

AT A MEETING of the CABINET of HAMPSHIRE COUNTY COUNCIL held at the Castle, Winchester on 19 December, 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	a R. Perry
p Felicity Hindson, MBE	

Also present: Councillors B.D. Dash, P. Edgar, K. Evans, K. House, C. Leversha, J. Porter and M. Tucker.

293 APOLOGIES FOR ABSENCE

Apologies were received from Councillor R. Perry.

294 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.

295 CONFIRMATION OF MINUTES

The minutes of the meeting held on 28 November, 2011 were confirmed as a correct record.

296 CHAIRMAN'S COMMUNICATIONS

The Chairman informed the Cabinet that he would be altering the running order of the agenda to enable the item about Solar Photovoltaic (PV) to be considered first as he had received representations from a group called Basingstoke Transition.

297 OPEN FOR BUSINESS – QUARTER 2 UPDATE

The Cabinet considered a report of the Chief Executive (Item 5 in the Minute Book) providing an overview of performance against the Open for Business Plan at the end of Quarter 2 (end of September, 2011). In addition, the report outlined the structure of a new annual self assessment process, as part of the refreshed Performance Management Framework.

Section 3 of the report set out key achievements in the quarter and the Chief Executive provided highlights of some of the key achievements. In connection with Priority 1 reference was made to the official opening of the £9 million purpose built Forest Park Primary School in Totton. The school was specifically designed for pupils with complex learning difficulties or profound physical disabilities. The Chairman advised that he attended the official opening and was in complete admiration of all parties involved. In connection with Priority 2, it was noted that the County Council had won an award through its procurement policy to help and encourage local small businesses to access public sector contracts.

The Cabinet also discussed the changes to the Post Office network and recommended that a letter be sent to the General Post Office deploring the withdrawal of services to withdraw and deposit cash in village post offices. In connection with Priority No. 7 emphasis was given to exploring opportunities for combining support services and partnerships and particular reference was made by the Cabinet to the partnerships that had come about in connection with the Armed Forces covenant.

The report also set out key areas for further improvement and key reported risks/issues. Key areas for improvement highlighted at the meeting included increasing the proportion of care leavers in education, employment or training, placement stability for children in care and the upward trend of Year 12 to 13 pupils who were Not in Education, Employment or Training (NEETs). In terms of risk/issues, the Cabinet recognised the challenges resulting from the proposed restructures of the Library Service; and Arts and Museum Service but felt the consultation process had been undertaken extremely well and asked relevant officers be congratulated.

In considering further improvements, the Cabinet suggested that initiatives to reduce the rate of teenage conceptions should be considered more formally and any good practices be rolled out across the county.

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

298 **BUDGET UPDATE 2012/13**

The Cabinet considered a report of the County Treasurer (Item 6 in the Minute Book) setting out the latest position in respect of the development of the 2012/13 budget. In considering the report the County Treasurer advised that since the publication of the agenda papers, the Local Authority grant settlement figures for 2012/13 had been released and as anticipated it was 10.4% less which equated to £19.1 million.

The report set out the revenue budget guidelines for 2012/13 and capital programme guidelines for 2012/13 to 2014/15. The report also set out the council tax freeze grant in 2012/13 and the Cabinet authorised officers to prepare the forward budget taking this into account. It was also

recommended that the Executive Members submit proposed budgets and capital programmes within these guidelines for final decisions to be made by the Leader and Cabinet in February, 2012.

The decision record is attached to these Minutes at Appendix 2.

299 **THE CHANCELLOR'S AUTUMN STATEMENT 2011**

The Cabinet considered a report of the County Treasurer (Item 7 in the Minute Book) setting out the key issues arising from the Chancellor's Autumn Statement and examining the likely impact of these on the County Council.

The decision record is attached to these Minutes at Appendix 3.

300 **GOVERNMENT CONSULTATION ON INCREASES TO EMPLOYEE CONTRIBUTION RATES AND CHANGES TO SCHEME ACCRUAL RATES**

The Cabinet considered a report of the County Treasurer (Item 8 in the Minute Book) setting out the background to the Government's consultation on the ways in which savings of £900 million could be made nationally in the cost of the Local Government Pension Scheme in the years from 2012/13 to 2014/15. Two options were put forward by the Government, involving increases in contributions by employees and a worsening of the rate at which benefits accrue. The report outlined the consideration of the issues by the Pension Fund Panel and the Employment in Hampshire County Council. It also included comments by other employers within the Hampshire Pension Fund.

