

AT A MEETING of the CABINET of HAMPSHIRE COUNTY COUNCIL held at the Castle on 27 September 2010.

Chairman:
p Councillor T. K. Thornber, CBE

Councillors:

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

Also present with the agreement of the Chairman: K.G. Chapman; P. Edgar; K. Evans; K. House; Mrs P. Mutton; Mrs M.J. Tucker and Mrs P.A. West

136. APOLOGIES FOR ABSENCE

There were no apologies for absence as all members of the Cabinet were present.

137. 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.

138. CONFIRMATION OF MINUTES

The minutes of the meeting held on 26 July 2010 were confirmed as a correct record.

Arising thereon:-

Minute 134: Parish Lengthsmen Scheme – the Executive Member for Environment confirmed that two pilot schemes commenced.

139. CHAIRMAN'S ANNOUNCEMENTS

- (a) The Chairman welcomed Robert Droy and Philip Mason, two of the County Council's service users, who observed the debate on Item 6 on the agenda.

- (b) The Chairman confirmed that Items 6 and 8 on the agenda, namely a Charging Policy for Adult Services – permission to consult on proposals to develop a new ‘Contributions Based’ Policy and the Final Review of the severe winter weather experienced in Hampshire in 2009/10 would be called forward on the agenda order to be taken as the first two matters for discussion.

140. **CHARGING POLICY FOR ADULT SERVICES – PERMISSION TO CONSULT ON PROPOSALS TO DEVELOP A NEW ‘CONTRIBUTIONS BASED’ POLICY**

The Cabinet considered the report of the Director of Adult Services (Item 6 in the Minute Book) seeking agreement to conduct a public consultation exercise, in line with personalisation and individual budgets, to gain views on proposals to develop a new contribution’s based policy. The Director of Adult Services expanded on the key elements of the report which focuses on choice and control. In particular the Director highlighted paragraph 1.2 of the report which sets out the changing environment in which the County Council is now operating and that the current charging policy is no longer fit for purpose as the authority moves towards personalised and self directed support.

The Cabinet were mindful that previous levels of funding were not going to be available in the future and this, together with demography changes indicate that a range of packages of care are now needed, some of which are very complex. Therefore it would be important that users make a contribution to their care, according to what they can afford. The Cabinet also noted that the Department of Health is very clear that adult social care cannot be delivered free of charge and any contributions made by local authorities and other organisations will be based on means testing. Whilst contributions from central government are very important, any public consultation must have a comprehensive range of options so that taxpayers know that the County Council has explored all possibilities in developing the options. The Cabinet emphasised that this was a very difficult problem and with limited funding from central government, it would be important to develop options that best meet all service users’ needs and which will result in the delivery of cost effective services.

The Cabinet adopted the recommendations set out in the report subject to a small amendment to recommendation 6.2 in the report to make it clear that the consultation is a genuine one and no decisions had been made at this point. The substantive decision record is attached to these Minutes as Appendix 1.

141. **FINAL REPORT OF THE REVIEW OF SEVERE WINTER WEATHER EXPERIENCED IN HAMPSHIRE IN 2009/10 UNDERTAKEN BY THE POLICY AND RESOURCES SELECT COMMITTEE**

The Cabinet considered the report of the Policy and Resources Select Committee (Item 8 in the Minute Book) setting out the findings and

recommendations of the review. In expanding on the report, the Chairman of the Policy and Resources Select Committee confirmed that this had been a valuable piece of work which had confirmed that the County Council's response to the extreme weather was both speedy and effective. County Council departments had already taken action and the Cabinet had taken decisions to improve the response for future incidents such as the provision of additional salt bins and increasing salt reserves.

The Cabinet welcomed the findings of the report. It did however express the view that no matter how well the various agencies and services plan and work together, it is very difficult to mitigate against all unforeseen circumstances, particularly where it results in people being stranded. The Cabinet therefore emphasised the importance of robust channels of communication being developed and maintained by all relevant agencies and organisations. They supported the proposals to involve Parish Councils, through the County Council's Emergency Planning Team, as well as using 4x4 vehicles and engaging the help of farmers and their heavy vehicles to support a co-ordinated response. The Cabinet requested that a list of contractor farmers be prepared whose help could be drawn upon, via a central control point, to ensure that the County Council's priority routes are dealt with accordingly. It would also be important that all schools have a snow plan in place to ensure that closure is the last resort when all other options had been exhausted.

