County Council still faces an unfunded gap of £210.7m over the period. It is clear therefore based on this position that a similar level of government support of at least £50m is still required to help balance this deficit once the financial response package has been applied.

56. In addition, the Government have previously announced that they intend to share in council tax and business rate losses, although as yet we do not know at what level and for how many years this might apply.

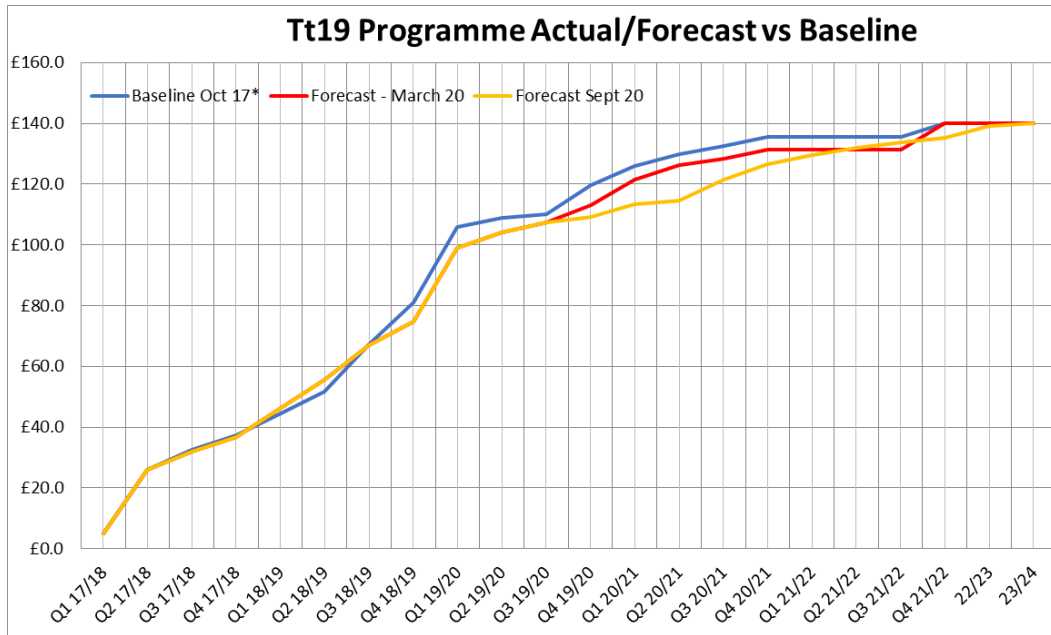
57. In conclusion, whilst the financial values will no doubt continue to fluctuate, the over-riding message is that significant additional funding is still required from the Government if the County Council is to continue to be financially viable for the medium term and remain in a strong enough position to address the business as usual pressures that are outlined later in this report.

Section G: Transformation to 2019 and 2021

58. The analysis contained in the above sections includes the impact of a delay in the delivery of the outstanding elements of the Transformation to 2019 (Tt2019) Programme and the Tt2021 Programme due to come into effect in April 2021.
59. The original assumption that departments were asked to work to was a six month delay in the delivery of the Programmes, albeit it was expected that it may take longer to capture lost momentum across the more complex areas of adults' and children's social care.
60. Following the initial Covid-19 response period, departments have been requested to re-commence delivery of their savings programmes wherever possible, but again recognising that the social care services were dealing with recovery activity and increased demand as a result of the pandemic which may further impact their ability to fully re-commence the delivery of savings. More recent escalation of the virus and the further national lockdown will also continue to have an impact.
61. Reporting activity across the Programmes was suspended during this 'pause' but given the intention to provide a major financial update in this report in the lead into budget setting, it was agreed that departments should undertake detailed work to re-baseline their Tt2019 and Tt2021 Programmes. This will facilitate a resumption of monitoring and reporting as part of the overall financial reporting process.
62. The re-baselining involved planning what the revised delivery milestones will be within the individual savings areas and assessing what the cash flow impact will be based on those revised plans. The following paragraphs provide an overview of the re-baselined programmes for the Tt2019 and Tt2021 Programmes.

Transformation to 2019 Programme

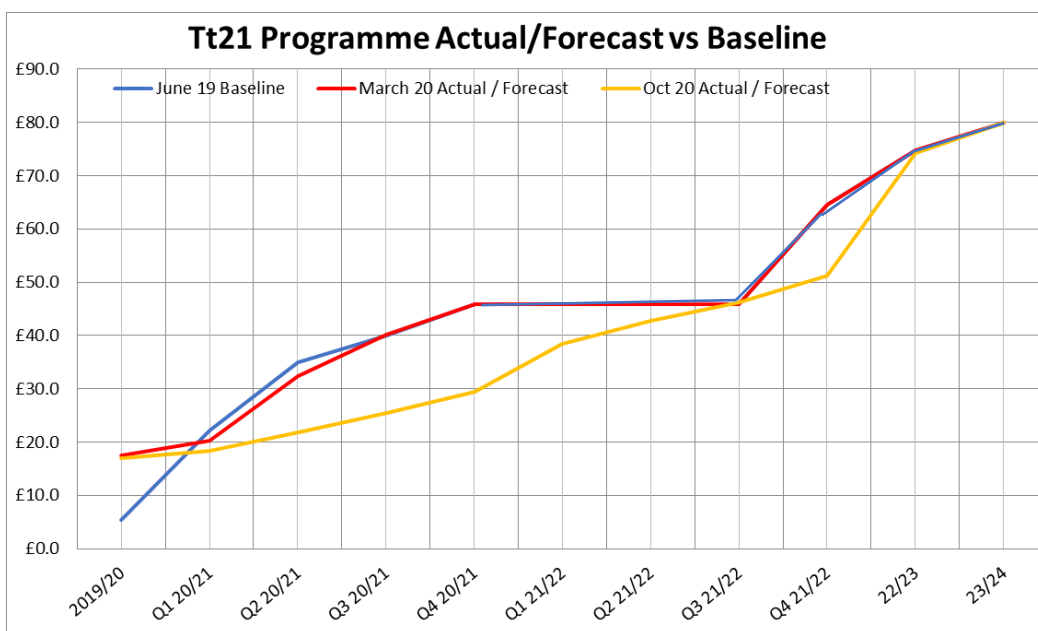
63. The graph overleaf shows the overall Programme delivery profile against the original and March 2020 forecast:



64. The graph shows that there is a dip in delivery during 2020/21, as would be expected, but that the Programme then remains broadly on track as we move into 2021/22. However, whereas the programme was due to be completed by the end of 2021/22 there is now a small tail that extends into later years, with around £4.0m due to be achieved in 2022/23 and £0.8m falling into the first part of 2023/24. The majority of this relates to Children’s Services Transforming Social Care Programme.

Transformation to 2021 Programme

65. Similarly, the graph below shows the revised delivery profile for the Tt2021 Programme.



- 66. Whilst it is less obvious from the graph, the detailed numbers show a summary position that effectively shifts around £13m of the whole programme to the right, with much more now expected to be completed in 2022/23. In that year, expected delivery of savings was originally forecast to be £10.1m which has now increased to £23m. The tail of the Programme due to be delivered in 2023/24 has increased marginally from £5.3m to £5.7m.
- 67. Cabinet is recommended to approve the new baselines and subject to this future reporting will be against the revised baselines. The above figures deal with expected delivery timelines, but they will also have an impact on the cash flow support that is required.
- 68. In cash flow support terms, the previous figures for the delay caused by Covid-19 have also been updated based on the re-baselining work and the impact is set out below:

	2020/21	2021/22	2022/23	2023/24	Total
	£'000	£'000	£'000	£'000	£'000
Tt2019 Increased Slippage	6,160	5,118	789		12,067
Tt2021 Lost Early Delivery	4,261				4,261
Tt2021 Increased Slippage		17,596	3,899	596	22,091
Increase Required	10,421	22,714	4,688	596	38,419

- 69. The table shows that increased cash flow support of £38.4m is required which compares to almost £37.8m included as part of the MTFS update reported in July. The increase already forms part of the £210.7m highlighted in Section F, which requires additional government support on top of the County Council's own response package in order to balance the overall position.

Section H: 2020/21 Business as Usual Financial Monitoring

- 70. The financial landscape in the year is obviously complicated by Covid-19 however, excluding this as the impact will be managed through a separate financial response package, complexity remains due to a range of one off impacts arising from transformation activity, previously planned late delivery of savings, use of cost of change and corporate cash flow support.
- 71. The business as usual (i.e. excluding Covid-19) forecast position for 2020/21 as at the end of September (Month 6) indicates that with the exception of Children's Services all departments will be able to manage the large scale investment required to deliver their planned transformation activity and meet service pressures through the use of cost of change (and other) reserves along with currently agreed corporate funding.
- 72. For Children's Services revised funding for a range of pressures has been provided for, but it is currently predicted that even with this funding the

Department will be over spent by approaching £1.4m at the end of the year. Pressures are notably in the areas of Home to School Transport and agency staff costs. Additional funding for Children's Services has been approved previously to ensure the Department could operate from a firmer financial base. However, some financial pressures remain to be addressed and their Cost of Change Reserve is exhausted.

73. However, it is worth reiterating that at this point in the year the forecasts themselves tend to concentrate on the more significant negative items without considering in depth other areas of potential under spend that could be used to offset them. Monitoring in the first half of the year therefore tends to the side of prudence and it is anticipated that this position may improve through a combination of continued positive management action in the pressure areas and under spends elsewhere in Children's Services, albeit this too may be impacted by Covid-19.
74. The financial position will continue to be reviewed throughout the remainder of the year and continuing focus at the ongoing monthly meetings between the Deputy Chief Executive and Director of Corporate Resources and the Director Children's Services will be on the robustness of future plans and any potential requirement for additional corporate funding.
75. As the year progresses possible options to address any remaining pressure will be considered and may, if necessary, be advanced as part of the ongoing development of the budget, recognising the uncertainty surrounding the financial position facing the County Council and the challenge presented by the Covid-19 pandemic.
76. The financial pressures facing schools have been highlighted for some time, driven in part by an increasing requirement for pupils with Special Educational Needs (SEN), which exceeds the available funding and is mirrored nationally (as is the consequent pressure on Home to School Transport). SEN pressures have mainly arisen due to significant increases in the number of pupils with additional needs and as a result of the extension of support to young people with high needs up to the age of 25. There are also increases in the amount of funding required due to increasing complexity of need resulting in a pressure on the top-up budgets for mainstream schools, resourced provisions and Post 16 colleges. There is also significant pressure due to more pupils requiring placements in independent and non-maintained schools.
77. In 2020/21 the current forecast is for a further over spend of more than £13.6m which will bring the cumulative deficit to approaching £36.4m. Whilst this sum sits as 'negative reserve' on the County Council's balance sheet it in effect represents an overdraft for schools which they (and the Government) need to address over the longer term.
78. Following extensive lobbying of the Minister for Education and local MPs additional funding for schools has been made available but while this will help to address the future growth in this area, the demand continues to accelerate

meaning future pressures are likely and it does not provide a solution to the cumulative deficit position the Schools Budget will face at the end of 2020/21.

79. As we move further through the financial year, we will have a clearer picture of the likely business as usual outturn position for 2020/21 across all areas and each year we prepare a revised budget that is presented to Cabinet in January which reflects the latest monitoring information available. Corporately a detailed review of non-departmental budgets (including contingencies) and reserves has been undertaken as part of developing the Covid-19 response package, but this will be revisited and considered in the 2020/21 revised budget position.
80. Given the current financial constraints and the limited ability to fund new or ongoing programmes a review of existing and planned spend both within revenue budgets and specific programmes will also be undertaken to see where spend could be halted or paused to buy some capacity and time while we wait for the financial position to stabilise.

Treasury Management Mid-Year Report

81. The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management recommends that treasury management activity should be reported on at least twice a year against the strategy that has been approved.
82. Attached at Appendix 1 is the mid-year monitoring report for 2020/21 that sets out the borrowing and investment activity that has been undertaken to date and how this compares to the prudential indicators that were set for the year. Cabinet is asked to approve the report.
83. Of particular interest is the fact that we are moving into the territory of negative interest rates. The County Council's Treasury Management Strategy Statement for 2020/21 was written prior to the start of the pandemic and therefore prior to the fall in interest rates. However, it did identify that in the situation where negative interest rates arose, the security of the County Council's investments would be measured as receiving the contractually agreed amount at maturity, even when this was less than the amount originally invested.
84. The County Council will continue to manage its investment balances proactively to avoid accepting negative interest rates wherever possible, however suitable governance is also in place to ensure that the County Council is able to access appropriate areas of the market paying negative rates should the need arise, including being able to access the Treasury's Debt Management Account Deposit Facility. Access to this facility is an important part of the County Council's approach to managing its investment balances as the counterparty is the UK government and therefore provides a significant level of security in times of market distress.

Section I: Revenue Investment Critical Priorities

85. In past years it has been possible to add significant schemes to the Capital Programme using surplus revenue funding generated by the early achievement of savings. As the financial strategy has evolved and savings have been required to meet successive budget deficits, there is less ability to do this above and beyond the use of specific capital resources that come from government or developers. However, the County Council continues to provide resources to invest in specific priorities in line with the County Council's focus on continuous service improvement, to generate revenue or capital benefits in future financial years and to mitigate the key risks that it faces.
86. This scope has clearly been further reduced by the impact of the Covid-19 pandemic on the County Council's financial position but in line with these specific priorities two health and safety related items have been identified as critical and the following investment is proposed.

Adult Social Care Health & Safety

87. Prior to Covid-19, work was being progressed on a strategic business case for the bed based programme in Adults' Health and Care looking at investment in, and expansion of, our in-house residential care and nursing homes. This was to be reported alongside other identified priorities for capital investment, but this work is now on hold given the current financial constraints and uncertainty regarding the future operating model.
88. As part of this work, a range of health and safety measures were identified through inspections that still need to be carried out irrespective of the wider programme. A summary report of the key items and associated costs is contained at Appendix 2 and a total of £2.9m has been requested over the next two years.
89. Given the importance of health and safety in these care settings an increased annual amount is also flagged in the future investment section detailed below, but this will all be subject to the Local Government Finance Settlement due in December this year.

Ash Dieback

90. Members will be aware that nationally there is a growing problem with the dieback of ash trees and in February County Council approved additional resources to fund a dedicated co-ordination and inspection team together with a commissioning budget to employ specialist arboriculturists to remove trees deemed to be higher risk.
91. At that stage it was difficult to quantify the scale of the problem and the potential costs of rectifying any safety issues discovered. The aim was to bring back a further and more detailed report based on the information and experience gained from the first year of operation to feed into further requests

for funding in future years once a greater understanding of the risks and mitigating activity had been compiled.

92. Work to date has been impacted by Covid-19 in the early part of the year and around £320,000 of the 2020/21 allocation is expected to be available. Based on the limited detailed information that has been collected to date an additional £1.24m is requested to continue the programme into the next financial year, which means that additional funding of £920,000 needs to be approved.
93. The two health and safety items above total just over £3.8m. Whilst in a normal year it would be possible to meet this funding requirement through savings in current year contingencies, all available funding from that source has already been allocated to the Covid-19 response package reported in July.
94. A further review has therefore been undertaken to identify what potential resources may be available to meet this expenditure. In particular we have considered the mid-year position relating to treasury management activity, included at Appendix 1. Following the sale of Transport for London bonds a profit of £2.9m has been realised and credited to the revenue account. In addition, the County Council's usual policy of borrowing internally rather than taking out borrowing and incurring a 'cost of carry' means that a further £0.9m can also be released.
95. It is therefore proposed that these separate treasury management savings are used to fund the £3.8m of critical health and safety items outlined above.

Section J: Future Unavoidable Investment Pressures and Investment Priorities

96. The Section above dealt with critical health and safety priorities that are considered to be essential to be dealt with at this point in time. As part of the ongoing financial resilience monitoring and meetings with Directors there are a range of other items that may impact the budget in 2021/22 and possibly future years. Some of these items reflect unavoidable pressures in the current year or are issues that we know will be coming forward in due course, whereas for others there is an element of choice.
97. It has been highlighted in previous reports that there has never been more uncertainty within national and public sector finances than there is at this point in time. In particular:
 - The current and ongoing impact of Covid-19 and how this might be funded is unclear.
 - The impact of Covid-19 on council tax and business rate income cannot be properly assessed for the current and future years. The current forecasts have been calculated at a very high level due to a lack of definitive data from the districts. The districts are gaining more clarity around this data and a much clearer picture will be available early next year.

- We are undoubtedly heading into a period of recession with government borrowing at levels beyond those following the 2008 crash.
 - We have no financial settlement figures beyond the current financial year.
 - The Fair Funding Review and Business Rate Retention have been delayed for some considerable time.
98. With this in mind, it is recommended that consideration of the unavoidable pressures and the future investment priorities (over which there is some choice) is delayed until after the Provisional Local Government Finance Settlement is announced, and are included in the budget setting report due to be presented to Cabinet and County Council in February next year.
99. In the meantime, the following paragraphs set out the key items that have been identified so far under the two separate headings.

Unavoidable Pressures

100. **IT Pressures** – As in previous years it is necessary to increase the forward budget for the IT service to take account of several factors associated with the IT infrastructure and the provision of equipment. A total of up to £2.1m per annum is required to meet amongst other things, the future refresh of the new equipment provided to staff and Councillors to facilitate homeworking during Covid-19, increased resilience against cyber-attacks, renewals of vital software at an increased cost above inflation and growth in IT capacity in areas such as disk space and wireless networks.
101. **Home to School Transport** – We continue to see pressure within Home to School Transport, most notably due to continued growth in SEN. The position is further complicated this term from the Covid-19 arrangements and further work will be undertaken on robust modelling on this autumn's data to understand the likely pressure we might face going forward.
102. **Hampshire and Isle of Wight Educational Psychologists (HIEP)** – There has been a sustained increase in the level of Education Health and Care Plans (EHCPs) to be completed. Additional investment has enabled the backlog that began to develop to be addressed but this has required the provision of an increased volume of statutory advice from HIEP. To deliver this in the short term resource has been redirected away from other traded work but a process review will be undertaken to consider the efficiency and sustainability of the current operating model and consider future resourcing and the resulting funding implications.
103. **Children's Social Workers Agency Costs** – Although Children's Services have been successful in recruiting new staff through their Graduate Entry Training Scheme, there has still been a reliance on agency social workers to provide the additional capacity needed for the Transforming Social Care Programme and to deal with ongoing turnover across the service in the face of increasing demand. Further options are being considered to reduce the

reliance on agency social workers that will be considered as part of the budget setting process.

104. **Coroner's Service** – There continues to be pressure within the Coroner's Service in the current year, partly driven by the impact of Covid-19, on the number of cases and delays in progressing inquests during the first lockdown. However longer term there are further pressures associated with an increase in activity generally, the change in cost apportionment reported previously and changes to the structure of the service across the wider coronial area.
105. **Corporate Estate Repairs and Maintenance** – There is always pressure on repairs and maintenance budgets in terms of the amount of work that needs doing compare to the resources that are available. Over the last five or six years additional annual funding has been provided to Property Services to undertake a programme of planned maintenance in order to improve the corporate estate and to try to reduce the level of reactive repairs that are required. The last tranche of this funding is now fully committed and a further bid for resources was submitted as part of the development of capital investment priorities which is now on hold due to Covid-19 as explained above.
106. As outlined above, a separate piece of work has been carried out on adult services' properties, but further inspection work and assessments have also been completed for the rest of the corporate estate. This has identified that there is a funding gap of £1.13m for the very highest priority critical works that need to be carried out in 2021/22 along with a longer term funding gap for other essential works in later years. Culture, Communities and Business Services (CCBS) have been looking at their current year monitoring and on the assumption that Covid-19 costs and losses are met from government grant they predict that they will have sufficient savings available to meet the costs in 2021/22.
107. Looking ahead, the changes to the funding of repairs and maintenance across the adult services' estate will hopefully free up some existing annual funding but it is still likely that additional resources will be required to meet essential liabilities in future years and if possible further allocations for planned repairs to continue the previous programme would help to maintain assets to the appropriate standards.

