

NOTICE OF MEETING

Meeting: CORPORATE OVERVIEW AND SCRUTINY PANEL

Date and Time: THURSDAY, 21 JUNE 2018, AT 9.30 AM*

Place: COMMITTEE ROOM 1, APPLETREE COURT,
LYNDHURST

Telephone enquiries to: Lyndhurst (023) 8028 5000
023 8028 5588 - ask for Andy Rogers
Email: andy.rogers@nfdc.gov.uk

PUBLIC PARTICIPATION:

*Members of the public may speak in accordance with the Council's public participation scheme:

- (a) immediately before the meeting starts, on items within the Panel's terms of reference which are not on the public agenda; and/or
 - (b) on individual items on the public agenda, when the Chairman calls that item.
- Speeches may not exceed three minutes. Anyone wishing to speak should contact the name and number shown above.

Bob Jackson
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA
www.newforest.gov.uk

This Agenda is also available on audio tape, in Braille, large print and digital format

AGENDA

Apologies

1. MINUTES

To confirm the minutes of the meetings held on 15 March and 14 May 2018 as correct records.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

3. PUBLIC PARTICIPATION

To note any issues raised during the public participation period.

4. PANEL/PORTFOLIO HOLDER RESPONSIBILITIES

To note the Panel/Portfolio Holder responsibilities under the new arrangements and to discuss any related issues.

5. PORTFOLIO HOLDERS' UPDATES

To receive an oral update from the Portfolio Holders for Corporate Affairs, Finance, Corporate Services & Improvement and Local Economic Development, Property & Innovation on developments within their Portfolio areas.

6. BUDGET TASK AND FINISH GROUP - UPDATE (Pages 1 - 4)

To receive an update on progress with the recommendations of the Budget Task and Finish Group.

**7. ANNUAL PERFORMANCE AND BUDGET OUT-TURN REPORT 2017/18
(Pages 5 - 22)**

To note the annual performance and budget out-turn report for 2017/18.

8. ECONOMIC DEVELOPMENT STRATEGY (Pages 23 - 56)

To consider the Economic Development Strategy and make recommendations to the Cabinet.

9. PROCUREMENT STRATEGY (Pages 57 - 76)

To consider the Procurement Strategy and make recommendations to the Cabinet.

10. ORGANISATIONAL STRATEGY (Pages 77 - 84)

To consider the Organisational Strategy and make recommendations to the Cabinet.

11. ICT STRATEGY (Pages 85 - 110)

To consider the ICT Strategy and make recommendations to the Cabinet.

12. HUMAN RESOURCES STRATEGY (Pages 111 - 124)

To consider the Human Resources Strategy and make recommendations to the Cabinet.

13. WORK PROGRAMME (Pages 125 - 126)

- (a) To consider the Panel's future Work Programme, including any reviews of previous work undertaken;
- (b) To receive any updates on Task and Finish Group work; and
- (c) To agree the formation of the following Task and Finish Groups:-
 - (i) Council Tax Reduction Task and Finish Group
 - (ii) Budget Task and Finish Group

14. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

To: **Councillors:**

M A Steele (Chairman)
A K Penson (Vice-Chairman)
A R Alvey
W G Andrews
G C Beck

Councillors:

M J Kendal
Mrs A E McEvoy
A D O'Sullivan
D B Tipp
C A Wise

This page is intentionally left blank

CORPORATE OVERVIEW AND SCRUTINY PANEL – 21 JUNE 2018

BUDGET TASK AND FINISH GROUP – UPDATE ON RECOMMENDATIONS

1. BACKGROUND

- 1.1 At its January meeting, Corporate Overview and Scrutiny Panel accepted the recommendations of the Budget Task and Finish Group, and requested an update on progress with these recommendations at their June meeting.
- 1.2 The following table sets out updates on each of these issues for the Panel to note:-

Recommendation	Response
That measures be brought forward in a timely manner to eliminate the £600k deficit relating to Leisure Centre provision, either through private provision, through a charitable trust, or other means, perhaps identified by consultants, (subject to clear objectives at the outset on elimination of the deficit).	Plans are being developed by Management to address the £600,000 operating deficit. A T&FG has been established to look at how best to maintain the standards of Council facilities going forward, through alternative operating models. Community Panel are to receive an update in September 2018.
That ways to seek additional funding for CCTV be revisited	Community Panel in June 2018 to consider an update on the work of the CCTV service and a proposed way forward on the Partnership Plan.
That a Homelessness Task and Finish Group be created to investigate the matters outlined in the Group's report	<p>The work of the Homelessness Task and Finish Group is well underway with 3 meetings having taken place, including a visit to a number of hostels and B&Bs used by the Council to house homeless families.</p> <p>With an ever increasing number of homeless families that the Council owes duties to, the Task and Finish Group is looking at a number of options to help the council discharge its responsibilities in an effective manner. These include looking at the priority homeless families are awarded through the Council's Allocations Policy and whether changes should be made in this regard. Additionally, the Group is looking at the Council sourcing additional accommodation, both temporary and emergency temporary accommodation. A Homeless Strategy will be drafted and submitted to the Housing Scrutiny Panel as part of their work programme this year.</p>

Recommendation	Response
	<p>A multi-agency Homelessness Forum has also been set up to ensure that there is joined up thinking and effective engagement with all the other agencies and voluntary sector in the Forest who get involved with the homeless.</p> <p>There is still much to do but the work is going well and further updates will be provided.</p>
<p>That the Council continue to work with CANF on Universal Credit.</p>	<p>NFDC is working with CANF on an SLA, which will take into account the effects of Universal Credit.</p>
<p>That regular updates be brought to Corporate Overview and Scrutiny Panel on progress with partnership / collaborations, in particular the Planning function, with the NPA (or other authorities if no progress can be made), with positive timelines and definitive plans</p>	<p>The Chief Executive and officers are engaging with the NPA on areas of Partnership and collaborative working – any developments will be reported here, and others will be brought back to Cabinet.</p>
<p>That the Council investigates other optional future waste management strategies, to seek greater efficiencies</p>	<p>The new waste and recycling manager is working closely with the Portfolio Holder with the development of a wider environmental strategy for the district, as set out within the new Corporate Framework. The Hampshire Waste Partnership Review is currently on hold, pending the National Waste Strategy (from DEFRA). This will inform decisions on the future recycling scheme, which may in turn impact on recyclables collected at the kerbside.</p>
<p>That efforts be made to enhance education on recycling, and to increase performance on recycling rates</p>	<p>See above</p>
<p>That a report be brought to Corporate Overview and Scrutiny Panel on the pension deficit and options on how this might be tackled.</p>	<p>The HCC annual review of Pension fund performance will be shared with COSP.</p>
<p>That a plan for smarter working be submitted to Corporate Overview and Scrutiny Panel.</p>	<p>An update report will be provided to COSP in September 2018.</p>
<p>That measures to improve competitiveness of the Building Control function through use of new technology be investigated.</p>	<p>Building Control are working with ICT on a review into how best utilise technology in an attempt to maintain, or potentially grow their market share.</p>

	A fees and charges review is being undertaken and a report will be approved by the Portfolio Holder shortly.
That an update report on progress with the Transportation function SLA with HCC be submitted to the relevant Overview and Scrutiny Panel	The Portfolio Holder for Planning and Infrastructure will produce a report with reference to Transportation matters during 2018/19 to the Environmental Overview and Scrutiny panel. Numerous meetings have been held with HCC and currently we have been put on notice that the agency agreement will cease in 2020. A report will be available in the Autumn.

2. RECOMMENDATIONS

2.1 That the report be noted.

For further information contact:

Andy Rogers
 Committee Administrator
 Tel: 023 8028 5588
 Email: andy.rogers@nfdc.gov.uk

This page is intentionally left blank

CORPORATE OVERVIEW & SCRUTINY PANEL – 21st JUNE 2018

ANNUAL PERFORMANCE & PROVISIONAL BUDGET OUTTURN REPORT 2017/18

1. INTRODUCTION

- 1.1 'Our corporate plan' is supported by a corporate framework which provides further context around the main issues the plan aims to address, and key strategies which will contribute to the delivery of the plan. This report provides an overview of the Council's performance and achievements over the last 12 months and sets out provisional details of the 2017/18 projected financial outturn positions for the General Fund, Capital Programme and Housing Revenue Account. In recognition of some of the challenges moving forward it also sets out key strategies for implementation during 2018/19.
- 1.2 The Council's statutory Statement of Accounts will be completed and signed by the Responsible Financial (S151) Officer by 31 May and will be presented to Audit Committee in July following external audit. Should there be any significant variations from the figures presented in this report, they will be highlighted at that Committee. The Outturn now presented is in management format.

2. BACKGROUND

- 2.1 Much of the focus for 2017/18 has been on the achievement of the service reviews and key activities contained within the delivery plan including the generation of additional income, whilst maintaining frontline service delivery in support of the visions and priorities of the corporate plan.
- 2.2 The Council's financial planning process further supports the delivery of the corporate objectives and the annual budget, and its performance, is an element of the overall corporate plan.
- 2.3 The provisional outturn for 2017/18 as reported to cabinet in April resulted in revised General Fund, Capital Programme and Housing Revenue Account budgets as follows;

	Original Budget £'m	Latest Budget April Cabinet £'m	Reported Variations £'m
General Fund	16.587	15.346	-1.241
Capital Programme	21.266	24.418	3.152
Housing Revenue Account (Income)	-27.919	-27.990	-0.071
Housing Revenue Account (Expend.)	27.919	26.681	-1.238

3. PERFORMANCE

- 3.1 Performance continues to be maintained despite ongoing funding reductions. Appendix 1 illustrates some of the Council's achievements and key data for 2017/18, whilst also providing a current picture of the Council's organisational structure.
- 3.2 The level of central government funding reduced by £1.757m from 2016/17 to 2017/18, with further reductions forecast in future years. Appendix 2 (Corporate Framework) introduces the key strategies in development for 2018/19 which will contribute to delivering a level of service that the local population expect, despite these significant reductions.

4. BUDGET OUTTURN

- 4.1 The Annual Budget is an important element of the delivery of the Council's financial strategy which supports the delivery of core services and provides value for money to local taxpayers. Financial Monitoring Reports and Medium Term Financial Plan updates to Cabinet throughout the year provide up to date information on both current performance, and the budget outlook over a medium term period.
- 4.2 The updated General Fund revenue outturn position confirms a spend of £14.558m. This is a favourable yearend variation of £788,000, and results in a total favourable variation for the year as against the original budget of £2.029m. The Financial Monitoring reports presented through Cabinet during the year confirm the reasoning for the significant variations other than the outturn variation of £788,000, which are summarised within Appendix 3. As stated within the April Cabinet Financial Monitoring report, a review of the variations against the original budget will be undertaken to determine which are on-going and not yet reflected in the 2018/19 budget or forward looking MTFP.
- 4.3 The updated Capital Programme outturn position confirms a spend for the year of £24.918m. This is a yearend variation of +£500,000, and results in a total variation for the year of +£3.652m.
- 4.4 The updated Housing Revenue Account position confirms income for the year of £27.965m and a spend for the year of £26.153m. This results in a favourable yearend variation of £502,000, and results in an overall favourable variation for the year of £1.812m, with £64,000 being transferred to the ICT reserve.
- 4.5 The following table summarises the positions as explained above (although all stated positions are still subject to change, up until 31-05-18);

	Original Budget	Outturn Position	Total Variation
	£'m	£'m	£'m
General Fund	16.587	14.558	-2.029
Capital Programme	21.266	24.918	3.652
Housing Revenue Account (Income)	-27.919	-27.965	-0.05
Housing Revenue Account (Expend.)	27.919	26.153	-1.77

5. ENVIRONMENTAL, CRIME AND DISORDER AND EQUALITY IMPLICATIONS

5.1 There are no environmental, crime and disorder or equality implications arising directly from this report.

6. LEADER'S COMMENTS

6.1 To follow.

7. RECOMMENDATIONS

7.1 It is recommended that EMT:

- (a) Note the performance and achievements as set out in Appendix 1
- (b) Note the key delivery actions for 2018/19 set out in Appendix 2
- (c) Note the provisional General Fund outturn position
- (d) Note the provisional outturn position of the Capital Programme
- (e) Note the provisional outturn position of the Housing Revenue Account.

Further Information:

Alan Bethune
Head of Finance
Tel: 023 8028 5588
Email: Alan.bethune@nfdc.gov.uk

Sheryl Parry
Business Improvement Project Manager
Tel: 023 8028 5588
Email: Sheryl.Parry@nfdc.gov.uk

Background Papers:

Our corporate plan –
Cabinet 3 February 2016

Financial Monitoring
Report – Cabinet 4 April
2018

This page is intentionally left blank

POSITION STATEMENT 2018

AND ANNUAL PERFORMANCE REPORT



Page 9 Introduction - The New Forest

The New Forest is an area of southern England which includes one of the largest remaining tracts of unenclosed pasture land, heathland and forest in the heavily populated south east of England. It covers south-west Hampshire and extends into south-east Wiltshire and towards east Dorset. It is a unique place of ancient history, fascinating wildlife and stunning beauty and was established as a royal hunting preserve.

The local government administrative area of New Forest District Council (290 square miles) includes the [New Forest National Park](#) (206 square miles). Within the district there are 145 square miles of Crown land, managed by the [Forestry Commission](#).

The New Forest is a working forest that has prospered for nearly 1000 years. Many of the agricultural practices conceded by the Crown in historical times to local people are still retained. The most significant of these is the depasturing

of ponies, cattle, pigs and donkeys in the open forest by authorised local inhabitants known as Commoners. These unique agricultural commoning practices are administered by the [Verderers](#).

The district council was created on 1 April 1974 and was a merger of the borough of Lymington, New Forest Rural District and part of Ringwood and Fordingbridge Rural District. The district is one of the most populated in England (179,236) not to be a unitary authority and within its boundaries there are 37 active Town and Parish Councils. Hampshire County Council are responsible for upper tier services.

Operating within the heart of the district council area is the National Park Authority established in 2005. The National Park is the planning authority for its area. In other service areas there are shared responsibilities and close collaborative working with the district council. Approximately 70% of the

population of the district live in the New Forest District Council authority area in a number of medium sized towns. To the south and east of the district border there lies 40 miles of coastline.

The broad range of organisations and community groups that exist means that the council works collaboratively with and in the community to deliver solutions.

The New Forest is home to the third largest economy in Hampshire, with a total Gross Value Added of £4.4bn. The district contains over 9,000 businesses in total, which is more than any other local authority in Hampshire, include the cities of Southampton and Portsmouth. 85% of businesses in the district are micro in size employing fewer than 10 people. Self-employment is relatively high at over 19% and unemployment is consistently lower than in the rest of the country. Leisure, tourism and marine along with their associated supply chains

are significant employment and economic sectors within the district. The council works closely with the [New Forest Business Partnership](#) and 'Helping local business grow' is a priority.

Average earnings are low with 60% of the working population earning less than the UK average. This, and the high average house price, results in significant cross commuting between those who work in the forest but can't afford to live there, and those who can afford to live within the district but work elsewhere. The district council is located between the two major conurbations of Southampton and Bournemouth.

The very special nature of the New Forest makes it an extremely attractive place to live; both for those in work and those wishing to retire (28.5% of the population is over 65). Housing development is made more difficult by many of the environmental constraints of the area.

New Forest District Council

Housing, and particularly affordable housing for local people is a particular issue in the district. The district council manages its own housing stock (5,021 properties) and there are in excess of 3,000 people on the housing waiting list.

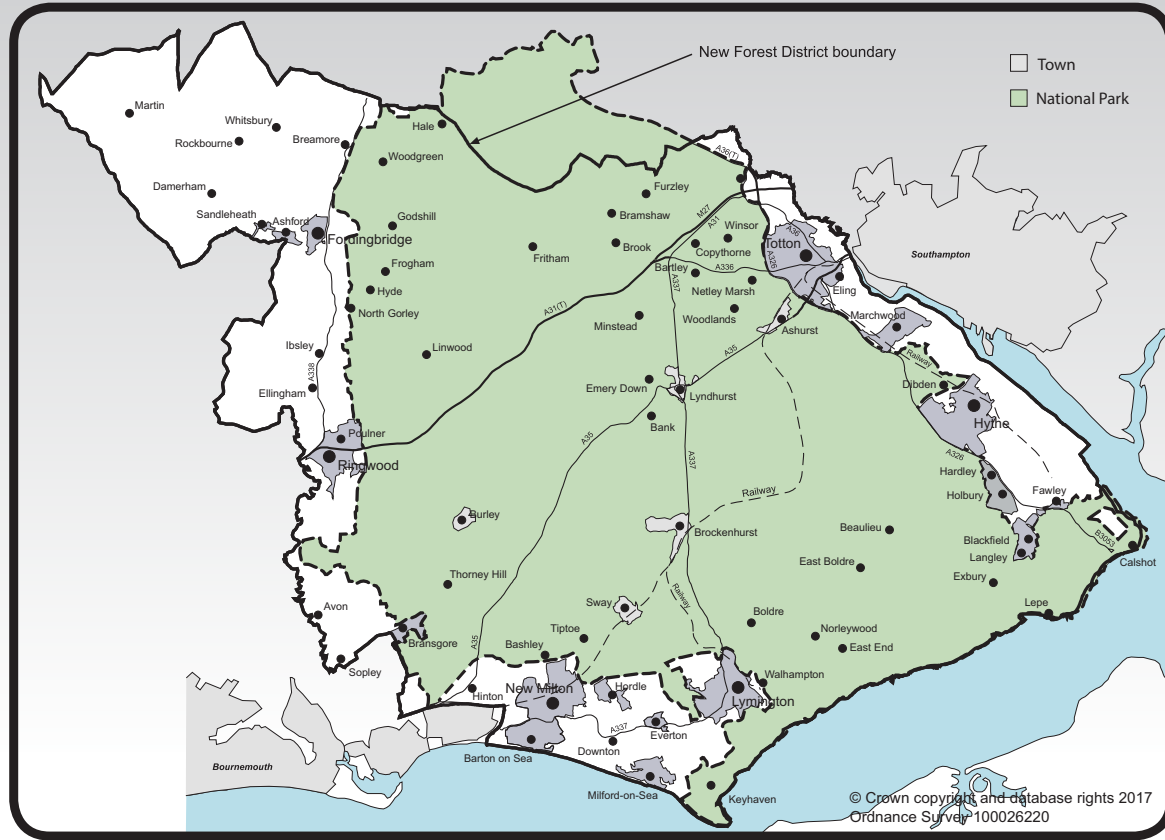
The New Forest district local plan review provides the opportunity to shape the district over the next twenty years and this will be an important process for the council to complete. Early indications are that not all identified housing need will be met. There are opportunities for a significant change, particularly in the Totton and Waterside area.

The vast majority of services are provided by in house teams. This includes the operation of five high quality Health & Leisure Centres, a Housing Services Building Works team as well as Refuse and Recycling, Grounds Maintenance and Street Scene. The council employs 759 FTEs with a small number of services provided by third parties or through shared service arrangements.

The council's assets consist of five Health and Leisure Centres, two depots, two administrative offices and a number of local town and amenity car parks. Other than these primarily operational assets, the council owns few investment opportunities.

In May 2015 the council's new Conservative administration won 58 out of 60 seats at the district council election. They set about aligning their manifesto pledges to the council's [Corporate Plan \(March 2016\)](#) with their priorities to secure a better future for the community. The priorities are:

- Helping local business to grow
- More homes for local people
- Service outcomes for the community
- Protecting the local character of our place



These priorities were underpinned by:

- Living within our means
- Working with others to achieve more

In the last two years significant change has taken place within the senior management of the organisation and in the way in which the council goes about its business as the council has set about rebalancing its expenditure and income in light of the significant reduction in central government funding. During this period services have maintained a consistent level of delivery. There is recognition that despite these changes the organisation needs to ensure that it has the capacity to deliver on its priorities.

Our performance highlights 2017/18

New Forest District Council remains committed to delivering the priorities set out in the 2016-2020 Corporate Plan: Helping local business grow, More homes for local people, Service outcomes for the community, Protecting the local character of our place, Working with others to achieve more and Living within our means.

Our Economic Development Service continues to work with a variety of partners to deliver a range of information and advice, and has organised and led 32 events during 2017/18. Examples include providing specific workshops on GDPR legislations, dedicated 1-1 business clinics and a seminar on

securing purchasing opportunities with the District Council.

We rehoused 389 households from the home search register in 2017/18. However, there are still over 3,000 applicants on the register seeking council housing which we will continue to work hard to address.

We have been involved in a number of projects to assist the wellbeing of our community. We have been involved in a number of projects to assist the well-being of our community. This has included targeting high levels of childhood obesity, and introducing activities to help relieve the symptoms of dementia.

Work to deliver the Hurst Spit defence project alongside the Environmental Agency has continued and the coastal protection scheme is set to benefit communities in the local area.

£218,020 in grants was approved this year for 15 local not-for-profit and voluntary groups as part of the community grants scheme. We also continued to work with local charities, including donating IT equipment we no longer use to the local homeless charity "Jamie's Computers".

Net Savings and improved income generation totalling £1.377m have absorbed pay and price increases across the Portfolios totalling some £1.130m, and have also made an important contribution towards offsetting the reductions in government resources. The residual required increase in Council Funding has been achieved by an increase in Council Tax.