The Cabinet were also mindful that there had been some confusion about individual liability if people were injured whilst clearing snow, other than on their own personal property. The Leader confirmed that he would seek clarification of this point as it had been very evident that people do want to help during such circumstances to keep their communities up and running.

The Cabinet adopted the recommendations set out in the report of the Policy and Resources Select Committee subject to an addition to the second sentence of recommendation 12 that "this should include advice regarding *driving*, parking and abandoned vehicles". The Cabinet requested that the recommendations be allocated to the departments to which they refer for their consideration and submitting their response to the Chairman of the Select Committee. The decision record is attached to these Minutes as Appendix 2.

142. **EFFICIENCIES AND EXPENDITURE REDUCTIONS: TRANSFORMING THE COUNTY COUNCIL – REPORT NO. 2**

The Cabinet considered the report of the Chief Executive (Item 5 in the Minute Book) updating Members on progress with the programme of efficiencies, expenditure reductions and transformation activity to meet the financial constraints of the Government's emergency budget and the likely outcome of the forthcoming CSR. The Chief Executive expanded on the key points in the report and confirmed that the 24 efficiency workstreams were progressing well. Opportunities to make considerable savings were

being identified, including reducing senior managements costs which would help to keep compulsory redundancies to a minimum. A revised Voluntary Redundancy Scheme had been approved by the Employment in Hampshire County Council Committee and guidance to support staff regarding redeployment and career moves had been issued. The Chief Executive also drew attention to the County Council's contracted work, currently in the region of £300m, and the possibility of the scope of some of these contracts being altered to identify further savings.

The County Treasurer reported that the forthcoming CSR, and its potential implications for the County Council, was of concern. There was not a lot of intelligence available about the CSR, however indications are that reductions of between 8 to 15% over the next three years could become a reality.

During the course of a full discussion, the Cabinet welcomed the speed at which the efficiency reviews were progressing and the amount of work that had been done in a relatively short period of time. The importance of continuing to make the very best use of the County Council's resources, skills, knowledge and experience was emphasised in order to retain flexibility to meet the challenges ahead, together with the need to continue to work effectively with the County Council's many partners. The implications of the CSR were of concern therefore it would be important to ensure that the County Council positions itself to deal effectively with the outcomes, whatever they may be. The building up of reserves had been a prudent move and the planned reduction in expenditure for the next financial year and beyond would protect the County Council's ability to develop quality services in the future. The Cabinet also highlighted the need to promote transparency and fairness of processes during these difficult times to ensure the people of Hampshire were fully aware of the challenges faced by the County Council and to have their views listened to via appropriate consultation exercises. Finally the Cabinet confirmed that the additional costs of the Voluntary Redundancy Scheme would not increase the council tax and the County Council would continue to focus on supporting vulnerable people.

The Cabinet adopted the recommendations set out in the report subject to an amendment to recommendation (iii) as follows:

"That corporate funding of a maximum of £10 million is set aside to finance the additional cost of the Voluntary Redundancy Scheme compared with the current Scheme. A £5 million contribution is proposed from the Corporate Policy Reserve, financed from the accrued underspending in 2009/10 with the remaining £5 million being financed from the Invest to Save Reserve, also accrued through previous years underspending."

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

143. **HAMPSHIRE COUNTY COUNCIL RESPONSE TO THE 'EQUITY AND EXCELLENCE: LIBERATING THE NHS' WHITE PAPER CONSULTATION**

The Cabinet considered the report of the Director of Adult Services (Item 7 in the Minute Book) setting out a proposed response by the County Council to the White Paper consultation. In expanding on the key points in the report, the Director of Adult Services and the Director of Public Health, confirmed that the White Paper is a very extensive document proposing significant changes. Legislation to define what actually comes of the White Paper is expected later in the autumn and alongside that a Public Health White Paper, which will see the outcomes of that more firmly embedded in local authority working. Overall, the White Paper's proposals presented exciting opportunities.