Future Investment Priorities

108. **Health and Safety in Residential Care and Nursing Homes** – As outlined above there is a programme of works that have been identified as being critical to carry out at this stage, separate to any wider investment that might be considered in the longer term.
109. At the moment, planned and reactive maintenance on residential care and nursing homes forms part of the overall corporate budget for repairs and maintenance and must be prioritised against the needs for other operational assets.

110. Given the importance of health and safety in these settings it is proposed that in line with other annual allocations, detailed inspections are undertaken each year to identify the necessary works and these will be considered as part of the normal budget setting process.
111. **Managing Placements Programme** – Children’s Services are currently in the process of developing a business case in consultation with the Deputy Chief Executive and Director of Corporate Resources for various initiatives that will improve the way placements are managed and make changes to foster care arrangements that will improve the foster carers’ experience and the support they are given and will help to reduce costs on an invest to save basis in the longer term. Further work is still being undertaken on the business case, but the intention would be to bring it forward for consideration as part of the budget setting process.
112. **Strategic Land Programme** – An annual amount is usually provided to continue activity on this Programme. However, following the signing of the Manydown contract with the developer, Urban and Civic a reimbursement of previous procurement costs was provided to the County Council and it is anticipated that this will be sufficient to cover costs for next year. In any event given the current economic climate it may be necessary to scale back work in this area to fit with an affordable financial envelope going forward.
113. **Operation Resilience** – In the current financial year an additional £3m was provided to this programme on a one-off basis to increase planned works and provide extra flexibility to transfer funding to the reactive maintenance programme in the face of rising demand. A commitment was given to look at adding this funding on a longer term basis, but clearly this will be dependent on the overall financial position in February.
114. **Major Schemes Development** – A recent feature of capital investment priorities has been to provide feasibility funding for highways schemes in particular so that detailed planning and design can be carried out for priority schemes that are then ‘oven ready’ to be submitted should there be a call for bids by the Government or Local Enterprise Partnerships (LEPs).
115. This methodology has proved very successful in the past at attracting major investment into the county and protects the Council’s own capital resources. Funding of around £169m has been secured since 2018/19, highlighting the excellent return on investment that is created. In the past a sum of around £1.5m has been approved on an annual basis, although any activity would clearly need to be contained within whatever figure might be able to be provided.
116. As mentioned above the aim would be to consider all of these items as part of the budget setting process in February when hopefully much more is known about our forward financial prospects and what further support the Government may provide in respect of Covid-19 and council tax, and business rates in particular. It should be noted however that the further uncertainty created by a single year Spending Review and the financial constraints created by Covid-19

mean that it will be far more difficult to absorb these sorts of extra costs into the budget, which the County Council has been very successful in doing in the past.

Section K – Spending Review

117. Members will be aware that following previous delays in the Comprehensive Spending Review (CSR) it was hoped that a three year CSR would be announced in November this year. Following increasing rates of Covid-19 throughout October and the uncertainty over the long term economic impacts of Covid-19 the Chancellor announced that only a single year Spending Review would be put in place.
118. This is expected to be announced on 25 November and therefore no details are available at the time of writing of this report. This is clearly very disappointing news as it creates further uncertainty on what financial prospects the County Council might face at what is already the most uncertain time since the end of the Second World War.
119. Given this position, the County Council has no choice other than to concentrate on setting a balanced budget for 2021/22 and considering financial assumptions for future years to inform our financial planning for the medium term.

Section L: Medium Term Financial Position

120. At the time of writing this report we have no further information available to us compared to that previously reported to Cabinet and County Council.
121. Once the Provisional Local Government Finance Settlement is released in December, we will be able to compare this to the assumptions that have been made to determine whether we are better or worse off against the original forecasts that underpinned the scale of the Tt2021 Programme. In previous years we have taken these differences into account in setting the next round of savings targets, but this may not be possible due to the financial constraints as a result of Covid-19.
122. Beyond 2021/22 we have consistently said that we face an annual gap of at least £40m a year as a result of inflation and demand growth after a 3.99% council tax increase. In the absence of a multi-year settlement it is difficult to make any changes to these forecasts at this stage, but hopefully the December settlement will provide some insight as to the Government's approach for dealing with the social care pressures that we face.
123. At this stage therefore the assumed £80m gap for a new 2023 Savings Programme remains the best estimate we have accepting the considerable uncertainty in national and international economics at this point in time.

Section M: 2021/22 Budget Setting

124. The tried and tested financial strategy which the County Council operates 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. The model has served the authority well.
125. In line with this strategy, the Tt2021 Programme has been in place for some time to develop the £80m of savings required to balance the budget for 2021/22. Detailed savings proposals for each department were approved by the County Council in November 2019, in order to allow more time for delivery of the savings; including the requirement to undertake a second stage of service specific consultations where necessary.
126. Since the transformation programme is already in place to deliver approved departmental savings, there are no new savings proposals to be considered as part of the 2020/21 budget setting process and as explained above the impact of Covid-19 is being dealt with as a separate issue. However, it is still necessary for the County Council to go through the normal 'technical' process of setting provisional cash limits for departments, asking them to prepare detailed budgets within those cash limits and then securing approval through Executive Members, Cabinet and finally County Council.
127. The next section of this report sets out the details of provisional cash limits for departments for 2021/22, which take into account any base budget changes and the impact of inflation.
128. The MTFs approved by the County Council in November 2019 including the working assumption that council tax will increase by the maximum permissible without a referendum in line with government policy. This will mean a council tax increase of 3.99%, of which 2% will contribute towards the increased costs of adults' social care, in line with the government's amended approach which is built into their settlement calculations.
129. In addition, the financial strategy assumes a significant draw from the BBR in 2020/21 to provide for the one off corporate funding needed to cash flow the Tt2021 Programme, recognising the scale of the transformation and the lead in times for achieving the savings themselves.
130. Council tax base and collection rates will have a key impact on the overall position and at this stage the assumption is that there will be an overall 5% reduction in income in the current year and a 3% council tax base reduction next year, which reduces by 1% each further year due to normal annual growth.
131. Latest information from district councils on collection fund deficits and estimates of retained business rates are not available at the time of writing this

report and will therefore be taken into account in setting the final budget in February. This is particularly difficult this year since billing authorities will not be able to accurately predict collection fund deficits or the ongoing impact on the council tax base due to Covid-19, so we will be working closely with them to try to get a consistent approach as far as possible.

132. Final details of the local government settlement for next year are also a key component to budget setting and it is hoped that this will be available from early December.

Section N: Provisional Cash Limits 2021/22

133. Provisional cash limits are set to enable departments to prepare their detailed budgets for the next financial year. These take account of changes in the base budget, for example as a result of grant changes or transfers between departments, approved growth and inflation for the year.
134. Inflation allowances are given each year for pay and price increases and the provisional cash limits detailed in this report include allowances for price inflation. At this stage they do not include an allowance for the 2021/22 pay award as negotiations have not yet been formally commenced and the outcome is uncertain. An amount will be retained centrally in contingencies until any awards are agreed.
135. The calculation of the provisional cash limits is shown in detail in Appendix 3. The figure for Schools will be updated once the provisional settlement is known, but for now, the 2020/21 position has been updated taking into account forecast changes, such as increases in respect of the pupil premium and other grant related changes.
136. Funding previously approved to meet growth in demand driven services, notably adults' and children's social, has also been allocated and is reflected in the provisional cash limits, with the exception of a sum of up to £1.0m for external legal costs associated with the increase in the number of Children Looked After, which has been retained in contingencies and will be allocated in year once further analysis has been completed.
137. Chief Officers, with Executive Members will be developing their detailed budgets within these provisional guidelines, subject to their approval, so that the Leader and Cabinet can make the final budget recommendations for 2021/22 at the meeting in February 2021.

Section O: Capital Investment

138. The County Council's Capital Programme continues to be maintained and expanded, ensuring that we invest wisely in sustaining our existing assets and delivering a programme of new ones.


139. The timeframe for capital planning moves on each year and for the 2021/22 budget process, the programme will be extended into 2023/24. The table below shows the provisional capital guidelines that are being allocated to each department:

	2021/22	2022/23	2023/24
	£'000	£'000	£'000
Adults' Health & Care	481	481	481
Children's Services	100	100	100
CCBS	4,559	4,559	4,559
ETE	11,929	11,929	11,929
Total	17,069	17,069	17,069

140. The capital guideline for Economy, Transport and Environment (ETE) reflects the recurring funding of £10.0m per annum for Operation Resilience that has been maintained through an ongoing revenue contribution to capital to ensure the continuation of Operation Resilience which was due to end in 2020/21. It should be noted that this is not additional funding, rather it ensures the continuation of the £10.0m that has been part of the programme for many years and provides a sustainable funding source going forward.

141. Cabinet is requested to approve these provisional guidelines to allow departments to prepare their detailed capital programmes for approval as part of the budget setting process in January and February.

142. The figures in the table above represent the 'locally resourced' allocations to the Capital Programme, which supplement other capital resources that fund the overall programme, such as developers' contributions, capital receipts, Government grant and borrowing. The total programme approved last February is shown in the following table and this will be updated as part of the budget setting process for 2021/22:

	Revised				Total
	2019/20	2020/21	2021/22	2022/23	£'000
	£'000	£'000	£'000	£'000	£'000
Adult Social Care & Health	25,980	13,042	481	481	39,984
Children's Services	98,807	42,433	37,829	62,248	241,317
CCBS	74,002	24,917	21,585	21,585	142,089
ETE	148,178	68,416	50,625	42,889	310,108
Total	346,967	148,808	110,520	127,203	733,498
					
	386,531				

143. New capital schemes over a certain value must be added to the Programme by Cabinet or the County Council. Members may be aware that we have been working closely with Southampton and Portsmouth City Councils on their Transforming Cities Fund (TCF) bids, the results of which were announced earlier in the year.
144. Overall, Southampton received £57m and Portsmouth's allocation was eventually confirmed at just under £56m. Within these amounts were bids relating to highway improvements on the County Council's network that play a major part in the transport infrastructure for the two cities. TCF funding of £34.7m will be transferred to the County Council as part of a package of schemes totalling £37.9m.
145. A full list of schemes (including a separate scheme for Aldershot Station) together with their funding sources are included within Appendix 4 and County Council is requested to approve the addition of the schemes to the ETE Capital Programme.

Section P: Next Steps / Strategy Beyond Transformation to 2021

146. For a number of years it has been reported to Cabinet and County Council through updates of the MTFS that the County Council will not be sustainable in the medium to long term unless there is a sustainable solution to the increasing demand and complexity of adult social care services and new funding to meet the real annual growth in children's social care costs.
147. These points have been consistently made to government and formed a significant part of the submission that Hampshire made to the latest Spending Review. Other factors that have been raised consistently relate to the need for greater flexibilities in charging for some services and within schools funding the need to address the ongoing increases in SEN and a one off solution to the deficits that have accumulated in this area.

148. Following the announcement of a further single year Spending Review, this places the County Council in a very difficult position in terms of future financial planning. Whilst in December, we would expect to receive detailed settlement figures for next year, given the lack of any certainty after this period, the County Council has no choice but to assume that savings required to meet a two year gap of at least £80m will be required by April 2023 as we cannot take the risk of delaying the programme until 2024. Furthermore, the financial constraints created by Covid-19 mean that there will no funding available to cash flow a savings programme beyond April 2023.
149. County Council in July 2020 approved the initial allocation of savings for departments for a 2023 Savings Programme and these have now been updated to reflect the provisional cash limits set out in Appendix 3 as follows:

	£'000
Adults' Health and Care	40,536
Children's Services – Non Schools	21,325
Corporate Services	4,639
CCBS	3,239
ETE	10,261
Total	80,000

150. The report in July also set out a timeline to achieve an April 2023 Programme, accepting that a final decision was originally not going to be made until February 2021 as part of the budget setting process. With the news of the single year Spending Review it is clear that we need to start this planning now to give departments more time to complete the initial high level opportunity assessment by May, leading into the rest of the timetable as follows:

Item	1 April 2023 Implementation
High level opportunity assessment carried out by Departments	November 2020 – May 2021
Public consultation on proposals	June – July 2021
Final savings programme approved by Executive Members, Cabinet and County Council	September – November 2021

151. The County Council's financial strategy is to fund the deficit for the interim year (2022/23) from the BBR. Given the carefully considered approach that has

been taken to managing the Covid-19 pandemic as a one off financial impact, with the aim of placing the County Council in the same position it would have otherwise been in if Covid-19 had not happened, this strategy can be maintained

152. The business as usual deficit in 2022/23, forecast to be £40.2m, has been provided for and will be drawn from the BBR. However, given the current medium term deficit shown for Covid-19 and the resulting financial response package which uses up all flexibility within the resources that we have available and still requires significant additional government funding, it is critical that the savings programme developed must be delivered by 1 April 2023 and Cabinet is requested to note this point.
153. Given the level of savings already achieved and the shortened timescales for delivery, we expect the savings to be less around transformation of services and more about what services may be reduced or stopped. In social care services, there will inevitably be some reliance on the assumption of additional government funding, but this is high risk given the financial constraints on the Government created by the Covid-19 pandemic. The 2021/22 settlement may give us some insight as to potential additional resources in this area going forward.
154. What is clear is that the financial prospects for the County Council are as difficult today as they have ever been, but the past prudent and well planned financial management has placed it in a strong position to face these challenges going forward.

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:	
<u>Title</u>	<u>Date</u>
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 County Council – 7 November 2019
Medium Term Financial Strategy Update https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=134&MId=6499&Ver=4	Cabinet – 14 July 2020 County Council – 16 July 2020
Financial Update https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=134&MId=6500&Ver=4	Cabinet – 29 September 2020
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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

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

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

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

2. Equalities Impact Assessment:

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

Treasury Management Mid-Year Monitoring Report 2020/21

1. Summary

- 1.1 The report fulfils the County Council's legal obligation under the Local Government Act 2003 to have regard to the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), and provides an update on the performance of the treasury management function during 2020/21.
- 1.2 The County Council's Treasury Management Strategy (TMS) 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 TMS.
- 1.3 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."
- 1.4 Overall responsibility for treasury management remains with the County Council. No treasury management activity is without risk and the effective identification and management of risk are integral to the County Council's treasury management objectives.
- 1.5 All treasury activity has complied with the County Council's TMS and Investment Strategy for 2020/21, 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.
- 1.6 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 against which investment and borrowing decisions have been made so far in 2020/21.
- 2.2 Economic commentary
- 2.3 Coronavirus dominated the news during the period as countries around the world tried to manage the delicate balancing act of containing transmission of the virus whilst also supporting their economies. A national lockdown in the UK was followed by the gradual easing of restrictions and the introduction of

various support packages, including the job retention scheme and the Eat Out to Help Out (EOHO) offer.

- 2.4 The Bank of England's Monetary Policy Committee (MPC) maintained the Bank Rate at 0.1% throughout the period and increased its Quantitative Easing programme to £745 billion. It has also not ruled out the use of negative interest rates in future, which has had an impact on interest rates available in the money markets.
- 2.5 Gross Domestic Product (GDP) contracted by 19.8% in the second quarter according to the Office for National Statistics (ONS), pushing the annual growth rate down to -21.5%. Recent monthly estimates of GDP have shown growth recovering although output is still significantly below pre-coronavirus levels. A potential second wave of the virus and the impending end of the transition period for the UK's exit from the EU may have a further impact on GDP and the economy over the remainder of the year.
- 2.6 The headline rate of UK Consumer Price Inflation (CPI) fell to 0.2% year on year in August, significantly below the Bank of England's 2% target. Inflation was slightly higher at 0.5% year on year using the CPIH measure, which is preferred by the ONS and includes owner-occupied housing.
- 2.7 In the three months to July, the unemployment rate increased from 3.9% to 4.1% while wages fell in both real and nominal terms. The unemployment rate may pick up sharply in the coming months as the furlough scheme ends and the Bank of England has forecast unemployment could hit a peak of between 8% and 9%.

Financial markets

- 2.8 After selling off sharply in March 2020, world equity markets started recovering in April and have continued to regain value during quarter two and three. Not all sectors and geographies have rebounded to the same extent and the recovery has largely been driven by a small number of US technology stocks, while in the UK the FTSE 100 and 250 have only made up around half of their pre-crisis losses. Central bank and government stimulus packages continue to support asset prices, but volatility and uncertainty remain.
- 2.9 Ultra-low interest rates and the flight to quality continued during the period, with the yield on some shorted-dated UK government bonds turning negative and yields on longer-dated bonds remaining low.

Credit review

- 2.10 After rising sharply in late March, credit default swap spreads slowly eased over quarter two and three to slightly above their pre-crisis levels suggesting a relatively high level of confidence in UK banks. That being said, Fitch downgraded the UK sovereign credit rating to AA- in March, which was followed by revising the outlook for all UK banks approved for use by the County Council by Arlingclose either to negative or rating watch negative, although the long term rating for HSBC was increased. Fitch and S&P also downgraded the long-term rating for Transport for London.

- 2.11 The extent of the losses that banks and building societies will suffer as a result of the coronavirus pandemic remains uncertain but is expected to be substantial. Arlingclose have therefore conducted a stress testing exercise and consequently a number of UK banks and building societies were suspended from the counterparty list for unsecured deposits in June 2020. Arlingclose also continue to recommend a maximum duration of 35 days for investments with the remaining counterparties. Although far better capitalised than during the Great Financial Crisis there remains significant uncertainty about the impact of the pandemic and with the added unknown of what the final Brexit trade deal may look like. Arlingclose are therefore recommending a prudent approach and the institutions on Arlingclose's counterparty list remain under constant review.

3. Local Context

- 3.1 On 31 March 2020, the County Council had net investments of £544m. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in the table below:

Table 1: Balance Sheet Summary

	31/03/2020 Balance £M
CFR	783.48
Less: Other Debt Liabilities*	(149.43)
Borrowing CFR	634.05
External Borrowing	(307.24)
Internal Borrowing	326.81
Less: Usable Reserves	(643.14)
Less: Working Capital	(227.28)
Net Investments	(543.61)

* PFI liabilities that form part of the County Council's total debt

- 3.2 The County Council's current strategy is to maintain borrowing and investments below their underlying levels, referred to as internal borrowing, to reduce risk and keep interest costs low. The treasury management position as at 30 September 2020 and the movement since 31 March 2020 are shown in Table 2:

Table 2: Treasury Management Summary

	31/03/2020 Balance £M	Movement £M	30/09/2020 Balance £M	30/09/2020 Rate %
Long-term Borrowing	(261.2)	5.9	(255.3)	4.7
Short-term Borrowing	(10.0)	(4.7)	(14.7)	3.7
Total Borrowing	(271.2)	1.2	(270.0)	4.6
Long-term Investments	274.3	(22.2)	252.1	3.5
Short-term Investments	105.5	32.0	137.5	0.6
Cash and Cash Equivalents	201.7	(142.1)	59.6	0.1
Total Investments	581.5	(132.3)	449.2	2.2
Net Investments	310.3	(131.1)	179.2	

Note: the figures in the Table 2 at 31 March 2020 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

- 3.3 The reduction in net investments of £131.1m shown in Table 2 reflects reductions in both total borrowing and total investments. The reduction in total borrowing of £1.2m reflects the repayment of debt in line with scheduled timescales. The reduction of £132.3m of investments reflects the early payment of employer's pension contributions of £235m in order to achieve significant savings in the cost of these contributions over a three-year period, offset by an increase in investment balances reflecting the higher balances typically seen at this time of year, due to the difference in timing between income and expenditure.

