

AT A MEETING of the Cabinet of HAMPSHIRE COUNTY COUNCIL held at the Castle on 3 FEBRUARY 2017:

**Chairman:
p Councillor Roy Perry**

Councillors:

p	Peter Edgar	p	Mel Kendal
p	Liz Fairhurst	p	Keith Mans
p	Andrew Gibson	p	Stephen Reid
a	Rob Humby	p	Patricia Stallard
p	Andrew Joy		

Also present with the agreement of the Chairman: Councillors Bennison, Bolton, Carter, England, Heron, House, Huxstep and Latham.

264. BROADCASTING ANNOUNCEMENT

The Chairman announced that the meeting was being recorded for broadcast on the County Council's website and would be available for repeated viewing. The press and members of the public were also permitted to film and broadcast this 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.

265. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Humby.

266. 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 and, having regard to 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, 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, considered whether it was appropriate to leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with the Code.

267. CONFIRMATION OF MINUTES

The minutes of the meeting held on 12 December 2016 were confirmed as a correct record and signed by the Chairman.

268. DEPUTATIONS

No deputation requests had been received.

269. CHAIRMAN'S ANNOUNCEMENTS

The Chairman noted that the proposed Solent Combined Authority would now not proceed as there was not full agreement for it to do so. He recognised the position of the Secretary of State who was supportive of local government reorganisation where there was a strong local consensus.

It was confirmed that the "South East 7" Leaders had agreed the establishment of a sub-national transport body, which would have a focus on overall infrastructure planning. Being the largest net contributor to the national economy, it was vital that the South East maintain key road and rail infrastructure connectivity.

270. REVENUE BUDGET AND PRECEPT 2017/18

The Cabinet considered the report of the Director of Corporate Resources regarding the revenue budget and precept 2017/18 (Item 6 in the Minute Book).

The Chairman introduced the report, noting the Council's requirement to balance its budget and the difficulties some other Authorities were facing in achieving this. He highlighted that a high level of service provision had been maintained in Hampshire and that Council Tax precepts had been frozen for a number of years, therefore the proposed increase still equated to a real terms reduction since the start of the administration. The ability to use the flexibility around the additional social care precept would enable the County Council to avoid putting undue pressure on the NHS. The extensive £500 million programme of capital expenditure sitting alongside the revenue budget was drawn to Cabinet's attention as part of the Council's means of investing in the future of the area. The Chairman also proposed an additional recommendation following feedback from the Policy and Resources Select Committee, to retain devolved Member budgets at £8000 for the next two years, with no carry forward of underspend each year.

The Director of Corporate Resources provided further detail on the content of the revenue budget, confirming that incorporated the Transformation to 2017 savings and no new savings proposals had been included. Departmental performance in meeting their targets had been strong, although all departments were feeling the pressure, this was particularly strong in Adults Services and Children's Services. The individual departmental positions were outlined and a number of key points explained. It was confirmed that an efficiency plan had been submitted to and accepted by Government as part of the four year grant settlement, which continued the Council Tax policy introduced in the previous year. It was noted that the Parliamentary debate on the local government finance settlement was not scheduled until after the County Council meeting and confirmed that measures would be in place to ensure robust budget setting. The options relating to an increase in social care precept were set out and it was noted that even at 3% the additional income would still be insufficient to meet the increase in cost pressure in the department.

With the agreement of the Chairman, Councillor House addressed Cabinet:

Councillor House questioned the strategy of increasing the social care precept on a 3%+3%+0% basis, when 2%+2%+2% would achieve more income. He also suggested that not permitting the carry forward of underspend on devolved Member budgets would incentivise rapid spending and therefore proposed a partial carry forward limit of £2000 per year be considered.

It was clarified by the Director that although the 3%+3%+0% would result in less income overall to the Council, this was very marginal and that there would be a benefit in the initial increase in income.

Cabinet discussed the budget proposals, highlighting the acceptance of the efficiency plan and the level of security that gave the Council. A number of key features of the revenue and capital budgets were identified, including: the transfer of underspent winter maintenance budget to highway repairs, development opportunities for Council assets which could result in future rental income, the model of building extra-care housing to support people to live independently and reducing pressure on the NHS, investment in libraries and country parks, the programme of school building for the provision of school places and the progression of other infrastructure projects with the LEPs. There was support for the 3%+3%+0% model with regard to the increase in social care precept and it was noted that without the previous years of Council Tax freeze the precept would have been 13% higher. High levels of productivity by Council staff were acknowledged, as was high levels of performance demonstrated in recent inspection feedback.

The recommendations within the report were proposed and agreed, with the addition of a recommendation regarding devolved Member budgets and a recommendation acknowledging the commitment of Council staff and thanking them for their efforts and contribution. The decision record is attached to these minutes as Appendix 1.

271. **CAPITAL PROGRAMME 2017/18 - 2019/20**

The Cabinet considered the report of the Director of Corporate Resources regarding the Capital Programme 2017/18 - 2019/20. (Item 7 in the Minute Book).

Cabinet noted that the key features of the Capital Programme had been raised and discussed during consideration of the revenue budget (Minute 270 refers). Members welcomed and reiterated their support for the significance and scale of the Programme.

The recommendations within the report were proposed and agreed. The decision record is attached to these minutes as Appendix 2.

Chairman, 20 March 2017