UNDERSTANDING OF THE LOCAL PLACE AND PRIORITY SETTING

Average earnings (full time) in the New Forest are **£667** per week

People make **13.5m** day trips to the New Forest each year generating **£120m** and supporting more than **2,500** jobs

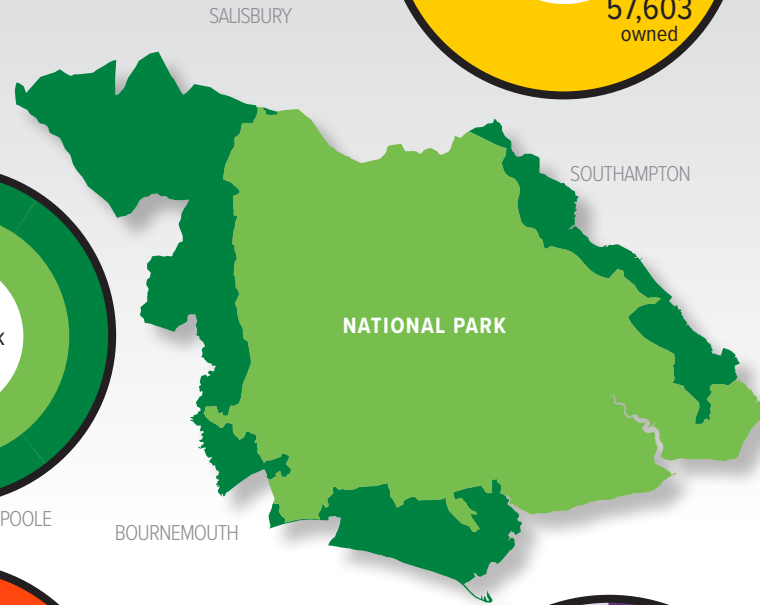
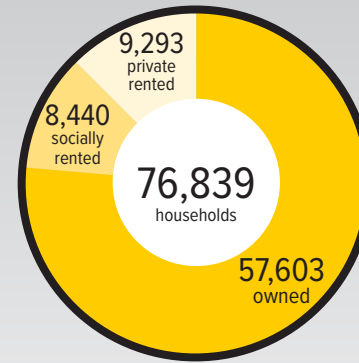
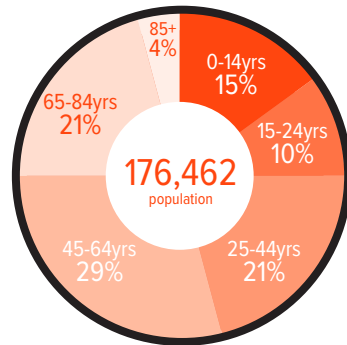
9,000 businesses

We receive **165** homelessness applications a year and prevent **282** other households from becoming homeless

5,021 council houses

142,234 district residents are eligible to vote

9,000 households are supported with housing benefit and/or council tax reduction



Helping local business grow

Leisure, tourism and marine are significant employment sectors within the district. We work closely with the New Forest Business Partnership and the New Forest Tourism Association to boost the economic viability of the area.

More homes for local people

We grant planning permission to over 1,000 planning applications for new dwellings per year, and around 284 new homes are built here every year, 62 of them being affordable new homes. With over 3,000 people on the Homesearch register, 'more homes for local people' is one of our key priorities.

Service outcomes for the community

We provide over 100 local services that our residents value, including refuse, street cleaning, benefits, health and leisure, and housing advice. We regularly review our services to understand how we can improve and what our customers want.

Protecting the local character of our place

We recognise the area's unique qualities and characteristics - our Local Plan shapes development in the area, and we work to keep the area a clean, green, and safe place. *NFDC is responsible for areas outside the National Park, and outside Forestry Commission Crown Lands.*

Working with others to achieve more

We have a role to play in protecting and improving the New Forest. We know that we can't realise our ambitions in isolation and work closely with the National Park Authority, the Forestry Commission, town and parish councils, local businesses, and numerous local groups.

Living within our means

We continually review activities and services to identify opportunities for savings and opportunities to generate income to address significant reductions in government funding, whilst at the same time maintaining services that are important to our customers.

HELPING LOCAL BUSINESS GROW

Our Economic Development Service continues to work with a variety of partners to deliver a range of information and advice, and has organised and led **32** events during 2017/18. Examples include providing specific workshops on GDPR legislations, dedicated 1-1 business clinics and a seminar on securing purchasing opportunities with the District Council.

We were involved in the New Forest Partnership Awards, and the **New Forest Brilliance in Business Awards 2017**, celebrating businesses that achieve outstanding results which benefit their workforce, their local community and the New Forest economy as a whole. The overall winner of the awards were Cyclexperience in Brockenhurst, who play an important part in the local economy by not only providing significant seasonal employment, but also in ensuring that users of the cycle hire service use other local, independent businesses and respect the natural forest that they are visiting.

Our specialist team launched a **free business advice service** for New Forest businesses in July, providing bespoke information on areas such as grants, planning, regulations and business growth.

We continue to see benefits of our partnership with Creative England to encourage filming in the district, with around a dozen documentaries filmed in the area this year. Fawley Power Station was used as part of the set for the most recent Star Wars film, generating an additional **£1 million** in the local economy during filming.

We rehoused **389** households from the home search register in 2017/18. However, there are still over **3,000** applicants on the register seeking council housing which we will continue to work hard to address.

The Local Plan continues to be developed and refined and will be published for wider consultation in the Summer of 2018. It will include proposals for **10,000** new houses in the district over the next 20 years.

284 additional homes were built this year, with **62** of these being affordable. Our Housing Strategy aims to improve availability of genuinely affordable homes, and identifies a range of ways in which the council will enhance housing options available and the supply of affordable housing for the benefit of local people. The council, in its capacity as housing authority, acquired a further **16** homes for social rent during 17/18.

We have also been awarded almost **£1 million** of Community Housing Funds (CHF), part of a national scheme for areas where second home ownership is high. This will allow the council to promote and assist the development of community housing schemes in the future, which could include co-operatives, co-housing, self-build and Community Land trusts.

MORE HOMES FOR LOCAL PEOPLE

SERVICE OUTCOMES FOR THE COMMUNITY

We have been involved in a number of projects to assist the **wellbeing of our community**. We have been involved in a number of projects to assist the well-being of our community. This has included targeting high levels of childhood obesity, and introducing activities to help relieve the symptoms of dementia.

In total, over **10 million** waste and recycling collections were made during the year, with only **0.06%** reported as missed. Two new public conveniences have been rebuilt at New Milton and Lymington which continue to be well-received within the local communities.

The annual community litter pick was once again supported by volunteers over several weekends.

We launched the Eat Out, Eat Well public health scheme in July, and continued to carry out regular **food hygiene inspections** across the district which provides reassurance to both residents and visitors when eating out.

Our Health and Leisure centre membership has increased from 7,616 up to **8,208** over the course of the year. Our Ringwood centre was reopened following significant investment in the facility, and we also launched a new "New Forest Health & Leisure" app which enables users to book classes quickly and access a host of information.

PROTECTING THE LOCAL CHARACTER OF OUR PLACE

Work to deliver the Hurst Spit defence project alongside the Environmental Agency has continued and the **coastal protection scheme** is set to benefit communities in the local area.

We continue to work hard to remove abandoned vehicles, with **54** being removed this year compared to **60** last year, and **26** in 2015/16.

Our Milford-on-Sea beach huts and seafront improvement scheme was completed in time for Summer 2017. The innovative design and engineering behind the scheme has been recognised in a series of prestigious awards throughout the course of the year.

King George V Recreation Ground was enhanced to include new footpaths, improved drainage and a bespoke dog activity area. The dog park is part of our “Greenway” project and this is the first of many similar projects that will **improve dog walking facilities** across the district.

With our support, **The Eling Tide Mill** experience reopened in April 2018 after a major refurbishment project. This included installing new footpaths and wooden boardwalks and improving access to open spaces around Bartley Water and Goatee Beach.

£218,020 in grants was approved this year for **15** local not-for-profit and voluntary groups as part of the community grants scheme. We also continued to work with local charities, including donating IT equipment we no longer use to the local homeless charity “Jamie’s Computers”.

We support the **Forest Arts Forum**, which allows organisations such as hArt, CODA, Forest Arts and Forest Forge to use the arts to tackle issues such as social isolation and bullying. We continue to undertake a national pilot with **Sport England** – the “Social Prescribing” project to explore the benefits of basing Active Lifestyle Officers in GP surgeries targeting hard to reach patients.

Alongside other public sector organisations, we participated in “Our Day” on 21 November, a national tweetathon to highlight public services. We posted nearly **100** tweets about our staff and services, achieving a Twitter reach of a staggering **749,000** people.

We have an ongoing partnership with the **National Parks Authority and Forestry Commission** and work together on initiatives such as litter picking, and were recently involved in a multi-agency approach to improve safety and licencing of local vehicles. We are also collaborating with our partners in order to contribute to the New Forest National Park partnership plan.

LIVING WITHIN OUR MEANS

Net Savings and improved income generation totalling **£1.377m** have absorbed pay and price increases across the Portfolios totalling some **£1.130m**, and have also made an important contribution towards offsetting the reductions in government resources. The residual required increase in Council Funding has been achieved by an increase in Council Tax.

Our draft Residential Property Asset Investment strategy was approved by full council in December 2017, which will give us the opportunity to purchase residential properties and become a private sector landlord with the benefit of a proven track record in rental property management.

The undertaking of several service reviews, additional income generation, and a review of our asset maintenance and replacement programme resulted in overall savings during the year against the original 2017/18 revenue budget.

We have continued to deliver our services alongside a reduction in headcount equivalent to **21 full time posts** over the past year, representing **2.7%** of the workforce.

WORKING WITH OTHERS TO ACHIEVE MORE

FINANCIAL PLANNING AND VIABILITY

Current position

The Council's net worth increased by **£2.551m** in 2017/18.

Usable Reserves grew by £1.1m at the end of 2017/8, to **£53.5m**. The Treasury Management Strategy allows for up to **£40m** to be invested long term.

The Capital Programme for 2017/18 totalled **£23.237m**, including major repairs to the council's housing stock, new homes, the replacement of vehicles and plant, the Eling Experience project and the first investment property purchase for several years, in line with the strategy adopted in February 2017.

Treasury Investment income grew to **£820,000**, £150,000 up on 2016/17.

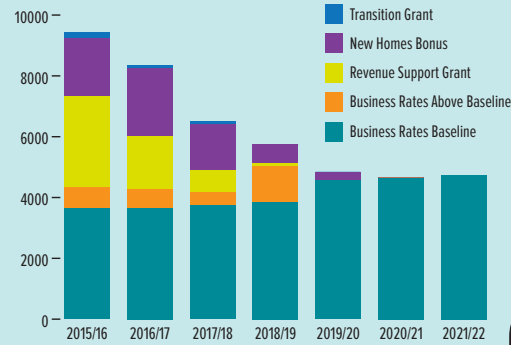
2022 position

Predicted budget deficit of **£2m**

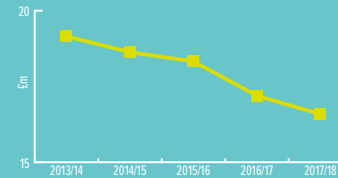
January
Corporate Overview
Panel

	2014/15	2015/16	2016/17	2017/18	2018/19
Council Tax per Band D - £	155.76	155.76	158.36	163.36	168.36
Annual % change	0.0%	0.0%	1.7%	3.2%	3.1%

Government Determined Resources



General fund budget - £m

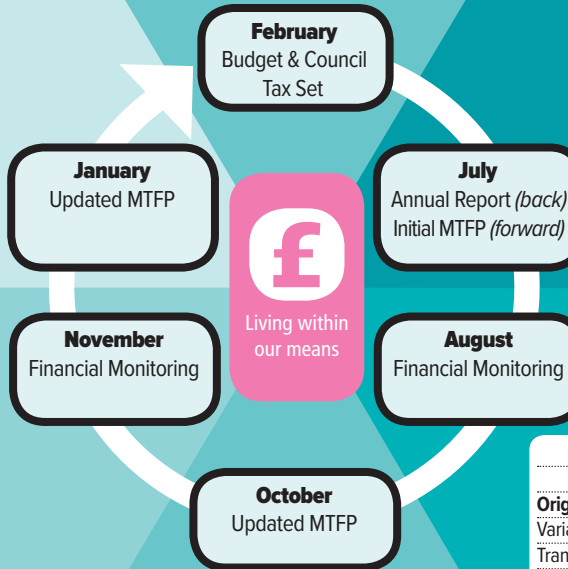


Summary Balance Sheet 31/03/18

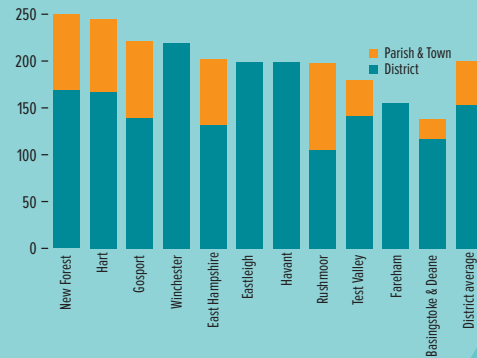
	£'000
Council Dwellings	366,652
Other PPE	78,769
Investment Properties	4,695
Other Long Term Assets	22,744
Current Assets	52,362
Total Assets	525,222
Current Liabilities	(20,118)
HRA Settlement	(139,808)
Other Long Term Liabilities	(99,352)
Net Assets	265,944
Usable Reserves	53,533
Unusable Reserves	212,411
Total	265,944

Summary Usable Reserves 31/03/18

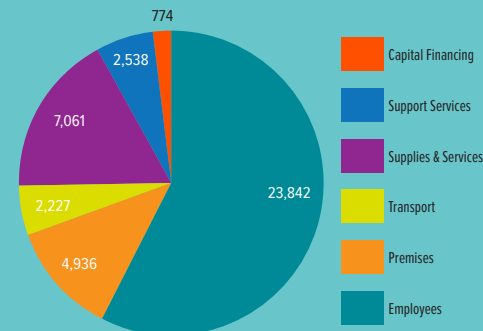
	GF	HRA	Total
	£'000	£'000	£'000
Working Balance	3,000	1,000	4,000
Earmarked	2,686	23,157	25,843
Capital Programme	12,409		12,409
Capital Receipts	1,092	4,823	5,915
CIL / DC's	19,187	28,980	48,167
Total	53,666	53,666	53,533



Band D Council Tax: Hampshire Districts & Parish/Town 2018-19



Budgeted Expenditure 2018/19 £'000 (Exc. Housing Bens)



	Savings	New Req.	Rephasing	Total
	£'000	£'000	£'000	£'000
Original Budget April 2017/18				16,587
Variations agreed in August	-499	567	1,146	1,214
Transfer from Reserves in August		-150	-1,146	-1,296
Variations agreed in November	-392	25	-416	-783
Transfer to Reserves in November			416	416
Variations agreed in April	-1,430	301	-438	-1,567
Transfer to Reserves in April		337	438	775
Updated Budget 2017/18	-1,984	743	0	15,346

October
Budget Task &
Finish Group

September
Corporate Overview
Panel

CAPACITY TO DELIVER

Current position

Staff turnover **7.7%**

77% of vacancies are filled first time

7 apprentices and **17** management development apprenticeships

Training spend per employee **£296**

Organisational strategy

Future position 2022

Aligning future organisation with delivery of the **corporate plan**

Increased **partnering and collaboration** with others to reduce costs and transform service delivery

Continuing on our path to act more **business-like** with targeted additional **income generation**

Aiming to **maximise income** from local government finance reform

Encouraging **smarter working** and the use of digital interaction, transforming our approach to customer services

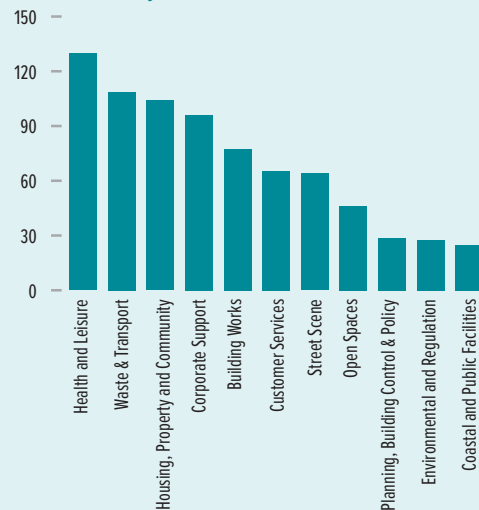
Challenges

- 1 With further reductions in funding, what are our arrangements to deliver with less?
- 2 Can the organisation sustain capability and capacity with its existing workforce?
- 3 Are arrangements in place to support future smarter working?

Organisation 2017/18

FTE 759

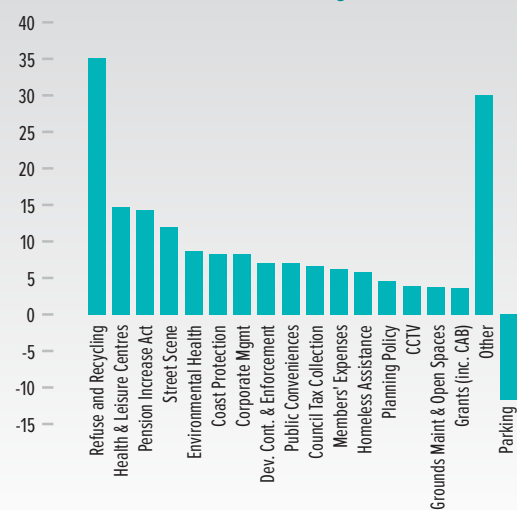
Workforce data by service FTE 2017



Budget £17.243m

Reserves £53.5m

Use of Band D Council Tax 2018/18 budget



Technology

Risk/Opportunity



Customer Expectations

Organisation 2022

FTEs less than 780

Varied mix of service delivery

Budget requirement 10% less



ORGANISATIONAL LEADERSHIP AND GOVERNANCE

Member Task & Finish Groups report to overview & scrutiny on significant projects and processes

Budget (annually) **CCTV**
Coastal Customer Leisure Review **Citizens Advice**
Community Grants (annually)
Waste Management Strategy

Communications

Regular Chief Executive messages to all staff, staff briefings, communications bulletins

Important documents and links

[Strategic Risk Register](#)

[Annual Governance Statement](#)

[Constitution](#)

[Medium Term Financial Plan](#)

[Annual Audit Letter](#)

[Organisational Strategy](#)

[Organisational Structure](#)

[Democratic Structure](#)

MANAGEMENT STRUCTURE

Chief Executive

Bob Jackson

Executive Heads

Colin Read – Operations and Deputy Chief Executive
 Grainne O'Rourke – Governance & Regulation, Planning & Housing (Monitoring Officer)
 Manjit Sandhu - Resources

Head of Finance

Alan Bethune

Service Managers

Steve Jones (Open Spaces)
 Steve Cook (Building & Coastal Services)
 Rob Lane (Street Scene)
 Chris Noble (Waste & Transport)
 Joanne McClay (Environmental & Regulation)
 Ritchie Thomson (Building Works)
 David Groom (Planning)
 Louise Evans (Policy & Strategy)
 Rosemary Rutins (Democratic & Member Support)
 Andrew Kinghorn (Legal)
 Andrew Smith (Estates & Valuation)
 Brian Byrne (Estates Mgmt & Support)
 Richard Knott (Housing Options)
 Joanne Bailey (Health & Leisure)
 Rebecca Drummond (Community & Customer Engagement)
 Heleana Aylett (Human Resources)
 Rob Beere (ICT)
 Ryan Stevens (Revenue & Benefits)