4. Borrowing Activity

- 4.1 As shown in Table 2, at 30 September 2020 the County Council held £270.0m of loans as part of its strategy for funding previous years' capital programmes. The mid-year treasury management borrowing position and movement since 31 March 2020 are shown in Table 3.

Table 3: Borrowing Position

	31/03/20 Balance £M	Net Movement £M	30/09/20 Balance £M	30/09/20 Weighted Av. Rate %	30/09/20 WAM (Years)
Public Works Loan Board	(226.5)	1.0	(225.5)	4.7	10.7
Banks (LOBO)	(20.0)	0.0	(20.0)	4.8	12.8
Other (Fixed Term)	(24.7)	(0.2)	(24.5)	3.6	16.7
Total Borrowing	(271.2)	1.2	(270.0)	4.6	11.4

(* Weighted Average Maturity)

Note: the figures in Table 3 at 31 March 2020 are from the balance sheet in the County Council's statement of accounts but adjusted to exclude borrowing taken out on behalf of others, and accrued interest.

- 4.2 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 the flexibility to renegotiate loans should the County Council's long-term plans change being a secondary objective.
- 4.3 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.
- 4.4 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.
- 4.5 During the period April to September 2020 the County Council repaid £1m of maturing PWLB debt and made £0.25m of scheduled repayments of loans entered into for energy efficiency projects. The County Council did not replace any of this borrowing. This strategy enabled the County Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 4.6 The County Council continues to hold £20.0m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the County Council has the option to either accept the new rate or to repay the loan at no additional cost. None of the LOBO loan options were exercised by the lender during the period.

5. Treasury Investment Activity

- 5.1 The County Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. The County Council's investment balance was £449.2m at 30 September 2020, which was £130.6m (22.5%) lower than the same time last year.
- 5.2 During the six-month period from 1 April to 30 September 2020, the County Council's investment balances ranged between £336m and £521m due to timing differences between income and expenditure.
- 5.3 Table 4 shows investment activity for the County Council as at 30 September 2020 in comparison to the reported activity as at 31 March 2020. The reduction in total investments since 31 March 2020 reflects the combination of the early payment of employer's pension contributions of £235m in order to achieve significant savings in the cost of these contributions over a three-year period, offset by an increase in investment balances reflecting the typical higher balances seen at this time of year, due to timing differences between income and expenditure.

Table 4: Treasury Investment Position

	31/03/20 Balance	Net Movement	30/09/20 Balance	30/09/20 Income Return	30/09/20 WAM *
	£M	£M	£M	%	(Years)
Short Term investments					
- Banks and Building Societies					
- Unsecured	26.3	(2.8)	23.5	0.1	0.1
- Secured	15.0	(15.0)	0.0	N/A	N/A
- Money Market Funds	175.3	(116.7)	58.6	0.1	0.0
- Local Authorities	80.5	24.5	105.0	0.7	0.6
- Cash Plus Funds	10.0	0.0	10.0	1.2	0.0
	307.1	(110.0)	197.1	0.5	0.3
Long Term investments					
- Banks and Building Societies					
- Secured	33.2	(2.6)	30.6	0.5	2.0
- Local Authorities	40.0	(15.0)	25.0	1.5	1.6
	73.2	(17.6)	55.6	0.9	1.8
Long Term investments – Higher Yielding Strategy					
- Fixed deposits	20.2	1.3	21.5	4.3	13.0
- Fixed bonds	10.0	(10.0)	0.0	N/A	N/A
- Pooled funds					
- Pooled property**	77.0	0.0	77.0	4.1	N/A
- Pooled equity**	52.0	0.0	52.0	4.5	N/A
- Pooled multi-asset**	42.0	4.0	46.0	4.0	N/A
	201.2	(4.7)	196.5	3.5	13.0
Total investments	581.5	(132.3)	449.2	2.2	1.1

* Weighted Average Maturity - The WAM figures exclude pooled funds which have no fixed end date.

** The rates provided for pooled fund investments are reflective of annualised income returns over the year to 30 September 2020.

Note: the figures in Table 4 at 31 March 2020 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.

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

- losses from defaults against the risk of receiving unsuitably low investment income.
- 5.5 Security of capital has remained the County Council's main investment objective and has been maintained by following the County Council's counterparty policy as set out in the Treasury Management Strategy Statement.
 - 5.6 Counterparty credit quality has been assessed and monitored with reference to credit ratings, the analysis of funding structures and susceptibility to bail-in of financial institutions, credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.
 - 5.7 The County Council also makes use of secured investment products that provide collateral in the event that the counterparty cannot meet its obligations for repayment.
 - 5.8 Over the six month period, the County Council has continued to feel the effects of the Coronavirus pandemic and has experienced uncertainty over income and expenditure in addition to falling money market rates, a lower number of suitable counterparties and a reduction in advised investment durations.
 - 5.9 Liquid cash has been diversified over several counterparties, including Money Market Funds (MMFs) and bank call accounts to manage both credit and liquidity risks. The return on MMFs net of fees has fallen over the six-month period and for many funds net returns now range between 0% and 0.1%, with the fund management companies in several instances temporarily lowering or waiving fees to maintain a positive net return.
 - 5.10 The County Council also has the option of using the Debt Management Account Deposit Facility (DMADF), which offers a high level of security as the counterparty is the UK government. On 25 September the overnight, 1- and 2-week deposit rates on DMADF deposits dropped below zero percent to -0.03%, which discourages local authorities from using this facility for short-term cash. The County Council has not needed to use the DMADF during this period and has maintained a positive net return on all of its investments, however it is important for the County Council to maintain the ability to access this facility as part of its suite of treasury management options.
 - 5.11 The County Council's Treasury Management Strategy Statement for 2020/21 was written prior to the start of the coronavirus pandemic and the ensuing impact on financial markets. However, it did identify that in the situation where negative interest rates arose, the security of the County Council's investments would be measured as receiving the contractually agreed amount at maturity, even when this was less than the amount originally invested. The County Council will continue to manage its investment balances proactively to avoid accepting negative interest rates wherever possible, however suitable governance is also in place to ensure that the County Council is able to access appropriate areas of the market paying negative rates should the need arise, including being able to access the Treasury's DMADF accounts.

- 5.12 To reduce risk, 69% of the County Council's internally invested cash is invested so that it is not subject to bail-in risk, as it is invested in local authorities and secured bank bonds. Of the remaining balance, the majority is invested in overnight money market funds which are subject to reduced bail in risk.
- 5.13 Against this backdrop, the County Council has sought to optimise returns commensurate with the objectives of security and liquidity, achieving an average rate of return of 0.80% on internally managed funds as at 30 September 2020 whilst also maintaining sufficient liquidity through the use of call accounts and money market funds. The County Council has benefited from holding investments where deals were made prior to interest rates falling in March. However, as investments mature and are replaced, lower rates will be achieved, and the average rate of return is therefore likely to fall over the course of the financial year assuming the low interest rate environment persists.
- 5.14 The progression of risk and return metrics for the County Council's investments that are managed in-house (excluding external pooled funds) are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5. This compares the data for the quarter ended 30 September 2020 with data for the quarter ended 31 March 2020.

Table 5: Investment Benchmarking (Excluding Pooled Funds)

	Credit Rating	Bail-in Exposure	Weighted Average Maturity (Days)	Rate of Return %
31/03/2020	AA	50%	551	0.97%
30/09/2020	AA-	31%	608	0.80%
Similar Local Authorities	AA-	49%	991	0.57%
All Local Authorities	AA-	64%	18	0.27%

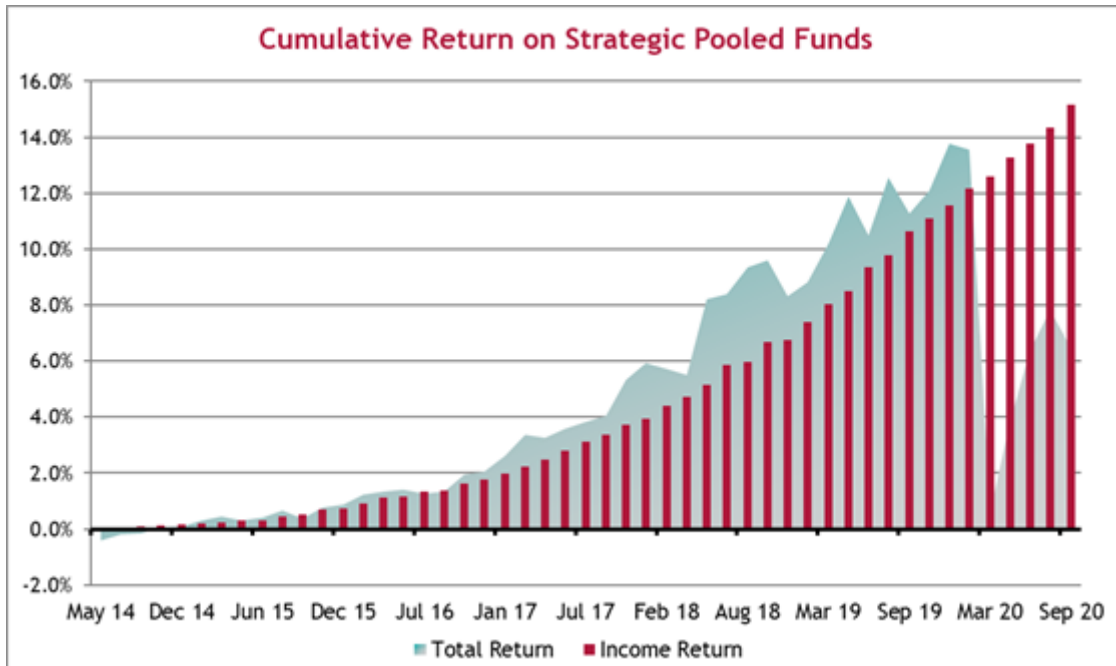
- 5.15 During the six-month period from 31 March to 30 September 2020, the impact of the two Bank Rate cuts in March was felt across the money markets. This resulted in the investment return on the internally managed investments in the County Council's portfolio reducing, albeit the average return is currently greater than the average for other Arlingclose clients included in the investment benchmarking exercise.
- 5.16 The prepayment of employer's Local Government Pension Scheme contributions in April has meant that the weighted average maturity of the County Council's investments has increased. However, the County Council has balanced this by continuing to ensure that suitable levels of liquidity are held to meet its requirements. This has also contributed to a reduction in bail-in exposure and where the County Council is exposed to this risk it is largely through money market funds, which invest in instruments that are liable to bank bail-in but which are highly diversified therefore reducing this risk.

- 5.17 The average credit rating of the internally managed investments fell from AA to AA- however this is a strong credit rating. The County Council only invests with banks on Arlingclose's approved list of counterparties and currently only holds unsecured investments with these institutions for short durations to mitigate risk. The AA- rating is also in line with the average achieved by Arlingclose's other local authority clients.
- 5.18 In order to minimise the risk of receiving unsuitably low investment income, the County Council has continued to invest a proportion of steady core balances in externally managed pooled funds as part of its higher yield strategy.
- 5.19 These pooled fund investments 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. By holding these investments for the longer term, the County Council is able to ride out periods of volatility that result in falls in value and therefore can manage the security of its original investment. Investing only steady core balances also means the County Council should not ever need to be a forced seller for liquidity reasons.
- 5.20 The County Council's investments in pooled property, equity and multi-asset funds allow diversification into asset classes other than cash without the need to own and manage the underlying investments, with £175m now invested. 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.
- 5.21 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.
- 5.22 The impact of the Covid-19 pandemic on financial markets at the end of the financial year meant that the County Council's investments in these pooled funds suffered a £22.4m fall in capital value (12.84%) over the year to 31 March 2020. However, such losses are only realised if the assets are sold before they have the chance to regain value, which is not the County Council's intention.
- 5.23 Since March there has been improvement in market sentiment which is reflected in increases in capital values of the multi-asset income funds and one (of two) equity income funds in the County Council's portfolio. The change in capital values of the pooled fund investments is summarised in Table 6.

Table 6: Pooled Fund Capital Values

	Principal invested	31/03/20 Capital value	Movement	30/09/20 Capital value
	£M	£M	£M	£M
Pooled property	77.0	78.3	(2.0)	76.3
Pooled equity	52.0	40.1	2.8	42.9
Pooled multi asset	46.0	37.0	6.8	43.8
Total	175.0	155.4	7.6	163.0

- 5.24 Dealing in the CCLA Local Authorities Property Fund was suspended by the fund in March 2020. The relative infrequency of property transactions as the pandemic intensified meant that it was not possible for valuers to be confident that their valuations correctly reflected prevailing conditions. To avoid material risk of disadvantage to buyers, sellers, and holders of units in the property fund, the management company was obliged to suspend transactions until the required level of certainty was re-established. The dealing suspension was lifted in September 2020. There has also been a change to redemption terms for this property fund; from September 2020 investors are now required to give at least 90 calendar days' notice for redemptions. The Lime Property Fund and the Threadneedle Property Unit Trust, in which the County Council has smaller investments, also suspended dealing for the same reasons and the dealing suspensions were lifted in July and September 2020 respectively. Threadneedle now requires investors to provide four months' notice for withdrawals.
- 5.25 In 2020/21, the County Council expects to receive significantly lower income from both its internally managed cash and its higher yielding portfolio than it did in previous years, with an estimated impact of £3.5m included as part of the Medium Term Financial Strategy update during the summer. Dividends and income paid will depend on many factors including the ongoing impact of the pandemic and the individual strategies of each pooled fund, such as their sectoral allocations and investment decisions. Equity income funds will also be affected by enforced or voluntary dividend cuts and deferrals.
- 5.26 Given the impact on capital values and income described above the investments in pooled funds have been reviewed with Arlingclose, whose advice remains that these investments continue to be appropriate for the County Council. Capital values should recover over time and in the meantime these investments will continue to generate income returns significantly in excess of what could be achieved on traditional cash investments, to benefit the revenue budget.
- 5.27 The chart below shows the positive impact of regular income returns from these pooled funds and the positive cumulative total return (income + capital values) over time.



- 5.28 The County Council's investments as part of its higher yielding strategy are made with the intention of holding these investments for at least the medium term, however this does not mean that the County Council does not continue to monitor performance and nor does it mean it will hold these investments indefinitely.
- 5.29 As a result of this ongoing review, Arlingclose advised in June 2020 that the County Council should sell the long term bonds tranche of its higher yielding portfolio. The Deputy Chief Executive and Director of Corporate Resources approved this sale under her delegated authority and a gain on disposal was achieved on completion of the sale. The County Council is in the process of reinvesting the sale proceeds as part of its higher yielding strategy, with £4m added to two existing multi-asset pooled fund investments as at the end of September 2020. The remaining balance will be invested in pooled funds in tranches to mitigate risks associated with market timing.

6. Non-Treasury Investments

- 6.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the County Council as well as other non-financial assets which the Council holds primarily for financial return. This is replicated in the MHCLG Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
- 6.2 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 treasury management strategy.

- 6.3 The County Council's existing non-treasury investments are listed in Table 7 below:

Table 7: Non-Treasury Investments

	30/09/20 Asset Value £M	30/09/20 Rate %
Loans to Hampshire Based Business	9.5	4.00
Joint Venture Recruitment Agency	0.2	5.00
Total	9.7	4.02

7. Compliance Report

- 7.1 The County Council confirms compliance of all treasury management activities undertaken during the period with the CIPFA Code of Practice and the County Council's approved TMS.
- 7.2 Compliance with the authorised limit and operational boundary for external debt, is demonstrated in Table 8.

Table 8: Debt Limits

	2020/21 Maximum £M	30/09/20 Actual £M	2020/21 Operational Boundary £M	2020/21 Authorised Limit £M	Complied
Borrowing	271	270	730	780	✓
PFI and Finance Leases	149	149	150	180	✓
Total Debt	420	419	880	960	✓

- 7.3 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this would not be counted as a compliance failure.

8. Treasury Management Indicators

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

Interest Rate Exposures

- 8.2 The following indicator shows the sensitivity of the County Council's current investments and borrowing to a change in interest rates.

Table 9: Interest Rate Risk Indicator

	30/09/2020	Impact of +/- 1% Interest Rate Change
Sums Subject to Variable Interest Rates		
Investment	£218m	+/- £2.2m
Borrowing	£23m	+/- £0.2m

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

Maturity Structure of Borrowing

- 8.4 This indicator is set to control the County Council's exposure to refinancing risk. The upper and lower limits show the maximum and minimum maturity exposure to fixed rate borrowing as agreed in the Treasury Management Strategy Statement.

Table 10: Refinancing Rate Risk Indicator

	30/09/20 Actual	Upper	Lower	Complied
Under 12 months	5.4%	50%	0%	✓
12 months and within 24 months	3.7%	50%	0%	✓
24 months and within 5 years	9.0%	50%	0%	✓
5 years and within 10 years	20.0%	75%	0%	✓
10 years and within 20 years	53.0%	75%	0%	✓
20 years and within 30 years	8.9%	75%	0%	✓
30 years and above	0.0%	100%	0%	✓

- 8.5 The County Council holds £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. If not repaid before maturity, these loans have an average maturity date of 13 years (minimum 7 years; maximum 25 years).

Principal Sums Invested for Periods Longer than a year

- 8.6 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 long-term principal sum invested to final maturities beyond the period end were:

Table 11: Price Risk Indicator

	2020/21	2021/22	2022/23
Actual principal invested beyond year end	£262m	£216m	£196m
Limit on principal invested beyond year end	£340m	£330m	£330m
Complied	✓	✓	✓

8.7 The table includes investments in strategic pooled funds of £175m as although these can usually be redeemed at short notice, the County Council intends to hold these investments for at least the medium-term.

9. Other

9.1 The implementation of the new International Financial Reporting Standard (IFRS) 16: Leases has been delayed until 2021/22.

10. Arlingclose's Outlook for the Remainder of 2020/21

- 10.1 The medium-term global economic outlook is weak. While the strict initial lockdown restrictions have eased, Coronavirus has not been suppressed and second waves have prompted more restrictive measures on a regional and national basis. This ebb and flow of restrictions on normal activity will continue for the foreseeable future, at least until an effective vaccine is produced and importantly, distributed.
- 10.2 The global central bank and government responses have been significant and are in many cases on-going, maintaining more stable financial, economic and social conditions than otherwise. This has supported a sizeable economic recovery in the third quarter.
- 10.3 However, the scale of the economic shock to demand, on-going social distancing measures, regional lock downs and reduced fiscal support will mean that the subsequent pace of recovery is limited. Early signs of this are already evident in UK monthly GDP and Purchasing Managers Index data, even before the latest restrictions.
- 10.4 This situation will result in central banks maintaining low interest rates for the medium term. In the UK, Brexit is a further complication. The Bank Rate is therefore likely to remain at low levels for a very long time, with a distinct possibility of being cut to zero. Money markets have already priced in a chance of a negative Bank Rate.
- 10.5 Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or if the UK leaves the EU without a deal.
- 10.6 Arlingclose expects the Bank Rate to remain at the current 0.10% level and additional monetary loosening in the future most likely through further

financial asset purchases (Quantitative Easing). While Arlingclose's central case for Bank Rate is no change from the current level of 0.1%, further cuts to Bank Rate to zero or even into negative territory cannot be completely ruled out.

- 10.7 Gilt yields are expected to remain very low in the medium term. Shorter-term gilt yields are currently negative and will remain around zero or below until either the Bank of England expressly rules out a negative Bank Rate or growth / inflation prospects improve.
- 10.8 Downside risks remain in the near term, as the Government dials down its fiscal support measures, reacts to the risk of a further escalation in infection rates and the Brexit transition period comes to an end.

