

AT A MEETING of the CABINET of HAMPSHIRE COUNTY COUNCIL held at the Castle on 28 June 2010.

Chairman:
p Councillor T. K. Thornber, CBE

Councillors:

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

Also present with the agreement of the Chairman: P.R. Edgar and Mrs S. Wheale.

112. APOLOGIES FOR ABSENCE

No apologies were received as all members of the Cabinet were present.

113. 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.

114. CONFIRMATION OF MINUTES

The minutes of the meeting held on 24 May 2010 were confirmed as a correct record.

There were no matters arising.

115. CHAIRMAN'S COMMUNICATIONS

There were no communications on this occasion.

116. 2009/10 – END OF YEAR FINANCIAL REPORT

The Cabinet considered the report of the County Treasurer (Item 5 in the Minute Book) providing a summary of the County Council's final

accounts for 2009/10, which updated the provisional outturn information reported to Cabinet in May. The Cabinet noted that the Statement of Accounts would be reported to the Audit Committee on 30 June. The Deputy County Treasurer supplemented the report with a presentation highlighting the key points, a copy of which was circulated. The presentation focused on an update of the final outturn position reported to the Cabinet in May; the Treasury Management statement which will be reported to full Council on 15 July 2010; the efficiency indicator (previously known as the Gershon indicator); 2010/11 grant cuts and the implications of the Government's emergency budget.

In respect of the final accounts for 2009/10, the Cabinet welcomed the underspend of £6.2m and the proposal to transfer this to the Corporate Policy Reserve for 2010/11; noted the Treasury Management position and welcomed the over achievement of the local authority 3% per annum efficiency savings target, the cumulative total for the last two financial years being £48.1m, including £8.4m carried forward from 2007/08, all of which are cashable.

The Cabinet noted that as a result of the Government's recent emergency budget, the County Council's medium term financial strategy should be reviewed and forecasts updated linked to Government spending review outcomes. The Cabinet noted that there would be reduction in specific grants of £8.4m (revenue) and £5.5m (capital) for 2010/11 which would undoubtedly increase pressure on key services. Other important budget announcements were:

- A Council Tax freeze for one year in 2011/12 (the Government has confirmed it will work with local authorities in respect of this initiative and further details are awaited as to whether or not some form of compensation will be offered)
- An average 25% reduction in departmental spending in real terms (but excluding the NHS and international development budgets) over the next four years
- A two-year pay freeze for public sector workers earning over £21,000 with a flat rate increase of at least £250 for those below that threshold
- No further reductions in capital spending announced before the Spending Review (20 October 2010)
- Government to monitor prudential borrowing through lending from the Public Works Loan Board (PWLB)
- VAT to rise from 17.5% to 20% from 4 January 2011
- Employer National Insurance contributions threshold raised

The Cabinet further noted that the full impact of the in year grant reductions is still emerging and a firmer position will be reported to their July meeting. At this point, the Cabinet were of the view that a number of areas of expenditure would need to be looked at carefully together with a review of policies such as recruitment and whilst not wanting to see cuts to the delivery of services, it may be necessary to explore how

services are delivered and whether delivery can be done in different ways which may be more cost effective and efficient. Prudent action in previous financial years to build up reserves will help and the County Council has the advantage of an intelligent, resilient and resourceful workforce.

In respect of key services, the Cabinet:

- expressed concern about the continuing pressure in child social care
- the uncertainty surrounding the Building Schools for the Future (BSF) initiative, which is particularly important given the reductions that will have to be made to capital programmes and an encouraging statement was hoped for given that the County Council is in a position to deliver if the necessary resources are allocated
- the importance of continuing to implement the Hampshire Model as a sustainable initiative offering choices and benefits to people who have care needs
- continuing investment in more extra care housing which is both cost effective and makes a real contribution to housing needs in Hampshire; and
- to continue to promote the benefits of re-ablement to help people who have been in hospital to make a return to their home

In conclusion of a full and detailed discussion, the Cabinet recognised that continuing to achieve the required budget savings by making efficiencies, for which the County Council has a very successful track record, would become harder against the backdrop of the considerable financial challenges in the years ahead. Therefore, the Cabinet would like to hear the public's views and ideas as to the future provision of services and where savings could be made. In respect of a number of the queries raised during the discussion, it was noted that the Leader would be meeting imminently with one of the Treasury Ministers and these matters would be put to him.

The Cabinet adopted the recommendations set out in the report together with an additional resolution that the County Council consults with the public through its normal consultation channels about the future provision of services and where savings could be made. The substantive decision record is attached to these Minutes as Appendix 1.

117. **CONSULTATION ON EMERGING LOCAL TRANSPORT PLAN 3 (LTP3) STRATEGY PRIORITIES**

The Cabinet considered the report of the Director of Environment (Item 6 in the Minute Book) which provided information on the forthcoming consultation on the emerging transport priorities for the third Hampshire Local Transport Plan (LTP3). The report sought approval for the proposed scope and programme for the consultation.

In expanding on the key points contained in the report, the Director of Environment reported that there are emerging suggestions from some organisations to defer the LTP3 process for a year, in favour of rolling forward LTP2 and that the Secretary of State was now being lobbied about this. The Director of Environment highlighted that LTP3 differs from LTP2 in that it contains a strategy spanning a 20 year period, and presents an opportunity to articulate the County Council's emerging transport priorities, which diverge from LTP2, prepared in a very different financial environment, and a different national government policy context. The LTP would also be required to set out a detailed implementation plan, but this would only cover the immediate future, and the report recommended excluding this from any consultation at this stage, as no detailed financial parameters had yet been set nationally for transport. The Government were also yet to flesh out their transport priorities, however there had been a clear indication that highway maintenance is recognised as a priority, and spending on this area has been specifically protected to date.

During the course of discussion, the Cabinet noted that Member consultation workshops had already been held which had identified clear areas of priority together with some public and stakeholder consultation. The consultation proposed in the report would therefore draw together the early views expressed with the outcomes of the wider exercise planned to ensure a comprehensive engagement approach to include for example the Hampshire Association of Local Councils and taking into account cross boundary issues. Regardless of the outcome of any lobbying exercise, as detailed above, the Cabinet recognised the need to take this work forward now to ensure the County Council stays at the economic forefront of Hampshire.

In conclusion, the Cabinet emphasised that the planning of longer term infrastructure requirements must not be overlooked given the current financial situation and welcomed the comprehensive place shaping approach confirmed by the Director of Environment that blends the requirements to meet transport and infrastructure needs to support economic development and prosperity with the protection of the environment and the special character of Hampshire and its communities.

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

118. DUTY TO RESPOND TO PETITIONS

The Cabinet considered the report of the Chief Executive (Item 7 in the Minute Book) setting out the duty on local authorities to respond to petitions and to prepare a Petitions Scheme. The Head of Member Services, supported by the Corporate Scrutiny Manager expanded on the key points in the report.

In considering the report, the Cabinet expressed concern at the speed at which the previous Government introduced this particular duty which did not reflect any change to existing practice and left local authorities with an inappropriate amount of time to prepare for the duty. The Cabinet therefore required more time to consider the draft Scheme. In the meantime, any petitions received would be considered by the Leader of the Council, in consultation with the Chief Executive to agree the appropriate action and would consider this matter again at a future Cabinet meeting.