Informal Engagement Cabinet/EMT

DEMOCRATIC STRUCTURE

Council 60 members

Cabinet

Leader and Corporate Affairs
 Cllr Barry Rickman

Deputy Leader and Portfolio Holder
 Planning & Infrastructure
 Cllr Edward Heron

Portfolio Holder
 Housing Services
 Cllr Jill Cleary

Portfolio Holder
 Community Affairs
 Cllr Diane Andrews

Portfolio Holder
 Finance, Corporate Services & Improvement
 Cllr Jeremy Heron

Portfolio Holder
 Leisure & Wellbeing
 Cllr James Binns

Portfolio Holder
 Environment & Regulatory Services
 Cllr Alison Hoare

Portfolio Holder
 Local Economic Dev, Property & Innovation
 Cllr Michael Harris

Overview & Scrutiny

Corporate Overview & Scrutiny Panel
 Chairman:
 Cllr Mark Steele

Community Overview & Scrutiny Panel
 Chairman:
 Cllr Geoffrey Blunden

Environment Overview & Scrutiny Panel
 Chairman:
 Cllr Steve Rippon Swayne

Housing Overview & Scrutiny Panel
 Chairman:
 Cllr Steve Davies

Member Task & Finish Groups

Committees

Appeals
 Chairman:
 Cllr Alan Alvey

Audit
 Chairman:
 Cllr Alan O'Sullivan

Employee Engagement Panel
 Chairman:
 Cllr Barry Rickman

General Purposes & Licensing
 Chairman:
 Cllr Steve Clarke

Planning
 Chairman:
 Cllr Bill Andrews

LEADERSHIP OF PLACE

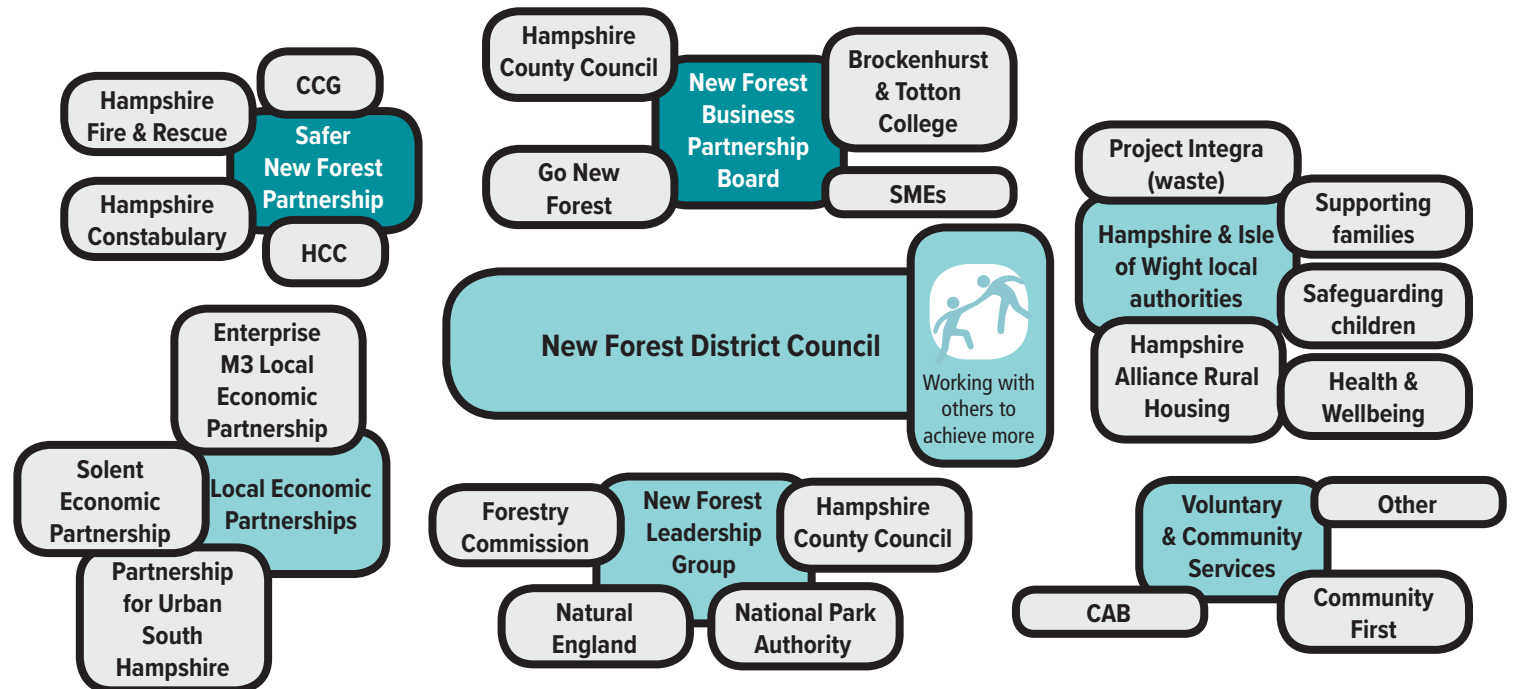
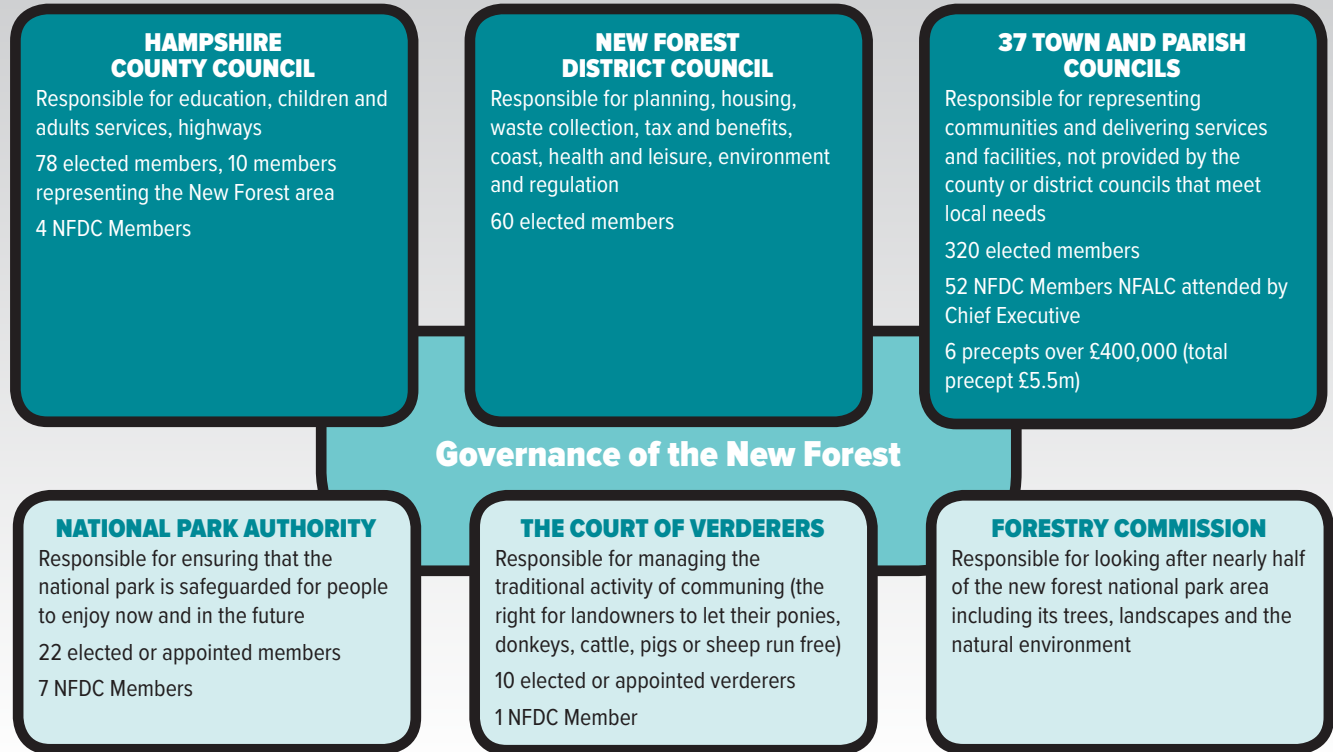
PARTNERSHIP ARRANGEMENTS

Provided to
HR (NPA) Audit (Dorset Partnership)
Customer Services (Hythe PC)
Traffic Management (HCC)
Grounds Maintenance (various)

Provided from
Treasury Management (HCC)
Customer Services (Totton TC, Fordingbridge PC, Fawley PC)
Planning Trees and Conservation (NPA)

Private/public
Dibden Golf Centre

Shared projects
 Based at the **channel coastal observatory** we are the lead authority for regional coastal monitoring. Directly managing the south east region and co-ordinating the entire English coastline (six regions) including funding bids of £23 million to 2021. Key partners include Environment Agency, Canterbury, Worthing & and Havant councils to deliver the programme.
 NPA Partnership Plan
 Ringwood Gateway
 Community Grants **awarded £218,020**
 Redevelopment and refurbishment of Eling Tidemill with Heritage Lottery Funding in partnership with Totton & Eling TC totalling **£2 million**
 Government partnerships
Disabled facility grant (£1.259m) and community housing funding (£976k)



Key performance measures

Page 18

Residual household waste per household	TARGET 500kgs	2017/18 490kgs	2016/17 499kgs
Amount sent for reuse, recycling and composting	TARGET 31%	2017/18 32%	2016/17 31%
Processing of major planning applications within 13 weeks	TARGET 90%	2017/18 95.71%	2016/17 93.5%
Completed high risk food hygiene inspections	TARGET 95%	2017/18 99%	2016/17 99%
Council tax percentage collected	TARGET 98.9%	2017/18 98.8%	2016/17 99.06%
Total applicants on the Homesearch register	TARGET NA	2017/18 3,345	2016/17 3,307
Mean Gender Pay Gap	TARGET NA	2017/18 6.95%	2016/17 NA
Median Gender Pay Gap	TARGET NA	2017/18 -9.48%	2016/17 NA

Our Vision is to secure a better future for the New Forest by:

Supporting local businesses to prosper for the benefit of the community
Assisting the wellbeing of those people who live and work within the district
Protecting the special and unique character of the New Forest

APPENDIX 2

Our Values

Our Priorities



Helping local business grow



More homes for local people



Protecting the local character of our place



Service outcomes for the community



Living within our means



Working with others to achieve more

Ambitious

Collaborative

Customer Focused

Financially Responsible

Innovative

Open

Proud

Our Community Strategies

Local Plan

Local Economic Strategy

Housing Strategy

Environmental Strategy

Community Strategy

Our Financial and Organisational Strategies

Financial Strategy

Medium Term Financial Plan

Investment Strategy

Organisational Strategy

Customer Strategy

ICT Strategy

HR Strategy

Procurement Strategy

Accommodation Strategy

Supporting Mechanisms

Service Plans & Budgets

This page is intentionally left blank

BUDGET OUTTURN POSITION

SUMMARY GENERAL FUND OUTTURN INFORMATION 2017/18 (£'000)					
Original Budget				16,587	
Financial Monitoring	Savings/Income	Requirements	NET TOTAL		
August	-499	417	-82		
November	-392	25	-367		
April	-1,093	301	-792		
	-1,984	743	-1,241		
Outturn	-1,259	471	-788		
	-3,243	1,214	-2,029		
Outturn Position				14,558	
Rephasings *	Into 17/18	Out of 17/18	NET TOTAL		
August	1,146		1,146		
November		-416	-416		
April		-438	-438		
	1,146	-854	292		
Outturn		-133	-133		
	1,146	-987	159		

Portfolio/Committee Level Outturn Analysis	
Leader & Corporate Affairs	4
Environment and Reg. Services (1)*	-222
Community Affairs	18
Planning & Infrastructure (2)*	-165
Local Econ. Dev., Property & Innovation	-5
Leisure & Wellbeing (3)*	-225
Housing Services	22
Finance, Corp. Servs. & Improvement (4)*	-92
Asset Maintenance & Replacement	-123
	-788

ICT	150
Other	-17
	133

(*transfers from / (to) reserves)

*** Service Variations >-£25,000**

(1) - Keyhaven River	-42
(1) - Coast Protection	-37
(1) - Street Scene	-43
(1) - Refuse & Recycling	-32
(1) - Environmental Health	-36
(2) - Parking	28
(2) - Highways Agency	-27
(2) - Transportation	-33
(3) - Health & Leisure Centres	-168
(3) - Sports & Comm. Develop.	-50
(4) - Subsidy Reduction	109
(4) - Office Accommodation	-83

SUMMARY CAPITAL PROGRAMME OUTTURN INFORMATION 2017/18 (£'000)					
Original Budget	GENERAL FUND		HRA		TOTAL
	4,873		16,393		21,266
Financial Monitoring	Savings/Income	Requirements	Savings/Income	Requirements	NET TOTAL
August	-214	208	-150		-156
November					0
April	-452	2,221	-570	1,350	2,549
	-666	2,429	-720	1,350	2,393
Outturn	-21	486	-120	631	976
	-687	2,915	-840	1,981	3,369
Rephasings	Into 17/18	Out of 17/18	Into 17/18	Out of 17/18	NET TOTAL
August	1,818		74		1,892
November					0
April		-534		-599	-1,133
	1,818	-534	74	-599	759
Outturn		338		-814	-476
	1,818	-196	74	-1,413	283
Outturn Position					24,918

Project Level Outturn Analysis	
Housing Acquisitions (HRA)	556
Older Persons Scheme Alterations	-56
Major Repairs	53
Open Space Projects	99
Public Conveniences from Revenue	324
	976

Compton & Sarum New Build	-221
S106 Acquisitions	-559
Eling Tide Mill	374
Other	-70
	-476

HOUSING REVENUE ACCOUNT OUTTURN INFORMATION 2017/18 (£'000)

	Original Budget	Budget Variations via Financial Monitoring	Latest Budget	Outturn Actuals	Outturn Variation against Latest Budget
INCOME					
Dwelling Rents	-26,077	62	-26,015	-25,992	23
Non Dwelling Rents	-730	-18	-748	-770	-22
Charges for Services & Facilities	-753	11	-742	-741	1
Contributions towards Expenditure	-57	-90	-147	-118	29
Interest Receivable	-76	-36	-112	-102	9
Sales Administration Recharge	-33	0	-33	-42	-9
Shared Amenities Contribution	-194	0	-194	-199	-6
TOTAL INCOME	-27,919	-71	-27,990	-27,965	26
EXPENDITURE					
Repairs & Maintenance					
Cyclical Maintenance	1,472	-100	1,372	1,176	-196
Disabled Facilities	700	-700	0	0	0
Reactive Maintenance	2,789	-87	2,702	2,607	-95
Supervision & Management					
General Management	3,818	6	3,824	3,694	-130
Special Services	1,243	-2	1,240	1,145	-95
Homeless Assistance	62	0	62	59	-3
Rents, Rates, Taxes and Other Charges	11	13	25	34	9
Rent Rebates	0	0	0	0	0
Provision for Bad Debt	150	0	150	131	-19
Capital Financing Costs	8,584	0	8,584	8,584	0
RCCO	9,091	-369	8,722	8,722	0
TOTAL EXPENDITURE	27,919	-1,238	26,681	26,153	-528
HRA OPERATING SURPLUS(-) / DEFICIT	0	-1,309	-1,309	-1,812	-502
HRA Total Annual Surplus(-) / Deficit					-1,812
Transfer to ICT Reserve M410 HY001					64
HRA TOTAL ANNUAL SURPLUS(-) / DEFICIT					-1,748

CORPORATE OVERVIEW AND SCRUTINY PANEL – 21 JUNE 2018 CABINET 4 JULY 2018

ECONOMIC DEVELOPMENT STRATEGY 2018-23

1. PURPOSE OF REPORT

- 1.1 To consider the Council's Economic Development Strategy for 2018-23, which is attached at Appendix 1.

2. BACKGROUND

- 2.1 In May a Task and Finish Group met to consider the draft Strategy, and suggested that it be revised to give a sharper focus, with fewer actions and objectives. As such, The Task and Finish Group have identified 10 Key Actions which will be given priority focus within the Strategy. The Group were also keen to ensure that the Strategy reflected the importance of housing in economic development. Officers have since met with the Chairman (Cllr Steele) to agree appropriate amendments to reflect this, which can be found in Section 6.8 of the document.
- 2.2 The Strategy sets out a vision and related activities to tackle the identified barriers to growth in five key themes. These are as follows:
- Developing a Skilled Workforce
 - Increasing Growth and Productivity
 - Developing Local Infrastructure
 - Facilitating Vibrant Towns and Villages
 - Promoting the Unique New Forest Offer
- 2.3 The Chairman has requested that the Panel receive annual updates on progress with implementing the Strategy, including an outline of relevant housing activity as appropriate.

3. FINANCIAL IMPLICATIONS

- 3.1 None directly from the Strategy.

4. CRIME & DISORDER IMPLICATIONS

- 4.1 None.

5. ENVIRONMENTAL IMPLICATIONS

- 5.1 None directly from the Strategy.

6. RECOMMENDATIONS

- 6.1 That the Economic Development Strategy 2018-23 be recommended for approval to Cabinet and Council.

- 6.2 That the Panel receive annual updates on progress with implementing the Strategy, including an outline of relevant housing activity as appropriate.

For further information contact:

Matt Callaghan
Economic Development Manager
Tel: 023 8028 5588
Email: matt.callaghan@nfdc.gov.uk

New Forest Economic Development Strategy

2018 – 2023



New Forest
DISTRICT COUNCIL

Contents

Executive Summary.....	1
Key Actions.....	2
1) Methodology.....	4
2) Understanding the Economy.....	5
3) Policy Context.....	12
4) Developing a Skilled Workforce.....	14
5) Increasing Growth and Productivity.....	17
6) Developing Local Infrastructure.....	21
7) Facilitating Vibrant Towns and Village.....	24
8) Promoting the Unique New Forest Offer.....	26
Glossary.....	29

Executive Summary

The District Council's motto is 'Old Yet Ever New' and in developing a new Economic Development Strategy this is a practical place to start. The New Forest economy is hugely diverse; diverse in terms of the businesses located within, the geographical landscape of the district and the workforce which shapes the local economy.

This diversity in many respects is an asset; it means that the district's economy is not reliant upon a single industry, but in other respects it presents a variety of challenges. The overarching challenge is that of the need to balance the district's environmental assets with the ambition for a vibrant and growing local economy.

Whilst the New Forest economy is amongst the largest in Hampshire, its overall growth does not reflect this for a variety of reasons. An ageing workforce, an underrepresentation of high value added sectors and a high proportion of unskilled residents are all limiting factors.

Although the New Forest is predominantly rural, it doesn't mean that it cannot be ambitious in striving for higher value jobs, ensuring a skilled workforce and benefit from greater connectivity. Through this strategy, the District Council seeks to create an environment which offers opportunities for young people, poses an attractive option for business investment and delivers a culture in which indigenous businesses can thrive. These objectives are not delivered at the expense of the traditional local economy but if achieved in the correct manner, will add value to them.

This strategy sets out a vision to tackle the identified barriers to growth in five key themes. These are as follows:

- Developing a Skilled Workforce
- Increasing Growth and Productivity
- Developing Local Infrastructure
- Facilitating Vibrant Towns and Villages
- Promoting the Unique New Forest Offer

Within each of these themes, a series of specific actions have been identified to address the issues set out.

Whilst the District Council are the authors of this strategy, the authority will not be alone in terms of the delivery of its actions. The District Council is committed to working in partnership with other organisations to ensure the successful and efficient delivery of the objectives.

The strategy sets out a five year vision with individual work programmes extending across this time period. It is accepted however that during the life of this strategy there is a degree of uncertainty about the economy at a number of levels. Therefore this strategy will be subject to review and revision throughout its life although the overall themes will remain.

Key Actions

The Strategy identifies 10 Key Actions as identified by the Task and Finish Group which sit within the 23 wider actions across the five themes. Whilst each of these actions will contribute toward economic growth across the lifespan of the strategy, there are actions which are seen as key in delivering the overall corporate objective of ‘Helping Local Business Grow’.

These will be focussed as priorities at the front end of the five year strategy as their outcomes are considered to deliver particularly high levels of economic impact. These key actions seek to strike a balance between supporting indigenous economic growth and seeking to attract new investment into the district each of which need to be carefully balanced to deliver sustainable growth.

Developing a Skilled Workforce	
Key Action	Area of Focus
Work to raise awareness and promote the broad spectrum of career opportunities which exist locally	<ul style="list-style-type: none"> Identify prospects within key sectors which can be promoted to those seeking career opportunities Facilitate links with schools and colleges to promote local opportunities to students
Work with colleges, schools and businesses to increase the uptake of apprenticeships within the district	<ul style="list-style-type: none"> Overcome the perceived barrier of the levy Encouraging businesses to use apprenticeships as a means to training existing adult workforce Promoting apprenticeships as a career route to those leaving full time education
Work with education establishments to ensure high growth business has access to a skilled workforce	<ul style="list-style-type: none"> Understand the recruitment gaps in business both presently and as perceived in the future Identifying partners to ensure that the local talent is engaged with Science, Technology, Engineering and Maths (STEM) subjects and local high skilled employment opportunities
Increasing Growth and Productivity	
Key Action	Area of Focus
Continue and further develop a programme to facilitate growth of indigenous business	<ul style="list-style-type: none"> Develop programmes of tailored support to suit the needs of new and growing local business Work with New Forest Business Partnership to deliver a range of events and support to meet local training needs
Work closely with Local Enterprise Partnerships (LEPs) to develop growth of high value business	<ul style="list-style-type: none"> Ensure that New Forest is aligned with funding opportunities presented by the two Local Enterprise Partnerships Continue to develop links with the Growth Hubs to ensure businesses have access to the important support available to them
Oversee development of ‘Helping Local Business Grow’ initiative ensuring coordinating business support offer	<ul style="list-style-type: none"> Ensure that all business facing Council services are coordinated in their approach to working with local business Work to streamline and simplify the multiple business support organisations operating in the District

Developing Local Infrastructure	
Key Action	Area of Focus
Work with stakeholders to increase digital coverage and quality in underprovided areas	<ul style="list-style-type: none"> • Ensuring thorough coverage of fixed line broadband to New Forest premises • Facilitation of further coverage of 4G cellular and ensuring engagement with future 5G rollout • Development of alternative connectivity including Internet of Things
Work to facilitate the increased number of flexible/incubator business units and/or those suitable for business expansion	<ul style="list-style-type: none"> • Ensure delivery of new and proposed business sites whilst identifying opportunities for additional development • Identify partners to deliver viable business units on suitable sites
Facilitating Vibrant Towns & Villages	
Key Action	Area of Focus
Work with retailers, landlords and Town Centre Managers to reduce number of high street vacancies	<ul style="list-style-type: none"> • Develop a programme of mystery shopper visits allowing independent High Street businesses to improve their offer • Assist with the delivery of Neighbourhood Plans to ensure support for High Street businesses
Key Action	Area of Focus
Promoting the Unique New Forest Offer	
Work to encourage appropriate inward investment	<ul style="list-style-type: none"> • Promote the New Forest as 'Open for Business' at identified business events • Ensure a coordinated approach to key development sites to maximise the opportunity

1. Methodology

1.1 In developing a new Economic Development Strategy for the New Forest, it's important that the document is not written in isolation by the District Council but that a broad range of evidence is gathered to support the themes, policies and actions which emerge. This process of evidence gathering has taken a number of forms to ensure that the barriers to local growth are fully understood but of equal importance, how these can be overcome by working in partnership and collaboration.

Partner Consultation

1.2 An important element of a joined up approach is consultation with key partners. Whilst the District Council is the author and key enabler of this strategy, there are partner organisations who are ideally placed to identify specific issues relating to, for example, skills, start-ups and particular sectors.

1.3 To ensure that a broad range of economic issues are identified, a series of one to one meetings have taken place with partner organisations to not only identify issues from their perspective, but to identify how the council can intervene through partnership working to tackle these. A full list of partners consulted can be found in the annex.

Business Needs Survey

1.4 Consulting with partner organisations is a crucial element in understanding local economic issues and whilst these partner organisations are specialists within their field, the individual businesses operating within the district are themselves directly dealing with barriers to growth and therefore are a crucial element of any consultation.

1.5 To ensure that these views were captured, a Business Needs Survey was undertaken and sent to all 5000 businesses on the Economic Development Office's email list. These responses sought to identify the perceived barriers to growth but also the view of businesses as to their growth expectations and business confidence.

1.6 This, along with the previous survey of a similar nature from 2014, has been used to identify any changes in the local economy and where attention for intervention should be focussed.

Economic Profiling

1.7 In addition to understanding the economy through dialogue, there is a need to do so from a statistical analysis perspective. As such, an economic profiling exercise was commissioned from Hampshire County Council to establish data and trends on themes including the labour market, skills and business sectors. This data is important in providing baseline information, identifying local economic trends and stating in tangible form, the issues impacting the local economy. The final economic profile report is attached as an appendix to this strategy.

Existing and Emerging Policy

1.8 In developing a new Economic Development Strategy, there is a need to recognise the wider context in which both economic development and New Forest District Council exist. Therefore it is important to acknowledge existing and emerging strategies, plans and policies both internally within the District Council but also within the wider context of partner bodies and organisations.

1.9 In developing the strategy, a range of documents have been examined to ensure that this strategy considers the content and context of these, ensuring a collaborative approach wherever possible.

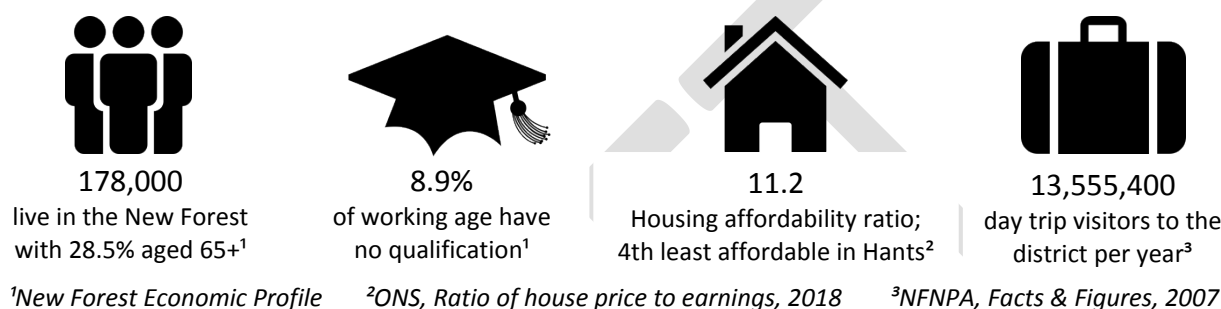
2. Understanding the Local Economy

2.1 In order to set the economic objectives of the New Forest for the next five years, first the position from which we are starting from must be fully understood. The numbers and trends of the local economy have highlighted the areas to focus upon and the aspects of the New Forest economy that require action. Much of the data utilised in this section has been sourced from the New Forest Economic Profile 2018.

