

AT A MEETING of the CABINET of HAMPSHIRE COUNTY COUNCIL held at the Castle on 27 June, 2011

Chairman:
p Councillor T. K. Thornber, CBE

Councillors:

p K. Chapman	p M.J. Kendal
p C. Davidovitz	p K. Mans
p Dr. R. J. Ellis	P R. Perry
p Felicity Hindson, MBE	

Also present: Councillors B. Dash, P. Edgar, K. Evans, C. Leversha, M. Tucker, P. A. West and S. Wheale

224 APOLOGIES FOR ABSENCE

None.

225 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.

Councillor B. Dash declared a non-prejudicial interest in Minute No. 228 as he receives a pension from RWE npower a successor of National Power.

Councillor M. Kendal declared a non-prejudicial interest in Minute No. 228 as both he and his wife own various utility shares.

226 CONFIRMATION OF MINUTES

The minutes of the meeting held on 18 April, 2011 were confirmed as a correct record, subject to a correction in the attendance list to reflect that Councillor K. Chapman attended the meeting.

227 CHAIRMAN'S COMMUNICATIONS

The Chairman welcomed to the meeting David Heck and Roger Farrall from the Independent Remuneration Panel who were attending the meeting to observe proceedings.

228 SOLAR PHOTOVOLTAIC (PV)

The Cabinet considered a joint report of the Director of Culture, Communities and Business Services, Director of Economy Transport and Environment and County Treasurer (Item 5 in the Minute Book) outlining the case to proceed with the procurement of Solar Photovoltaic (PV) panels on its buildings; taking advantage of Government cash incentives and reducing energy costs and carbon emissions.

The Cabinet were advised that the project would be carried out in phases with the first seeing around a quarter of the panels installed before the end of March 2012 at an estimated cost of £3.5 million. This would allow the County Council to get maximum benefit from the Government's current Feed-In-Tariff (FIT) of an average of 33p paid for every kilowatt generated by the panels. It was noted that the FIT was expected to be reduced by Government at the end of the financial year, which will apply to Panels installed after March 2012.

By carrying out the project in phases, the Cabinet were advised that the County Council would have greater flexibility and be able to adjust the extent of the programme in light of changes to feed-tariffs to ensure it delivered in terms of cost benefits.

The total project could reduce the County Council's carbon footprint by 1,500 tonnes per year (around 10% of the Council's corporate carbon footprint). Over 26 years it could also cut energy costs by £10.6 million and attract £27.4million through government incentives.

The initial capital investment required for the whole project was £15.8 million. The project was expected to pay for itself in 15 years through the reduced energy costs and income from Feed-In-Tariffs.

In considering the report, the Cabinet were mindful that a programme of this nature was not without risks. It was pointed out that there were significant uncertainties which could impact on the financial benefits and the payback both in a positive and negative way. The key issue before Cabinet was whether to position the County Council on the project in such a way that it was able to take advantage of existing decisions but keep its options open for the future. This would be consistent with approving the project to proceed through the procurement stages and as suggested in the report reconsidering the viability of the scheme in line with future decisions and the cost benefits and opportunities that exist in the review of the capital programme.

The Cabinet adopted the recommendations in the report with the following changes:

Recommendation 9.1 - That the Directors of Culture, Communities and Business Services and Economy, Transport and Environment be authorised to commence the procurement of and consider the award of multiple contracts, if appropriate, for a large scale solar photovoltaic project.

Recommendation 9.5 - That the Cabinet advises officers of its preferred energy strategy and invites the Directors of Culture, Communities and Business Services and Economy, Transport and Environment to present a report prepared on this basis to a future Cabinet meeting, and re-affirms the County Council's and its schools commitment to green energy and reducing our energy needs by 20% by 2015 and 3% PV savings in phase one, without prejudice to the Energy Strategy for the County Council.

The decision record is attached to these minutes as Appendix 1.

229 ECONOMIC DEVELOPMENT REVIEW

The Cabinet considered a report of the Director of Economy, Transport and Environment (Item 6 in the Minute Book) detailing proposals for a 're-orientation' of the County Council's economic development role and service. Cabinet were advised that in light of the coalition Government radically re-shaping the public sector landscape, and because economic development is at the heart of some of the most significant of these changes, it was timely to review the scope, ambition, aims and operation of Economic Development. The review included consideration of key partnerships such as the Hampshire Economic Partnership (HEP), relationships with the business community, the wider issues around Local Enterprise Partnerships, and the future role and governance of the Hampshire Economic Board

In considering the future direction of the County Council's economic development service, there was discussion about the mission statement set out in para. 4.2. of the report. Whilst the spirit of the opening words "Create the conditions ..." was commendable, the Cabinet considered that the word "Encourage" was more appropriate. It was therefore agreed that the mission statement be amended accordingly.

There was discussion about the Key Work Streams, set out in para 4.4 of the report and the importance of Place Shaping and Rural Development. It was highlighted that housing was a key resource underpinning a successful economy and that maximising the benefit of the overall housing stock required a housing strategy for older people with an emphasis on Extra Care provision. The importance of inward investment and exploring opportunities with international companies was also highlighted.

To facilitate much wider engagement, it was recommended that the Hampshire Economic Board be replaced by an Advisory Panel, which as a non-executive body could co-opt individual members from outside the County Council, and would not be constrained by the constitutional restrictions which affect the current Economic Board. This would also give the new body a remit and greater opportunity to focus on the 'macro' or strategic issues.

The decision record is attached to these minutes as Appendix 2.

229 **STRATEGY AND POLICY STATEMENT FOR RISK MANAGEMENT AND HEALTH AND SAFETY**

The Cabinet considered a report of the Chief Executive seeking Cabinet approval of a revised strategy and policy statement for risk management and health and safety.

The Cabinet approved the strategy and Policy Statement subject to the rewording of the first bullet point on page 4 of 9 to read "Cabinet, Audit Committee, all Members of the County Council and senior management to support, own and lead on risk management".

The decision record is attached to these minutes as Appendix 3.

230 **EXCLUSION OF PRESS AND PUBLIC**

That in relation to the following item the press and public be excluded from the meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item there would be disclosure to them of exempt information within Paragraphs 1, 2 and 3 of Part 1 of 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.

231 **EFFICIENCIES, COST REDUCTION AND TRANSFORMATION – REPORT NO. 3 [SUMMARY OF AN EXEMPT MINUTE]**

The Cabinet considered an exempt report of the Chief Executive (Item 9 in the Minute Book) reviewing progress on the efficiency cost reduction and transformation programme.

The decision record is attached to these minutes as Appendix 3.

232 **SOLAR PHOTOVOLTAIC (PV) – APPENDIX**

The Cabinet considered an exempt Appendix relating to Minute No. 228.