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Official Bank Rate													
Upside risk	0.00	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

Adults Health and Care – Health and Safety Requirements

1. Introduction

- 1.1 Following the onset of Covid-19, work on developing capital investment priorities across the County Council was paused. Within Adults' Health and Care (AHC) work had been undertaken to develop a Bed Based Programme which included essential health and safety works that were required across our residential and nursing estate.
- 1.2 Whilst the work on wider capital investment is on pause, it is of course necessary to ensure that critical health and safety works identified as part of an inspection programme are progressed. The works outlined in this report will address health and safety, compliance and operational priorities within the residential and nursing building portfolio.
- 1.3 This Appendix identifies the estimated costs of these works and highlights the gap in existing funding arrangements and considers arrangements for funding in the future.

2. Background and Context

- 2.1 The AHC bed-based portfolio consists of twenty-four locations; of which seventeen are nursing and residential homes for older adults. Of these, two include new build extensions constructed between 2006 and 2008 as part of the County Council's 'Enhance' programme.
- 2.2 The proposed programme of essential health and safety works forms a part of the wider AHC capital programme and bed-based review to deliver high quality care within updated fit-for-the-future facilities.
- 2.3 Recognising the significant financial pressures that the County Council is facing due to the Covid-19 pandemic, a review has been undertaken to identify those works which are essential in the next 18 month period to maintain compliance and health and safety across the portfolio. This Appendix also outlines proposals for dealing with health and safety within these buildings for the future to maintain the health and safety and operational functionality of them in the medium to longer term.
- 2.4 These works have been identified from a combination of specific surveys, inspections and testing and information gathered from the general knowledge and understanding of the portfolio of buildings through Property Services' ongoing programmes of servicing, maintenance and risk management activities and AHC's operational experience, particularly during the Covid-19 pandemic.
- 2.5 Work undertaken over the last two years to review the risk profile across the built estate has highlighted that the AHC bed-based portfolio of buildings represent the highest risks in terms of health and safety, compliance and service continuity. This is due to:
 - The vulnerable nature of the building occupants.
 - The complexity of services being provided in the buildings.

- The 24 hour / 7 days a week occupation and operation of the buildings.
 - The regulation framework within which the service is operating.
 - The need to ensure that the buildings provide an environment that is 'homely', compatible with the residential nature of the service.
- 2.6 As the highest risk buildings in the corporate estate, and in line with the requirements of the Care Quality Commission (CQC) registration and corporate health and safety procedures, there is a rigorous regime of surveys, inspections, testing and monitoring in place to manage building related health and safety risks in these buildings. Property Services also works closely with AHC's operational management team to ensure that repair, maintenance and improvement priorities are fully aligned to operational needs.
- 2.7 The most significant building related health and safety risks within these buildings that are managed on an ongoing basis are:
- Fire safety.
 - Legionella management.
 - Critical building systems and services e.g. back-up generators, lifts, boilers, bathroom, kitchen and laundry plant and services.
 - Hygiene and infection control.
- 2.8 In addition, specific reviews of risks associated with pedestrian and vehicle movements and glazing have been undertaken in the last 12 to 18 months as part of the corporate health and safety work plan.

3. Proposed Priority Works

- 3.1 The following table lists the types of works that have been identified against each of the health and safety risk headings. These works have been identified through the surveys, inspections and monitoring regime or through the specific risk assessments. Anticipated lifecycle replacement and upgrade works have also been identified from the information obtained from the term maintenance contract activities including servicing, reactive repairs, and annual black building tests.
- 3.2 The works that have been costed are those that are considered to be essential in the next 18 month period and do not represent the full maintenance liabilities for these buildings. Some works, including the fire precaution repairs, need to be completed within the next 6 months to comply with the County Council's own corporate health and safety procedures and as well as CQC expectations.

Health & Safety Risk	Proposed Works
Fire precautions	Repairs and improvements to fire detection systems and physical fire precautions including signage, fire doors and fire compartmentation identified through recent fire surveys.
Legionella management	Improvements to hot water circulation, pipework and water tank insulation and removal of pipework 'dead legs' to reduce the risk of legionella colonising the water services systems. Works are targeted at buildings with positive legionella detections or out of parameter water temperature readings.
Glazing	Replacing or applying film to non-compliant glazing to reduce the risk of breakage and mitigate injury should a breakage occur as identified through recently reviewed glazing surveys and glazing risk assessments.
Vehicle & pedestrian movements	Improvements to site access and car parking areas to reduce the risks of harm to pedestrians as identified through surveys and risk assessments undertaken as part of a corporate health and safety led review across all sites.
Building systems and services	Works to essential building services and systems including: works to evacuation lifts to ensure compliance with the updated British Standard; remedial and improvement works to generators and back-up power systems identified through the annual black building tests and servicing regime; remediation of electrical defects identified through the electrical testing and inspection programme lifecycle replacement of boilers, boiler controls, kitchen plant and other critical plant.
Infection control and hygiene	Replacement of current timber handrails which have degraded and cannot be kept clean. Replacement of floor coverings in bedroom and lounge areas and internal re-decoration of bedrooms and communal spaces due to levels of wear and tear from frequent soiling and associated cleaning regimes creating an infection control risk. Maintaining standards of decoration is also essential to provide an appropriate 'home' environment for the residents.

4. Ongoing Annual Maintenance

- 4.1 As the highest risk buildings in the corporate estate, the AHC nursing and residential building require a higher standard of ongoing maintenance than most of the County Council's buildings to manage health and safety risks,

address the higher levels of wear and tear associated with the 24 hour / 7 days a week operation of the building and ensure that an appropriate standard of accommodation is provided for the residents. It is therefore important that there is sufficient annual maintenance funding to support the ongoing programme of health and safety related inspections, surveys and testing and the repairs arising from these, as well as ad-hoc reactive repairs and improvement works.

- 4.2 Funding is also required to ensure that planned life-cycle replacement of critical building services and plant can be undertaken proactively at the appropriate time to mitigate the risks from an unplanned failure. Funding is also necessary to enable the regular cycle of redecoration and flooring replacement required to provide an appropriate standard of residential accommodation and support infection control and hygiene standards.
- 4.3 Experience also suggests that additional one-off investment may be required to address some of the ongoing health and safety concerns, such as legionella colonisation, where currently identified and planned works may not be sufficient to fully resolve the issues. The buildings are not static and new issues emerge over time due to the condition of the building, changes in operational use, or changes in statutory or corporate expectations on health and safety. Contingency funding to address unexpected or unplanned issues is therefore important.
- 4.4 At the moment these works are prioritised against other requirements in the corporate estate and often mean that less funding is available to deal with other problems due to the high levels of risk in these buildings. A revised approach is therefore proposed that considers the future years' costs based on the inspection and risk assessment process and that funds are agreed on annual basis through the budget setting process.

5. Finance

- 5.1 Total estimated costs of £4.3m, including a 10% contingency allowance, have been identified for the essential health and safety related works required over the next 18 months. This is broken down against the individual risk headings in the table overleaf.
- 5.2 A total of £510,000 of funding has been allocated from the 2020/21 Policy and Resources repairs and maintenance budget for the corporate estate and from the AHC annual capital works budget to address some of the priority works. A further £892,000 of AHC accrued capital funding is also available to allocate to these works. This leaves a total funding gap of £2.9m.
- 5.3 £2.2m of works have been identified as priorities for the current financial year with the remaining £2.1m required in 2021/22, albeit this will be dependent on the ability to procure and complete the works in the current year. Any unspent funding will be carried forward.

Works	Total Cost £	2020/21 £	2021/22 £
Fire	1,033,760	1,011,360	22,400
Legionella	128,800	128,800	0
Glazing	89,600	89,600	0
Vehicle and pedestrian	334,100	234,100	100,000
Building systems and services	756,224	418,768	337,456
Infection control and hygiene	1,565,200	128,800	1,436,400
Total Exc. Contingency	3,907,684	2,679,028	1,896,256
Contingency @10%	390,768	201,143	189,626
Total Inc. Contingency	4,298,452	2,212,571	2,085,882
Funded works	510,164	510,164	0
Available funding - unallocated	892,392	128,800	763,592
Unfunded Works	2,895,896	1,573,607	1,322,290

- 5.4 Analysis of historic repairs and maintenance expenditure on this portfolio of buildings indicates a typical combined revenue and capital expenditure in the region of £1.5m from the corporate repairs and maintenance budget in addition to the £480,000 annual AHC capital allocation. On the basis that the capital allocation continues to be made available, this suggests that an annual allocation of around £1.5m is likely to be required for ongoing maintenance activities subject to the inspections and risk assessments that will be carried out.

PROVISIONAL CASH LIMITS – 2021/22

	2020/21 Cash Limit £'000	Tt2021 Savings Target £'000	Base Changes £'000	Inflation & Growth £'000	2021/22 Cash Limit £'000
Adults' Health and Care	421,336	(43,100)	1,930	29,379	409,545
Children's – Schools	901,977		7,144		909,121
Children's – Non Schools	208,613	(17,202)	(102)	24,148	215,457
Corporate Services	54,218	(4,568)	(1,013)	3,881	52,518
Culture Communities & Business Services	43,496	(3,382)	435	2,567	43,116
Economy, Transport & Environment	109,553	(11,748)	755	5,107	103,667
Total	1,739,193	(80,000)	9,149	65,082	1,733,424

Notes:**Base Changes**

- Largely relate to changes in grants (notably the Coronavirus Catch-up Premium for schools), movements between services and additions to / draws from reserves.

Inflation & Growth

- In addition to general price inflation (much of which relates to care provision in Adult's Health and Care) this includes a general allowance of 1.5% of relevant employee budgets (directly employed staff) for step progression and also reflects the 2020/21 pay award of 2.75% which has been agreed.
- Includes the allocation of funding for growth (within the amounts set out in the MTFS) for both Adults' Health and Care and Children's Services in relation to demography and complexity.
- Reflects inflation for the waste contract and also includes an agreed allowance for growth in volumes.

ETE Schemes to be Added to the Capital Programme

1. EMETE recommended approval at Decision Day 8 October

Scheme Name	Scheme Value £'000	Funding Sources					Capital Programme Year
		Developer Contributions £'000	EM3 LGF £'000	Contribution from Rushmoor BC £'000	HCC Locally Resourced £'000	DfT Emergency Active Travel Fund £'000	
Aldershot Station Transport Hub and Public Realm Improvements	1,440	594	300	300	96	150	2020/21

2. EMETE Decision Day 19 November 2020 recommendations

Transforming Cities Fund - schemes to be added to the Capital Programme
SCR - Southampton City Region; PCR - Portsmouth City Region

Scheme Name	SCR or PCR	Scheme Value £'000	Funding Sources					Capital Programme Year
			Transforming Cities Fund £'000	Developer Contributions £'000	Local Transport Plan Grant £'000	DfT Safer Roads Fund £'000	Contribution From Other Local Authorities £'000	
Totton Junction Road	SCR	754	754					2021/22
Eastleigh Town Centre cycle route	SCR	578	449	130				2020/21
Redbridge Viaduct	SCR	1,009	909		100			2021/22
Bursledon Road cycle route	SCR	646	546	100				2020/21
Local Transport Hub - Havant Park Road South (SB)	PCR	1,500	1,500					2021/22
Enhanced MM Corridor - Ladybridge R/A VE Bus Priority and Pedestrian/Cycling Enhancements	PCR	1,172	972	200				2021/22
Local Transport Hub - A27 Enhanced Safety Scheme (Portchester)	PCR	868	268			600		2021/22
Marchwood Bypass	SCR	1,308	1,224	56	28			2022/23
Eling to Holbury cycle route	SCR	3,441	3,418	23				2021/22
Rushington Roundabout	SCR	2,443	2,443					2021/22
Gosport Bus Station, taxi rank and Cross street improvements	PCR	5,900	5,200				700	2021/22
Enhanced MM Corridor - Rusty Cutter Bedhampton R/A	PCR	2,473	2,473					2021/22
Bishopstoke Road, Eastleigh	SCR	4,149	3,349	800				2022/23
Providence Hill cycle route	SCR	2,288	1,818	469				2022/23
Enhanced MM Corridor - Delme to Downend Bus and Cycle Scheme	PCR	9,334	9,334					2022/23
		37,863	34,657	1,778	128	600	700	

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Committee:	Cabinet
Date:	24 November 2020
Title:	Annual Safeguarding Report – Children’s Services 2019-20
Report From:	Director of Children’s Services

Contact name: Stuart Ashley

Tel: 01962 846370

Email: Stuart.ashley@hants.gov.uk

Executive Summary

1. The purpose of this report is to provide an annual update to Cabinet on safeguarding children activity within Children’s Services during 2019/20.
2. This report identifies key national developments, summarises performance and activity levels, and details a number of key local developments and future priorities.
3. The report provides assurance that whilst demand for children’s social care services continues to increase year on year, the response to the safeguarding of vulnerable children is both robust and timely.
4. Whilst this report is ostensibly for the period of 2019/20, given the Coronavirus crisis and its impact on services, the report covers key issues up to the end of September 2020.

Recommendations

5. That Cabinet notes the positive progress and continued consistently high performance with regards to safeguarding children in Hampshire
6. That Cabinet note the commitment of a wide range of Children’s Services officers in achieving this level of performance.
7. That Cabinet receives further updates on safeguarding on an annual basis.

Background

8. Cabinet will recall under the new Inspection of Local Authority Children’s Service’s (ILACS) introduced in January 2018 and amended in March 2019, local authorities are subject to standard and short inspections depending on their previous Ofsted judgement
9. In April and May 2019 Hampshire was subject to a ‘short’ ILACS inspection. Report to Council dated 15 July refers to this inspection. The summary at the front of the report read, *‘Children’s Services in Hampshire are outstanding. Since the last full inspection in 2014, the director and his leadership team have resolutely focused on continuing to improve the help, care and protection provided to children. Social*

workers are highly skilled at building meaningful relationships with children; engaging them in their assessment and plans..... Children's lives consistently improve as a result of the help they receive. Strong political and corporate support ...have helped the leadership team to implement an ambitious transformation programme.'

10. This inspection judged Hampshire to be outstanding overall and across the other three areas of judgement, including '*The experiences and progress of children in need of help and protection*'. At the time of writing, Hampshire is one of only a very small number of authorities to be judged outstanding across the board.
11. Members can be assured by the fact that the inspection was intrinsically rooted in safeguarding and fully tested all aspects of Hampshire's safeguarding practice, alongside testing the front door process within the Multi Agency Safeguarding Hub (MASH). The Ofsted report evidenced this with, '*Children in need of help or protection benefit from high-quality services that improve their lives, whatever the level of need*' and '*when children need protection, swift, proportionate and authoritative action is taken during and outside office hours.*'
12. Ofsted temporarily suspended inspection during the Covid-19 lockdown and have now restarted 'Assurance Visits' from September through to at least December 2020. The aim of these three week, non-graded inspections is to focus on the things that matter most to children and their families '*on their safety and well-being, the key decisions made about them, plans to support them as restrictions are eased, and the effectiveness and impact of leaders and managers*'.
13. The annual conversation with Ofsted scheduled for 30 March 2020 was postponed, with a virtual conversation held on 3 July 2020.

National Developments

Covid-19

14. In May 2020, the DfE published updated guidance to inform local authorities and other children's social care providers, of the temporary changes to regulations governing children's social care services, made to support the delivery of services to children and their families during the lockdown. The statutory duties remained the same, however, they allowed for very specific circumstances where changes can be made to the use of secondary legislation. Amendments allowed for flexibility in some circumstances, only to be used when absolutely necessary, with senior management oversight and consistent with overarching safeguarding principles. A report went to the Children's Services Departmental Management Team examining the implications for the amendments. In September 2020, the temporary changes were removed with some minor exceptions, the most notable being the retention of the use of technology to support some non-face to face visiting.
15. In managing the service through the lockdown period and during the pandemic, the Children and Families branch took a three phased approach, with each phase being based on increased numbers of staff absence. We have remained in phase one to date.:
16. **Phase One – 'Business as usual but doing it differently'**
 - Statutory timescales for visits and meetings remain the same

- Using technology to ensure we see children and families through digital means i.e. WhatsApp, Teams
 - Face to face visits undertaken where we know our staff can safely socially distance themselves, in relation to urgent child protection work
 - Guidance provided for visits, meetings (with children and professionals), training, events etc
 - Staff drafted in from the Residential Children's Homes to ensure minimum staffing levels at Swanwick Lodge Secure Unit were maintained
 - 2 open homes closed meaning that there was additional resource to be deployed
17. The ability to respond quickly and communicate change has been imperative, along with staff embracing new innovative ways to carry out tasks and to ensure that children were safe. We did this by:
- Issuing new guidance promptly
 - Daily senior management Covid-19 meetings, and weekly District Manager meetings, sharing good practice, what was working well, as well as lessons learned
 - Maintaining statutory timescales (monitored through weekly data reports, including to DfE)
 - Maintaining management grip including oversight of staff supervision
 - Quality assurance work continued, monitoring the quality of social work practice
 - Using technology to carry out daily tasks in order to be able to continue to keep children safe, for example using Zoom, MS Teams, WhatsApp and Skype to undertake virtual visits
 - As of the end of September 2020, over 90% of visits to children and families were being carried out face to face, with the use of PPE where necessary. All children have been seen face to face unless they are symptomatic. It should be noted that if local lockdown measures return or infection rates and staff absences increase, the service is well placed to maintain its 'business as usual but doing it differently' approach and revert to a more blended approach. The service has evidenced that it is adaptable, that children continue to be seen and kept safe despite the implications of the pandemic.

Child exploitation:

18. There are clear links between child exploitation and those children who are trafficked and/or that go missing. Agencies cannot address these issues alone or in isolation from other related safeguarding issues. In making reference to the term 'exploitation' it includes the following risk areas; child sexual exploitation (CSE), online exploitation, criminal exploitation (CCE) including 'County Lines', drug related harm, knife crime and serious violence; as well as other forms of exploitation that involve coercion and control such as radicalisation and extremism; forced marriage, female genital mutilation.

19. The Hampshire, Isle of Wight, Portsmouth & Southampton (HIPS) Child Exploitation Group is a strategic multi-agency group. This was established to ensure the work of the safeguarding children partnerships meet legislative requirements, governmental guidance and implements recognised best practice to protect children from all forms of exploitation. The HIPS Child Exploitation Group includes representation from multi-agency partners and the members of the Youth Commission who ensure the group includes the voice of the child.
20. A HIPS Operational Child Exploitation Group has been established to provide strong operational links and disseminate best practice to frontline practitioners. This group ensures the identification, support, safeguarding and diversion of children who are at risk of, or being exploited locally within Hampshire.
21. The latest available data for children who go missing in Hampshire, be that from home or for those in care, shows a continued improving position. Fewer children are going missing and when they do, there is a robust and effective response from children's social care and Hampshire Constabulary. Each district team tracks, and risk assesses their children who go missing to ensure appropriate safeguards are in place to prevent repeat occurrences. This is an important area of work and one that Ofsted give significant scrutiny to.
22. 'County lines' remains an increasing concern for Hampshire Children's Services and all agencies concerned with children in the area. In essence, it is the supply of drugs, predominantly from inner-city gangs to suburban areas, and targets rural and coastal towns as well as major cities, as part of widening the drug market. For Hampshire much of this activity is supported by good transport links and close proximity to London.
23. This activity involves child criminal exploitation as criminal gangs use children and vulnerable adults to move drugs and money. Gangs establish a local base or can send adults into a local area, who actively recruit vulnerable children.
24. Whilst all agencies and professionals contribute to tackling this new form of exploitation, more specialist work is undertaken by the pan-Hampshire Police Missing team and the Hampshire Children's Services specialist Willow team. The Willow team is a multi agency team consisting of specialist social workers and health professionals, working closely with Hampshire Constabulary to protect the highest risk children. Together with Hampshire Constabulary there is a coordinated deployment of these specialist resources to identify networks, ensuring the safeguarding of the most vulnerable children and the disruption of county lines activity.