Baseline Information Report

Summary

Figure 1 – New Forest economy key statistics



2.2 The New Forest economy presently has numerous positive features. It's the third largest economy in Hampshire, with a GVA of £4.4 billion, ranking it within the top 30% of UK local authorities; the district has 9,075 businesses more than either Southampton or Portsmouth; there is a significant local supply of young skilled labour with 84,805 students studying within a 25 miles radius of the district; the New Forest is ideally located close to key markets, such as Southampton, Bournemouth and London; and finally the region has close access to significant transport infrastructure, be that land, sea or air.

2.3 Yet, sizeable challenges do exist for the local economy at the time of writing. The data has highlighted seven key issues for the New Forest economy:

1. Elderly & ageing population
2. Large and growing skills deficit
3. Lack of high-skilled, high value jobs
4. Net outflow of workers, especially high-skilled
5. Unaffordable housing
6. Sluggish business growth
7. Variation across sub-areas of district

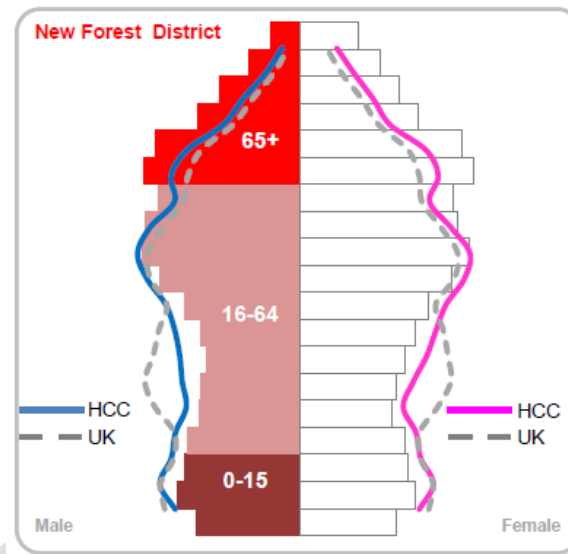
2.4 The majority of these issues are interlinking and in many cases self-reinforcing of one another. For example, the large and growing skills deficit is partly fuelled by the lack of market incentives from a low number of high-skilled jobs in the district, which in turn brings about issue 4, and the unaffordable housing market is stopping young skilled people from entering the local workforce and their ability to drive up the average skill level. This lack of skills and young people entering the New Forest economy is one reason why sluggish business growth has been seen and the mean age of the New Forest continues to rise.

2.5 These are just a few linking strands with far more present and ever more apparent as this strategy continues and the actions are set under the five key themes.

Population

2.6 The 2011 Census showed New Forest district had a population of 176,462 with this figure estimated to have grown to around 178,000 by the close of 2017. Of this number a significant proportion are in the older age groups. This is highlighted in figure 2 where the shape of the districts population pyramid can be described as unimodal, or in other words it has one distinct bulge in the older age groups from approximately 45 years. In comparison to Hampshire & the UK, the New Forest has fewer children, fewer working age residents, yet far more in 65+ category.

Figure 2 – New Forest population pyramid



2.7 The proportion of working age residents in the New Forest stands at 55%, a figure below both the county (60%) and national level (63%). The latest population forecasts for the New Forest predict that the working-age population will decline by 0.4% per annum from 2017 to 2023.

2.8 This low and decreasing proportion of working age residents in the district is why the New Forest district old age dependency ratio is high and rising. There are approximately 55 elderly dependents aged 65 years and over for every 100 individuals of working age. This level is set to increase to 57 by 2023. In the UK it is 28 rising to 31 and in Hampshire 36 rising to 39.

2.9 Certainly many of the retired, elderly residents of the New Forest inject into the local economy with their spending, but due to their lack of contribution to output a rising dependency ratio does tend to constrain growth in GVA per head, and also has implications on investment, housing and demand for local services.

Skills

2.10 There is a large and growing skills deficit in New Forest district, notably at the top of the skills distribution. Less than a third of residents in the New Forest (30.9%) held a Level 4+ Qualification (a degree or higher qualification) in 2016 compared to 38% in Hampshire and the UK. This gap has only increased over time as the proportion of highly skilled residents with NVQ4+ in Hampshire and the UK increased twice as fast as in the New Forest between 2010 and 2016.

2.11 Some 8.9% of people of working age in New Forest have no qualification which is close to double the Hampshire average (4.6%) and slightly above the national average (8.3%). The New Forest saw an increase in the proportion of its working age residents with no qualification since 2010 while Hampshire and the UK saw decreases.

2.12 Given the large skills deficit at the top of the skills distribution it is perhaps not surprising that the New Forest has a large occupational deficit among higher skilled occupations with its comparator areas. Some 34.8% of New Forest residents were employed in one of the top three occupational categories, compared to 48.2% in Hampshire and 45.2% in the UK. Around a quarter of New Forest residents were in lower skilled occupations compared with one in seven in Hampshire.

2.13 Hampshire and the UK saw the proportion of resident workers in higher skilled occupations increase between 2010 and 2016. In contrast, the New Forest saw a decrease (-0.4 percentage points). In addition, the proportion of resident workers in lower skilled occupations in the New Forest increased by +1.2 percentage points whereas in Hampshire and the country it decreased by -2.2 and -0.3 percentage points respectively.

2.14 Yet, although the figures for skills are concerning the New Forest labour market on the face of it appears to be performing well. In 2016 the New Forest unemployment rate was 2.0% compared to 3.6% in Hampshire and 5.0% for the UK, and the claimant count of the district has been consistently lower than the national average. But, as the statistics on skills show these low rates are masking that a large proportion of workers in the district are in low paid, lower skilled, sometimes seasonal jobs.

2.15 Despite the presence of few high skilled workers in the area though, there does exist a strong supply of young skilled labour in the district and the local vicinity. Two further education colleges are located in the New Forest and five Universities within 25 miles. In addition, examining the education, skills and training index of deprivation the New Forest ranks among the top 35% best performing local authorities.

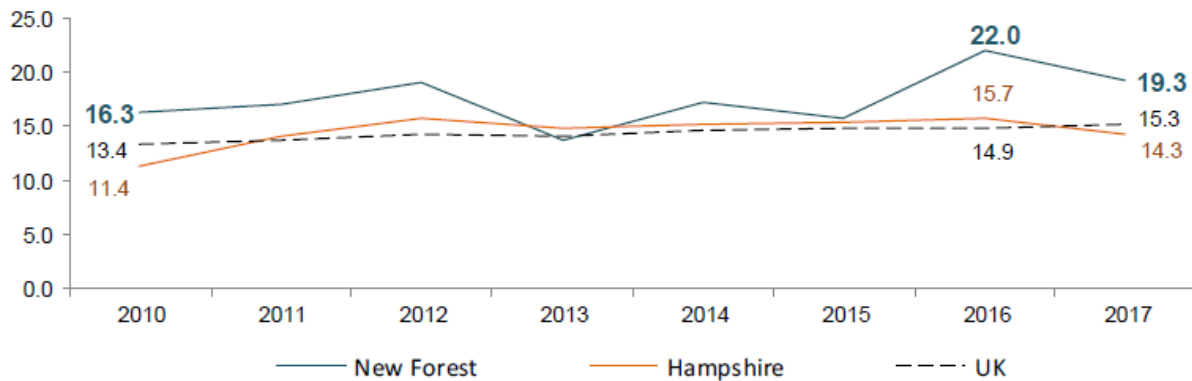
2.16 This would suggest that the source of the problem for New Forest's lack of skilled labour is the lack of opportunities. Yet, results from the 2017 Business Needs Survey show demand exists within the district. The ability to recruit suitably skilled employees was ranked as the most significant barrier to growth in the New Forest, and 62% of respondents classed the level of access to skilled labour as a disadvantage of being in the New Forest. Thus, also exacerbating the lack of skilled employees in the district is that young skilled students/ graduates are unaware of the opportunities available in the New Forest and/or the skills of young people is not matching local business needs.

Business & the Economy

2.17 The New Forest is the third largest economy in Hampshire with a total economic output of approximately £4.4bn in 2015, ranking the area within the top 30% of local authorities. The Gross Disposable Household Income (GDHI) per head of the district suggests a relatively prosperous population with the New Forest figure 13% higher than the UK average. However, the gross value added (GVA) per head of the district, which gives an indication of productivity, has consistently been below the county and national level. In 2015 New Forest GVA per head was £24,416, compared to £27,007 and £25,593 in Hampshire and UK respectively. That being said New Forest GVA per head figures are dampened by the low proportion of working age residents.

2.18 The total number of businesses in the New Forest was 9,075 in 2017. This is a significant business base with the district accounting for over one in eight of all businesses in the Hampshire County Council area; more than either Southampton or Portsmouth. But, recent business growth has been sluggish. From 2010 to 2017 business growth was on average 1.3% per annum, slower than the average annual growth rate in Hampshire and the UK (+2.3% & +2.8% p.a. respectively).

Figure 3 – New Forest % employed in self-employment (aged 16+)



2.19 Of this business stock a significant proportion are small and medium-sized enterprises (SMEs), or in other words employ between 0 and 249 people. The exact figure in 2016 was 99.8%, a level marginally above that in Hampshire and the UK. This feeds into the relatively high percentage of the economically active who are self-employed in the area, with this figure for the New Forest exceeding that in Hampshire and the UK for the past four years. However, the business birth rate in the New Forest stood at 9.7% of active business stock in 2016, well below the Hampshire and UK average of 12.7% and 14.6% respectively. These figures appear to show that the New Forest has a strong existing base of entrepreneurs, but a low number of new business owners coming through.

2.20 The largest broad sector employer in the New Forest is distribution, transport, accommodation and food with over 20,000 employees, or approaching one in every three New Forest workers (30%). This is followed by the public sector with over 16,000 employees (24%), and then in third is business services with 9,000 employees (13%). Thus, just over two thirds of all New Forest employees work in these three broad sectors, which roughly follows the county and national trend.

2.21 Where New Forest district is above the county and national levels in terms of employment concentration is manufacturing, construction and 'other services', which predominantly relates to tourism. Where the New Forest most significantly lags behind Hampshire and the UK is employment in higher value added services such as information & communications, real estate, and finance & insurance. This is a problem as these sectors are major drivers of competitiveness, economic growth and prosperity. Knowledge-intensive employment is also underrepresented in the area as the sectors under this category only make up 11.8% of all employees, compared to 20.4% in Hampshire and 20% in the UK. This relates back to the previous section on skills and lack thereof.

2.22 Location Quotients (LQ) can provide a clearer signal on what drives local economic growth. By dividing the local job share of a cluster (industries grouped together that tend to co-locate) by the national average job share, LQs highlight relative specialisms in local economies. Typically, a Location Quotient above 1.2 is taken to indicate a significant concentration in employment in that cluster. Oil and gas is New Forest's most specialised cluster with a Location Quotient in 2016 of 8.8. This is of no surprise considering the presence of Fawley refinery, the largest refinery in the UK that provides 20% of UK refinery

capacity. Upstream chemical is second (LQ 7.3), forestry is third (LQ 5.5), Maritime fourth (LQ 4.4), and visitor economy completes the top five (LQ 2.9)¹.

2.23 Focussing on the district when broken down into three sub-areas; a large degree of variation can be seen. Avon Valley contributes the lowest to GVA of the three sub-areas, but this is down to its relatively low number of businesses and people. With its size taken into account Avon Valley appears to be the best performing of the three sub-areas with the highest productivity and growth rates in recent years. The sub-area has the most skilled resident population and this explains why the sub-area has the highest concentration of knowledge-intensive employment and is likely the main factor behind its strong GVA growth.

2.24 Core Forest & Coastal is the biggest contributor to GVA in the district. However, this is down to it being the largest of the sub-areas, with the highest number of businesses and a large workplace population, rather than strong performance. The most distinguishing features of this sub-area are its elderly resident population, high relative concentration in tourism, and poor growth in GVA in recent years. The latter is predominately down to the lack of growth in tourism, with just five additional businesses in this sector from 2010-17, and a diminishing working age population.

2.25 Totton & Waterside on the face of it this appears to be the most underperforming sub-area. The area has the highest resident population and largest working age population, but does not contribute the most to GVA mainly because it displays poor productivity, a low-skilled population and has significant levels of out-commuting. Nevertheless, GVA has shown signs of strong growth in the last couple of years and this is the sub-area with the highest recent business growth rates. Furthermore, there is a wealth of opportunities in the near future for Totton & Waterside, such as Fawley Power Station area and Solent Gateway at Marchwood Military Port.

Figure 4 – New Forest sub-area comparisons

	Avon Valley	Core Forest & Coastal	Totton & Waterside
Population (%)	18.6	38.9	42.5
Business (%)	25.8	43.1	31.1
GVA Contribution (%)	25	40	35
GVA per head (£)	32,818	25,425	19,837
GVA growth 2010-15 (% p.a.)	6.2	0.3	1.9
NVQ4+ (%)	34.5	32.4	25.3

Infrastructure

2.26 The number of households recorded in the 2011 census was 76,839 and is estimated to have increased to 80,000 in 2016. Initial proposals for the local plan review 2016-36

¹ Emsi, (November, 2017), What's Driving your Local Economy: A brief analysis of the key local industry clusters in the New Forest, Retrieved from www.economicmodelling.co.uk

suggested there could be up to 10,500 new homes built over the 20 year period, a 2,700 shortfall of the estimated number of homes needed to meet forecasted population growth².

2.27 Certainly the availability of housing is an issue in the district, especially affordable housing for the lower paid and/or young population. In 2017 the housing affordability ratio of the New Forest stood at 11.2, indicating this is how much greater the average local house price is to average annual workplace earning. The same ratio for England was lower at 7.8, indicating greater affordability³.

2.28 The 2011 Census showed that 30,165 people out-commute from the New Forest and 22,778 in-commute, resulting in a net commuter out flow of 7,387. Of those New Forest residents that do out-commute there is evidence to suggest a significant number are higher skilled; the percentage of the resident population employed in higher skilled occupations is far higher than that of the workplace population. Therefore, these leads to the over-simplified, but somewhat truthful summary, that those employed in higher-skilled, higher-paid jobs who can afford to live in the New Forest do but out-commute for work due to the lack of suitable jobs in the New Forest, while those that do work in the New Forest are often employed in lower skilled and thus lower-paid jobs consequently meaning they cannot afford to live in the district and must in-commute.

2.29 High speed broadband has become a crucial tool for most businesses. The Business Needs Survey 2017 found 61% of respondent's see IT infrastructure as a disadvantage of being located in the New Forest⁴. The aim of Hampshire County Council is to provide superfast speeds to up to 95% of all premises across the county by 2019, and at least 2Mbs speeds to the remaining percentage⁵. The New Forest presents several additional problems in the goal of improving broadband coverage though. Special circumstances, environmental constraints and the involvement of a number of local additional stakeholders means the rollout of high speed internet coverage has been delayed.

2.30 In addition to communications infrastructure being a key component for business success and growth so too is transport infrastructure. The New Forest on the face of it has good transport access with proximity to two international airports, the M3 in close vicinity meaning travel to London takes 90 minutes, and one of the UK's leading ports being just the other side of Southampton Water. Yet, within the district itself problems with transport links exist. The 2017 Business Needs Survey found that 52% of respondents see access to transport links as a disadvantage of being located in the New Forest, and transport infrastructure was ranked as the third biggest barrier to growth, higher than communication infrastructure⁶. Naturally much of the problems stem from the need to protect the natural capital and landscapes of the New Forest, but nevertheless there is room for improvement.

² New Forest District Council, (July 2016), Local Plan Review 2016-2036 Part One: Planning Strategy Initial proposals for public consultation, Retrieved from <http://www.newforest.gov.uk/article/16541>

³ Office of National Statistics, (January 2017), Ratio of house price to earnings (lower quartile and median) by local authority district, England & Wales, 1997-2015, Retrieved from <https://www.ons.gov.uk/>

⁴ Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

⁵ Hampshire Superfast Broadband, (2017), Current Timetable, See www.hampshiresuperfastbroadband.com

⁶ Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

Figure 5 – New Forest SWOT Analysis

New Forest District Economy – SWOT Analysis

S

Strengths

- Attractive place to do business and work
- Ideal location with proximity to large cities, airports, ports and short journey time to London
- Affluent local market (GDHI per head higher than national average)
- Strong relationship with internal and external partners
- Estimated 13,555,400 day trip visitors to the New Forest National Park per year

W

Weaknesses

- Large and growing skills deficit, especially at the top of the skills distribution
- Elderly population
- High house prices / low affordability
- Areas of weak digital connectivity
- Lack of flexible commercial accommodation for micro businesses to expand
- Net-outflow of workers, especially high-skilled
- Low number of higher value added services/jobs

O

Opportunities

- Strong local supply of skilled young labour from Further Education Colleges and nearby Universities
- Partnership and possible funding with Enterprise M3 and Solent LEP
- Predicted depreciation of sterling from Brexit likely to increase staycations in UK
- Significant developments along Waterside, such as Fawley Power Station and Solent Gateway, Marchwood

T

Threats

- Ageing population
- High number of workforce close to retirement
- Balancing need for economic development and protection of natural capital
- Loss of traditional sectors, notably forestry
- Young people being priced out of local housing market
- Continued delay of high speed broadband roll out
- Lack of talent retention

3. Policy Context

3.1 In producing this strategy the forecasted policy changes of the next five years have been considered to ensure the objectives are responsive in the face of a shifting future. In addition, the policy objectives of other New Forest District Council departments and external partner organisations have been identified to minimise conflicting actions and allow for collaboration opportunities to be seized.

Local Policy Context

3.2 The New Forest District Council's Local Plan was under review at the time of writing this strategy. The parallel timing of the production of these two documents allowed for collaboration and alignment. The specific areas of cross-over between the Local Plan and the Economic Development Strategy are within provision of commercial accommodation and housing for those of working age.

3.3 As set out in the 'Local Plan Review 2016-2036: Initial proposals for public consultation'⁷ there is an acknowledgment of the lack of office floorspace in the district, which only stands at 10% of total commercial floorspace, and the undersupply of short-term/light industrial accommodation to support the growth of New Forest micro businesses. This recognition will assist in the delivery of certain objectives in this strategy.

3.4 New Forest District Council's Corporate Plan (2016-36)⁸ established six priorities. One priority is to help local business grow; another is to provide more homes for local people. Both fall in line with the objectives set out in this strategy. A further priority of the corporate plan is to protect the local character of the New Forest, so while the main aim of this strategy is to foster economic growth a fine balance must be struck with objectives on environmental and community conservation.

3.5 The need to be wary of the environmental impact the actions stipulated in this strategy will have is a detail not lost by the Economic Development Team, especially as the Business Needs Survey 2017⁹ found the attractiveness of the area is considered the primary benefit of being located in the New Forest.

3.6 The New Forest National Park Authority (NFNPA) is a key body in the environmental conservation of the area, but in recent years the organisation has given much greater credence to supporting local economic and business growth. NFNPA's increasing openness to business is highlighted within their Business Plan 2015-18¹⁰ and Partnership Plan 2015-20¹¹ which assign supporting a prosperous local economy and fostering economic well-being as a priority respectively. Aims within these include identifying sites for affordable housing, improving broadband coverage, and increasing access to local training. This underlines the large extent to which the priorities of this strategy align with those of the NFNPA.

⁷ New Forest District Council, (July 2016), Local Plan Review 2016-2036 Part One: Planning Strategy Initial proposals for public consultation, Retrieved from <http://www.newforest.gov.uk/article/16541>

⁸ New Forest District Council, (September 2017), Corporate Plan 2016 – 2020, Retrieved from <http://www.newforest.gov.uk/corporateplan>

⁹ Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

¹⁰ New Forest National Park Authority, (July 2015), Business Plan 2015-2018, Retrieved from http://www.newforestnpa.gov.uk/info/20016/our_work/56/business_plan

¹¹ New Forest National Park Authority, (November 2015), Partnership Plan for the New Forest National Park, Retrieved from http://www.newforestnpa.gov.uk/downloads/file/1264/partnership_plan_2015_-_2020

Regional Policy Context

3.7 The first of Hampshire County Council's four aims from its Strategic Plan 2017-2021¹² is to maintain strong and sustainable economic growth and prosperity. Specified actions to achieve this revolve around attracting inward investment, supporting business, developing skills, and delivering infrastructure. These certainly echo the priorities and objectives of this strategy and opens opportunity for significant collaboration in the future.

3.8 Enterprise M3 (EM3) has funded one significant project in New Forest, the £3.7 million investment into the Brockenhurst College STEM (Science, Technology, Engineering and Mathematics) centre which officially opened in October 2017. There is certainly appetite for further investment, especially as New Forest District accounts for 10% of businesses in the EM3 LEP area. Infrastructure could be one area as the Enterprise M3 Commercial Property Market Study¹³ states the need to support the further roll-out of superfast broadband in rural districts, and this action will feed into their desire to have the EM3 area as the primary Sci:Tech Corridor in the UK¹⁴.

3.9 With significant developments along the Waterside on the horizon, such as Fawley Power Station and Marchwood Solent Gateway, increased collaboration with Solent LEP will be important. The broad priorities of this LEP, as specified in their Strategic Economic Plan 2014-20¹⁵, align with those of this strategy, as do many of their objectives such as helping young people to work locally and providing support for business start-ups.

National Policy Context

3.10 On the eve of the EU referendum the UK had the fastest growing economy of the G7 nations. A year later the UK economy had dropped to the bottom of the G7 league table. The decision to leave the European Union is certainly going to have far reaching effects on businesses across the country for many years, but the viewpoint adopted when approaching this strategy is Brexit should not be seen as a barrier to growth but a great opportunity.

3.11 Needless to say a great deal of uncertainty lies ahead for the UK economy, but from initial proposals made by the government for future targets, the objectives postulated in this document certainly fall in line. For instance, several of the priorities set out in this strategy are similar to the five foundations of productivity detailed in the Industrial Strategy including creating an innovative economy, creating higher value jobs and creating an improving infrastructure.¹⁶

3.12 By 2020 the government has set the aim of full business rate retention by local authorities. Alongside this the Uniform Business Rate will be abolished paving the way for greater local control over economic activity and investment. These changes create a number of opportunities for councils, and will aid in the implementation of many of the actions set out in this strategy.

¹² Hampshire County Council, (2017), Serving Hampshire - Strategic Plan for 2017 – 2021, Retrieved from <https://www.hants.gov.uk/aboutthecouncil/strategiesplansandpolicies/corporatestrategy>

¹³ Enterprise M3, (July 2016), Enterprise M3 Commercial Property Market Study, Retrieved from <https://www.enterprisem3.org.uk/commercial-property-market-study>

¹⁴ Enterprise M3, (March 2014), Enterprise M3 Strategic Economic Plan, Retrieved from <https://www.enterprisem3.org.uk/strategic-economic-plan/>

¹⁵ Solent LEP, (January 2014), Solent Strategic Economic Plan, Retrieved from <https://solentlep.org.uk/what-we-do/transforming-solent-growth-strategy/>

¹⁶ Department for Business, Energy & Industrial Strategy, (November 2017), Industrial Strategy: building a Britain fit for the future, Retrieved from <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

4. Developing a Skilled Workforce

Background

4.1 In order to add value to the economy through higher value jobs and business, there is first the need to ensure that the local workforce is adequately skilled to facilitate this. The New Forest suffers from a skills deficit at the higher end, with less than a third of the population at degree level or higher compared to 38% in Hampshire and the UK. Furthermore, the New Forest is falling further behind with the degree level population growing at less than half the rate of Hampshire and the UK¹⁷.