The County Treasurer advised that the option to meet all the savings by worsening the accrual rate from 1/60th to 1/70th, with no increases in employee contribution rates, would have the benefit that:

- employees' pay would be unaffected
- the level of opt-outs by employees from the Scheme should be reduced, protecting the future financial viability of the Scheme
- the risk of further industrial action might be reduced
- the proposal is easier to understand and simpler to administer than options that involve choice.

The Cabinet confirmed the recommendation of the Pension Fund Panel and Employment in Hampshire Committee that employees can exercise choice through the purchase of Additional Voluntary Contribution's (AVC's) and therefore proposed that all the savings should be met from worsening the accrual rate from 1/60th to 1/70th.

The decision record is attached to these minutes at Appendix 4.

301 **SOLAR PHOTOVOLTAIC (PV) – REVIEW OF PROGRAMME**

The Cabinet considered a report of the Director of Culture, Communities and Business Services (Item 9 in the Minute Book) that outlined the effects to the business case that the changes to the feed-in tariffs would have on the County Council's Solar PV programme.

The Cabinet were disappointed that the Secretary of State had made this unwelcome and unexpected decision which had in some respects brought the Solar Energy Industry to a stop overnight. The decision to fix on a cut-off date in December 2012 before the consultation had closed on the proposed changes resulted in a review of the business case to investigate options available to the County Council. The Cabinet were advised that at the present time with the current installation costs and the proposed level of feed in tariff the business case did not justify any investment.

The Director of Culture, Communities and Business Services also reported that although no contracts had been let on any of the planned projects, the County Council had carried out extensive technical work on the buildings proposed for inclusion in the Scheme and had been through a full procurement exercise, so the scheme was literally ready to go. It was emphasised that the County Council had progressed the programme as quickly as possible given the public sector procurement rules that it must comply with for the scale of such an installation.

The Executive Member for Environment and Transport further added that all indications from Government were that cash incentives would continue at the current levels for all installations completed before April, 2012 and the County Council was therefore proceeding on that basis. There was no indication of an earlier cut off date for installations to qualify for the higher tariff, indeed the Secretary of State had consistently promoted the need for investment in renewal energy schemes.

In addition to the recommendation to suspend the current programme, Cabinet members were also asked to agree that the County Council keep the Solar PV market under review should the costs of installation and efficiency of panels merit reconsidering the installations at a future date.

In considering this item, the Cabinet also received a copy of written representations received from a voluntary organisation called Basingstoke Transition setting out an alternative viewpoint.

The decision record is attached to these minutes at Appendix 5.

302 **EXCLUSION OF PRESS AND PUBLIC**

The press and public were excluded from the meeting during the following items as it was 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 the items there would be disclosure to them of exempt information within Paragraphs 3,4 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that, in all the circumstances of the case, the public interests in maintaining the exemptions outweighed the public interest in disclosing the information for the reasons set out in the reports.

303 **EFFICIENCY EXPENDITURE REDUCTION AND TRANSFORMATION 2012/13 PHASE 4 WORKSTREAM PROPOSAL PROGRESS – REPORT NUMBER 3**

The Cabinet considered an exempt report of the Chief Executive (Item 11 in the Minute Book) setting out the third of three consecutive monthly reports to Cabinet which set out the emerging 2012/13 Phase 4 Corporate Efficiency Workstream Saving Plans. The paper also set out the Phase 4 Programme and the total quantum of savings from corporate workstreams.

The decision record is attached to these minutes at Appendix 6.

304 **EFFICIENCY, EXPENDITURE REDUCTION AND TRANSFORMATION 2011/12 – REPORT NO. 6**

The Cabinet considered an exempt report of the Chief Executive (Item 12 in the Minute Book) setting out the sixth and final report to Cabinet in the year concerning delivery of the Phase 3 (2011/12) Corporate Efficiency Programme.

The decision record is attached to these minutes at Appendix 7.

305 **EQUAL PAY**

The Cabinet considered an exempt report of the Chief Executive and Director of Human Resources (Item 13) providing an update on equal pay [SUMMARY OF AN EXEMPT MINUTE].

The decision record is attached to these minutes at Appendix 8.