During the course of a full discussion, the Cabinet expressed a number of concerns as follows:

- that there will be a disconnect between Health and Wellbeing Boards and Commissioning Boards, which would need to be addressed
- that in this time of financial constraint, the Cabinet were not sure that the proposals make optimum use of resources; that the geographical spread of GP consortia is right; and that it is not clear as to what interventions are not the responsibility of GP consortia
- that a matching duty should be placed on the NHS to co-operate with local authorities in respect of the additional responsibilities that will be placed on them
- that an essential part of the structure should be an independent scrutiny committee independent of Health and Wellbeing Boards
- that local authorities receive an assurance that appropriate funding of additional responsibilities will be available up-front
- the Cabinet were not convinced that a lot of consideration had been given to the democratic accountability of the NHS, through local government.

In conclusion, the Cabinet recognised the importance of being ready for change and in a position to act on any changes. In respect of the public health proposals, the involvement of Dr. Ruth Milton, Director of Public Health, in a National Working Group to develop these particular proposals was welcomed.

The Cabinet adopted the recommendations, subject to the strengthening of the proposed consultation response to reflect the views expressed. The decision record is attached to these Minutes as Appendix 4.

144. **PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE BUSINESS PLAN 2010/12**

The Cabinet considered the report of the Director of Environment (Item 9(a) in the Minute Book) outlining the key elements of the Partnership for Urban South Hampshire (PUSH) Business Plan 2010/11.

The Director of Environment expanded on the key elements of the report and confirmed that the constituent partners of PUSH are asked, on an annual basis, to sign off their Business Plan. The current Business Plan does not reflect the emerging Economic Development Strategy, the agenda for which is now gathering speed and Item 9(b) on the agenda looked at this in more detail. Members attention was drawn to the future funding position for such initiatives as PUSH which is likely to change given the current financial climate. An external funding panel is looking at this issue. The Director also highlighted that approval of the PUSH Business Plan did not signify approval of a Local Enterprise Partnership (LEP) bid for the PUSH area.

During the course of a full discussion the Cabinet expressed a number of concerns as follows:

- that the Plan is not representative of the current financial and economic situation and is therefore fundamentally flawed
- that the economic growth projections are totally unrealistic in the current financial and economic climate, based on an aspirational target of 3.5% - indeed the emerging PUSH Economic Strategy has a significantly lower range of targets
- that the Plan lacked clarity and credibility in regard to delivery capacity, particularly in the light of the current spending climate
- that the Plan also lacked clarity on areas of potential overlap and duplication in respect of the roles of existing authorities and PUSH
- that the Plan does not take a sufficiently broad or comprehensive approach to the critical issues on provision for housing – e.g. it failed to address the question of meeting the housing needs of an ageing population, including the provision of extra care housing.

Taking into account the views expressed, the Cabinet agreed that the Plan could not be recommended to County Council and made it clear that the Cabinet had serious reservations about some aspects of the Plan, as detailed above. Specifically:

- (a) the Cabinet did not approve the Partnership's aspiration to become a Local Enterprise Partnership in its own right, but instead leaves open the possibility of continuing to work in partnership with PUSH under a Hampshire-wide or 'South Central' LEP;
- (b) given the Cabinet's decision on 26 July 2010 to review spending across all areas of business following severe cuts in Government spending already announced and to follow in the Comprehensive

Spending Review (CSR) together with the possible establishment of a LEP, that notice be given to the Partnership for Urban South Hampshire (as required by the Partnership's constitution) that the County Council's funding will cease after 31 March 2011. The County Council will continue to work with partners on Transport for South Hampshire problems and other matters with each of the Member Authorities; and

- (c) that the Cabinet expects that a revised Business Plan will be published for 2011 which will appropriately reflect the scale of Government spending reductions and policy changes affecting both the Partnership and its partners, and addressing the specific concerns raised by the Cabinet.

The substantive decision record is accordingly attached to these Minutes as Appendix 5.

145. PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE ECONOMIC DEVELOPMENT STRATEGY CONSULTATION

The Cabinet considered the report of the Director of Economic Development (Item 9(b) in the Minute Book) setting out a proposed response by the County Council to the draft Economic Development Strategy published by PUSH. The Director of Economic Development expanded on the key points in the report and answered Members detailed questions.