4.2 In addition to ensuring that high growth businesses are provided with a suitably skilled workforce, there is also the need to provide support to lower skilled jobs which evidence shows make up a relatively high proportion of occupations in the district.

Increase the skills base in line with business needs

4.3 To overcome the skills gap within the New Forest, there first needs to be an evidence base to support this. The District is home to two further education colleges offering a range of specialisms including care, marine and hospitality. Along with the local schools that feed into the colleges and the surrounding universities, the workforce of tomorrow is being trained and educated.

4.4 Yet, results of the 2017 Business Needs Survey show a number of enterprises struggle to recruit suitably skilled employees, with this issue being ranked as the most significant barrier to growth in the New Forest¹⁸. This underlines the need for the council to act as the facilitator in developing the level of synergy between the local education and business community to ensure business needs of the future are met. Beyond this there is a need to understand from a business perspective how they can be better supported in accessing and understanding the training options available to them.

Action: Develop an evidence base to identify specific issues contributing to the local skills gap

4.5 Businesses which employ staff in lower skilled roles often face challenges in terms of provision of adequate training. This is a particular challenge in sectors with regulation attached such as care and catering where the consequences of non-compliance can be significant. In many cases shift patterns, high turnover of staff and seasonal employment can make delivering training economically and logistically challenging. Many of these challenges however exist regardless of specific sectors, particularly around matters such as food hygiene and manual handling. By bringing together these common barriers, training can be delivered more efficiently whilst ensuring that the associated businesses are delivering the highest quality levels of service at the same time as being regulation compliant.

4.6 The New Forest has 8.9% of its working age population with no qualifications, a figure around double that of Hampshire's average¹⁹. These individuals are by definition more likely to be NEETs (Not in Education, Employment or Training) and subsequently less employable. Provision of training and/or routes into work for these individuals will improve their prospects throughout the duration of their working life.

Action: Work with partners to improve provision of training for low skilled roles and individuals

¹⁷ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

¹⁸ Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

¹⁹ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

Provide young people with the opportunity to work in the district

4.7 The working age population of the New Forest is decreasing. It is forecasted that from 2017-23 the New Forest will have 2,600 fewer people of working age, yet 4,100 more citizens above the age of 65. Implications of this could include restrained growth, reduced GVA per head, and a diminished number that live and work locally. To reverse or at least slow down this trend its essential young people are given greater opportunity to find employment within the district.

4.8 To ensure a sustainable economy, there is a need to promote the wide range of career opportunities which exist locally across a spectrum of sectors. Whilst it is important and right that skilled, technical sectors such as those within marine or engineering are promoted; it is equally important that the broad array of career paths which exist within for example care, hospitality and land based industries are also championed. Despite the perception, there are high value and diverse opportunities which should be promoted within these. The New Forest economy can offer a broad range of careers; those which can provide routes for young people and those seeking employment to remain in the district but these need to be promoted and awareness needs to be increased.

Action: Work to raise awareness and promote the broad spectrum of career opportunities which exist locally

4.9 One specific route to employment and training, particularly amongst young people where the financial incentives are greater, is through apprenticeships. These not only provide individuals with the skills required to work within a particular field, but they very often provide permanent employment upon completion. Additionally, in an age where university education is becoming increasingly expensive, apprenticeships offer a lower cost option to training.

4.10 Many businesses are unaware of the benefits of recruiting through apprenticeships and/or are confused or intimidated by the process involved in taking this route²⁰. In the New Forest, the number of apprenticeship schemes undertaken remains static²¹, with only 20% of respondents from the Business Needs Survey stating they'd taken on apprentices in the past 12 months²². In seeking to engage local people in skills and employment opportunities apprenticeships are a key tool and as such the uptake amongst local businesses should be encouraged.

Action: Work with colleges, schools and businesses to increase the uptake of apprenticeships within the district.

Increase Skills in line with New Development

4.11 Development of new housing or employment premises by definition creates employment opportunities during construction phase. With increased pressure to deliver new houses during the next 20 years and the potentially diminishing labour supply following Brexit, the district needs to ensure it's in a position to deliver through a skilled local labour force.

²⁰ British Chamber of Commerce & Middlesex University, (August, 2017), Workforce Survey 2017, Retrieved from www.britishchambers.org.uk

²¹ Department for Education, (March, 2014), Local Education Authority/Local Authority data on Apprenticeship Starts, Retrieved from <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

²² Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

4.12 In delivering opportunities for those employed within construction, any new development of sufficient scale also provides new career, training and development prospects; particularly amongst under-skilled, unemployed or NEETs.

4.13 The District can take a lead in creating career opportunities within the construction sector through Section 106 agreements to create Employment and Skills Plans. Specifically these will place a requirement upon developers to offer skilled employment positions either through direct employment and/or apprenticeships.

Action: Develop Section 106 and Employment & Skills Plans to aid skills development within construction sector

Facilitate delivery of skills to support development of high growth business

4.14 As the district seeks to encourage high skilled business and jobs within, there is a need to ensure that any such development is supported by a suitably skilled workforce. In many cases these skills will be specialist and/or technical in nature.

4.15 Irrespective of any specific site developments, the demand on higher skilled occupations is set to increase²³ and with potential development of key sites such as those on the Waterside, this is likely to be amplified in the New Forest District. The growth of knowledge intensive business in the New Forest is 3.1% per annum, behind that of Hampshire (4.0%) and UK (5.2%)²⁴. If the District is to realise its ambition of encouraging more high growth business and increase its proportion of knowledge intensive companies in which it currently lags²⁵, it is vital that there is a skills base to support this.

4.16 Facilities such as the STEM Centre at Brockenhurst College provide an excellent platform to facilitate this anticipated growth and beyond this, stronger links with neighbouring universities need to be developed. Engaging with students solely at post-16 stage is however not enough; promotion of STEM related subject matter should be promoted at a younger age to ensure that subsequent career choices are considered on this basis.

4.17 Looking ahead, there is a need to ensure that the skills base of the New Forest is future proof. As new technologies emerge and innovative local businesses adopt these, it is important that the New Forest is not left behind or that the skills required locally are met.

Action: Work with education establishments to ensure high growth business has access to a skilled workforce

²³ Enterprise M3 Local Enterprise Partnership, (January, 2014), Skills and Employment Strategy, Retrieved from www.enterprisem3.org.uk

²⁴ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

²⁵ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

5. Increasing Growth and Productivity

Background

5.1 A productive and innovative local business base are key elements in ensuring that the New Forest has a growing local economy, where the standard of living is being raised and employment opportunities are available for residents.

5.2 Where the New Forest currently performs well is its consistently low unemployment rates and small number of claimants. Where the district does not hold up comparatively well is average salary and GVA per head. This highlights how there is not an overwhelming priority need to create significantly more jobs within the District. Instead there should be a focus on ensuring that the quality of jobs is greater, that existing businesses are more productive and that a culture of entrepreneurship exists.

5.3 An increase of high growth business will, by definition lead to higher value, more skilled jobs within the district. Of the District's out commuters, there is a bias toward skilled individuals²⁶, those whom we should seek to retain within the local workforce.

Support for start-ups

5.4 Business start-ups are the lifeblood of any local economy. In 2016 the New Forest was home to 79 business start-ups per 10,000 population (805 in total), some way behind the figure of 101 for Hampshire and UK²⁷. By definition this represents at least 805 jobs but crucially it offers the potential for each of these to grow and offer new job opportunities in the future. Around 49% of all business start-ups in the New Forest fail within five years²⁸ resulting in lost employment and potential impact on local supply chains. As such, it is important that not only does the District Council provide support for new enterprises but it also reduces the failure rate amongst start-ups; providing them with the support to grow.

5.5 The Council has a successful partnership with Enterprise First enabling free advice to pre-start and start-up businesses. This advice can be critically important in ensuring the new venture's first moves are correct and whilst the uptake of this service could be higher, the support is important.

Action: Work to increase number and survival rate of starts-ups

Support business in exploring new markets and identify opportunities to export

5.6 Within the New Forest, there are a range of businesses producing high quality products particularly within manufacturing, engineering and marine sectors. In many cases these products have a market at a global level which can establish the New Forest as a significant export location.

5.7 Many of these businesses operate in a high tech, advanced environment producing world leading products. Through relationships brokered by Local Enterprise Partnerships such businesses can collaborate more closely and as a consequence reduce costs and improve efficiency, thus increasing global competitiveness.

5.8 The 2017 Business Needs Survey identified that of the respondents only 8% stated that the majority of their business partly comes from outside the UK. Almost a quarter of

²⁶ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

²⁷ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

²⁸ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

businesses which responded identified only New Forest as the main source of demand for their business²⁹. There is clear potential to increase these figures.

5.9 However, with Brexit on the horizon there is a large degree of uncertainty. Yet, it is important that this strategy is forward looking and therefore it should seek to identify opportunities that exist following the UK's withdrawal from the EU. There is an extensive global market outside of the EU to be exploited; 90% of exports through the Port of Southampton travel outside of the EU³⁰.

5.10 The exploration of new markets shouldn't be focussed solely on exports. There are opportunities for New Forest businesses to explore new markets within the UK or even more locally within the New Forest itself. The District Council should facilitate these business to business relationships allowing businesses to explore new markets close to home.

Action: Establish programme to increase proportion of export business in the District

Helping indigenous businesses to achieve growth

Providing Business Events

5.11 New Forest District Council works closely with New Forest Business Partnership (NFBP) to offer an extensive business engagement programme for local business. This programme includes briefings on forthcoming regulation, training to facilitate business growth as well as networking and peer group learning opportunities.

5.12 Beyond this, the Economic Development team work with a growing number of partners to deliver a range of business engagement activities which as the District Council's own 'Helping Local Business Grow' initiative develops, will lend itself to business education events.

Ensuring a complete business support offer

5.13 Through its relationships with Enterprise First (specialists in start-ups) and the Growth Hubs (specialism in high growth) the district is able to offer dedicated and free support to numerous businesses, but there exists a gap between those who do not fit the description of either the above. Often businesses need help and support between these phases and to ensure that the growth of these businesses is not restricted, the provision of support should be extended to fill this existing gap.

High growth and scale-up support

5.14 Business Start-ups are an important element of creating new jobs within a local economy but scale-up business provide a disproportionately high number of new jobs, many of which are high paid and high skilled³¹. On this basis, it's crucial that the New Forest seeks to attract not only new high-growth and high-growth potential businesses, but also provides support for indigenous companies with scale-up potential.

Action: Continue and further develop a programme to facilitate growth of indigenous business

²⁹ Hampshire Business Intelligence Service, (2017), New Forest Business Needs Survey 2017, See Appendix

³⁰ ABP, (2016), Port of Southampton Port Masterplan 2016-35: Consultation Draft, Retrieved from <http://www.southamptonvts.co.uk>

³¹ Vonage, (September, 2017), Unlocking the UK's Home Business Potential, Retrieved from <http://www.homebusiness100.co.uk>

5.15 The Local Enterprise Partnerships are specialists in delivering on the high growth agenda and as such have a number of programmes in place either directly or through their associated Growth Hubs. Their knowledge, experience and expertise should be utilised for the benefit of local business with growth potential but there are also links and relationships to be drawn, for example between Marine (specialised by Solent LEP) and Aerospace (specialised by Enterprise M3 LEP) particularly around fields such as research and development.

Action: Work closely with Local Enterprise Partnerships to develop growth of high value business

A Joined-up Approach to Support

5.16 Including Economic Development, the District Council has eleven services that interact with businesses to a greater or lesser extent. Whilst the nature and frequency of these interactions varies from service to service, there at minimum exists a need to communicate with local businesses on for example, changes to regulatory services.

5.17 It is acknowledged that with numerous departments, each dealing with similar or potentially overlapping services, the experience from the business customer perspective can be confusing. Furthermore, there are opportunities such as those around council procurement that can benefit local business directly. As such, the Council will work to greater coordinate these services to ensure that communication is consistent, frequent and that the point of contact for specific business needs is easily identifiable.

5.18 Within this it is recognised that many businesses do not fully recognise the support network that exists outside of council services. This may relate to business funding, training or sector specific support. The District Council has a role to play in being 'honest broker' to ensure that businesses have access to the support which will best enable them to grow. For details of this programme see the Communication Strategy in the Annex.

Action: Oversee development of 'Helping Local Business Grow' initiative ensuring coordinating business support offer

Delivering investment to the New Forest economy

Attracting government funding and grants

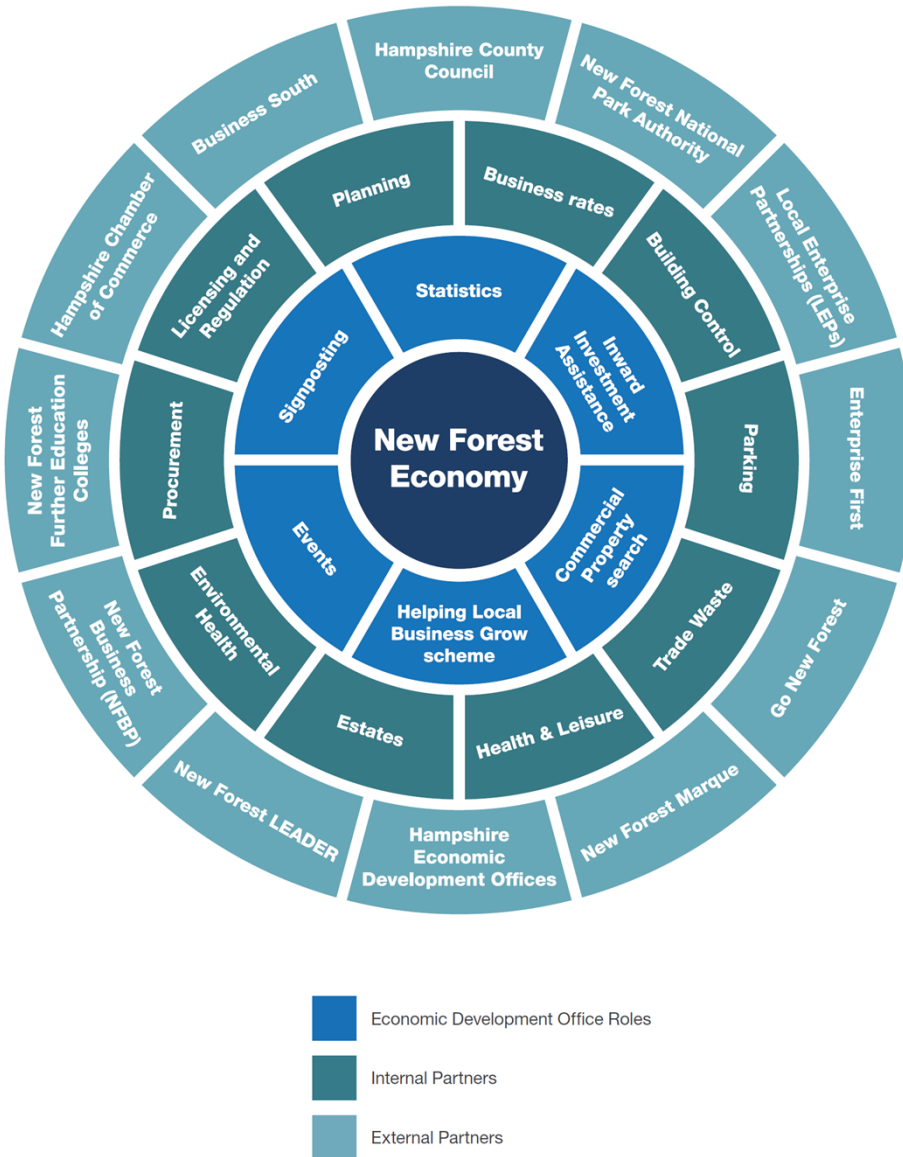
5.19 Business Growth is dependent upon levels of investment to facilitate this. This investment is required both at an individual business level but also at a broader level for larger scale projects such as the successfully delivered STEM Centre at Brockenhurst College.

5.20 The District Council has successfully delivered three rounds of RDPE LEADER Funding but this, along with other sources of EU Funding is now facing a period of uncertainty. Irrespective of this, the council must continue to raise awareness of the broad spectrum of funding opportunities which exist, as well as support applications individually where appropriate.

5.21 At a larger scale and with the exception of the aforementioned STEM Centre, New Forest District has had little benefit from external funding, particularly from Local Enterprise Partnerships. It is acknowledged that closer ties need to be developed with both Solent and Enterprise M3 Local Enterprise Partnerships to identify funding opportunities which can deliver business growth.

Action: Improve uptake and allocation of funding into district

Figure 6 – New Forest District Business Facing Services



Developing Local Infrastructure

Background

6.1 In many respects the New Forest is well connected; it has two international airports within a 30 minute drive, is approximately 90 minutes from London by road or rail and is within short distance of international ferry and freight ports. Within the district itself however, connectivity is more of a challenge. The internal road network can be limiting, particularly during the summer months; public transport is restrictive, particularly for shift workers and limited availability of superfast broadband in certain areas of the forest is constraining business.

6.2 In order to ensure that the New Forest remains competitive and an attractive place in which to do business, there is a need to ensure that adequate infrastructure is provided. Whilst the special environmental characteristics of the New Forest can make this challenging, the need for New Forest businesses to be connected with each other and the outside world is critical for a growing economy.

Reducing net commuting

6.3 The commuting figures, particularly to/from Southampton are high at around 14,600 movements per day, in total there are around 53,000 commuting movements made to/from the New Forest each day. In simple terms this pattern of cross commuting is owing to those living in higher cost housing travelling out of the district to higher value jobs and those on lower income jobs travelling in from less expensive accommodation in Southampton and Bournemouth³². This is reflected in affordability of property which shows that the median house price in the New Forest is now over eleven times the median gross annual salary³³.

Developing Superfast Broadband

6.4 Allowing more individuals to work from home is one method of reducing the daily out-commute. In order to facilitate this however, homes need to be equipped with suitable speeds of broadband to enable them to work effectively and communicate (e.g. through video calling) with colleagues. Beyond this, the availability of broadband is a critical aspect of doing business not just for high tech businesses but across all sectors and geographies.

6.5 New Forest District Council is working with the Hampshire County Council led Superfast Broadband Programme seeks to establish 95% of premises in the county with Superfast speeds (24MB) by the end of December 2019 but this will still leave a number of premises in the New Forest without the adequate speeds in which to do business effectively. Many remote or rural premises in particular are likely to remain in the final 5% at the end of the existing programme reducing their ability to work from/at home.

6.6 Whilst fixed line broadband is usually the main focus of attention, it is not the only connectivity issue within the New Forest. Provision of 4G coverage is non-existent or limited in many parts of the New Forest and when 5G rolls out in the coming years, there is a danger the New Forest will be left further behind still. This lack of availability restricts people's ability to do business in the forest and is increasingly an important tool in the visitor economy as information is commonly accessed via mobile or tablet devices. Beyond this there are emerging technologies such as those surrounding for example the 'internet of things' which provide opportunities for businesses to reduce costs and to work more efficiently. It is important that the New Forest is not left behind with regard to these emerging technologies and takes the opportunity to be a pioneer in this regard.

³² Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

³³ ONS, (2016), Housing affordability in England and Wales: 1997 to 2016, Retrieved from <https://www.ons.gov.uk>

Action: Work with stakeholders to increase digital coverage and quality in underprovided areas

Ensuring a coordinated approach to enable low paid and young people to live in the district

6.7 In seeking to establish a sustainable local economy, the businesses which the council is seeking to support need access to a supply of labour. It is recognised that many of the higher paid residents travel out to their place of employment and this is an issue which requires attention by providing more high value jobs in the district. As importantly however, there is the recognition that those on lower incomes are required to in-commute as they cannot access affordable accommodation close to their New Forest place of employment.

6.8 Assessing affordable housing within the district is a challenge to young and low income households. The Council's housing strategy and Local Plan address this issue by seeking to maximise the provision of new affordable housing as part of new residential development, and pursuing a continuing role itself as a major provider of affordable housing.

6.9 Providing accommodation for young and low income people is a challenge directly outside the scope of this strategy albeit important in ensuring a sustainable labour supply for the future. The District Council housing strategy 2018-23 specifically targets 'the provision of new affordable homes within the district'³⁴

6.10 Beyond the Housing Strategy however, the District Council will work to identify creative ways of providing young and low paid employees with access to their place of work. Successful examples of workplace accommodation and workers' transport already exist in the district; these should be built upon and extended with the council's assistance.

Action: Work to provide low paid employees with access to their place of work

Provide accessible and sustainable locations to grow business

6.11 At 97.4%, the New Forest is home to a higher proportion of micro and small business than either Hampshire or the UK It is also home to a high proportion of self-employed at 19.3%³⁵. Collectively these businesses make a significant contribution to the local economy and in many cases these homeworking businesses have little desire to expand as their business fits around owner's lifestyle.

6.12 In other cases however, as these micro businesses become more successful they wish expand their workforce but are prevented from doing so by the constraints on suitable accommodation³⁶. Premises such as the New Forest Enterprise Centre at Rushington demonstrate an appetite and demand for flexible, small sized accommodation with occupancy levels consistently above 90% and frequently at full capacity. Around one fifth of home working businesses wish to move into a professional space but are prevented from doing so for a range of reasons including cost and availability³⁷.

³⁴ New Forest District Council, (2017), Draft Housing Strategy 2018-23, Retrieved from <http://www.newforest.gov.uk>

³⁵ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

³⁶ Chilmark Consulting, (April, 2017), New Forest Business Needs and Commercial Property Market Assessment, Retrieved from chilmarkconsulting.co.uk

³⁷ Vonage, (September, 2017), Unlocking the UK's Home Business Potential, Retrieved from <http://www.homebusiness100.co.uk>

6.13 The result of this shortage in suitable accommodation means that small and micro businesses are either restricted from growing; expanding their workforce in the process or leave the district to seek suitable accommodation elsewhere, taking with them the economic benefit and employment in the process.

6.14 The District Council is well positioned to assist with the development of suitable accommodation not only for business start-ups but also for the expansion of existing local business. The council's strategy for acquisition of commercial property provides an excellent platform and opportunity, not only to deliver sound financial investments but also to provide a basis for delivering economic growth. As such the District Council should look at creative ways to ensure that this shortfall is catered for by working with partners to identify solutions.