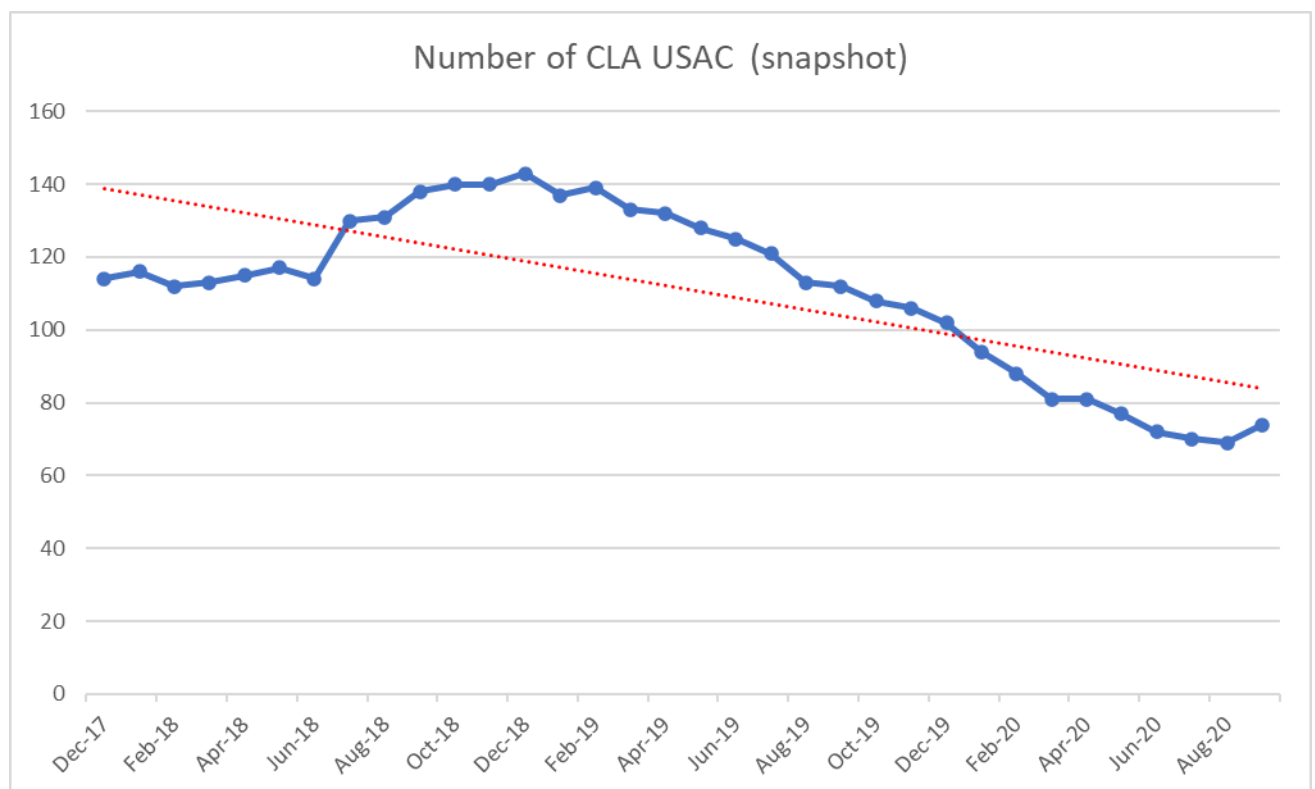
Unaccompanied Asylum-Seeking Children (UASC):

25. There are two means by which UASC come to Hampshire. Firstly, as spontaneous arrivals, most frequently disembarking from lorries along the M27/M3 corridor. UASC become the responsibility of the local authority where they first alight and become Looked After Children. The second means is through the National Transfer Scheme, which aims to equitably re-distribute UASC from Kent who have far in excess of the Government set target of 0.07% child population. The scheme is voluntary, and Hampshire has been one of the strongest supporters of the scheme receiving UASC over several years. However, it should be noted that a number of local authorities across the country do not participate, meaning an unnecessary and unfair burden falls upon those who do.

26. During the summer of 2020 Kent County Council ceased to fulfil their statutory duty to care for newly arrived UASC coming in through Dover, citing the fact they had no placements left and no staff to service the ever increasing arrivals. Hampshire Children's Services worked with the National Transfer Scheme and received 12 newly arrived UASC from Kent, as well as undertaking age assessments of new arrivals in Kent and assisting with their onward placement with other local authorities. This work has now come to an end as those social workers are required in Hampshire.
27. The Home Office has begun a national consultation on the future of the National Transfer Scheme and Hampshire Children's Services has responded expressing the strong view that the scheme must be mandatory for all local authorities if it is to work as intended and must be properly funded.

Hampshire UASC Arrivals

28. As of 30 September 2020 the total number of UASC (under 18 years) looked after by Hampshire is 74. The number rises and falls because when UASC become 18 years of age they do not count against the 0.07% target as they become care leavers. 0.07% equates to 192 for Hampshire.



29. The table below sets out the number of care leavers who were previously UASC. The table evidences that there has been a 145% increase in the number of UASC care leavers since June 2017, which is to be expected given the age demographic of arrivals, typically 16/17 year olds. The Government funding for UASC, whilst recently increased, still falls far short of what is required, particularly in relation to care

leavers. The funding for care leavers is £240 per week. However UASC, as with all Looked After Children, are encouraged to 'stay put' in their foster placement post 18 years of age, encouraged to attend university and a percentage (approximately 30% at any one time), will have no recourse to public funds whilst their right to remain in the UK is resolved. This means the local authority is then responsible for all their living costs potentially until they reach 25 years of age.

UASC Care Leavers	Jun-2017	Sep-2017	Dec-2017	Mar-2018	Jun-2018	Sep-2018	Dec-2018	Mar-2019	Jun-2019	Sep-2019	Dec-2019	Mar-2020	Jun-2020
Period End	137	148	171	246	247	270	294	308	328	329	327	334	335

Working Together 2018

30. On 30 September 2019, the previous Hampshire Safeguarding Children Board (HSCB) transitioned into new arrangements under the Working Together 2018 regulations. In reality the newly constituted Hampshire Safeguarding Children Partnership (HSCP) was largely unchanged in these arrangements. The HSCP provides the framework under which the safeguarding partners and relevant agencies work together to coordinate their safeguarding services, identify and respond to the needs of children in Hampshire, commission and publish local child safeguarding practice reviews and provide scrutiny to ensure the effectiveness of the arrangements.
31. Working Together 2018 explains that there are three safeguarding partners who have overall responsibility to establish the Local Safeguarding Children Partnership, and, assure themselves of the effectiveness of the arrangements. These partners are:
 - Hampshire County Council Children's Services
 - West Hampshire Clinical Commissioning Group
 - Hampshire Constabulary
32. The HSCP continues to have an Independent Chair, who also acts as an Independent Scrutineer. The Chair is appointed by, and accountable to, the three Safeguarding Partners.

Performance and Activity levels

33. Demand, as evidenced in contacts, referrals and safeguarding activity, continues to be high and as predicted, post lockdown has seen a 15% increase over and above what would be expected.
34. The table below sets out the trends over the last four years including the source of referrals received via Hantsdirect.

Contacts and Referrals

35. The total number of contacts as at 31 March 2020 (125,413) is 7% higher than the total received at 31 March 2019 (117,188), which was 11% higher than the previous

year. The 2019-20 is a 61% increase on the 2015-16 number. This is indicative of the continuing pressures across the child protection system which is reflected nationally.

Contact and Referrals	2015-16		2016-17		2017-18		2018-19		2019-20	
	Denom	Value	Denom	Value	Denom	Value	Denom	Value	Denom	Value
Number of initial contacts		77934		87235		106010		117188		125413
Number of Referrals		35339		37831		35953		40014		44434

36. Child and Family Assessments

Assessments	2015-16		2016-17		2017-18		2018-19		2019-20	
C&FA Timeliness	16931	88.30%	19841	89.60%	18496	87.90%	18003	90.90%	19712	92.61%

37. The timeliness of completing a Child and Family Assessment (C&FA) since their introduction in 2014-15, is a very positive picture given the large number of social work assessments undertaken over the last year. This has not fallen from the high 80s for the last five years and is higher than the majority of other local authorities in the region.

38. Child Protection Plans (CPP)

Child Protection Plans (CPP) and visits	2015-16		2016-17		2017-18		2018-19		2019-20	
No of children on CPP		1441		1263		1293		1097		938

39. As detailed above, work within the child protection planning process remains robust with numbers showing a decline from the end of March 2017. The positive reduction is considered to be as a result of more effective interventions with children and families at the Child in Need level, meaning less cases are escalated to a child protection plan because risks are addressed earlier. It should be noted that during and post lockdown numbers of children on a child protection plan have started to increase. This reflects the increased complexity of work coming into children's social care as a direct result of the pandemic. Families have in some cases simply not being able to cope with the impact of the pandemic.

40. A low percentage of child protection plans are lasting beyond two years (which is good as it indicates proactive work) and relatively few require a repeat plan within two years. The number of timely visits made within the required dates remains a significant strength of the service and reinforces that children are being seen and kept safe.

41. Full Time Looked After Children (LAC)

Children Looked After (LAC)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 Q1 Apr-Jun
No of full time LAC	1267	1339	1305	1440	1592	1664	1602	1640

42. With regards to Looked After Children, the number had decreased by 62 (4%) during 2019/20, against a national increase of 4%. However, as with children subject to a child protection plan, since lockdown and then post those restrictions, numbers have steadily increased as demand for children’s social care services increases. As at the end of September there were 1,664 Looked After Children, an increase of 4%. The numbers of Looked After Children is impacting significantly on the financial challenges the Council is facing and the capacity of the service. It should be noted that Cabinet approved significant short term funding to support Children’s Services in meeting the expected rise in demand for services.

43. There is of course significant churn throughout the year of the Looked After Children population. Additionally, changes in court practices are placing more children at home whilst on a Care Order (and thus ‘in care’) whilst previously such children would probably have remained the subject of support in the community without entering the court (and care) arena.

44. Nationally the picture of demand continues to outstrip the supply of placements for Looked After Children, and the costs of placements are rising significantly. The increasing complexity of the children coming into the care system has meant additional costs associated with their placements.

45. The Children & Families branch has a robust and well established quality assurance framework in place enabling the department to make sure that we maintain quality standards whilst dealing with the continuing increases in demand. This includes a detailed case file auditing programme that audits circa 1000 cases during the year, with managers giving detailed face to face feedback to practitioners on their casework. This equates to 10% of casework. This is supported by a programme of annual internal peer reviews of every operational area, involving frontline staff in assessing the effectiveness of services. A comprehensive programme of practice observations and thematic audits, as well as feedback from service users, helps to triangulate performance information to provide insight into the quality of frontline practice. Ofsted commented in the 2019 inspection ‘effective quality assurance and performance systems support leaders to maintain strong oversight of practice’.

Local Developments

Social Worker Recruitment and Retention:

46. A key issue, both nationally and locally, continues to be the recruitment and retention of social workers. Nationally vacancy rates continue to be around 20% of all posts. Following significant work to improve recruitment and retention in Hampshire and a strategy of growing our own social workers for the future through our Graduate Entry Trainee Programme, vacancy rates in Hampshire are around 13% (n.b. these vacancies are covered by agency staff – see below). With three significant cohorts of Newly Qualified Social Workers joining Hampshire during this Autumn we aim to reduce vacancy rates to reduce to 10% or less by the end of 2020.
47. Hampshire continues to require agency social workers as part of our overall workforce capacity, to cover vacancies and also to balance levels of experience within social work teams while our graduate entry trainees build confidence and competence in role. Our own Hampshire Agency (Connect to Hampshire) is gaining traction in the social work market and as a result the use of off-contract agency social workers has reduced from 50% of our total agency requirement to 25%. This is helping to reduce the cost and increase the stability of our social work workforce overall. However, the draw of social workers to agency work is still an important issue, particularly for experienced social workers who report work flexibility and better pay as key reasons for moving to agency work.
48. Flexible working arrangements are a key priority in the retention of social workers. Significant progress has been made on this in the last two years in Hampshire, with flexible working arrangements available to almost all of our social workers. Our recent social work survey confirmed that our social workers understand and know how to access the flexible working opportunities we can offer. However, the importance of pay as a factor in retention is continuing to rise nationally and work is underway to review market supplement arrangements for Hampshire's children's social workers. This work is essential to ensure the long term success of our strategy for growing our own social workers for the future and reducing reliance upon agency staff.

Transforming Social Care (TSC) in Hampshire

49. Hampshire was one of only a small number of high performing local authorities chosen by the Department for Education to become a Partner in Practice to innovate and test new ways of delivering social work to vulnerable children and families. This led us to introduce a radical whole system change and Hampshire Children's Services' vision is to deliver a service around five key principles:
 - A family service - a system focusing on improving outcomes for the child in the context of their family
 - A social work led, integrated, multi-disciplinary service, from the front door through to specialist services
 - Social workers supported to deliver meaningful interventions based on an underpinning methodology of resilience that creates lasting change
 - A service where good practice is free to flourish unfettered by bureaucracy and unnecessary regulatory demands
 - Children are supported by and within their own family/community wherever possible. Where children do come into care longer term their experience will be life changing for the better.

TSC Phase 1 delivered:

50. Creation of Child Assessment and Safeguarding Teams - the joining of Reception and Assessment teams with Child in Need teams, creating a more seamless service for families.
51. The Hampshire Approach - we have developed and rolled out in depth training in the 'Hampshire Approach', a resilience, strengths-based way of working with families grounded on academic research. In support of the 'Hampshire Approach', we have developed an online toolkit that provides the tools and resources staff need to work with children and families to enable the best possible outcomes.
52. To achieve positive and sustained change for children, young people and their families we have invested further in multi-disciplinary, intensive working with children and families who present with certain characteristics
53. Ofsted were very positive in 2019 in our inspection report regarding the evidence of the impact of our transformation stating that, *'A highly successful large-scale transformation programme has included the creation of additional social work posts and an innovative pathway of support for newly qualified social workers. The implementation of children's assessment and safeguarding teams (CAST) and specialist multi-disciplinary teams supports an increasingly holistic approach to children's needs...'*

'The appointment of personal assistants to support social workers, combined with improved technology and the implementation of the strengths-based social work model, the Hampshire Approach', have equipped social workers with the tools, skills and time to work directly with children and families. Consequently, children's needs are better understood, intervention is purposeful, and children and families are being helped to become resilient'.

54. Further to the success of Phase 1 and the need to continuously improve, funding has been secured for a further two years of Transforming Social Care activity. Phase 2 will take a similarly transformative approach to the remainder of the Children and Families branch.

Modernising Placements Programme

55. A further scheme of transformation work is also underway, our Modernising Placements Programme (MPP). The aim of the Programme is to develop a continuum of care which can provide the right accommodation and support at the right time for our Looked After Children in Hampshire. Approaches to care need to be more fluid, offering different pathways to children at various points in their childhood that pull on the different skills and experiences of carers and staff in all settings who share a common understanding and language around trauma. These approaches aim to offset the impact locally of the national shortage of placements referred to at 4.13 above.
56. The overall programme objectives are to:
 - Increase the number of in-house foster carers in Hampshire
 - Ensure that we have sufficient placement opportunities that are able to offer high quality, flexible, stable and local support to meet the needs of our young people

- Ensure that there is equivalency and parity of esteem across the different care environments
- Maximise in house children's homes occupancy

Youth Offending Service:

57. Hampshire Youth Offending Team (YOT) aims to prevent offending and reoffending by children and young people aged 10 - 17 years. The YOT works with children and young people who are subject to Pre-Court and Court Orders. The Youth Crime Prevention (YCP) arm of YOT works with children who are at risk of receiving a formal disposal to prevent this happening. The YOT provides reports to the Hampshire Courts and undertake specialist assessments for children who commit Harmful Sexual Behaviour. The YOT achieves its objectives through working in partnership with Health, Children Services, Police and Probation. It also provides specialist services in relation to Restorative Justice; Parenting; and Education, Training and Employment.
58. At any one time, Hampshire YOT is working with 450-500 children and young people across the county, this figure has remained consistent over the last two years. Similarly, the numbers of children subject to YCP remains constant at around 200. To deliver this service, Hampshire YOT employs 80 staff across Case Management, YCP, and in its specialist Restorative Justice and ETE services.
59. In August 2019, the Government announced that Hampshire were one of fourteen areas to be allocated funding to develop a Violence Reduction Unit. Led by Public Health, HYOT were given specific monies to work with the Willow Team (see 3.15) and develop a Prevention Service for the Hampshire Pupil Referral Units. The focus of this project is to prevent children from becoming criminally exploited. This funding has now been extended to 2020/21.
60. Hampshire YOT has continued to focus on reducing the number of First Time Entrants (FTE) into the Youth Justice System. Currently standing at 180 per 100,000 children it remains below the average for England and Wales. These improvements have been made through partnership working, the oversight of a small team to ensure consistency, and good processes.
61. The second key performance indicator is the reducing the numbers of children under our supervision who commit a further offence. The latest available figure puts this at 34.5% which is a reduction from 45.8% in the previous twelve months. This is lower than the average for England and Wales, the South East, and the rest of the pan Hampshire authorities.

Sector Led Improvement Work

62. As a Partner in Practice local authority with the DfE, Hampshire provides improvement support and advice to other local authorities across the region, and more widely as requested, and have funding currently until March 2021. In addition, we are also involved in supporting the following local authorities.

Buckinghamshire

63. Hampshire's Chief Executive remains the formal Commissioner role appointed by the DfE and he continues to chair the Buckinghamshire Children's Improvement Board. Hampshire Children's Services have been supporting Buckinghamshire's

improvement journey formally since 2018, and recently agreed a plan with the DfE to deliver a further 87 days of support in 2020/21.

West Sussex

64. Hampshire's Chief Executive is appointed as the Commissioner for West Sussex and Hampshire Children's Services is their formal improvement partner. The Commissioner's report and recommendations which were published in September 2019; since then Hampshire has been providing extensive improvement support and assurance for the Commissioner and the Improvement Board across all service areas, as West Sussex plan to establish a Trust model, as confirmed by the Secretary of State following the Commissioner's recommendations.

Isle of Wight

65. Hampshire Children's Services continue to manage Isle of Wight Children's Services and a formal strategic partnership agreed in 2018 has extended that until 2023. The service has continued to make positive improvements and in the Inspection of Local Authorities Children's Services in November 2018 was judged to be 'Good'. This was a remarkable achievement since being judged inadequate in 2012 and a testament to the joint working to improve the service.
66. Members can be assured that, even with the work of the Director of Children's Services and some of his senior managers in the above authorities, there is no detriment to the oversight and management of Hampshire Children's Services as evidenced by the recent Ofsted report. Hampshire receives full financial recovery for Sector Led improvement, either directly from the Department for Education, or through the Partners in Practice grant funding by the DfE. A small team using Partners in Practice grant funding has been established to further support capacity in this area and ensure that the work in Hampshire maintains due focus. As with all work undertaken in other authorities, there is always positive learning gained to further improve services in Hampshire. These benefits to Hampshire are significant and enable both staff and services in Hampshire to be continuously developed. Ofsted commented that, '*Leaders recognise the benefits that come from being an improvement partner, not only in creating income, but also in the learning that is gained from other local authorities and from keeping its own staff stimulated and stretched.*'

Future Challenges and Operational Priorities

67. The future challenges and priorities can be summarised as follows (this is not an exhaustive list and the history of this type of work is that new priorities will emerge). Hampshire Children's Services is well placed to meet these challenges, as set out above, but they will be key areas of focus over the next year.
 - Continuing to meet the increasing demands for children's social care services.
 - Maintaining operational effectiveness of the service amidst the pandemic.
 - The costs associated with the placements for looked after children will continue to be a significant pressure for the County Council. Significant additional corporate funding has already been given to the department, but as

demand increases and the supply of placements comes under further pressure, inevitably costs will rise.

