

AT A MEETING of the POLICY AND RESOURCES SELECT COMMITTEE of the COUNTY COUNCIL held at The Castle, Winchester on Friday, 18 September 2015.

PRESENT

Chairman:
p Councillor Elaine Still

Vice-Chairman
p Councillor Keith Evans

Councillors:

p Ray Bolton	p Anna McNair Scott
a Adrian Collett	p Andy Moore
p Criss Connor	p Mark Staplehurst
p Keith House	p Bruce Tennent
p Roger Huxstep	a Ken Thornber
p Robin McIntosh	p Sharyn Wheale

90. **BROADCASTING ANNOUNCEMENT**

The Chairman announced that the press and members of the public were permitted to film and broadcast the meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes.

91. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Adrian Collett. The liberal democrat substitute Member Cllr David Harrison attended in his place.

Apologies for absence were also tendered on behalf of Cllr Roy Perry, Executive Member for Policy & Resources, as he was attending a meeting of the South East Seven.

92. **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 4 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.

93. **MINUTES**

The Minutes of the Policy & Resources Select Committee meeting held on 14 July 2015 were confirmed as a correct record and signed by the Chairman.

94. **DEPUTATIONS**

No deputations were received at this meeting.

95. **CHAIRMAN'S ANNOUNCEMENTS**

No announcements were made at this meeting.

96. **2014/15 END OF YEAR FINANCIAL REPORT**

The Committee considered a report and supporting presentation from the Director of Corporate Resources regarding the 2014/15 final accounts (see Item 6 in the Minute Book).

Members heard:

- The reserves strategy was summarised, and it was noted that a reserve had been added for 'investment risk' to accommodate changes to the investment strategy that could potentially lead to a loss in the value of investments held
 - The organisational change reserve fund had reduced in 2015 as this had been used to pay for Voluntary Redundancy under the 'transformation to 2015' programme
 - Reserves held by schools had increased, despite the fact that some schools had become academies and taken their reserves with them
 - That overall levels of reserves had started to come down, as they were being used as intended
 - That capital expenditure of £244.6m was incurred in the past year, which was an increase compared to average capital spending of £180m in previous years

Following questions, Members heard:

- That the biggest risk area in the budget was pressures on Adult Social Care, due to a range of factors including demand, impact of NHS savings requirements, and the impact of the national living wage on the social care market
 - That 'available' reserves amounted to £76m in March 2015, however these funds would start to be used. It was possible that between £40m and £50m would be drawn on in 2016/17 to meet the budget gap, prior to the savings plans under 'transformation to 2017' having full effect

- That planning assumptions did not account for any increase in council tax returns, however there had been increases in council tax collected by the Districts in recent years

Members commented:

- That it was helpful to be able to explain to residents what the reserves were held for. It was noted that the reserves strategy was included in the budget report that had been presented to Cabinet in February 2015, which could be circulated to members.

Link to reserves strategy be emailed to members

RESOLVED:

That the report be noted.

97. **TRANSFORMATION TO 2017 – REVENUE SAVINGS PROPOSALS: POLICY & RESOURCES**

The Committee considered a report and supporting presentation from the Director of Corporate Resources, Director of Policy & Governance, and Director of Culture Communities & Business Services (see Item 7 in the Minute Book) regarding the savings proposals for the Policy & Resources budget developed as part of the Transformation to 2017 programme.

Councillor Connor made a personal interest declaration: that he is trustee of Basingstoke Charities and the Hampshire County Council representative on Basingstoke Voluntary Services

Members heard:

- The public health budget is a ring fenced grant and therefore there were no proposals for savings from this budget
 - The target under Transformation to 2017 across policy & resources budgets was to save £11.7m
 - Consideration was being given to new models of operation which had the potential to reap further savings in future, as it was anticipated a further round of reductions would be required leading in to 2019/20
 - Hantsdirect would be reviewed, reflecting on how society had changed over the ten years since its introduction (such as increased use of smart phones)
 - Public consultation had been undertaken on ways for the council to make savings, and 79% of respondents supported ceasing production of ‘Hampshire Now’ the printed County Council magazine. It was therefore proposed to go ahead with this saving, noting that the publication would continue to be available online in future
 - It was proposed to reduce the funds available to members for awarding grants from £8,000 to £5,000 from

April 2017

- That Equalities Impact Assessments had been undertaken on the savings proposals, and were published as an appendix to the decision reports

Following questions, Members heard:

- That the impact of the new hourly rate for low income staff would be taken into account in future budgets
- That the impact of the proposals in staff reductions was 175 FTE for the services supported by the policy & resources budget. This was less than 14% of staff numbers in the relevant departments. The reductions would be achieved through vacancy management as far as possible.
- That some of the savings were described as 'changing the way that ... services are provided'. There were specific proposals underlying these headings, for example in Human Resources consideration was being given to how information requested could be provided in standard reports or through other light touch methods, reducing the need for high cost professional time to be spent on those tasks
- That the 'digital' programme was funded separately to 'business as usual' IT support, and included investment to deliver the digital elements that would underpin other transformation to 2017 proposals

Members commented:

- Some members noted that they were surprised with the feedback about Hampshire Now, as it was thought to be well used by older people. However other members supported the proposal to cease printing it.
- That they were concerned with the proposal to reduce members grants budgets, as they were felt to be a good mechanism to support local groups doing good work

Cllr Evans proposed a recommendation (see one below) which was seconded by Cllr Still, and was carried by majority vote. Cllr Harrison proposed a recommendation (see two below) which was seconded by Cllr Tennent, and was carried by majority vote:

RECOMMENDED:

1. The Policy & Resources Select Committee agrees the approach and proposals outlined in the Transformation to 2017 Revenue Savings Proposals report, save that the Committee would recommend that:
2. This committee believes it would be a mistake to cut the current level of member devolved budget as proposed.

Recommendations be passed to Executive Member

98. **TRANSFORMATION TO 2017 UPDATE**

The Committee considered a presentation from the Director of Transformation (and Policy & Governance) (see Item 8 in the Minute Book) regarding the overall Transformation to 2017 programme.

Members heard:

- That the cumulative impact of the savings programmes from 2008 to 2017/18 would be £340m
- It was anticipated that further reductions would be required leading in to 2020
- Demand pressures continue to be experienced in Childrens and Adults Social Care, and this needs to continue to be managed, alongside delivery of the transformation to 2017 savings
- The savings proposals included cross cutting themes which would affect the whole council for example digital
- The top 19 programmes that would contribute the level of savings required had been identified, however many of these involved significant complexity, which makes delivering change difficult. There were also around 50 smaller business led projects. These 70 workstreams need to be delivered alongside business as usual. This would be challenging for the organisation, as it had been identified that around 600 roles (190 FTE) would be required to deliver the top 19 projects alone
- It was noted that further consultation would be required on a number of service specific savings proposals, ten of which were anticipated to be launched in November 2015, subject to County Council approval of the outline budget proposals on 22 October 2015

Members commented:

- That the voluntary redundancy policy had worked well to achieve savings and allow staff to leave the organisation if they wished to.
- That the situation provided opportunities for remaining staff to step up and develop new skills and be involved in opportunities to modernise and future proof public services

RESOLVED:

That the update is noted, and the topic remain on the work programme for a future update when appropriate.

99. **WORK PROGRAMME AND ONGOING WORK ACROSS ALL SCRUTINY COMMITTEES**

Members noted the work programme for the Committee and the overview of scrutiny activity across all Committees (see Item 9 in the Minute Book).

Work programme be updated

RESOLVED:

That the work programme is agreed, subject to any amendments arising from this meeting.

Chairman, 26 November 2015