Action: Work to facilitate the increased number of flexible/incubator business units and/or those suitable for business expansion

Facilitation of major developments

6.15 Whilst the growth in New Forest's industrial floorspace over the past decade has been inconsistent owing to the variations in the wider economy, it has overall grown by approximately 2% during this time³⁸. Whilst this growth is relatively modest, particularly by comparison to neighbouring urban areas, the prospect and potential of further development within the district during the next decade is noteworthy.

6.16 The Waterside area in general but specifically the site at the former Fawley Power Station offers a once in a generation opportunity to provide new high value jobs and high growth business opportunities. Whilst infrastructural and environmental considerations will need to be made, the opportunity to deliver economic growth on a significant scale should not be underestimated. A joined up approach to delivering new development is critical in ensuring the regeneration of the Waterside but the principle should be applied to any new projects in the district, regardless of specific location.

6.17 There is a need to use these new developments to capture outside investment to the district, but also to ensure that opportunities are realised for existing businesses and the resident workforce. So whilst infrastructural and environmental considerations are paramount so too is the inclusion of the existing business community is ensuring local benefit.

Action: Work with partners to ensure a joined up approach to delivering infrastructure development

³⁸ Chilmark Consulting, (April, 2017), New Forest Business Needs and Commercial Property Market Assessment, Retrieved from chilmarkconsulting.co.uk

6. Facilitating Vibrant Towns and Villages

Background

7.1 The New Forest does not have one single geographic focus or town around which a high proportion of economic activity takes place. Instead the influence of its individual towns and villages is spread throughout the District which in their own right play a significant part in shaping the local economy through business activity and creation of jobs.

7.2 In each case however, the town and village centre acts as an important cultural and social focus, in many respects leading to the identity of that individual location. Town and Village centres, perhaps increasingly so, are places where people wish to congregate on a social basis and even with the changing dynamic in High Street unit use, these locations remain an important element of economic focus.

Help town and villages to adapt to the changing retail environment

7.3 It is widely acknowledged that the shape of the High Street has, and continues to change. Online shopping continues to grow with online sales increasing by 21.3% in 2016³⁹, and in the same year 83% of internet users in the UK made at least one online purchase, the highest in the EU⁴⁰. The sustained rise of online shopping has created numerous new challenges for town and village centres.

7.4 In some cases, this has led to a shift in dynamic, away from centres based almost entirely on retail, to those which are more influenced on a general leisure based economy. The District Council could not and should not seek to reverse this tide of global shopping patterns, but instead should be working to help existing businesses, landlords and Town Centre Managers adapt to these changes and ensure that town and village centres remain vibrant and appealing places to visit.

Action: Work with retailers, landlords and Town Centre Managers to reduce number of high street vacancies

Supporting local stakeholders to improve High Street and retail environments

7.5 Because the change in culture surrounding the High Street has been relatively rapid, some businesses have struggled to adapt. National campaigns such as Small Business Saturday have been successful in raising awareness as to the need to support small, independent retailers and more can be done at a local level to build on this success. What national campaigns cannot deliver is a local focus, giving attention to local needs and this is where the role of the District Council and its partners is vital.

7.6 Beyond this, for many residents town and village centres remain the location of important retail services, particularly for those who are unable to access 'out of town' alternatives. Whilst facilitating the adaptation of town and village uses, it is important that support is also given to existing retailers, particularly those who provide core retail services.

Action: Work with local partners to increase footfall and spend in High Street and retail businesses

³⁹ Office of National Statistics, (January 2017), Retail sales, Great Britain: December 2016, Retrieved from <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/dec2016>

⁴⁰ Eurostat, (December 2016), E-commerce statistics for individuals, Retrieved from http://ec.europa.eu/eurostat/statistics-explained/index.php/E-commerce_statistics_for_individuals

7.7 High Street businesses are impacted by a broad range of outside factors and whilst at a district level not all of these can be directly influenced, there is a role for the Council to play in facilitating collaboration and joint working. In many if not all cases, local Town and Parish Councils will have a greater knowledge of the individual businesses and local issues concerned; what may be a barrier in one town may not be on the radar of another. This is underlined in the variation in town centre vacancy rates across the district. In 2015 the average stood at 6.7%, the lowest level since before the 2008 recession and a figure lower than the 11.1% national average at the close of 2016⁴¹. Yet, this average masked the problems certain towns are facing such as Fordingbridge which had a town centre vacancy rate of 13.1%⁴².

7.8 The District Council should work with partners to identify specific measures at assisting High Street and retail businesses, many of whom can be hard to reach by traditional communication methods. This includes the provision of dedicated training programmes for retailers but also working with the District Council's business facing services to identify ways in which support can be offered.

Action: Work to offer dedicated support and training for High Street and retail business

⁴¹ Local Data Company, (March 2017), Retail and Leisure Report Summary Full Year 2016, Retrieved from <http://info.localdatacompany.com/retail-leisure-report-summary-full-year-2016-download>

⁴² New Forest District Council Local Development Framework (April 2016) Monitoring Report, Retrieved from <http://www.newforest.gov.uk/CHttpHandler.ashx?id=16590&p=0>

7. Promoting the Unique New Forest Offer

Background

8.1 The New Forest is an outstanding place in which to do business. The National Park status, 40 miles of coastline and ideal geographical location make it appealing to a range of sectors.

8.2 Whilst it can be argued that every place is in its own way unique, the New Forest's special characteristics of its natural environment combined with its geographical location mean it has an offer few other places can compete with.

8.3 In order to ensure that the New Forest is competitive, it is important that the New Forest plays to its strengths either through encouraging new business to locate here or encouraging new spend from external sources.

Increase local spend from business and visitors in the district

Film: New Forest

8.4 In 2016, the District Council launched the 'Film: New Forest' project with the primary objective of creating film and television related spend in the local economy. A large production film can generate up to £40,000 per day⁴³ for the economy through spend on local goods and services. This is a form of inward investment which provides employment for local freelance crew as well as boosting spend in local business and their associated supply chains.

8.5 Secondary objectives of the Film: New Forest project seek to boost visitor related spend through screen tourism and to provide young people in particular with opportunities to work in the film and television industry by working alongside colleges and universities with specialities in this area.

8.6 The Film: New Forest project is being delivered in partnership with Creative England. Through this partnership, Film: New Forest has been successful in securing a wide range of productions including film, documentaries and commercials. Each of these has been provided valuable income into the local economy.

Action: Continue to work to increase local spend through the Film New Forest initiative

Increasing Visitor spend

8.7 The New Forest has a vibrant visitor economy worth in excess of £491m per year⁴⁴ by way of visitor expenditure. Naturally this spend has a significant impact in terms of the jobs it supports but also in terms of the supply chains it influences, for example, 42% of tourism related businesses are based in the food and drink sub-sector⁴⁵.

8.8 Yet, business growth in the tourism sector has been effectively flat since 2010, with just five additional tourism-related businesses in the area. This is a trend that requires attention, especially as Hampshire and the UK saw growth of 1.15% and 1.7% per annum respectively

⁴³ Creative England, (2016), Film Tourism: What is it, and how can you maximise the benefits?, Retrieved from <http://www.creativeengland.co.uk/film-and-tv/film-tourism-research>

⁴⁴ Tourism South East, (2015), The Economic Impact of Tourism New Forest 2015, Retrieved from <http://www.tourismsoutheast.com>

⁴⁵ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

since 2010⁴⁶. However, caution must be heeded as whilst all elements of doing business within the New Forest need to strike a balance between the economic benefit and the impact on the natural landscape, this is never truer than with regard to leisure and tourism. Continued development of tourism related business must be supported, but the preservation of the natural environment, that which brings visitors here, is equally important.

8.9 The promotion of tourism services is now managed externally by Go New Forest. Despite this work being carried out outside of the District Council, it's important to note that the council still recognises the important role that tourism businesses play within the local economy, not least of all through the 9000 local jobs it represents⁴⁷ and its influence on local supply chains. Therefore the District Council will continue to work closely with Go New Forest to ensure that the local economy realises its potential from the tourism sector.

8.10 The overall focus is not necessarily to encourage a greater number of visitors but more to extract greater individual value from visitors for example through local events and the Go New Forest Card (formerly Brand New Forest).

8.11 Boosting of local spend goes beyond visitors to the New Forest and should also recognise the influence of residents and the workforce within the local economy. Whilst there is some crossover here with the section on 'Vibrant Town and Villages', there is still the need to recognise how best this potential value can be extracted.

Action: Work with partners to identify opportunities to increase local spend

Promote the New Forest as an easy and attractive place to do business

8.12 During the information gathering phase of this strategy various partners referred to the New Forest as being a special and desirable place in which to do business. Specifically, repeated reference was made to the National Park, the forest's coastline, access to national transport infrastructure and the International Port of Southampton. Not only does the natural environment make the New Forest an attractive place for companies to locate, its access to key infrastructure makes it an efficient place in which to do business.

8.13 Historically the district has not been proactive in marketing itself as a place in which to do business. Based upon the aforementioned assets of the district, this can be considered a missed opportunity and in line with the wider ambition to create more, higher value jobs, this should be addressed.

Action: Work to encourage appropriate inward investment

Ensuring traditional economic activities are maintained

8.14 The motto of the District Council is "Old yet ever new" and this is true of the economic activity within the district. Whilst there is rightly a desire to encourage new economic activity into the district there is also a need to recognise and protect the traditional activities which take place here.

8.15 Both land and coastal based activities have in some cases existed for centuries and whilst the techniques associated with these may have changed, their core function and influence to the local landscape and ecology remains.

⁴⁶ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

⁴⁷ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

8.16 In noting the ecological significance and traditional industries, it is also important to note their economic based contribution. Land based activity account for over 1000 businesses and approximately 4000 jobs with the New Forest⁴⁸. By location quotient, Forestry is the third most significant cluster in the forest⁴⁹.

8.17 As significant as the land based sector is in terms of the number of businesses and jobs it represents, it's characterised by the gender split and age profile of its workforce. A total of 68% of workers in the New Forest are male compared to 54% nationally and 30% of all workers are aged 55 and over compared to 18% across all sectors⁵⁰.

8.18 These characteristics pose a direct threat to the viability of this sector with the consequential impact on supply chains and the New Forest's ecology. To ensure that the sector has a sustainable supply of skilled labour in the future, there is a need to encourage career development opportunities, particularly amongst females.

8.19 In accordance with this, there is a need to protect and develop these industries and their associated supply chains, not only to preserve their tradition but also the economic benefits which they bring.

Action: Seek to preserve and protect the New Forest's traditional economic activities

⁴⁸ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

⁴⁹ Emsi, (November, 2017), What's Driving your Local Economy: A brief analysis of the key local industry clusters in the New Forest, Retrieved from www.economicmodelling.co.uk

⁵⁰ Hampshire Business Intelligence Service, (January, 2018), New Forest Economic Profile 2018 , See Appendix

Glossary

Affordability ratio - calculated by dividing house prices of an area by the gross annual earnings of that area

Business rate - a tax on business properties which local authorities keep a proportion of

Corporate Plan – the council’s overarching document which sets of the priorities and visions for the next five years

Dependency ratio – the number of people aged 14 and under and over 65 to the total population aged 15 to 64

Go New Forest - a not-for-profit Community Interest Company (CIC) which delivers marketing and promotional support for the New Forest destination

Index of Multiple Deprivation – a UK government qualitative study that measures the relative deprivation for small areas (Lower Super Output Areas).

Local Enterprise Partnerships (LEPs) – partnerships between local authorities and businesses, who offer funding as well as advice through their Growth Hubs. New Forest is covered by two LEPs; Enterprise M3 and Solent.

Local Plan – a council-produced document which sets of the planning strategy, strategic policies and key development sites of the New Forest up to 2036

NEETS - a young person who is no longer in the education system and who is not working or being trained for work.

New Forest Business Partnership – a local organisation which acts a forum for local business people and a link between local government and enterprises

RDPE LEADER – an EU funded scheme which provides funding to aims to address lagging economic performance, and the resultant social and environmental problems this causes, in rural areas.

Section 106 Agreement - private agreements made between local authorities and developers which make a development proposal acceptable in planning terms that would not otherwise be acceptable.

This page is intentionally left blank

CORPORATE OVERVIEW AND SCRUTINY PANEL – 21 JUNE 2018

CABINET 4 JULY 2018

PROCUREMENT STRATEGY 2018-22

1. PURPOSE OF REPORT

- 1.1 To agree the Council's Procurement Strategy for 2018-22, which is set out in Appendix 1.

2. BACKGROUND

- 2.1 The previous Procurement Strategy has become outdated with the change to a centre led procurement model within the Council and the recent changes to Contract Standing Orders.

The aim of the new Procurement Strategy is to support the delivery of value for money through planned and responsive procurement that contributes to achieving the Council's Corporate Plan and meets the needs of our customers and local businesses.

The strategy sets out the major priorities, objectives and improvement goals for Procurement across the Council whilst ensuring compliance with the Public Contracts Regulations.

3. FINANCIAL IMPLICATIONS

- 3.1 None directly from the policy.

4. CRIME & DISORDER IMPLICATIONS

- 4.1 None.

5. ENVIRONMENTAL IMPLICATIONS

- 5.1 None directly from the policy.

6. RECOMMENDATIONS

- 6.1 That the Procurement Strategy 2018-22 be recommended for approval to Cabinet.

For further information contact:

Andrew Kinghorn
Service Manager Legal
023 8028 5588
Andrew.kinghorn@nfdc.gov.uk

Gary Jarvis
Strategic Procurement Manager
023 8028 5588
Gary.Jarvis@nfdc.gov.uk

This page is intentionally left blank

Procurement Strategy

2018 – 22

New Forest District is a unique and special place, to live, work, visit and enjoy

Our Procurement Strategy aims to:

To explore and realise the **Quality, Service and Value for Money** offering from our suppliers to support and improve the Council's service provision to our residents and businesses by:

- Challenging the “as is” through creativity and innovation
- Encouraging local & regional businesses to bid for opportunities
- Ensuring fairness and clarity in the sourcing of suppliers
- Make it easy for businesses to interact with the Council
- Operate within the legal framework set by UK Government

Our Procurement Guiding Principles are:



Our Procurement Values:

We will be **ambitious, innovative and customer focused** in how we improve the outcomes of our procurement projects to support the delivery of services to our community. We will be **financially responsible** with the public funds made available to us to procure works, goods and services. We will be **collaborative** in our working, and work with others to represent the best interests of our unique and special place. We will be **open and transparent** in our approach and with our plans to deliver our aims and priorities.

You can find out more about our Procurement process at;

<http://www.newforest.gov.uk/article/5654/Tenders-and-Contracts>

1. The Council's Corporate Plan for Procurement:

We will be **ambitious, innovative and customer focused** in how we improve the outcomes of our procurement projects to support the delivery of services to our community. We will be **financially responsible** with the public funds made available to us to procure works, goods and services. We will be **collaborative** in our working, and work with others to represent the best interests of our unique and special place. We will be **open and transparent** in our approach and with our plans to deliver our aims and priorities.

New Forest District is a unique and special place, to live, work, visit and enjoy

Procurement should be seen in the context of the Council's overall vision, priorities and objectives as set out in our Corporate Plan <http://www.newforest.gov.uk/corporateplan>

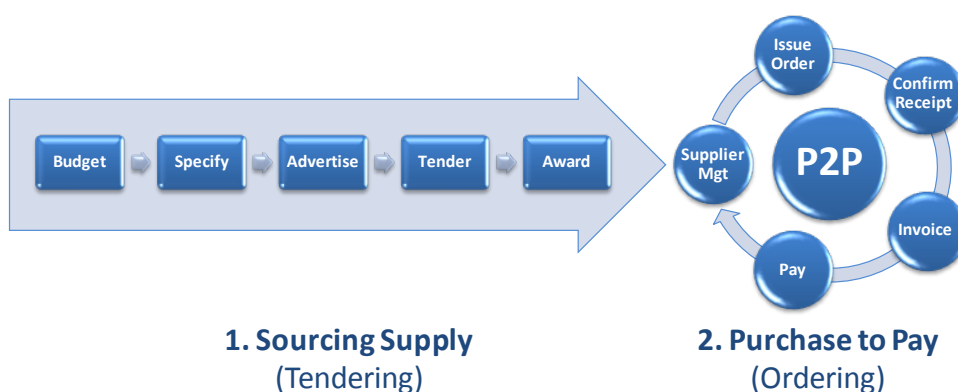
What is Procurement?

Procurement is about making effective commercial choices in the process of acquiring works, goods and services from suppliers within a pre-agreed financial budget. The process starts from the identification of need, through to the end of a service provision or the end of a product's useful life.

The Procurement Process is made up of 2 distinct elements:

- 1) **Sourcing Supply** to establish approved suppliers via a competitive quotation or tender depending on the contract value
- 2) **Purchase to Pay** process covering the ordering, receipt, invoice processing and payment for works, goods and services

The Procurement Process



New Forest District Council Procurement Aims

To support the delivery of good value for money through planned and responsive procurement that contributes to achieving the Council's corporate plan and meets the needs of our customers and local businesses.

2. Why do we need a Procurement Strategy?

- **To set out the Corporate direction of travel for Procurement:**

The Procurement Strategy sets out the major priorities, objectives and improvement goals for Procurement across the Council whilst ensuring compliance with the Public Contracts Regulations (PCR2015) set by the UK Government and the European Union.

- **To support the delivery of the Council's Corporate Plan:**

The Procurement Process has a direct impact on the achievement of the Council's goals in relation to delivering value for money, improving sustainability and acting transparently.

Procurement is a key component of the Corporate Plan, where our procurement goals include;

- identifying new and innovative methods of procuring services
- producing more flexible contracts
- smarter buying

- **To maximise effectiveness of our spending power:**

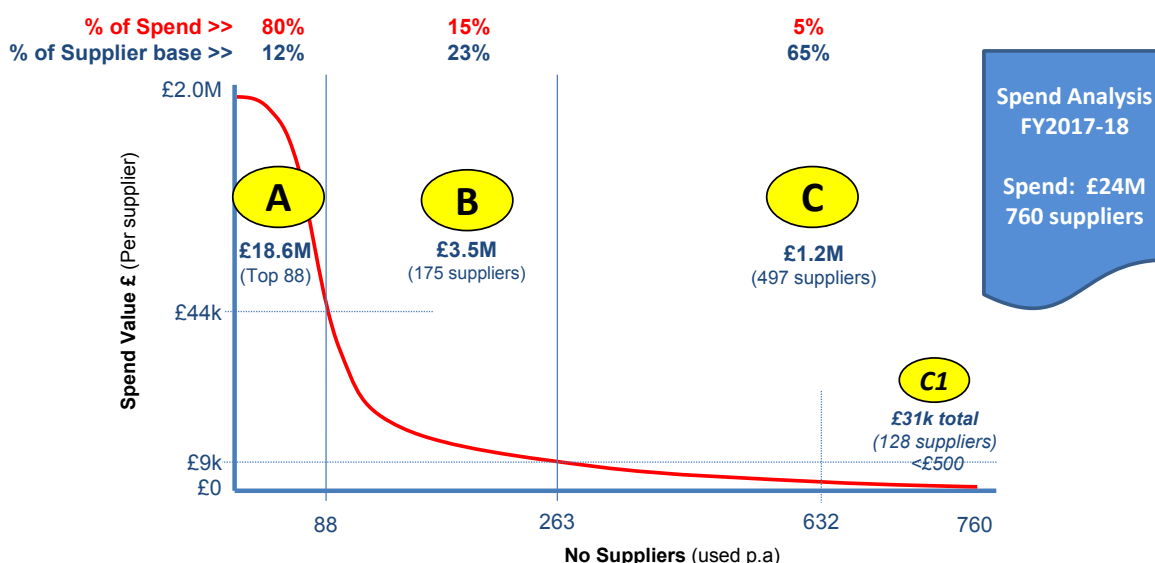
The effectiveness of our Procurement decisions has a direct impact on;

- New Forest District Council's budget and Council Tax levels
- The quality and cost of services to the people of the District
- Corporate and service objectives

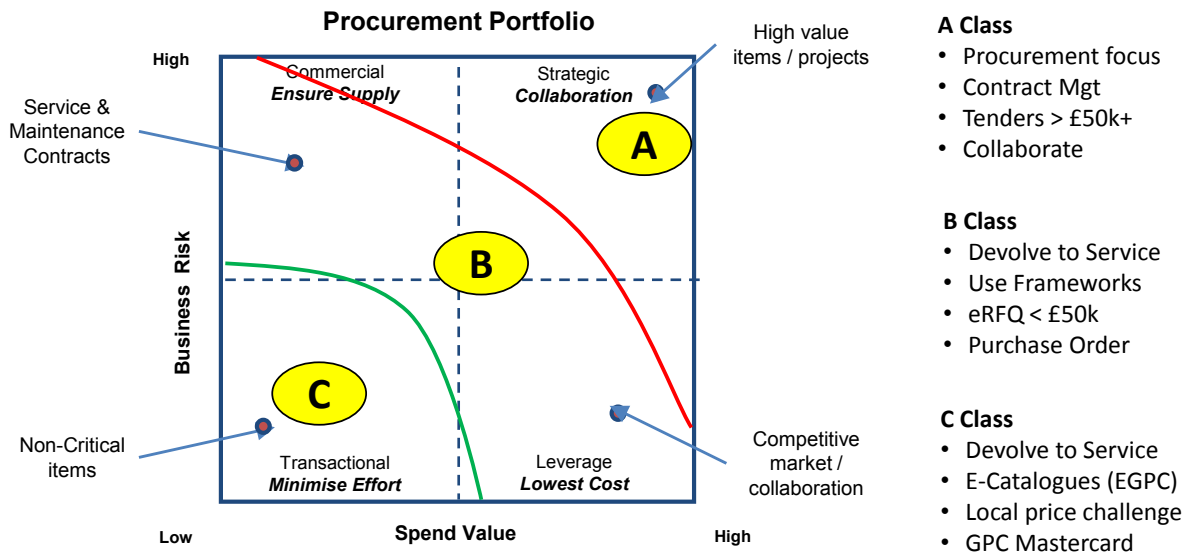
- **Spend analysis for FY 2017-18 showed that;**

New Forest District Council spends around £24 million a year buying works, goods and services from 760 suppliers to support the services to New Forest District residents, businesses and stakeholders.