- Child exploitation, in all its forms, continues to be an increasing area of work, particularly the 'county lines' issues. Although Hampshire is well placed to meet these challenges, it is important that we remain vigilant and responsive, working in tandem with partners to protect children.
- The recruitment and retention of social workers will continue to need to be addressed.
- Tactical changes have been made to the current social care IT system to ensure that the system continues to be fit for purpose. A new system will be implemented following successful procurement, which will free up social work capacity and reduce administration. The new system is expected to be in place late 2021.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Corporate Strategy

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

Section 100 D - Local Government Act 1972 - background documents

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

Document

Location

None

EQUALITIES IMPACT ASSESSMENT:

1 Equality Duty

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

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

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

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

2 Equalities Impact Assessment:

This report is for Cabinet to note Hampshire County Council's progress and performance with regards to safeguarding vulnerable children. As such it creates no disadvantage or inequality and the activity described serves to reduce inequality for some of the county's most vulnerable children.

3. Impact on Crime and Disorder:

The report is for Cabinet to note and so does not impact on crime and disorder although the activity described herein serves to reduce the impact of crime on the most vulnerable children.

4. Climate Change:

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

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

It is not anticipated that this decision will have any impact on Climate Change.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	24 November 2020
Title:	Adult Safeguarding
Report From:	Director of Adults' Health and Care

Contact name: Sue Lee, Strategic Safeguarding Partnership Manager, Adults' Health and Care

Tel: 01962 845943

Email: susan.lee@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to provide an annual update in respect of the local authority statutory duty to safeguard vulnerable adults.

Recommendations

2. That Cabinet receives this annual update report related to adult safeguarding.
3. That Cabinet note the positive progress with regards to safeguarding adults in Hampshire and the commitment of a wide range of Adult Services officers in achieving this level of performance.
4. That Cabinet note the developments and risks in relation to the remit of our local authority statutory duty to safeguard and keep vulnerable adults safe from abuse and/or neglect
5. That Cabinet note the contribution of the Hampshire Safeguarding Adults Board in leading the development of policy across the four local authority areas of Hampshire, Portsmouth, Southampton and the Isle of Wight, including the Hampshire Safeguarding Adults Board Annual Report for 2019/20.
6. That Cabinet receive a further update on adult safeguarding in 12 months' time.

Executive Summary

7. Adult safeguarding is a core duty of every local authority and the term is used to describe all activity undertaken to prevent the abuse and neglect of adults with care and support needs, as well as the response to abuse or neglect when it does occur. It therefore covers a spectrum of responses by a range of partners ranging from the prevention of abuse and/ or neglect through to criminal prosecution.

8. This report provides an overview of developments and actions undertaken by Adults' Health and Care and a range of partners in safeguarding the wellbeing and safety of vulnerable adults in Hampshire.
9. Of significant note is the introduction of a COVID 19 Assurance Framework to enable Hampshire Safeguarding Adults Board (HSAB) and safeguarding partners to closely monitor safeguarding activity and use this intelligence to support flexible partnership responses to meet needs. Data will be reviewed to understand safeguarding trends locally and re-prioritise the strategic plan accordingly in order to support services to respond to any changes in the nature and pattern of local safeguarding activity. Another important development is HSAB's lead role of in respect of safeguarding policy development across Hampshire, Southampton, Portsmouth and Isle of Wight.

Contextual information

10. There are several pieces of legislation covering adult safeguarding with the main statutory responsibilities for local authorities, Police and the NHS covered by the Care Act 2014 and subsequent statutory guidance.
11. Resources have recently been refocused to ensure dedicated leadership and the necessary expertise is applied to these specialist areas, distinct from the adult safeguarding responsibilities.
12. Although previously covered in this generic annual safeguarding report, PREVENT and domestic violence are now covered in separate reports due to the high level of risk and the specialist nature of the areas involved.

Hampshire Safeguarding Adults Board (HSAB)

13. The HSAB continues to be a well-established successful strategic board whose membership includes all key multi-agency partners. This year, the Board has agreed a different approach regarding chairing arrangements. The Director of Adults' Health and Care now chairs the Board. However, an Independent Scrutineer has recently been appointed to work alongside the Board and its member organisations to provide critical challenge and support. This role will commence in early October following the successful appointment of Jane Lawson – who has acted as a Safeguarding Board Chair to three different areas and led work on adult safeguarding nationally through a range of roles, including for the Local Government Association. The Independent Scrutineer will provide scrutiny and challenge to the HSAB and act as constructive critical friend ensuring that the Board continues to fulfil its core statutory responsibilities. The focus will be on gaining assurance around the Board's key strategic priorities and objectives. including:
 - Partner agencies working together effectively and collaboratively to prevent abuse and neglect where possible.
 - Implementation of effective local safeguarding arrangements with agencies and individuals making timely and proportionate responses.

- Safeguarding practice is person centred and outcome-focused and it improves and enhances the quality of life of the adult.
- Safeguarding practice is continuously improving and reflective practice and learning from serious cases drives continuous improvement.

Safeguarding responsibilities and COVID 19

14. Duties and responsibilities relating to safeguarding adults have remained a statutory duty and Sections 42-45 of the Care Act 2014 that relate to safeguarding adults have not changed or been 'eased'. The local authority and HSAB have been required during the pandemic to offer the same level of safeguarding oversight but with an emphasis on proportionate responses and consideration given to the operational pressures providers and others are likely to be under.
15. The Care Act Easements guidance 2020 clarified that local authorities must continue to offer the same oversight and application of Care Act 2014 Section 42 duties as before, but that responses should be proportionate and mindful of pressures on social care providers.
16. Safeguarding concerns and risks have increased during the pandemic and so HSAB and partners across health and social care and other sectors are needing to continue to work to prevent and reduce the risk of harm to people with care and support needs, including those affected by COVID-19.
17. HSAB has introduced a COVID 19 Assurance Framework to enable the Board and partner agencies to closely monitor safeguarding activity and use this intelligence to support flexible partnership responses to meet needs. HSAB will be reviewing data to understand safeguarding trends locally and re-prioritise its strategic plan accordingly in order to continue to support services to respond to any changes in the nature and pattern of local safeguarding activity.
18. HSAB has continued to offer the same level of safeguarding oversight whilst recognising the increased operational pressures partner agencies have been responding to. Going forward, the focus will be to continue work to prevent and reduce the risk of harm to people with care and support needs.
19. A key priority for the Board will be to gain assurance from partner agencies about how any impact of COVID-19 on local safeguarding arrangements is being managed. The HSAB COVID 19 Assurance Framework will enable us to closely monitor the extent to which COVID 19 is impacting on people with needs for care and support and specifically, on the effectiveness of local safeguarding arrangements. This Framework is under constant review and regularly updated to take account of new and emerging challenges and issues.
20. During COVID 19, the HSAB has maintained 'business as usual' as far as possible during the pandemic but with a focus on working differently and flexibly in order to take account of the need to protect the wellbeing of staff and partners. The Board's business continuity plan included making a number of adjustments to working arrangements to ensure effective partnership working and to maintain progress. Furthermore, the HSAB has commissioned a cross-Hampshire review into excess deaths and harms as a result of Covid-19. This a

complex undertaking and will be reported in due course.

HSAB Annual Report

21. The Care Act sets out a duty for Safeguarding Adults Boards (SABs) to publish an Annual Report on their activities. These should be published as soon as feasible after the end of the financial year. The report should include information on the findings of Safeguarding Adults Reviews (SARs) completed during the financial year, and information about those which are ongoing at the year end. Given the pandemic and the significant increase in operational pressures faced by partner agencies it was agreed to defer publication of the annual report until September
22. The 2019-2020 Annual Report has been produced outlining the Board's progress and achievements against the published Strategic Plan. These priorities focus on the themes of awareness and engagement; prevention and early intervention; workforce development; quality assurance; learning and review and service user involvement including Making Safeguarding Personal. The annual report highlights the key themes the Board will be focusing on over the coming year under the strategic priorities described above as well as a continued focus on joint working and coordination. As can be seen significant progress has been made in spite of the unprecedented challenges facing partner agencies during the COVID-19 pandemic. The report also highlights the key areas the board will be focusing on during 2020/21. A copy of the report can be viewed here [HSAB Annual Report 2019-20](#) .

Safeguarding Policy and Guidance

23. Responsibility for the policy framework for adult safeguarding is shared between the four local authority areas in Hampshire and the Isle of Wight. The Hampshire Safeguarding Adults Board continues to lead the policy development work on behalf of neighbouring Local Safeguarding Adults Boards (LSABs). The new 4LSAB Multi-Agency Safeguarding Adults Policy and Guidance was published in July 2020 and is available on the HSAB website. Partner organisations have been requested to review their current standard operating procedures and training programmes to ensure these are in line with the new 4LSAB Multi-Agency Safeguarding Policy and Guidance.
24. Another key area of adult safeguarding guidance that has been developed is the new 4LSAB Safeguarding Concerns Guidance which is based on the national guidance published by ADASS and the Local Government Association (LGA) in June 2020. This provides a tool to support partner agency decision-making about what should be referred under formal safeguarding arrangements and clarifies alternative risk referral pathways where statutory safeguarding criteria are not met. It is anticipated that as the Guidance embeds in day to day practice this will help to reduce inappropriate safeguarding referrals.
25. Adults' Health and Care is currently reviewing and updating internal adult safeguarding policies and practice guidance to ensure these are in line with the new multi-agency Adult Safeguarding Policy and Guidance.

Cross boundary working

26. The 4LSABs continue to work together in order to align and coordinate as far as practicable adult safeguarding work across the area. A number of 4LSAB working groups are in place addressing areas of common interest and this approach has reduced unnecessary duplication and improved consistency of approach.
27. There has been effective joint working on policy development between the 4 local authorities in Hampshire and the Isle of Wight particularly where the guidance relates specifically to local authority decision making about whether or not statutory safeguarding duties are engaged. This approach has enabled key policy and guidance to be completed in an effective and timely fashion.
28. Joint work between the 4LSABs and the 4 Local Safeguarding Children Partnerships (4LSCPs) has rolled-out the joint Family Approach Protocol in 2018. This protocol was developed in response to findings from a range of reviews, HSAB and Hampshire Safeguarding Children Partnerships (HSCPs) have continued to deliver joint multi-agency training events on the Family Approach Protocol. A further area of common interest between HSAB and HSCP is the development of a joint 'Safeguarding in Transition Protocol' in response to learning from a recent Safeguarding Adult Review.

Safeguarding Adult Reviews

29. Under the Care Act 2014, the local safeguarding adults' board must arrange a Safeguarding Adults Review (SAR) when an adult in its area dies as a result of abuse or neglect, whether known or suspected, and there is concern that partner agencies could have worked more effectively to protect the adult. SABs must also arrange a SAR if an adult in its area has not died, but the LSAB knows or suspects that the adult has experienced serious abuse or neglect. Duties and responsibilities to safeguarding adults remains a statutory duty and Section 44 of the Care Act 2014 relates to the need to conduct Safeguarding Adults Reviews have not changed or been 'eased'. Consequently, the Board has maintained activity regarding SARs, though new ways of conducting these have been adopted as a result of COVID-19.
30. The HSAB Learning and Review Subgroup will review all referrals and will determine whether the circumstances of the case engage SAR criteria and if yes, what type of 'review process will promote the most effective learning and improvement action to prevent future deaths or serious harm occurring again. This may be where a case can provide useful insights into the way organisations are working together to prevent and reduce abuse and neglect of adults.
31. SAR referrals are decided upon against agreed criteria which include:
 - the concerns relate to a person with needs of care and support – whether or not in receipt of services at the time of death or injury
 - there is information to indicate causal link between the death and abuse, neglect or acts of omission.

- There is concern about the way partners worked together to safeguard the adult.
 - The concerns relate to systemic failings relating to multiple organisations and there is potential to identify learning to improve the local safeguarding system, multi-agency practice and partnership working.
32. The purpose of the SAR is to establish whether there are any lessons to be learnt from the circumstances of a particular case and the way in which local professionals and agencies worked together to safeguard the adult at risk. The SAR brings together and analyses findings from investigations carried out by individual agencies and provides a detailed overview of the interfaces involved in the case, in order to make recommendations for improving future practice, where this is necessary.
33. Over the past year, HSAB has received 15 referrals for a SAR representing a 50% increase in referrals, compared to the previous year and of these 3 cases progressed to a review (2 of which have been completed and 1 is in progress). The issues raised in the referrals include concerns about self-neglect and hoarding, self-harm, substance misuse, homelessness, mental health in transition, financial, sexual and physical abuse, poor care and treatment including medication errors, misdiagnosis, unsafe hospital discharge. Since April 2020 to date, HSAB has received a total of 7 SAR referrals which means despite the significant challenges presented by COVID-19 and heightened operational pressures experienced by partners, the SAR referral rate remains stable and in line with expected volume. The majority of referrals do not progress to a review because they do not meet the criteria outlined in paragraph 31. However, in such cases other learning exercises, either at an individual organisational or multi-agency level are undertaken.
34. During the period covered by this report the HSAB has also completed and published 2 reviews commissioned the previous year (Ms D and Ms E). In January 2019, the HSAB commissioned a SAR to review the circumstances of Ms D's case and her support and during transition from Children's to Adults' Health and Care. A further SAR was undertaken during 2019/20 regarding Ms E who died in hospital following a poor end of life experience in the months prior to her death. Both SARs were undertaken with the full involvement of the families involved. The final report and learning summary for both reviews have been published on the HSAB website and a multi-agency action plan for each review addressing the learning highlighted have now been implemented.
35. Given the current challenges presented by COVID-19, the Board is exploring alternative approaches for conducting reviews to ensure it is able to fulfil its statutory responsibilities in this regard but that these are carried out in a proportionate yet effective way. In 2020/21, the Board will be piloting the SCIE 'Rapid Time SAR' approach which enables reviews to be completed in a very short timescale. It will also be adding virtual 'learning into practice' events to its training offer.

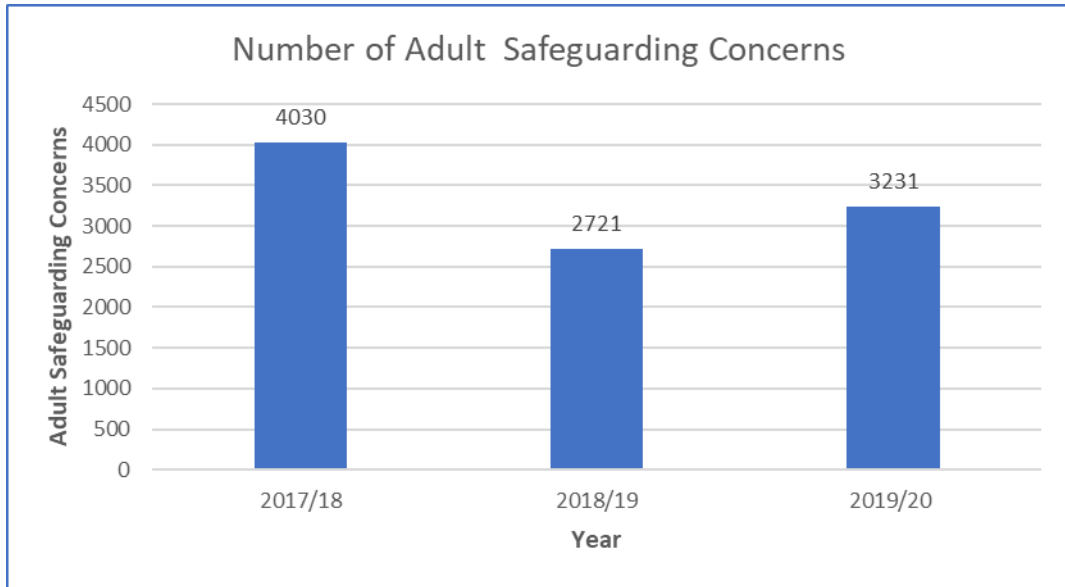
Learning and development

36. HSAB has continued to provide a fully funded multi-agency training programme of which the content is linked to our strategic priorities. These training events continue to be very popular with all multi-agency partners and has involved nearly 700 professionals representing a wide cross section of agencies and sectors. Over the past year, 16 half day training workshops have been held linked to the Board's strategic priorities.
37. Due to the restrictions arising from COVID 19, HSAB has been unable to implement a training programme in the first two quarters of 2020. However, a virtual training strategy has been developed to enable the training programme to resume from October 2020 onwards. This will focus on the roll out of the new 4LSAB Safeguarding Adults' Policy (2020) and the 4LSAB Safeguarding Concerns Guidance (2020) as well as well other topics linked to HSAB priorities including, Family Approach, Making Safeguarding Personal, Multi-Agency Risk Management Framework and Financial Abuse, Fraud and Scams. Virtual training packages (departmental and HSAB) will need to be developed to ensure that staff are able to access training during social distancing and periods of lockdown.
38. Adults' Health and Care Learning and Development Team offers a comprehensive safeguarding training programme. This has been reviewed and updated to take account of the new Multi-Agency Safeguarding Adults' Policy and Guidance. The Adults' Health and Care training programme was suspended during the peak of the pandemic however, this resumed at the beginning of September delivered on a virtual basis.

Safeguarding Activity

39. Over the last few years Adults' Health and Care have continued to make improvements to the capture and reporting of safeguarding information supported by the introduction of a Safeguarding Dashboard. As a result of these changes it is not possible to directly compare activity between years.
40. The vast majority of safeguarding concerns are now directed to the Adult Multi-Agency Safeguarding Hub (MASH) where staff review them in relation to the action required, consider multi-agency information sharing and proportionality. This enables the services to ensure that concerns that require a different response, for example a review of the care arrangements, are dealt with by the social work teams and not through safeguarding arrangements.
41. The nature of concerns reported to Adults' Health and Care are often on a continuum of poor-quality care through to extremely serious abuse. Information gathering is required before a decision can be reached to establish if abuse or neglect has taken place.
42. MASH screen all safeguarding concerns for cases which are not allocated to a community team or keyworker and advise on appropriate action.
43. An overview of recent annual referral numbers is shown in Table 1 below.

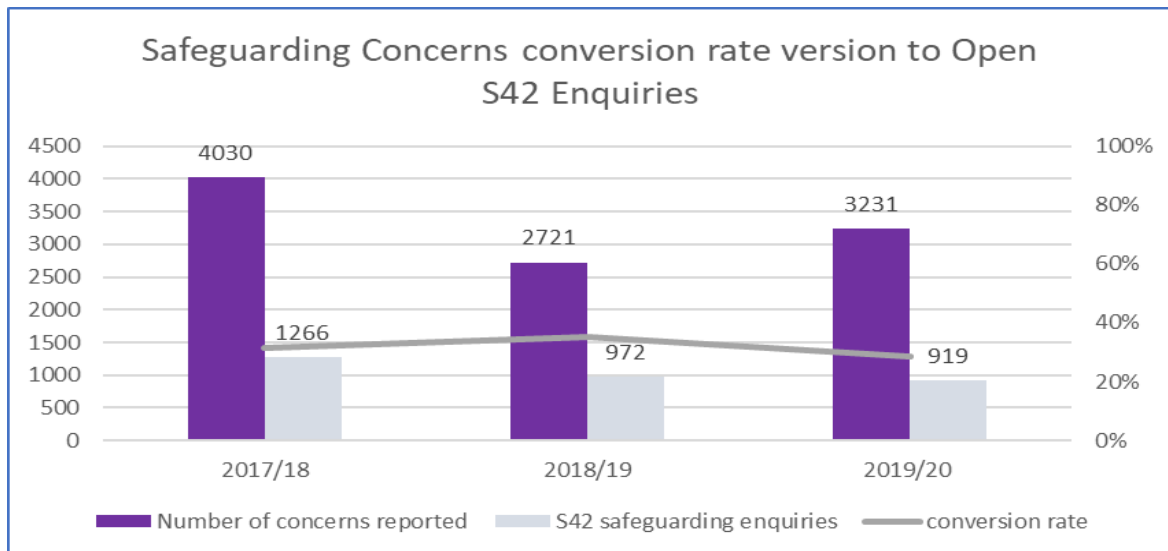
Table 1: Annual safeguarding concerns raised



44. As can be seen in **Table 1** there was an increase of adult safeguarding concerns of 19% (510 additional concerns) recorded in 2019/20 across the whole year compared to the previous reporting period. There was not a significant increase in concerns during February and March as the impacts of the pandemic began to be felt. However, a significant increase in open concerns has occurred during the first half of the current year. This reflects a variety of factors including the changes to the way in which providers are monitored on the quality of their provision, the more pro-active approach being undertaken in safeguarding adults' and the work to support partner agencies with regard to determining a safeguarding concern.

