

AT A MEETING of the CABINET of HAMPSHIRE COUNTY COUNCIL held at the Castle on 22 December 2010.

**Chairman:**  
**p Councillor T. K. Thornber, CBE**

Councillors:

p C. Davidovitz	p K. Mans
p Dr. R. J. Ellis	p R. Perry
a Felicity Hindson, MBE	p Mrs. M. D. Snaith-Tempia
p M.J. Kendal	

Also present with the agreement of the Chairman: B Dash; K Evans and K House.

**174. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs F Hindson, M Tucker, K. Chapman and S Wheale.

**175. DECLARATIONS OF INTEREST**

Members were mindful that where they believed they had a personal or prejudicial interest in any matter considered at the meeting declared that interest at the time of the relevant debate and, having regard to the circumstances described in paragraphs 9, 10, 11 and 12 of the County Council's Code of Conduct, considered whether to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with paragraph 12 of the code.

**176. MINUTES**

The minutes of the meeting held on 29 November 2010 were confirmed as a correct record.

**177. CHAIRMAN'S ANNOUNCEMENTS**

There were no announcements.

**178. ANNUAL AUDIT LETTER**

The Cabinet considered the Annual Audit Letter received from the Audit Commission (Item 5 in the Minute Book) in respect of its audit of Hampshire County Council for 2009/10. The District Auditor explained that the Council had built on its good performance from the previous year and the Auditor was therefore able to give an unqualified conclusion in respect of both value for money and the Council and Pension Fund

financial statements. The Council was well positioned to prepare compliant financial statements and had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Finally, the District Auditor thanked the Council for its cooperation and proactive approach to the audit process.

At the invitation of the Chairman, the Chairman on the Audit Committee addressed the Cabinet. He advised that the Audit Committee had considered and noted the Annual Audit Letter on 9 December 2010 and had welcomed its positive content, which was a real endorsement for the Council.

The Cabinet welcomed the report and thanked the District Auditor. The Decision Record is attached to these Minutes as Appendix 1.

179. **PROVISIONAL GRANT SETTLEMENT AND BUDGET GUIDELINES 2011/12 TO 2014/15 – PRESENTATION BY THE COUNTY TREASURER**

The Cabinet received a presentation from the County Treasurer (Item 6 in the Minute Book) on the provisional grant settlement and budget guidelines for 2011/12 to 2014/15, which can be viewed on Hantsweb at: [http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item\\_ID=2474&tab=2](http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item_ID=2474&tab=2)

During the presentation, the County Treasurer confirmed that the total formula grant reduction to the County Council was 14.3% for 2011/12 and 10.4% for 2012/13. It was noted that the decision taken by Cabinet in July to commence planning on the basis of an 8% per annum reduction in the County Council's cash limit budgets and embarking upon a range of large corporate efficiency programmes was sensible and in keeping with the County Council's history of sound financial management, and would minimise as far as possible, the impact on jobs and frontline services.

Planning for an 8% per annum reduction in cash limits continued, and the reductions and increases in grants would be treated in the usual manner and passported where a direct link existed. In the same way that the in-year Government Grant reductions were approached, care would need to be taken in planning the implementation of changes with a focus on reductions being achieved at the earliest opportunity and no later than March 2012 with commensurate cash flow support provided.

In discussing the provisional grant settlement, the Cabinet acknowledged that much of the grant reduction would fall upon staff and the Council must be aware of the impact and implications over the next year. Current planning would reduce senior management by 29%, and the Council was not replacing some of its leavers due to the recruitment freeze. The Council was also looking to reduce premia payments over time and was in the middle of a pay freeze for the current and next financial years. No area of the Council's activity should be immune from exploration, and it

was hoped that a reduction of services at the point of delivery could be avoided.

The Cabinet expressed concern about implications of the funding cuts on the following;

- Concessionary bus fares – The County Council would receive funding to manage the concessionary bus fares scheme transferred from the individual district councils, however this funding would be less than the District Councils received.
- Academy funding – It was vital that the funding was correct to ensure that the County Council did not see a grant reduction in anticipation of a number of its schools transferring to academy status, which then did not go ahead, would leave a budget imbalance.
- Flooding – the funding of £220,000 would not be enough to fulfill the County Council's new obligations of the Flood and Water Management Act 2010.
- Carbon reduction obligations would also have to be resourced from within existing budgets, as there was no additional funding for this purpose.

In conclusion, the Cabinet agreed that the budget planning process would continue towards Executive Member decision making in January 2011 and Cabinet and County Council decision making in February 2011 on the continued basis of a reduction in cash limit budgets of 8% per annum and a passporting approach to grant reductions and increases where a direct link existed.

Account would be taken of the need to facilitate sound financial planning through cash flow support where necessary, and it was anticipated that cash flow support would be required by Children's Services.

The Cabinet adopted the recommendations set out in the report, subject to the above clarification. The decision record is attached to these Minutes as Appendix 2.

#### 180. **FUNDING FOR INFRASTRUCTURE IMPLICATIONS OF RECENT GOVERNMENT ANNOUNCEMENTS**

The Cabinet considered the report of the Director of Environment (Item 7 in the Minute Book) on implications of recent government announcements in respect of the Local Growth White Paper, the New Homes Bonus and the Community Infrastructure Levy.

The Director of Environment confirmed that the Community Infrastructure Levy would go ahead largely without change, despite representations made during the consultation period. Section 106 agreements for off-site infrastructure provision would no longer be lawful after April 2014.

The consultation of the New Homes bonus would close on 24 December 2010. It was noted that it would apply only to the number of additional

dwellings, which did not include the refurbishment or replacement of existing dwellings. Therefore there would be more financial incentive for development of Greenfield sites, rather than regeneration-led re-development of brownfield sites as envisaged for example in the South Hampshire proposals for re-modelling and partial redevelopment of existing estates such as Rowner.

The Cabinet noted that the Chairman had previously written to the Minister and had addressed the relevant Select Committee to make representations. One suggestion was that the Government be requested to put the Localism Bill through the Special Select Committee process, to facilitate more effective scrutiny and potential amendment.

It was agreed that the County Council would continue to make representations as appropriate, and work with District Councils to agree a practical solution for the share of revenue from the New Homes Bonus.

The Cabinet adopted the recommendations set out in the report and the decision record is attached to these Minutes as Appendix 3.

181. **HAMPSHIRE ACTION TEAMS: COMMUNITY BUDGETS AND PROCEDURES FOR AUTHORISATION OF EXPENDITURE**

The Cabinet considered the report of the Chief Executive (Item 8 in the Minute Book) on proposed changes to arrangements for agreeing project funding requests. The Cabinet adopted the recommendations set out in the report and the decision record is attached to these Minutes as Appendix 4.

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

RESOLVED:

That the public be excluded from the meeting during the following item of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item there would be disclosure to them of exempt information within Paragraphs 2 and 3 of Part 1 Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the report

183. **EFFICIENCIES AND EXPENDITURE REDUCTIONS: TRANSFORMING THE COUNTY COUNCIL – REPORT 5**

The Cabinet considered the report of the Chief Executive (Item 10 in the Minute Book) on progress in relation to efficiencies, expenditure reductions and transforming Hampshire County Council in light of government spending reductions (DETAIL IN EXEMPT MINUTE).

The Cabinet adopted the recommendations set out in the report, subject to amendments to recommendations (iii) and (iv), the detail of which is within the exempt minute, and the decision record is attached to these Minutes as Appendix 5.