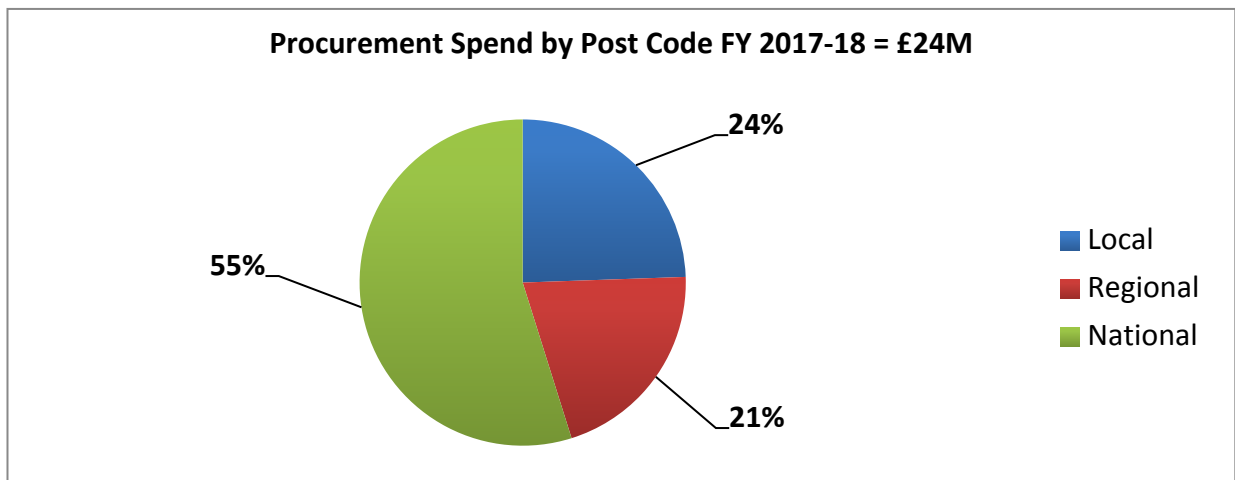
- Pareto Analysis shows that 12% of Suppliers accounted for 80% of spend p.a.
- 65% of suppliers used represented just 5% of our spend p.a.
- Spend under £500 has halved from £67k (316 suppliers) in FY16-17 to £31k (128 suppliers) in FY17-18. This shows the success of implementation of Government Procurement (GPC) cards for low value one-off spend.



- We will consider different approaches for each Pareto ABC spend grouping;



- Spend analysis by Post Code FY 2017-18 showed that 45% of our £ spend is made with Local and Regional suppliers



Breakdown of Total Spend FY2017-18 = £24M

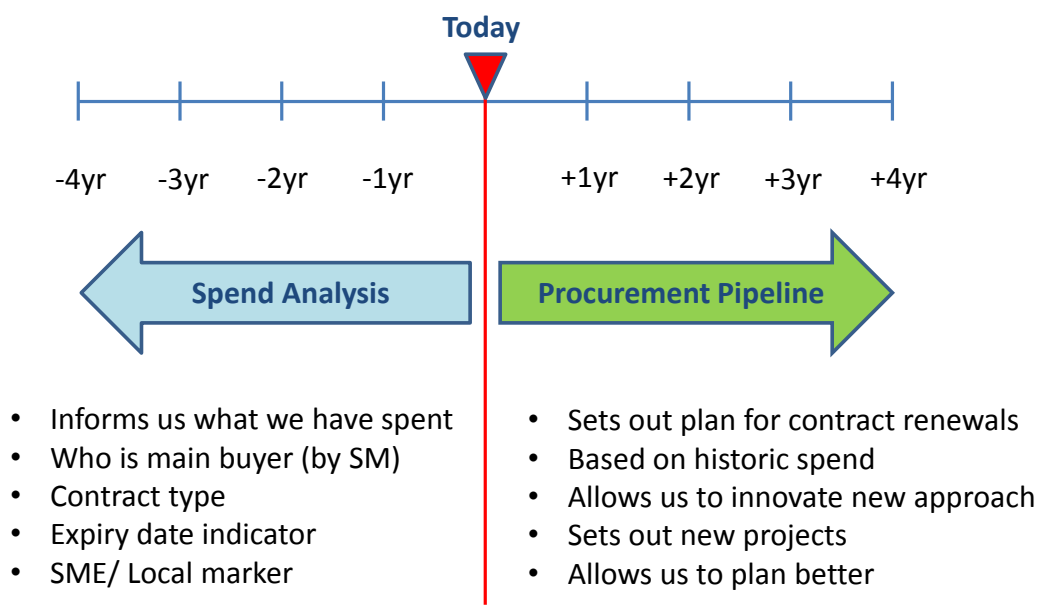
Local (New Forest Postcodes)	= 25% (by Supplier #) and 24% (by £ Spend %)
Regional (Hampshire / Dorset Postcodes)	= 18% (by Supplier #) and 21% (by £ Spend %)
National (All others)	= 57% (by Supplier #) and 55% (by £ Spend %)

- **Spend Breakdown by Procurement Category FY2017-18**

Spend Description	Spend FY2017-18	%
Works - Construction, Repair & Maintenance	£8,262,373.30	35.2%
Facilities & Management Services	£2,655,600.65	11.3%
Information Communication Technology	£2,302,992.62	9.8%
Utilities	£2,088,333.31	8.9%
Building Construction Materials	£2,050,604.20	8.7%
Vehicle Management	£1,656,224.24	7.0%
Human Resources	£967,221.11	4.1%
Arts & Leisure Services	£774,453.83	3.3%
Operations	£702,645.84	3.0%
Grounds Maintenance	£428,624.56	1.8%
Environmental Services	£417,155.82	1.8%
Streetscene	£362,944.31	1.5%
Housing	£321,972.02	1.4%
Consultancy	£263,509.80	1.1%
Financial Services	£245,344.39	1.0%
	£23,500,000.00	

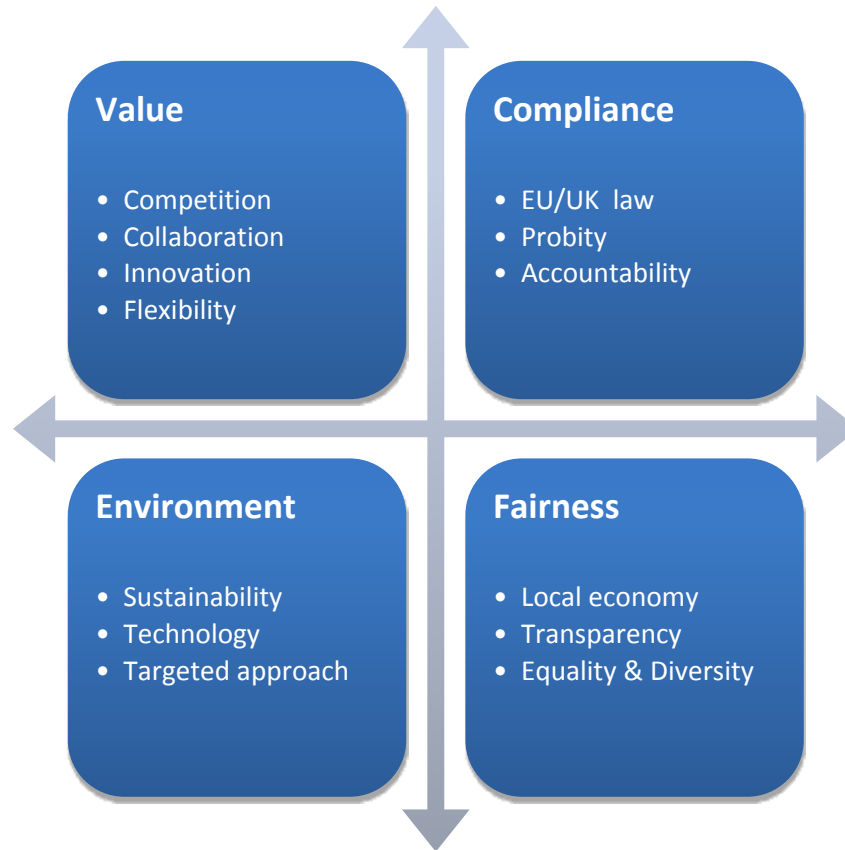
- **Spend Analysis to inform the Procurement Pipeline**

We will use Spend Analysis techniques to inform us of future Procurement Pipeline projects to ensure we improve our contract management activity. The pipeline will allow us to interact with the supply market earlier to understand the latest offerings and enhance the planning of our opportunities and tendering programmes.



3. Procurement Guiding Principles

The guiding principles below form the key elements of the Council’s Procurement Strategy.



The following sections of the Strategy explain **the objectives** of each of the above procurement principles, the **improvement goals** the Council will promote within each area and an **action plan** timescale.

The Guiding Principles set out in this strategy apply to a) the AS IS business as usual Procurement to support day to day council services and b) the TO BE future state as set out in the improvement goals.

Definition: Objective, Improvement Goals and Action Plan

The **Objectives** are the main improvement “themes” within each of the **4 Guiding Principles**.

The **Improvement Goals** are the specific elements of the action plan to deliver the objectives.

The **Action Plan** is the timeline by which we plan to deliver the improvement goals of the strategy.

3.1 Value

In order to achieve the best value for money and to encourage **competition** from the relevant supply markets, Officers working closely with the Procurement Team use the Council's e-business portal to advertise procurement opportunities. <https://www.businessportal.southeastiep.gov.uk>

The Council encourages **collaboration** both within the Council and with other regional local authorities to stimulate **innovation** from our suppliers. This helps improve customer service levels, delivers better value and enhances quality.

When inviting quotations or tenders from potential suppliers our primary focus is on the outcome or end result required. This encourages **flexibility** in the approach taken by suppliers to achieve our goals.

Value Objectives	Improvement Goals	Action Plan
Competition:	Spend Analysis: Continue to improve our records of supplier's master file to record supplier size, locality, spend category, contract type (National, Regional, Local) and report savings achieved through the procurement sourcing process. Use pareto ABC modelling to tailor the procurement approach to best suit the needs of the Councils customers through our supply chain.	In Place
	Procurement Pipeline: Improve communication of planned procurement by maintaining a plan of forthcoming tenders / contract opportunities (the Procurement Pipeline). To cover both cross-service corporate wide spend and planned specialist service based contracts. To be publicly available by industry sector via the Council's website.	Apr19
	e-Business: Maximise use of e-tendering and simplify communication between the Council and Suppliers whilst maintaining fully auditable processes.	In Place
Collaboration:	Organisation: Utilise the centre led procurement organisation to coordinate a consistent and corporate-wide approach to procurement.	Dec18
	Work Together: Both in-house and regionally with town & parish councils and other local authorities to identify collaborative opportunities.	Apr20
	Establish Local & Regional Frameworks: The Council will further develop a range of Framework Agreements with local and regional suppliers to provide a reactive and consistent commercial structure for lowest cost whilst minimising contractual commitments. These frameworks will support Service teams to deliver quality, timely and cost effective responses to our customers. Emphasis over the strategy period will be to set up frameworks for building materials, building & facilities management contractor services and building / estates professional services.	Dec18 to Apr20

<p>Innovation: <i>Procurement and Service Teams to explore with suppliers how innovative approaches could save the Council money and improve services.</i></p>	<p>Stimulate Local Economy: Offer local business an open invitation to innovate. The Council is keen to encourage local entrepreneurs to bring forward ideas to reduce running costs or improve service quality.</p> <p>Ideas Forum: Widen our business-to-business communication, by encouraging SMEs to “Pitch Your Product or Service” online. Submissions will be considered in future buying decisions, by publishing via an internal marketplace.</p>	<p>Apr19</p> <p>Apr19</p>
<p>Flexibility:</p>	<p>Build in Change Management: Set up flexible contracts to drive continuous improvements in cost, quality and service outcomes throughout the contract life.</p>	<p>Ongoing</p>

3.2 Compliance

The Council complies with UK / EU Law under **Public Contracts Regulations**. This sets out the rules which central and local government must follow with their procurement procedures. The legislation applies to contracts for supplies, services and works based on contract values (see table below). The legislation sets out competition rules, threshold levels for advertising of opportunities, tendering and contract award procedures as well as prompt payment through the supply chain.

To ensure **probity** is maintained in the procurement process, the Council is required to establish and maintain Contract Standing Orders (CSOs). These rules are written in a way that allows local suppliers to apply for contract opportunities via the Council’s business portal either singly or as part of an SME consortium. Higher value contracts are fully advertised to ensure full competition in line with UK / EU procurement regulations.

The Council's service managers whose teams are engaged in the procurement process maintain full **Accountability** for compliance to the Councils CSOs issued and approved by the Executive Management Team and Cabinet.

Compliance Objectives	Improvement Goals	Action Plan
<p>Public Contracts Regulations (PCR2015): <i>Procure within the current UK / EU Procurement law.</i></p>	<p>Knowledge: Procurement in conjunction with the Legal team, to develop and communicate clear guidance to the organisation explaining UK / EU Procurement law (and any changes made from time to time).</p> <p>Compliance: Ensure all Procurement projects are completed in line with the regulations set by UK Government and where above EU threshold values use one of the five defined procedures (Open; Restricted; Competitive Dialogue; Competitive with Negotiation and Innovation Partnership).</p> <p>Payment On Time in Full: Ensure that suppliers are paid to the Council’s terms and that main Suppliers are contracted to pay their sub-contractors to the same timeline (back-to-back). The Council has signed up to the BIS Prompt Payment Code: See link here>> http://www.newforest.gov.uk/article/9517/Payment-of-Suppliers</p>	<p>In Place</p> <p>Monitor</p> <p>In Place</p>
<p>Probity: <i>Keep within the Legal framework defined by UK Government and EU regulations.</i></p>	<p>Thresholds: Clearly communicate in Corporate Contract Standing Orders (CSOs) and user friendly guides the process to follow based on contract value. The Council has set a local threshold of £50,000 for all contracts to be transparently and openly advertised. Contracts below this value will be subject to competitive quotations from local & regional suppliers to encourage small and medium sector business growth.</p> <p><u>NFDC Local Thresholds – based on contract value</u> Best Value Price check: up to £15,000</p>	<p>Apr18</p>

	<p>Restricted Quotation: £15,000 to £50,000k</p> <p>Openly Advertised in UK: £50,000 to EU Threshold</p> <p><u>EU Thresholds (Jan2018-20) – based on contract value</u></p> <p>Openly Advertised in UK/EU: above £181,802 (Goods & Services)</p> <p>Openly Advertised in UK/EU: above £4,551,413 (Works)</p>	
Accountability:	<p>Comply with Contract Standing Orders (CSO's): Ensure ALL staff (and consultants, members, etc.) operate within the guidelines set out in the Councils CSO's.</p> <p>Manage Risk (Public Funds): Use appropriate independent checks on suppliers based on value and risk to safeguard public finances.</p> <p>To our Customers: Ensure Suppliers are aware of (and commit to deliver) the Council's obligations under health and safety, equality, safeguarding children and vulnerable adults and environmental sustainability, modern day slavery act, data protection.</p> <p>For Service Specific Spend: Service Managers to lead with Procurement support. Collaboration opportunities (internally and with other councils / organisations) to be tested wherever possible to establish benefit potential.</p> <p>For Corporate Wide Spend: Procurement to lead sourcing projects that effect many Council services with support of key users (by Service) to maximise the Council's commercial impact (test collaboration with other councils or like-minded public sector organisations).</p>	<p>In Place</p> <p>In Place</p> <p>In Place</p> <p>Apr18 – Mar22</p> <p>Apr18 - Mar22</p>

3.3 Environment

The Council recognises it has a vital role in sustainable development, through its procurement of goods, works and services. Procurement decisions have a major socio-economic and environmental impact, both locally and globally, now and for future generations.

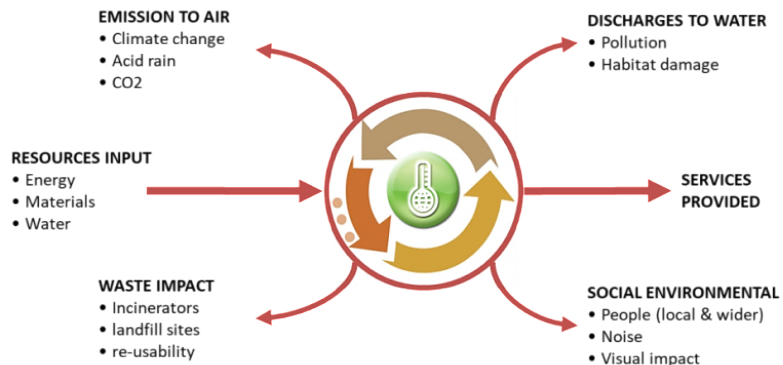
The Council will strive to educate and train internal purchasers to consider **Sustainability** in their procurement projects. The supply market will be encouraged to bring forward new or emerging **Technology** that has a proven positive impact upon the environment.

A **Targeted Approach** will be used to determine and target categories of works, goods and services that have an impact upon the environment. This will help ensure positive outcomes can be delivered through the procurement process (e.g. score impact upon the following: energy conservation, emissions to air, discharges to water, waste and social environment).

Environment Objectives	Improvement Goals	Action Plan
<p>Sustainability: <i>Ensure procurement supports innovation that will reduce environmental impact to Air, Water and Land.</i></p>	<p>Sustainable Procurement means that the Council meets the needs of the community for works, goods, services in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the Council, but also to society and the economy, whilst minimising damage to the environment.</p> <p>Identify Opportunities: Investigate opportunities across the supply chain for energy consumption reduction, emission output reduction, recycling, reduced usage, bulk delivery and better packaging.</p> <p>Evaluation of Suppliers: Ensure that where appropriate and allowable, Sustainability Criteria are part of the supplier evaluation process and are used in the award of contracts.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Apr19</p>
<p>Technology: <i>Use our Procurement projects to explore, encourage and realise innovative ideas.</i></p>	<p>Specification: Wherever possible and practicable, specify a requirement in line with known European / UK environmental standards or allow suppliers to submit offers for environmentally friendly alternatives.</p> <p>Enable: Encourage the supply market to bring forward new/emerging design technology that has a positive and measurable impact upon the environment.</p>	<p>Ongoing</p> <p>Ongoing</p>
<p>Targeted Approach: <i>Use a simple scoring method to grade and prioritise projects that improve our environment.</i></p>	<p>Impact Analysis: Carry out pre-procurement soft market testing to consider the costs and benefits of environmentally preferable materials, systems or services.</p> <p>Partnership: work with other South East Region councils and agencies to maximise sustainable procurement gains.</p> <p>Sustainability considerations:</p> <ul style="list-style-type: none"> • Reduction of consumption where possible (Do we need it?) 	<p>Ongoing</p> <p>Ongoing</p> <p>Monitor</p>

- Costs/benefits evaluated
- Green options sought
- Green design and supplier selection where available
- Green deliveries and collections
- Operational impact assessment
- Green delivery of operational services
- Reduction of packaging
- End of Life Recycling/reuse/disposal of materials

Consider Impacts on the Environment



3.4 Fairness

The Council is committed to promote fairness to all suppliers, stimulate local employment opportunities and encourage the **Local Economy** to bring forward ideas that could help the Council save money and deliver better services.

As a major purchaser of goods, services and works in the region the Council recognises the importance of **Transparency** in the communication of forthcoming tender / contract opportunities to promote local employment and the economy. The Council works with agencies such as the Federation for Small Businesses (FSB) and Chamber of Commerce to help SMEs decide if public sector contracts are right for them, if they are ready to tender and how they can submit the best possible proposals.

The Council recognises the opportunity procurement provides to influence the **Equality and Diversity** agenda. We are committed to ensuring that our major suppliers and contractors share our equality and diversity vision and values, and work to implement these. It is the responsibility of staff involved in procurement activities to ensure that equality is embedded in contracts and service provision.

Fairness Objectives	Improvement Goals	Action Plan
<p>Local Economy: <i>Engage with local economy small to medium sized businesses (SMEs), representative bodies (FSB/CoC) and Voluntary and Community Sector (VCS) Compact.</i></p>	<p>Engagement: NFDC’s Economic Development team and the Procurement team will work with local businesses and agencies such as the FSB and Chamber of Commerce to assist their understanding of how to obtain alerts and apply for Council contract opportunities. E.g. via Meet the buyer events, forums, training events, targeted information, etc.</p> <p>The Public Services (Social Value) Act (2012): UK legislation supports the delivery of equality outcomes through procurement. Public authorities have to actively consider how a service being procured might improve the economic, social and environmental wellbeing of the relevant area; and how a public authority might secure that improvement through procurement.</p> <p><i>e.g. Consideration will be taken at the pre-procurement stage via consultations to assess the opportunity for community stakeholders, voluntary and community sector organisations and other interested parties to shape (or provide) the service.</i></p>	<p>Dec18</p> <p>Ongoing</p>
<p>Transparency: <i>Ensure the wider supplier base is aware of the Council’s opportunities and how we communicate</i></p>	<p>Communication via the Procurement Pipeline: Use clear communication channels to promote forthcoming contract opportunities to allow local SMEs or SME consortia to compete.</p> <p>Opportunity Notices: Advertise all contract opportunities in excess of £50,000 electronically via the South East Business Portal (SEBP) so that suitably qualified suppliers can register</p>	<p>Apr19</p> <p>In place</p>

<p><i>upcoming contracts.</i></p> <p><i>Encourage ideas from suppliers that could help the Council.</i></p>	<p>their interest online.</p> <p>Advance Notice: Produce an online “Heads Up” list of lower value (below £50,000) opportunities which are specifically suited to SME or local suppliers.</p> <p>Extend e-tenders: Extend the use of e-tendering to lower value opportunities to encourage online through a restricted e-Quotation process where local and regional SMEs are targeted via a soft market testing exercise. Saving suppliers time and paper through use of e-Quotation and the Council can support the local economy.</p>	<p>Apr19</p> <p>Apr20</p>
<p>Equality & Diversity:</p> <p><i>The Equality Act 2010 has laid out specific procurement criteria to be included in contracts and achieved through the procurement process.</i></p>	<p>Legislation: The Equality Act 2010: sets out anti-discrimination law and the requirements of the Public Sector Equality Duty (PSED). Compliance with the PSED ensures that Council procurement is fit for purpose and meets the needs of our customers.</p> <p>The Modern Slavery Act 2015 requires complete transparency in the sourcing of goods and services to ensure slavery, human trafficking and forced or compulsory labour does not occur at any point of the supply chain.</p> <p>The Council’s Equality and Diversity Objectives can be seen on our website; http://www.newforest.gov.uk/equalities</p> <p>Influence: Promote a positive approach to equality and diversity. In our procurement processes, we will make sure that we give our suppliers advice on equality issues and ensure that contracts reflect the outcomes required.</p> <p>Obtain Commitment: The Council expects its partners and suppliers to share its commitment to equal opportunities. Procurement can promote equality of opportunity and service delivery in those organisations that supply the Council or its residents.</p> <p>Increasing supplier diversity: Meet with potential new contractors and identify barriers to entry for smaller businesses by finding out why they do not respond to advertisements or invitations to tender.</p>	<p>In place</p> <p>In Place</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

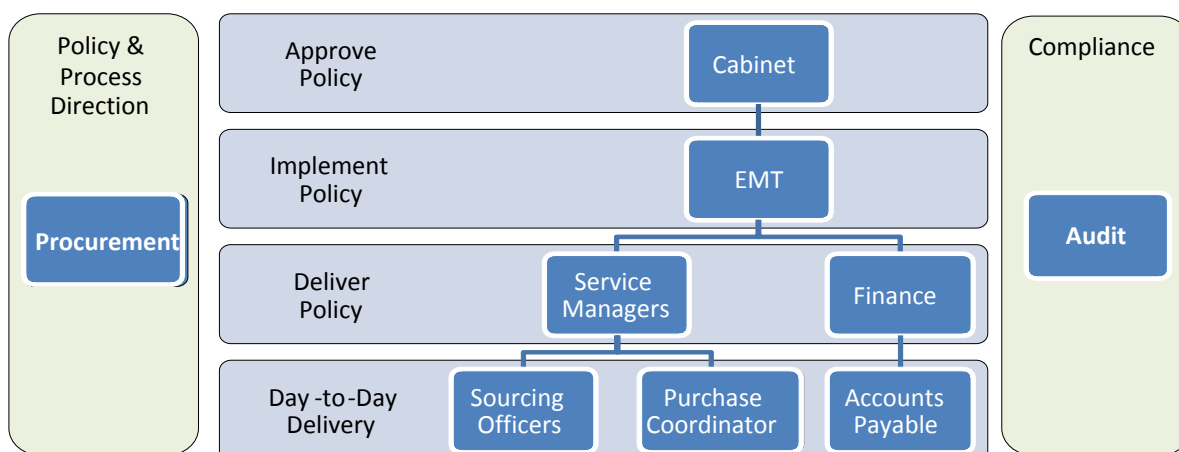
4 Procurement Organisation

4.1 Governance and Responsibility for Procurement

The **Council's Cabinet** is responsible for setting the overall Procurement Strategy. The **Executive Management Team (EMT)** is responsible for implementing the Council's Procurement Strategy. The **Procurement Team** provide policy and process direction to **Service Managers** (and their nominated Contract Administrators) for procurement projects.