In conclusion of a full discussion, the Cabinet endorsed the importance of an active economic strategy given the performance of the PUSH area in terms of key economic indicators of GVA per capita, productivity and employment growth, but expressed concern about the deliverability of the strategy, which had not been evidenced in the document. The Cabinet also expressed strong concern that the figure of 74,000 new homes for South Hampshire, which had not been justified in the Strategy, may be too high given current economic predictions and should be reduced.

The Cabinet therefore agreed that the response to the PUSH Economic Strategy set out in the report be approved, subject to accurately reflecting the views expressed above to register their concerns. The decision record is attached to these Minutes as Appendix 6.

146. BUILDING SCHOOLS FOR THE FUTURE – HAVANT ACADEMY

The Cabinet considered the report of the Director of Children's Services and the Director of Property, Business and Regulatory Services (Item 10 in the Minute Book) updating Members on the submission of an Outline Business Case (OBC) for the Havant Academy to Partnerships for Schools and to seek agreement to address the immediate financial implications for the County Council.

In expanding on the report, the Director of Children's Services confirmed that the OBC to secure the funding was based on the use of the Improvement and Efficiency South East (IESE) construction framework as the preferred procurement method. The Director also highlighted that it would be necessary for the County Council to underwrite preparatory costs of the project, on an interim basis from the Children's Services capital programme, until such time the funding is paid to the County Council, which is likely to be around April 2011. It is anticipated however that all such costs will be repaid in full. The Director also confirmed that a full scale review of capital for secondary schools is underway, however the position for the future post Building Schools for the Future (BSF) is still not certain.

The Cabinet adopted the recommendations set out in the report. The decision record is attached to these Minutes as Appendix 7.

147. **GOVERNMENT GRANT CONSULTATIONS**

The Cabinet considered the report of the County Treasurer (Item 11 in the Minute Book) proposing responses to a range of recent Government consultations. The County Treasurer expanded on the key points in the report and particularly highlighted that strong submissions to the consultations are proposed given the impact they could have on the County Council's current grant structure.

During the course of a full discussion, the Cabinet expressed concern about the Learning Disability Commissioning Transfer Grant, top slice funding and how this should be allocated and the issues surrounding concessionary fares and the transfer of responsibility from Hampshire's District Councils to Hampshire County Council. In regard to concessionary fares, the Cabinet noted that a number of supplementary options had been suggested by the Government which currently stood at 45 in number. The County Council was currently consulting on concessionary fares and the Cabinet emphasised the importance of having a robust basic scheme that would be effective given that central government funding would not be sufficient to continue to provide an enhanced service that some District Councils in Hampshire had been doing. In conclusion, the Cabinet also expressed some scepticism that the CONCF5 proposal concerning formula grant would really alter the way the grant is distributed and hence alleviate the problems the County Council has faced for some time in this particular area.

The Cabinet adopted the recommendations set out in the report subject to some strengthening of the proposed response to the consultation to reflect their views. The Cabinet also agreed that the response would be sent to all MPs in Hampshire. The decision record is attached to these Minutes as Appendix 8.

148. **2010/11 BUDGET MONITORING UPDATE**

The Cabinet considered the report of the County Treasurer (Item 12 in the Minute Book) reviewing the initial budget monitoring reports for 2010/11 submitted to Executive Members, which deal with progress in achieving savings built into the 2010/11 budget, further savings as a result of in-year grant reductions and accommodation of other budget pressures. The County Treasurer expanded on the key points in the report and answered Members detailed questions regarding the report's recommendations.

The Cabinet adopted the recommendations set out in the report subject to an additional resolution that a report be submitted to a future meeting of the Cabinet outlining the overall debt position. The decision record is attached to these Minutes as Appendix 9.

149. **DUTY TO RESPOND TO PETITIONS**

The Cabinet considered the report of the Chief Executive (Item 13 in the Minute Book) on the proposed Scheme for the County Council for petitions and e-petitions.

The Cabinet adopted the recommendations set out in the report. The decision record is attached to these Minutes as Appendix 10.