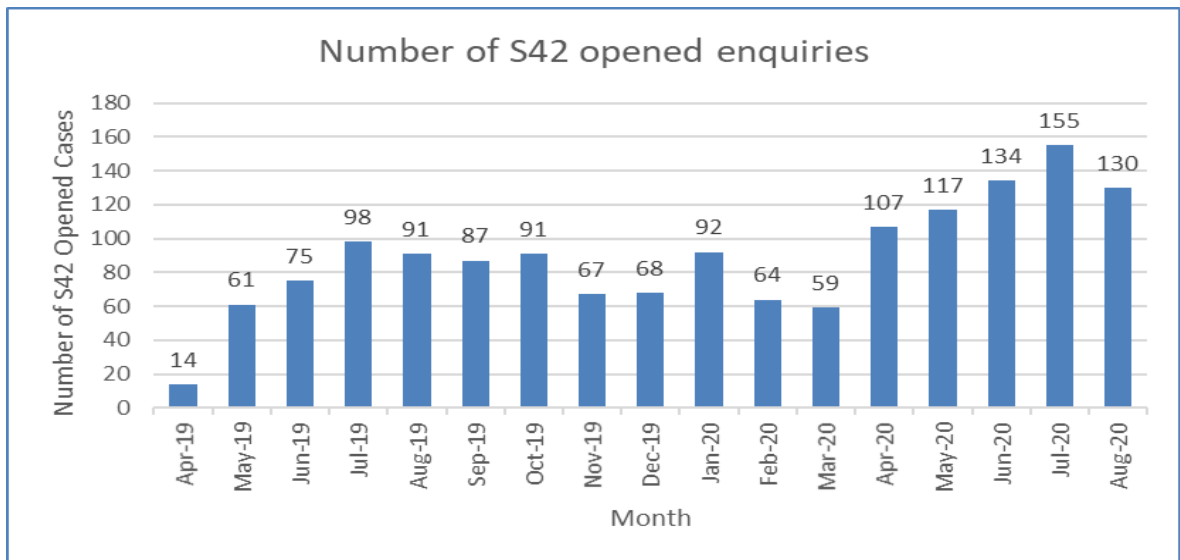
45. As shown on **Table 2**, there were 28% (919) safeguarding concerns in 2019/20 which converted to become formal safeguarding enquiries. This showed a slight decrease compared to the previous year which was 35% (972) in 2018/19.

Table 2: Safeguarding concerns converted to formal S42 enquiries



46. Table 3, below, shows the month on month number of open S42 enquiries over a 17 month period. As can be seen a significant increase has been experienced since April 2020, in comparison to April 2019. This inevitably relates to concerns during the period when Covid-19 began to be significantly experienced.

Table 3: Number of Section 42 opened enquiries



Client Affairs Service

47. The Client Affairs Service (CAS) operates to manage the property and financial affairs for people who lack the mental capacity to do this for themselves. People supported by the team have no family willing or deemed suitable to do this on their behalf.
48. This is a growing area for the County Council as the contract to provide the service for Southampton City Council was extended to include all their deputyship, not just the higher value cases. This ‘sold’ service has developed further due to previous agreements with Guernsey and with the Clinical Commissioning Groups (CCGs).
49. During the pandemic, CAS have been able to continue paying their 1000 clients bills, purchasing them the items they require, and ensuring their financial wellbeing, with all CAS staff now working from home 80% of their time.
50. The Service Manager for the Deprivation of Liberty Safeguards (DoLS) and Client Affairs service is currently in her third year as Chair of the National Association of Public Authority Deputies (APAD). In this role she has lead on ensuring the national APAD training can be delivered remotely, assisted with developing webinars and APAD website, liaised with the Court of Protection and Office of the Public Guardian on best deputyship practice for public authorities across England and Wales.

51. A recent audit of the Client Affairs Service identified positive controls regarding safeguarding of clients' assets and good management processes, positive fraud awareness, with security of transactions reinforcing the overall view of this as a safe service.

Key Priorities

52. A focus on COVID-19 assurance, recovery and learning is a key priority. As part of its assurance role, the HSAB will be actively monitoring the volume of safeguarding concerns raised in order to identify patterns and trends in the nature of these. There will be a focus on gaining understanding of key vulnerability factors and risks being experienced during the pandemic impacting on wellbeing and safety of individuals including:
- Presentation of more complex care and support needs and/or safeguarding concerns requiring a higher level of support or intervention due to delays in seeking help.
 - In terms of criminal activity, the pandemic has been seen as an opportunity by some criminals to exploit vulnerable people. Financial scams have increased and there has been a noted increase in scams relating to the pandemic. In response, HSAB has established a multi-agency working group bringing together professionals from a wide of agencies to develop joint guidance about protecting oneself from fraud, cybercrime and scams.
 - Isolation both for people living in care homes and in their own homes which can increase the risk of abuse occurring and reduce the likelihood it will be reported and dealt with.
 - Reduced contact with adults with care and support needs as a result of services such as day services or lunch clubs, closing to protect people from transmission of the virus and also to focus resources where they are most needed. These service disruptions may be unsettling and confusing due to changes in routine and to be more socially isolated with fewer daily contacts.
 - Additional pressures on carers or family members as supports such as day services, respite services and lunch clubs are closed. Carers and family members may find themselves having to spend longer periods providing support without adequate breaks and assistance. This can cause stress and tensions that put additional strain on the caring relationship.
 - Further work around COVID-19 related deaths will be undertaken by Adults' Health and Care to understand the progression of the virus across all our care settings. Regarding learning disability specifically, the national Learning Disability Deaths Review Programme (LeDeR) has been incorporated into the work programme of the HSAB Learning and Review Subgroup in order to maintain clear oversight of deaths relating to adults with a learning disability. Review activity around safe hospital discharge during the pandemic will also be undertaken.
 - Nationally, there has been a significant increase in deaths involving adults with a learning disability. [From 10 April to 15 May, the Care Quality Commission received notifications of the deaths of 386 people](#) Figures also

show that people with learning disabilities were dying from COVID-19 at a much younger age than the wider population. While 89% of people to have died from suspected Covid-19 up to May 22 this year were aged 65 or over, deaths from the disease were highest among people with learning disabilities aged 55-64, who accounted for a third of COVID-19 deaths in the Care Quality Commission (CQC) figures.

- Ensuring access routes to services are accessible given the current emphasis on digital access and the potential barriers this may pose to some sections of the population including older people, those with sensory loss, dementia or other vulnerabilities.
53. Another key priority is to manage the demand as effectively as possible and address the opportunity for closer joint working system wide. This includes further developing responses between Children's Services and Adults' Health and Care regarding common areas, such as through embedding the Family Approach Protocol and the 4LSAB Safeguarding Concerns Guidance.
 54. There will need to be an increased focus on prevention and early intervention. A key aim in this regard has been to integrate safeguarding and the prevention and intervention agenda across the continuum from the procurement of services through to delivery. This agenda is both promoted and supported by the 4LSAB Multi-Agency Risk Management Framework (MARM) and a key area of focus is to work to embed this approach across a range of activity including high intensity service users, complex hospital discharge, homelessness, safeguarding in transition, etc.
 55. In 2021, Adults' Health and Care will make the transition to a new client record system called Care Director to replace AIS. The safeguarding module is currently in the design phase and once implemented, the new module will enhance reporting and analysis of safeguarding activity.
 56. The HSAB Strategic Plan is due to be reviewed and refreshed in Q1 of 2021. This process will be informed by a Stakeholder Survey and feedback from stakeholder events across the county.
 57. There are a number of partnership areas of safeguarding work where review activity will take place including domestic abuse MARAC arrangements, safeguarding people experiencing homelessness and safeguarding during transition.

Risk Issues

Deprivation of Liberty Safeguards (DoLS)/Liberty Protection Safeguards (LPS)

58. The Local Authority acts as the 'supervisory body' under the Mental Capacity Act 2005 for Deprivation of Liberty Safeguards (DoLS). DoLS is the legal framework applied when someone has care and support needs which mean their liberty is deprived in order to keep them safe. Care homes and hospitals ('managing authority') must make an application to the local authority if they believe someone in their care, who lacks mental capacity, is deprived of their liberty as a result of care arrangements in place. These arrangements are

necessary to ensure that no-one is deprived of their liberty without independent scrutiny.

59. As has been reported previously, as a result of a Supreme Court judgement in 2014 the number of people eligible for DoLS was extended considerably.
60. Now that the Department for Health and Social Care (DHSC) have confirmed Liberty Protection Safeguards are postponed until April 2022, the pan Hampshire implementation plan is delayed.
61. Through the global pandemic, the response to DoLS had to be reduced to critical (March through to July 2020), although referral rates only reduced by about 20%. The DoLS qualified staff have adjusted to undertaking remote assessments in accordance with advice shared by the Court of Protection and DHSC, and the central DOLS team are back up to speed, assessing and authorising DoLS where identified.
62. The DoLS service is developing and leading the broader workforce with best social care practice in relation to assessing capacity and promoting human rights for the people of Hampshire.

Deprivation of Liberty (DoL)

63. For people living in community settings requiring complex support packages there should also be due consideration as to whether the care and support arrangements amount to a deprivation of liberty. In these circumstances' applications are made to the Court of Protection. The greatest area of risk is our learning disability services and considerable delays are being experienced currently with applications referred to the Court of Protection subject to further delays due to the pandemic and increased demand.

Making Safeguarding Personal

64. All practice should evidence a Making Safeguarding Personal approach to ensure the wishes and views of individuals are reflected in all decisions. A recording tool has been developed to capture a service user's experience of Making Safeguarding Personal during the safeguarding process. HSAB has Making Safeguarding Personal as one of its strategic priorities and this area is under Board scrutiny, as well as the application of the Mental Capacity Act 2005.

Gosport War Memorial Inquiry

65. The Gosport War Memorial Hospital (GWMH) Inquiry Report was an in-depth analysis of the Gosport Independent Panel's findings. The report revealed that at Gosport War Memorial Hospital the lives of a large number of patients were shortened by the prescribing and administering of "dangerous doses" of a hazardous combination of medication not clinically indicated or justified. An Oversight and Assurance Board was established which included membership of Adults' Health and Care. This Board was a time limited Board with HSAB maintaining a scrutiny role to oversee the response to the Inquiry Report and to gain assurance that lessons are being implemented across the relevant agencies involved. Going forward, the lead coordinating responsibility will rest

with the STP Quality Board. There is an on-going police investigation led by Essex and Kent Constabularies into the historic issues at GWMH of which we are awaiting the outcome.

Finance

66. Adult safeguarding is core work for our front door services and for every team. It is therefore embedded in all service provision as a core duty of the department and as a result it is not possible to provide a total cost for carrying out safeguarding work within the Department.
67. The DoLS budget has been increased to £1.3million in order to support the demands being made upon the service. The department will continue to successfully operate within this budget. However, it is important to underline that we are continuing to use a risk-based approach to manage this area of activity, despite the increases in the budget made available the size of the demand in this area is being actively managed, rather than reduced.
68. In line with a national formula the HSAB budget is made up of agency contributions as follows - Adult Services 63%, Clinical Commissioning Groups 26% and the Police 11%. The total HSAB budget in 2019/20 was £137,750.
69. The HSAB executive group has highlighted a concern that current funding arrangements only cover essential running costs and so there is minimal capacity to fund a wider programme of activities to help drive forward the Board's strategic priorities and business plan. The executive group has highlighted the need for work to be undertaken to consider resources to support the future coordination and delivery of the Board's work programme.. A particular pressure in the last year has been the significant increase in SAR referrals and activity. As an interim measure it has been agreed to use existing, available resources to recruit interim capacity to relieve current pressures. A review will be undertaken to consider organisational contributions to the HSAB funding in order to develop a longer term, sustainable solution.

Future Direction

70. The focus of the work over the coming months will be to:
 - Activities relating to COVID-19 assurance, recovery and learning.
 - Implementation of the new 4LSAB Safeguarding Policy Framework.
 - Ensuring Making Safeguarding Personal practice continues to improve
 - Review and refresh the HSAB Strategic Plan.
 - Increased focus on prevention and early intervention and develop use of the multi-agency risk management process across a range of services.

Conclusion

71. The approach to adult safeguarding in Hampshire continues to be well understood and co-ordinated via strong partnership arrangements across the 4 local authority areas and with all partners.
72. Within Adults' Health and Care the work is overseen by a senior officer reporting to the Principal Social Worker to provide assurance that safeguarding responsibilities are met. The Independent Scrutineer role will provide an opportunity to strengthen scrutiny and assurance around the effectiveness of local safeguarding adults' arrangements.
73. Adults' Health and Care will continue to develop collaborative arrangements across the wider safeguarding partnership. This will assist in maintaining and improving robust safeguarding governance across Hampshire and the Isle of Wight.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

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

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
Care Act	2014

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

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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

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

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

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

2. Equalities Impact Assessment:

The multi-agency policy, guidance and toolkit has its own equality impact assessment. The local authority approach to safeguarding is applicable across all communities. This is an annual report, so no individual Equalities Impact Assessment has been undertaken.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	24 November 2020
Title:	Hampshire Community Safety Strategy Group
Report From:	Director of Adults' Health and Care

Contact name: Robert Ormerod

Tel: 0370 779 6752 Email: Robert.ormerod@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to provide an update on the work of the Hampshire Community Safety Strategy Group

Recommendation

2. That Cabinet note the progress on the work of the Hampshire Community Safety Strategy Group (HCSSG) and arrangements for establishing a Violence Reduction Unit.

Executive Summary

3. This report seeks to provide an update on progress of the work of the Hampshire Community Safety Strategy Group in overseeing multi-agency collaboration at the county level in pursuit of agreed community safety priorities.

Contextual information

4. The Hampshire Community Safety Strategy Group (HCSSG) was (re) established in July 2018 and meets quarterly. It is required to prepare a Community Safety Agreement based on a strategic assessment for the area and to oversee the county-level collaborative arrangements for addressing these priorities and how the responsible authorities under community safety legislation might otherwise work together to reduce crime and disorder or combat substance misuse.

Membership of the Hampshire Community Safety Strategy Group (HCSSG)

5. The HCSSG is chaired by the Director of Adults' Health and Care and is attended by the Director of Children's Services, Director of Public Health, the Assistant Chief Executive and leads from Emergency Planning, Mental Health and Substance Misuse, Safeguarding Services for Children and Adults, Trading Standards, Supporting Families and the Youth Offending Team. Senior

partners attend from representing HMP Winchester, the National Probation Service, Community Rehabilitation Service, Hampshire Constabulary, Hampshire Fire and Rescue Service, the Hampshire Clinical Commissioning Group Partnership, the Office of the Police and Crime Commissioner, the Local Criminal Justice Board, the Civilian Military Partnership, district and borough housing services, and community safety officers from Hampshire's district and borough community safety partnerships. Lead officers from Portsmouth and Southampton attend as observers.

Hampshire Strategic Assessment for Community Safety and Hampshire Community Safety Agreement.

6. The HCSSG has agreed a Strategic Assessment agreed in March 2019 and reported to Cabinet in December 2019. This remains a live document reflecting dynamic national and local priorities. Following the December 2019 Cabinet, the Strategic Assessment and County Agreement were updated to include the Serious Violence Problem profile for Hampshire and the multi-agency Response Plan prepared by the Hampshire Violence Reduction Unit. This element and the central funding contribution for 2020-21 were subsequently approved by the Office of the Police and Crime Commissioner and the Home Office in February 2020. The strategic assessment and Community Safety Agreement will be updated for March 2021 with regard to updates in the Police Force Assessment, the Joint Strategic Needs assessment and the Serious Violence Problem profile.

Oversight of the county-wide multi agency arrangements in delivering the Community Safety Agreement.

7. The HCSSG has reviewed progress quarterly against the strategic priorities in the Community Safety Agreement and continues to provide assurance of continual strategic collaborative arrangements. During its last two meetings, there has been a specific focus on the impact of Covid-19 on the strategic priorities and collaborative arrangements. Below is a summary of the key developments against each priority:

Priority 1 – The threat of serious organised crime, especially related to the exploitation of children, including ‘county lines’ gangs

8. Nationally Covid-19 has had little impact on the county lines and serious organised crime activity with business models operating as usual with some changed methods of operation. This remains an area of focus for partnership activity around serious and organised crime. There are identified national risks being addressed relating to:
 - a shift from travelling county lines drugs suppliers to recruitment of young people living in counties
 - targeting young people who had no current involvement with services -a “clean skin” approach.
 - a reduction in the quality and purity of drugs due to reduced supply

9. In Hampshire intelligence was showing little evidence of price and quality changes. Hampshire Constabulary had participated in Operation Venetic where nationally £50m drugs had been seized which is modest progress against a backdrop of the UK being the highest importer of cocaine and heroin in Europe.
10. Under Operation Monument Hampshire Constabulary has continued work with the London Metropolitan, West Midlands and Merseyside forces representing the key supply sources for county lines with around 80% of Hampshire's county lines trade originating from London. In Hampshire this has focused on the "middle market" where much of the activity is co-ordinated. Regional and local drugs networks and county lines activities had been mapped with county lines activity predominant in the north of the county and more established local drugs networks in Southampton. A dedicated team is driving enforcement activity which is producing positive results with arrests with sufficient evidence to secure remands and prosecutions often with guilty pleas for drug supply offences. Importantly this is also yielding good intelligence to reveal other networks and vulnerable people being targeted for exploitation. The constabulary is working closely with districts in tactical co-ordinating meetings and Fortress meetings to develop safeguarding plans for those identified at risk. A peer review of all districts is being conducted to ensure consistency and quality of approach and the outcome will be shared with partners. The sharing of intelligence with MET teams and children's partnerships is critical and there is specific work around missing people who are deemed high risk.
11. The Constabulary, working with the multi-agency Violence Reduction Unit is also looking to adopt amended practices for police encounters with under 25s, including stop and search, introducing a trauma informed approach in line with a common strategic approach by partners.
12. The challenges being addressed by partners include limitations in the safeguarding powers of local authorities, including for children in local authority care, to restrict movement, monitor and manage behaviour, including where individuals are attempting to pursue financial gain. This complexity emphasises the need to continue to develop mutual understanding of roles and powers, and work closely to manage risk using expertise such as that in the Willow Team.
13. In terms of preventative approaches there is a focus on partnership activity with Project Gateway, the Youth Offending Team and local children's partnerships to determine the underlying risk and issues driving involvement of young people and to break the cycle, providing positive opportunities and creating aspiration. Excluded children remains a concerning area for focus. Police Education Partnership managers are working closely with schools and local authorities to ensure a long-term co-ordinated approach to a number of school-based interventions.
14. The partnership is looking to bring further coherence to all aspect of drug relate harm and risk across enforcement, treatment and preventative work streams. There is also a concerted effort for partners to further increase intelligence reports to the Constabulary.

