

AT A MEETING of the Policy and Resources Select Committee of HAMPSHIRE
COUNTY COUNCIL held at The Castle, Winchester on
Wednesday, 13th June, 2018

Chairman:
p Councillor Jonathan Glen

Vice Chairman:
p Councillor Keith Evans

a Councillor Adam Carew	a Councillor Anna McNair Scott
a Councillor Roz Chadd	p Councillor Russell Oppenheimer
a Councillor Adrian Collett	p Councillor Jackie Porter
a Councillor Judith Grajewski	p Councillor Bruce Tennent
p Councillor Roger Huxstep	p Councillor Michael Westbrook
p Councillor Peter Latham	a Councillor Bill Withers Lt Col (Retd)

Also present with the agreement of the Chairman: Councillor Stephen Reid,
Executive Member for Education, Skills, Human Resources and Performance

45. APOLOGIES FOR ABSENCE

Apologies were noted from Cllr Roz Chadd. The Conservative Substitute Cllr Chris Carter attended in her place. Apologies were also noted from Cllr Anna McNair Scott. The second Conservative Substitute Cllr Andrew Gibson attended in her place. Apologies were also noted from Cllr Adrian Collett. The Liberal Democrat Substitute Cllr Mike Thornton attended in his place. Apologies were also received from Cllr Judith Grajewski and Cllr Bill Withers.

46. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

47. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were reviewed and agreed, subject to the addition of a's against Cllr House and Cllr Tennent in the attendance list to indicate their absence.

48. **DEPUTATIONS**

No deputations were received at this meeting.

49. **CHAIRMAN'S ANNOUNCEMENTS**

Welcome

The Chairman welcomed Members who had been appointed to the Committee since the last meeting:-

- Cllr Russell Oppenheimer (Chairman of Economy Transport & Environment Select Committee, replacing Cllr Floss Mitchell)
- Cllr Jackie Porter (replacing Cllr Keith House)
- Cllr Bill Withers (replacing Cllr Edward Heron)
- Cllr Roz Chadd (Chairman of Children & Young People Select Committee, replacing Cllr Ray Bolton)
- Cllr Andrew Gibson (second Conservative Substitute)
- Cllr Wayne Irish (second Liberal Democrat Substitute)

Select Committee remits

The Chairman informed Members that a report was going to the Cabinet meeting the following week setting out the Executive Portfolios following the Cabinet changes announced by the Leader at the AGM. Some small tweaks were being proposed to the remit of the Select Committees to reflect the Executive Portfolio changes. The Select Committee remit changes would then be put forward by Cabinet to full Council for approval (therefore would not take effect until agreed by full Council).

Proposed Select Committee remit changes:

- 'Skills' added to Policy & Resources Select Committee remit
- 'Rural Affairs' removed from Policy & Resources Select Committee remit
- 'Rural Hampshire' added to Culture & Communities Select Committee remit
- 'Countryside and rights of way' added to Culture & Communities Select Committee remit

50. **END OF YEAR FINANCIAL REPORT 2017/18**

The Select Committee received a report and supporting presentation from the Director of Corporate Resources – Corporate Services, providing a summary of the 2017/18 final accounts (see Item 6 in the Minute Book).

It was reported that there had been a £25m underspend for the 2017/18 financial year, and any savings made by a department would be allocated to their cost of change reserve. Remaining funds would be allocated to corporate reserves and some put towards pot hole repairs following the severe winter weather.

The position for reserves and investments at the end of the financial year was summarised. Members asked questions for clarification and discussed the financial position. Following the debate, the following recommendation was proposed and agreed:

RECOMMENDED:

That the Policy and Resources Select Committee supports the recommendations to Cabinet set out in section 1 of the 2017/18 End of Year Financial Report.

51. **MEDIUM TERM FINANCIAL STRATEGY**

The Select Committee received a report and supporting presentation from the Director of Corporate Resources – Corporate Services, providing a summary of the latest Medium Term Financial Strategy (see Item 7 in the Minute Book).

Members heard that the current grant settlement covered up to 2019/20 and it was not clear at this point what funding from central government the County Council would receive beyond that point. A national ‘fair funding’ review was underway as well as possible changes relating to business rates retention.

The assumptions being used in the Medium Term Financial Strategy (MTFS) were described. It was discussed that demand increases now had a bigger impact on the budget position than changes in central government grant. It was noted that the MTFS assumed the planned T19 savings would be met, albeit in some cases the timescale for delivering them had been extended, with funding from reserves already accounted for to bridge the gap.

Worst case and mid case scenarios of the financial position had been modelled, and based on the mid case scenario a budget gap of £80m was expected by 2021/22. Opportunities to make savings to meet this gap would start to be explored for consideration in Spring 2019, with decisions due in October 2019.

Members asked questions for clarification and discussed the medium term financial position. Members queried whether the Council had the capacity to undertake the changes needed to secure savings, and it was responded that funding was being provided for in house Transformation Practice roles to support the organisation through the changes.

It was noted that the MTFS continued the strategy of applying the same % reduction across all departments, which equated to a 13% reduction for each department for the Transformation to 2021 programme.

It was noted that enabling technology was being deployed such as mobile devices for social workers to make their contact time more efficient, and introducing robotic process automation to make efficiencies in repetitive tasks.

It was noted that the Council was lobbying the government about the financial position, as due to the demand pressures, even without any grant reduction and an increase in council tax by 5% there would still be a £30m gap. The Executive Member for Education and Skills, Human Resources and Performance gave assurance that these issues were raised regularly with the All Party Parliamentary Group of Hampshire MPs.

Members discussed that demand pressures in children's social care was an increasing issue, with the Local Government Association predicting a £2 billion shortfall in this area by 2021. It was expected that central government would provide some support to council's to respond to this pressure. Members were reassured that overall Hampshire County Council remained in a strong financial position.

RESOLVED:

The Select Committee note the content of the Medium Term Financial Strategy report.

52. **SERVING HAMPSHIRE - 2017/18 PERFORMANCE REPORT**

The Select Committee considered a report of the Chief Executive and Head of Law and Governance providing a summary of the performance of the County Council over the 2017/18 financial year (see Item 8 in the Minute Book).

Members heard that the overall performance of the council was rated 'Good'. Two thirds of the targets set by departments had been met, and where targets had not been met improvement plans were in place.

One of the areas of performance risk was Delayed Transfers of Care. It was noted that the Council was receiving support from Newton Europe via the LGA to address this issue. Other risk areas were pressures on secondary school places, securing a new IT system for children's social care and the increased number of defects on the highway network following the cold weather in the winter.

Members also heard that fewer complaints had been made to the Local Government Ombudsman about Hampshire than for comparator authorities and fewer faults had been found in cases investigated.

Members asked questions for clarification and discussed the performance report. Members commented on the Smart Motorway Scheme being undertaken by Highways England, noting that this was recognised as a risk area. The County Council had put in place a team to engage with Highways England about this, to help manage the anticipated impact of traffic being diverted onto roads managed by the County Council.

RESOLVED:

The Select Committee note the County Council's performance for 2017/18.

53. **WORK PROGRAMME**

The Chairman presented the forthcoming work programme for the Policy and Resources Select Committee. The Chairman highlighted his intention to explore opportunities for scrutinising Local Enterprise Partnerships, to contribute to the accountability of these bodies that are publicly funded.

RESOLVED:

The Work Programme be agreed, subject to any amendments made at this meeting.

Chairman,