Priority 2 - The increase in serious violence including knife crime affecting young people

15. A multi-agency Violence Reduction Unit for Hampshire has been established led by the Director of Public Health in conjunction with arrangements across the cities and the Isle of Wight headed by the Office of the Police and Crime Commissioner as the accountable body for Home Office funding. There has been continued strong partner engagement and, despite short term dedicated funding, a strong commitment to embed the priority and agreed interventions within normal service delivery.
16. Key elements of the partnership Response Plan for 2021 include enhancements of the following interventions and activities using Home Office funding:
- Youth Crime Prevention capacity
 - Protection of YP affected by county lines through the Willow Team with a focus on supporting children attending pupil referral units
 - School based interventions focusing on high risk children
 - Young adult rehabilitation serious violence intervention
 - Developing front-line workforce skills and knowledge
 - Local voluntary and community programmes in priority hot-spots
17. The partnership is also working with the police and NHS A&E providers to develop the “Cardiff model” whereby A&E data is used to identify serious violence hotspots and impacts to inform local problem solving. This contributes a significant amount to the overall picture on serious violence.
18. The partnership has worked hard to maintain as many of the interventions as possible during the lockdown period although some activities have been paused or amended. The partnership is working to understand both the short and longer-term impacts of Covid-19 on serious violence and an updated problem profile is in preparation.
19. There are strong strategic links across Hampshire and the Isle of Wight through the VRU Core Group which is being used to share learning and coordinate interventions.

Priority 3 – The interconnected impacts of mental ill-health, substance misuse, domestic abuse and adverse childhood experiences

20. The strategic partnership arrangements around substance misuse, trauma, mental health and domestic abuse have been reviewed and strengthened with a direction to ensure greater cohesion across these linked agendas as well as improved links across Hampshire and the Isle of Wight. A new Mental Wellbeing Executive and Domestic Abuse Executive have been created alongside a Trauma informed Approaches Board co-chaired by the Director of Public health and the Assistant Chief Constable.

21. During Covid-19, substance misuse services were continuing to be engaged via phone and video conferencing where possible in one to one and group arrangements. Face to face meetings are being held with high risk service users. Notably there had been positive engagement of young people using digital channels creating a potential positive legacy.
22. There has been an increase in clients accessing alcohol services. Efforts were being made to help clients access in-patient detox services with the challenges of social distancing. There are some delays in appointments for prescriptions and there have been successful moves towards moving some clients from daily to weekly prescriptions. The number of people completing treatments had been maintained and would be monitored monthly.
23. The Domestic Abuse Executive is driving a more strategic approach to common communications, including for BAME communities, perpetrator interventions, support for victims, assessing demand, sharing data and learning, and work with young people. There had been an increase in demand during Covid-19 and referral mechanisms across Hampshire and the Isle of Wight had been harmonised which have been welcomed by the Police. A number of case learning reviews of cases are in progress to assess the journey of families through the whole system.
24. The Trauma Informed Approaches Board is leading a consistent approach with common language and branding across agencies. A workforce development plan has been established with training provision by Rockpool using funding from health Education England. There had been progress in combining police, ambulance and children's services data to look at key risk factors.
25. The Mental Health Partnership Board is developing a broad approach to improving mental health beyond commissioned services, having regard to additional risks through Covid-19. There has been a continued increase in demand including young people moving into adult services. The volatility of the Covid-19 experience has given rise to a shorter notice in new young people coming through the system with some significant conditions affecting mental health and other services requiring intense partnership working. Recent months have seen an unprecedented use of community treatment orders requiring managed plans by multi-disciplinary teams for support living in the community.
26. There was a significant multi-agency drive to communicate that mental health services remain open to the public through GPs and Community Wellbeing Centres. This is an attempt to identify and manage conditions earlier to achieve better outcomes. The evidence around the impact of Covid-19 is still being assessed and would inform the Joint Strategic Needs Assessment.
27. The HCSG is looking to ensure strong voluntary, community and faith sector representation on the Boards covering these areas.

Priority 4 – The threat of radical extremism

28. The prevent Partnership Board and the Channel Panel intervention has continued to function effectively during Covid-19. There has been a sustained increase in referrals to the Channel panel relating the younger age group.
29. The Partnership has focused on
 - effective sharing of Counter Terrorism profiles with partners
 - working with district community safety partners to create local situation risk assessments
 - updating and driving workforce awareness and training
 - embedding the new national referral process
 - communication and engagement with specific stakeholders to manage specific risk
 - developing digital communications opportunities
30. A separate report on PREVENT is presented at Item X on the agenda.

Priority 5 – Ensuring inclusion and cohesion in a changing society

31. The HCSSG continues to give close attention to the need to engage diverse stakeholders across all community safety themes and to consider how intelligence and communications can be more closely aligned and co-ordinated and used across community safety priorities. This has been highlighted during the attention given to the impact of Covid-19 on vulnerable and minority groups and the Black Lives Matters developments.
32. Alongside the Strategic Co-ordinating Group and Tactical Co-ordinating Group, the Partnership has shared information and intelligence on public perceptions and tensions during lockdown, and the response to current and potential future additional cohesion risks relating to Extinction Rebellion, the accommodation of asylum seekers and rough sleepers and the forthcoming EU Exit position.
33. The Constabulary has been undertaking a daily and weekly assessment which has influenced the management of policing and community engagement based on experiences, evidence and potential risks. There has been a significant programme of consultation on the police response and management of Covid-19 providing strong assurance of confidence and used to inform direction and the policing approach. The HCSSG will be pursuing opportunities to combine this with current engagement by local authorities and other public agencies to support its priorities.

Priority 6 – The capacity challenges of voluntary support for vulnerable people

34. This priority was set as a key risk based on the impact of austerity and a key issue affecting the broad range of community-based services which prevent the risk of offending and impacts on victims. Beyond the financial position, Covid-19 has presented further and more complex issues for the resilience of the sector affecting its response and role in recovery.
35. It is clear that the response of new and existing community groups, volunteers and neighbourliness has highlighted the tremendous resilience of communities during lock-down. Research between the County Council, the University of Winchester and Communities First Wessex has borne out the attitudes and capacity of residents to help others and the benefits they have derived. However, it has also confirmed several supply and demand challenges:
- The rapid emergence of community groups will not necessarily be sustained for the large part beyond a crisis.
 - Some volunteers are suffering from taking on too much responsibility and many carers are becoming overwhelmed
 - Many volunteers within the traditional demographic could benefit from returning to volunteering roles but it may not be safe to do so, they may have lost confidence or the same roles may not still exist
 - The increased amount and complexity of need is requiring new, more specialist volunteers with a longer-term commitment, presenting recruitment and development challenges for the sector to meet new role requirements
 - Those who have signed up for national schemes can become frustrated and the opportunity lost if they are not given immediate tasks
36. Practical support is being offered to organisations wishing to re-open services focusing on those supporting the most vulnerable. There is some positive quick recovery from those groups active during Covid-19, particularly those working with homeless, vulnerable older people, young carers and domestic abuse. There were particular challenges for those traditionally offering face to face support and street-based outreach including those working with young people including around their mental wellbeing. As well as practical barriers, there were capacity considerations especially in services with specialist staff and volunteers which are experiencing higher demand and increased need especially linked to financial hardship. Citizens Advice is a positive example of an organisation which had responded admirably and worked well with the County Council by creating greater capacity to manage significant increases in demand.
37. The HCSSG is actively promoting an understanding of these challenges and engaging the community and voluntary sector in the partnership arrangements under each priority.

Priority 7 – Creating opportunities for all children to engage in positive activities and to build aspiration

38. This priority has presented major challenges as children have been largely house bound throughout the spring and summer. The key focus of the work of Children's Service and its partners during Covid-19 has been on ensuring that children are able to return to school safely which will have the biggest impact on community safety and children's well-being.
39. The priority has been to ensure schools can provide access for vulnerable people to attend. There had been a major drive in social workers engaging with schools which has yielded excellent results with around 54% of vulnerable pupils in school, one of the highest rates in the country. This is likely a higher rate given that some vulnerable pupils attended schools outside the Hampshire local authority area. Pupil referral units would be opening as normal. Home to school transport provision was presenting several significant challenges.
40. During the six-week summer holidays, the provision of summer schemes had been a challenge. Some schemes have taken place, but this represented about 40% of normal activity. A specific DFE funded programme for vulnerable families which had been effective, but outcomes are yet to be reported.
41. Referrals to children's social care has begun to increase sharply and are currently between 15 and 20% above the level in the previous year similar period. This had been the case since June. The expected surge stored up in lockdown was now beginning to filter through including for a number of teenagers with serious cases of exploitation being revealed.
42. Staffing levels have been maintained to deal with the additional demand. Once the school return has settled down there would be a greater opportunity and desire to be able to focus again on some of the preventative interventions although the planning for outbreaks and potential return to home learning requirements remains a priority.

Conclusion

43. This report demonstrates positive progress in the work of the Hampshire Community Safety Strategy Group, especially during the Covid19 measures in ensuring greater alignment and effective multi-agency working to address community safety priorities.

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

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
Document Location	
Hampshire Community Safety Strategic Assessment	
Hampshire Community Safety Agreement	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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

2. Equalities Impact Assessment:

<http://intranet.hants.gov.uk/equality/equality-assessments.htm> No adverse impacts

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	24 November 2020
Title:	Annual PREVENT Report
Report From:	Director of Adults' Health and Care

Contact name: Graham Allen

Tel: 01962 847200

Email: Graham.allen@hants.gov.uk

Purpose of this Report

1. The purpose of this annual report is to provide information and assurance on the County Council's delivery of the PREVENT duties and responsibilities hosted within Adults' Health and Care.

Recommendations

2. That Cabinet notes the contents of this report on updating PREVENT-related activity in Hampshire, including the work being undertaken by Hampshire County Council and its partners in the management and mitigation of issues related to duties under the Counter Terrorism and Security Act 2015.
3. That Cabinet receive a further update in 12 months' time.

Executive Summary

4. Within the context of the Covid-19 pandemic, this report seeks to provide information and assurance on the following:-
 - the delivery of PREVENT duties and responsibilities with reference to the Hampshire PREVENT Partnership Board hosted within Adults' Health and Care on behalf of the wider County Council;
 - the delivery of PREVENT within the wider County Council;
 - key PREVENT national policy issues with implications for the County Council.

Contextual information

5. The Counter Terrorism and Security Act 2015 created a statutory duty to have due regard to the need to prevent people being drawn into terrorism. This duty applies to all public bodies (local authorities, police, NHS, schools, further and higher education providers, probation, prisons and youth offending services). The duty also applies to private providers supplying public functions, for example in the education sector. Previously, the lead

responsibility for PREVENT lay with the police, however as of 2016 local authorities now have the lead as PREVENT interventions are focused in the 'pre criminal space'.

6. At the time of writing, the threat level of International Terrorism to the UK has been increased to 'Severe' ¹, meaning that a terrorist attack is 'highly likely'. This has been increased from 'Substantial' following recent events in France.

Covid-19 Pandemic

7. Nationally it is anticipated that the pandemic will lead to an increase in risks in relation to PREVENT.
8. Extremists are using apocalyptic narratives in referring to the pandemic in order to encourage their supporters to take extremist action.
9. There have been calls by terrorist groups for Covid-19 sufferers to deliberately infect as many people as possible, especially amongst those who are already identified as likely to become seriously unwell.
10. Nationally, there is concern that Covid-19 may lead to a resurgence in interest among terrorists for using chemical, biological, radiological and nuclear weapons.
11. Internationally, Governments and authorities have been focused upon the demands of the pandemic – thereby potentially creating a more vulnerable landscape which the terrorist can manipulate more easily. For example, there has been an increase in the Race Realist Movement, which claims that the higher death rate from Covid-19 in the BAME communities is as a result of biological differences and not social inequalities.
12. In the UK the average number of internet-connected devices in the home is 8. Through lockdown there was a 29% increase in time spent online by UK households (USwitch Poll, May 2020), leading to increased risk of on-line manipulation and counter-narratives.
13. The pandemic has required a significant shift in the way the County Council meets its PREVENT Duty.
14. The Channel Panel, receiving referrals to support individuals in our communities, has continued to meet monthly via Microsoft Teams. This has worked well and there has been no identified negative impact on the outcomes of each Panel, either for agencies attending or for individuals who are adopted into the Channel Programme.

¹ <https://www.gov.uk/terrorism-national-emergency>

PREVENT in Hampshire County Council

15. The PREVENT team continues to be hosted in Adults' Health and Care. The team facilitate statutory compliance across Hampshire County Council with duties and responsibilities of the County Council with specific reference to Channel and Partnership arrangements. Chief Officers and the Executive Member for Communities have received confidential briefings in advance of this report being brought to Cabinet.
16. The Hampshire County Council PREVENT Delivery Group has been established and includes senior representation from every department across the County Council. It focuses on strengthening the organisational approach in respect to leadership, workforce capability, awareness, partnerships and information sharing. It is chaired by the Director of Adults' Health and Care. There are many positive examples of how this approach is improving service awareness and reducing risks of harm council-wide.

PREVENT Partnership Board (PPB)

17. The Prevent Partnership Board continues to operate as a multi-agency forum with close links to the Hampshire County Strategy Group and respective Safeguarding Boards for Adults and Children. Through these groups the links with community safety partnerships have been strengthened, providing a much stronger position to support community cohesion initiatives and identifying community tensions at the earliest opportunity with all partners.
18. The Prevent Partnership Board has continued to meet quarterly, albeit on a virtual basis, and a separate Prevent Partnership Board Core Group has met monthly to ensure that the Prevent Partnership Board's business can be met in a flexible and timely way outside of the main Prevent Partnership Board meeting.
19. The multi-agency action plan agreed by the Prevent Partnership Board has been revised over the last 12 months with a focus on the following 3 key strategic areas which echo those used by Counter Terrorism Policing South East:
 - Engagement and Awareness
 - Information Sharing
 - Disrupting radicalising Influences
20. The Prevent Partnership Board action plan also continues to reflect the Prevent Partnership Board's strategy and the Counter Terrorism Local Profile, which is provided annually by Counter Terrorism Policing South East (CTPSE). The Counter Terrorism Local Profile provides the Prevent Partnership Board with both local and national data on PREVENT, ranging from number and type of local referrals to emerging national themes and developments. All statutory partners contribute to the final version of the Counter Terrorism Local Profile.

21. The Prevent Partnership Board has also reviewed and improved the process for partners to inform the Counter Terrorism Local Profile, resulting in a more relevant and focussed Counter Terrorism Local Profile.
22. The Prevent Partnership Board's subgroups have been reviewed in the light of the revised action plan, and will continue to take forward the work to deliver the action plan in specific areas, reflecting themes and data from the Counter Terrorism Local Profile, and national developments from the Home Office/Office of Security and Counter Terrorism.

Channel

23. Channel, the arrangements for multi-agency case-conferences for individual referrals within the overall PREVENT approach, continues to operate effectively in Hampshire, within the published guidance, targeting a range of individuals with varying ideologies and backgrounds.
24. The Channel Panel has continued to meet monthly on a virtual basis. This has worked well and there has been no identified negative impact on the outcomes of each Panel either for agencies attending or for individuals who are adopted into the Channel Programme. The business model for Channel was reviewed and changed to allow for the seamless continuation of the Panel whilst it moved from face-to-face to online.
25. The number of referrals has significantly increased since the work led by the Office of Security and Counter Terrorism in the light of the Reading attack, and the recognition that the multi-agency partnership is an effective tool in achieving holistic outcomes for those adopted into Channel. Channel continues to receive referrals for individuals with no clear ideology, as well as clearly identified ideologies.
26. Alongside this increase in the number of referrals made to Channel is a continued increase in the complexity of the cases, with some having an international focus. With this increase in complexity comes an increase in risk levels and an increase in risks to the reputation of the County Council.
27. The links between referrals into Channel and mental health remains close.
28. The Channel Panel continues to support both children and adults in Hampshire.
29. Due to the security and sensitivity of Counter Terrorism intelligence, this annual report will not include exact details on referrals into Hampshire.
30. Broadly, Prevent referrals to Hampshire reflect regional and national data. Hampshire has seen an increase in right wing referrals, with most referrals coming from schools and non-Counter Terrorism Policing.
31. Trends associated with Prevent referral numbers into Hampshire reflect the national picture in terms of volume and ideology type.
32. 18% of Prevent cases in Hampshire have been adopted into Channel – last year the figure was 12%.
33. The majority of referrals into Channel were for Right Wing ideology, with an increased number on last year's figures.

34. 3% of referrals to Prevent in Hampshire had an undetermined ideology – this was 16% last year.
35. 92% of referrals to Prevent in Hampshire were for men, with only one individual adopted in to Channel being female.
36. 44% of referrals in to Prevent in Hampshire were in the age range 0-17; 33% were in the age range 30+. Of the cases adopted in to Channel, 50% were for individuals under 18 years.

Significant Events for Hampshire County Council in the last 12 months

37. Recent work has led to a review of the PREVENT training strategy for schools in Hampshire, with a greater emphasis upon joint working between Hampshire County Council and the Department for Education, and closer partnership working with Counter Terrorism Policing South East, neighbourhood policing and District Councils. Going forward Hampshire County Council's Prevent team will facilitate a multi-agency event to ensure that new ways of working can be understood, implemented and cascaded by all relevant agencies.
38. Also, in June 2020 there was a terrorist attack in Reading. This resulted in a review having to be undertaken of the Channel process led by Hampshire County Council. This work was completed successfully within a tight timeframe and the relevant assurance was given to the Home Office/Office of Security and Counter Terrorism, without recommendations for any additional measures to be implemented.

Key National Highlights

39. National Referral Form – this has been in use in Hampshire since February 2020. All Prevent referrals are completed on this Counter Terrorism Policing-owned form and submitted electronically direct to Counter Terrorism Policing South East and Hampshire Constabulary, who then forward the form to Hampshire County Council if there are any specific social care needs identified for our Children's or Adult's services.
40. The Independent Review of Prevent was postponed by the Government, with it anticipated to begin again in 2021. Consultation on the Terms of Reference has begun.
41. Increased focus on PREVENT in the business world and bringing PREVENT closer to the PROTECT AND PREPARE strands of the national strategy.
42. In March 2020 the National Counter Terrorism Security Office released the Action Counters Terrorism app – the ACT App. It is designed for use across business and industry, including the security, sporting and retail sectors. It includes live-time news updates from UK Protect and practical advice and guidance to help protect business, plus information on how to respond in the event of an attack.
43. The new Channel Guidance is expected 1.11.2020. It has not yet received Ministerial sign-off so may be further delayed.

44. It is anticipated that Police-Led Panels will be introduced nationally within the next few months. They are already operational in some areas of the country, and are police-chaired multi-agency panels which consider those Prevent-relevant referrals not deemed suitable for Channel, or where consent for Channel is not secured.
45. The Home Office has released a broad training offer for Channel Chairs, deputy Chairs and standing Panel members. This aims to address the training needs in a constantly evolving agenda.
46. Regionalisation – The Home Office has recognised that there needs to be a much more agile response to dealing with the threat of terrorism, especially the Right Wing threat. It is considering how to change the current delivery model for Prevent, with the potential for a clustered approach to some areas where authorities are more closely linked together to provide more consistency nationally. As an unfunded area, Hampshire may benefit from this cluster model. The Office of Security and Counter Terrorism is currently consolidating its feedback on this.

Summary

47. Hampshire County Council is undertaking its statutory responsibilities to lead on the PREVENT agenda both with key stakeholder agencies as members of the Prevent Partnership Board and as a result of strengthening its internal governance via the Prevent Delivery Group.
48. The establishment of the Prevent Delivery Group has begun to mainstream PREVENT throughout the whole County Council and will touch all areas of the County Council's business. Through its action plan, a communication strategy and a training strategy will mandate the sharing of information and training in a structured and robust way to identified groups of staff.

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:	
<u>Title</u>	<u>Date</u>
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
Counter Terrorism and Security Act 2015	2015
Counter Terrorism and Border Security Act 2019	

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

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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

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

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

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

2. Equalities Impact Assessment:

As this is annual update there is not a requirement for an Equality Impact Assessment.