The Council's Cabinet and Executive Management Team has approved the adoption of a **centre led Procurement network** that retains the benefits of a devolved structure whilst adding the direction and control required from centre. This ensures the Council:

- Complies with Public Sector Procurement legislation
- Achieves its corporate plan objectives
- Maintains effective supplier relationship management



4.2 Centre Led Procurement Network

The Council's centre-led approach to procurement, where the Service Manager (budget holder) and Strategic Procurement Team work together, combines technical and commercial skills while ensuring that all procurement rules are followed and good practice is established.

The approach covers the design, management and delivery in procuring; a) service specific contracts, b) corporate wide contracts and c) regional collaborative contracts.

The centre led procurement network model encourages:

- **Innovation** in procurement covering the following scenarios:
 - Doing procurement in an innovative way e.g. improving the process or tools used to help buyers and suppliers.
 - Enabling suppliers to offer innovative bids for what we are buying e.g. allow suppliers to offer new solutions.

- Encouraging innovation that may lie outside what we normally buy, e.g. products or services that can bring wider economic and service benefits for the District.
- **Collaboration** between Technical (Service Teams) and Commercial (Procurement, Finance and Legal) in-house teams and with other partners (local government, voluntary sector organisations etc.) to influence the supply market.
- **Consolidation** of spend wherever possible to maximise competitive opportunity.
- **Decision making** at operational level (by Service teams) whilst maintaining corporate process and legal compliance.

4.3 Partnerships in Procurement

Suppliers are essential to the Council's customer service delivery objectives. The Council aims to ensure that local suppliers are embraced and that their knowledge and service capabilities are utilised to improve services for the local community.

The Council also encourages an active two-way relationship with suppliers to continually improve its procurement approach. Suppliers and prospective suppliers to the Council are encouraged to support procurement developments by using online quotations / tenders as well as proactively proposing innovative ideas that could improve cost, quality and service.

E-tendering is fully operational and hosted via the South East Business Portal <https://www.businessportal.southeastiep.gov.uk> for all contracts in excess of £25,000 for restricted e-quotations (and selected lower value projects) and £50,000 for open e-tenders.

Economic Development of our region through the continued strong working links with representative bodies such as the **Federation of Small Businesses** and the regional **Chamber of Commerce** will enable engagement with suppliers to ensure a sustainable future in New Forest.

Inter Council Collaboration - The Council seeks to play a strong role in regional procurement collaboration in the Hampshire and Dorset regions as well as working with other like-minded Councils and Government Agencies to jointly procure contracts of mutual benefit, through shared resources and know-how. Historically, collaboration at regional level has given rise to a wide range of procurement projects (e.g. Insurance, Cash Collection, Tree Maintenance, Facility Management, etc.) and delivered savings of £5m+ across since 2009.

4.4 Skills Development & Best Practice

Procurement will provide support and guidance to Officers through a set of common processes and tools that encourage skills development and knowledge transfer in order to deliver procurement projects for which they are accountable. As there is no 'one-way' for any project the need for prior planning and early engagement is essential to deliver best practice outcomes.

Procurement will develop and monitor methods to ensure efficient and effective Corporate Procure to Payment (P2P) processes that are understood and enacted across the Council.

5 General Information

5.1 Glossary of Contract Types

- **Works Contracts** - These contracts relate to construction, demolition, building and civil engineering work and completion work such as joinery, plastering and decoration. It includes major repairs or complete refurbishment. For example: building a new affordable housing scheme, refurbishing a leisure centre, resurfacing a car park, repairing a building roof, installing a heating system.
- **Goods Contracts** - These contracts relate to the purchase, hire, siting or installation of goods (sometimes referred to as Supplies), but not their maintenance. For example: equipment, clothing, vehicles and spare parts, office stationery, consumables, gas and electricity.
- **Services Contracts** - These contracts relate to the provision by a person or other entity to provide services. For example: consultancy agreements, provision of maintenance services, provision of professional services (e.g. legal / insurance) and provision of cleaning services.

END

This page is intentionally left blank

EMPLOYEE ENGAGEMENT PANEL – 7 JUNE 2018
EXECUTIVE MANAGEMENT TEAM – 19 JUNE 2018
CORPORATE OVERVIEW AND SCRUTINY PANEL – 21 JUNE 2018
CABINET – 4 JULY 2018

ORGANISATIONAL STRATEGY 2018- 2022

1. PURPOSE OF REPORT

1.1 To provide an update on the Council's Organisational Strategy.

2. INTRODUCTION

2.1 The aim of this Organisational strategy is to set out the Council's approach and plans for the future delivery of services demonstrating how this will support the corporate plan. It will provide the framework for discussions and decisions on future operating models.

2.2 The Organisational Strategy is set out at Appendix 1.

2.3 The Organisational Strategy will be delivered through the Accommodation, Customer, HR and ICT strategies.

2.4 The HR Strategy will be considered alongside this Organisational Strategy.

2.5 This strategy will be considered at Corporate Overview and Scrutiny Panel on the 21 June and Cabinet on the 4 July 2018.

3. FINANCIAL IMPLICATIONS

3.1 One of the key challenges that set the context for this strategy is the continued reduction in finances.

4. CRIME AND DISORDER, ENVIRONMENTAL, EQUALITY AND DIVERSITY IMPLICATIONS

4.1 None arising directly from this report.

5. RECOMMENDATIONS

5.1 To provide feedback on the Organisational Strategy 2018-2022.

For further information contact:

Bob Jackson
Chief Executive
Tel: 02380 285588
Email: bob.jackson@nfdc.gov.uk

Background Papers:

Draft Organisational Strategy
(EEP – 7 September 2017)

This page is intentionally left blank

Introduction

The Organisational Strategy sets out a vision and purpose, identifying what is requiring us to change where we are now, where we want to be in the future, and what we need to do to get there.

It is a strategy designed to **help the Council meet the demands of the community** over the next 4 years as it responds to the Financial, Political, Social and Technological challenges which will need to be addressed. **It is a strategy for change.**

Detailed activities and performance measures for delivering this strategy – and for key ‘business as usual’ activity – are set out within the Council’s Service Plans.

This strategy has been developed to provide a framework to inform the way the Council plans and delivers services. **It encompasses a vision and purpose upon which the future development of services and operations will be based.**

Bob Jackson
Chief Executive

New Forest District Council Organisational Strategy

Bob Jackson
June 2018

Our Future Vision

Our aim is to secure a better future for the New Forest by:

Assisting the wellbeing of those who live and work within the district

Supporting local business to prosper for the benefit of the community, and

Protecting the special and unique character of the forest

Characteristics of our future organisation 2022:

That provides good services where customers council taxpayers and residents are satisfied

That is capable of delivering the Council's vision and priorities

That lives within its means

That has a culture that supports changing lifestyles and is based upon delivering outcomes

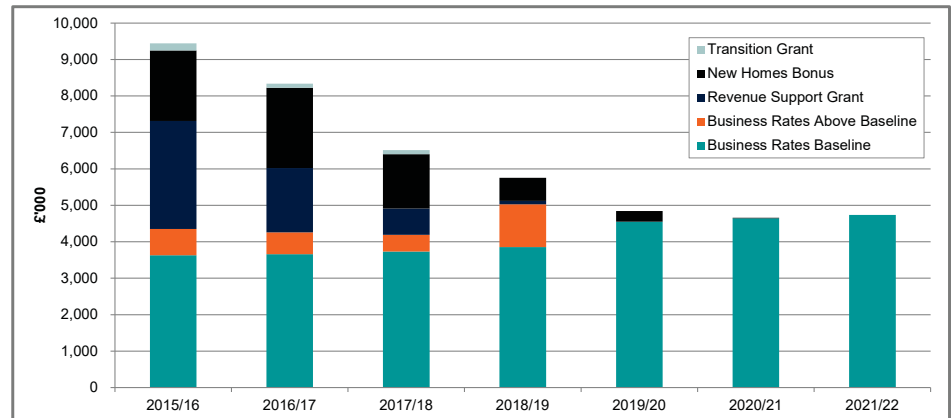
That commissions the most appropriate delivery models for better local services

That uses modern technology to improve efficiency and productivity

Challenges: Reduction in Funding

Reduced funding is reflected in a smaller budget and the need for a financial savings programme.

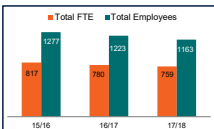
Our Government Determined Resources



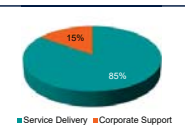
Challenges: Reduction in Workforce & Management

- The organisational strategy aim is to achieve the Council's objectives by means of the most appropriate delivery model.
- Senior management and the workforce has had to be reduced to meet ongoing financial constraints. The cost of the workforce will rise to a minimum hourly rate of £9 in 2019/20 with increases for all the workforce of 2%.
- Recruitment to skilled roles is becoming more difficult as the local cost of living becomes more costly.
- The council continues to be committed to offering apprentice opportunities in many areas of work.

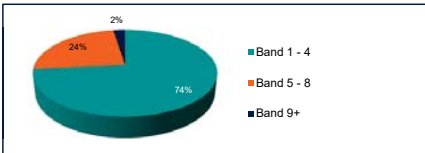
Workforce



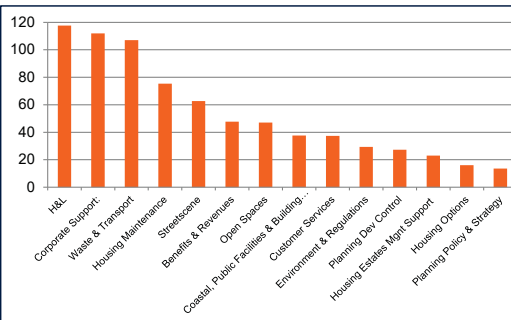
Delivery vs Support



Employee Bandings



Workforce Data by Service FTE (1st April 2018)



Challenges: Technology Investment



- Potential to improve local outcomes and value for money through effective use of technology
- Be imaginative and efficient in the way we deliver services
- Demand for technology is growing, including the growth of social media

- Need to share information legally and effectively with our partners (GDPR)
- Current legacy systems and platforms are dated and are a high risk to current service delivery

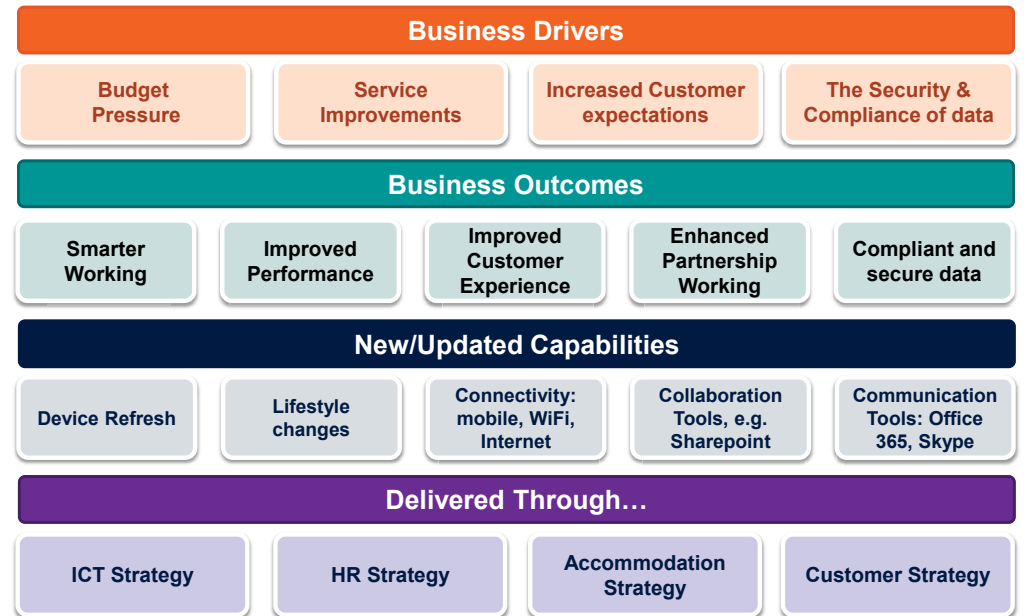
- Increased development of technology leading to requirement of reduced workforce in some areas

- To transform current technology requires major investment across all areas of the organisation and clarity of vision of the future organisation

Challenges: Social Impact

- Customer expectations may not reflect our reduced spending
- Demand for openness from public bodies including FOI requests & GDPR
- Modernising the way we interact with customers
- How do we attract the right workforce in the future, taking into account the high cost of local living
- Modern methods of working will be necessary to attract tech savvy and ambitious individuals.

Our Organisational Strategy 2022



How will we get there?



This page is intentionally left blank

EXECUTIVE MANAGEMENT TEAM – 5 JUNE 2018
CORPORATE OVERVIEW AND SCRUTINY PANEL – 21 JUNE 2018
CABINET – 4 JULY 2018

ICT Strategy 2018- 2022

1. PURPOSE OF REPORT

- 1.1 To agree the council's ICT Strategy 2018-2022.

2. INTRODUCTION

- 2.1 The aim of the ICT Strategy 2018-2022 is to set out the Council's approach and plans for the future delivery of ICT services demonstrating how this will support the Organisational Strategy. It will provide the framework for discussions and decisions on future ICT operational and transformational priorities over the coming years.
- 2.2 The ICT Strategy 2018-2022 is set out at Appendix 1 for approval by Cabinet.
- 2.3 The ICT Strategy 2018-2022 will be delivered with due consideration of, and alignment to, the HR, Customer and Accommodation strategies.

3. FINANCIAL IMPLICATIONS

- 3.1 One of the key challenges that set the context for this strategy is the continued reduction in finances.

4. CRIME AND DISORDER, ENVIRONMENTAL, EQUALITY AND DIVERSITY IMPLICATIONS

- 4.1 None arising directly from this report.

5. RECOMMENDATIONS

- 5.1 That the ICT Strategy 2018-2022 attached to this report be approved.

For further information contact:

Rob Beere
Service Manager ICT
Tel: 02380 285588
Email: rob.beere@nfdc.gov.uk

This page is intentionally left blank



Rob Beere
Service Manager ICT
New Forest District Council
25 May 2018

ICT STRATEGY 2018-2022

Contents

Version History.....	1
1. Introduction.....	2
2. Background.....	2
3. Vision.....	3
Business ICT Vision.....	3
Technology Vision.....	4
Vision - Decision Made So Far.....	4
4. Scope.....	5
5. Themes and Layers.....	6
Themes.....	6
Layers.....	6
6. Action Plan.....	7
7. Implementation and Monitoring.....	9
8. ICT Architecture Principles.....	9

Version History

Version	Date	Distribution	Comments
0.1-0.4	Feb-Mar 2018	Internal ICT Management Team	Internal ICT early drafts
0.5	Apr 2018	Bob Jackson, Manjit Sandhu, Cllr Jeremy Heron	Early draft for key stakeholder review
0.6	18 May 2018	EMT (Bob Jackson, Manjit Sandhu, Colin Read, Grainne O'Rourke, Alan Bethune); Portfolio Holder (Cllr Jeremy Heron) Service Managers ICT Management Team	Complete draft for full stakeholder review
1.0	25 May 2018	EMT (Bob Jackson, Manjit Sandhu, Colin Read, Grainne O'Rourke, Alan Bethune); Portfolio Holder (Cllr Jeremy Heron); ICT Management Team	Final version including all feedback received

ICT STRATEGY 2018-2022

1. Introduction

Information & Communication Technology (ICT) is critical for the effective operation and delivery of Council services to residents and business. It offers key benefits by enabling:

- Access to online transactional services, which makes life simpler and more convenient for residents and business; and
- Development of new channels to collaborate and share information with residents and business, which in turn enable innovation with new online services.

Good ICT is a fundamental tool that every modern organisation needs. This strategy will enable the Council to deliver better services for less cost. It will enable staff to work in new and more flexible ways to reflect changing lifestyles. ICT can release savings by increasing productivity and efficiency.

There has never been a more exciting time for ICT within local government with artificial intelligence (AI), Internet of Things (IOT), Chat-bots, Automation, Robotics, as well as Cloud and 'as a Service' offerings all promising to revolutionise working methods and means of communication with residents. The ICT strategy will, in time, look at all these opportunities with realism and pragmatism.

First though, the ICT Strategy will deliver better software and tools for staff, underpinned by reliable and robust infrastructure. This will enable accelerated implementation of new more flexible ways of working as part of the drive to reduce costs and improve current capabilities across the council.

The strategy is focused on driving real change. It sets out how the council will enable the delivery of services in a very different way from the past.

2. Background

The ICT Strategy 2018-2022 will enable the Council to build upon the work undertaken in the last 18 months, as set out in the ICT Strategy 2017-2018. Where the focus was on ensuring the:

- ICT service was capable of supporting the council's requirements; and,
- Legacy issues were stabilised including aged hardware and 'out of support' software.

Only when these issues were addressed could the Council go forward and ICT enable and support a more modern organisation. The 2017/18 Strategy has been, or is in the process of being, delivered via a large programme which will be completed during 2019.

The ICT Strategy 2018-2022 takes up the story and represents another step forward. It will complete the work to fix the legacy issues and then fully enable the Council to deliver wider benefits from the use of ICT.

This new strategy will, over time, move NFDC from a trailing to a leading position as a council making efficient and effective use of information technology.

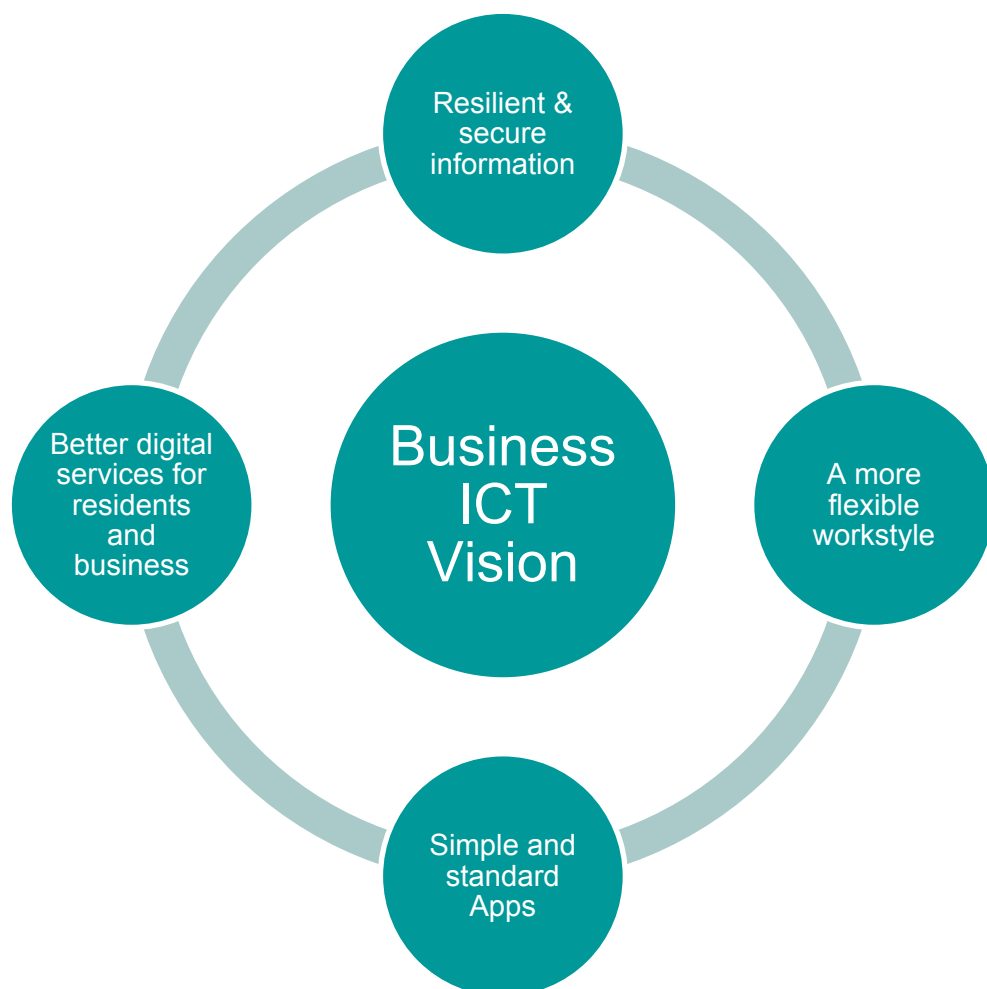
ICT STRATEGY 2018-2022

3. Vision

Business ICT Vision

Our business vision for the use of Information & Communications Technology is:

“We will use ICT which is resilient and secure, less complex and more productive, helping deliver reductions in council spending, and helping residents and businesses to obtain services from the council with ease and clarity.”



ICT STRATEGY 2018-2022

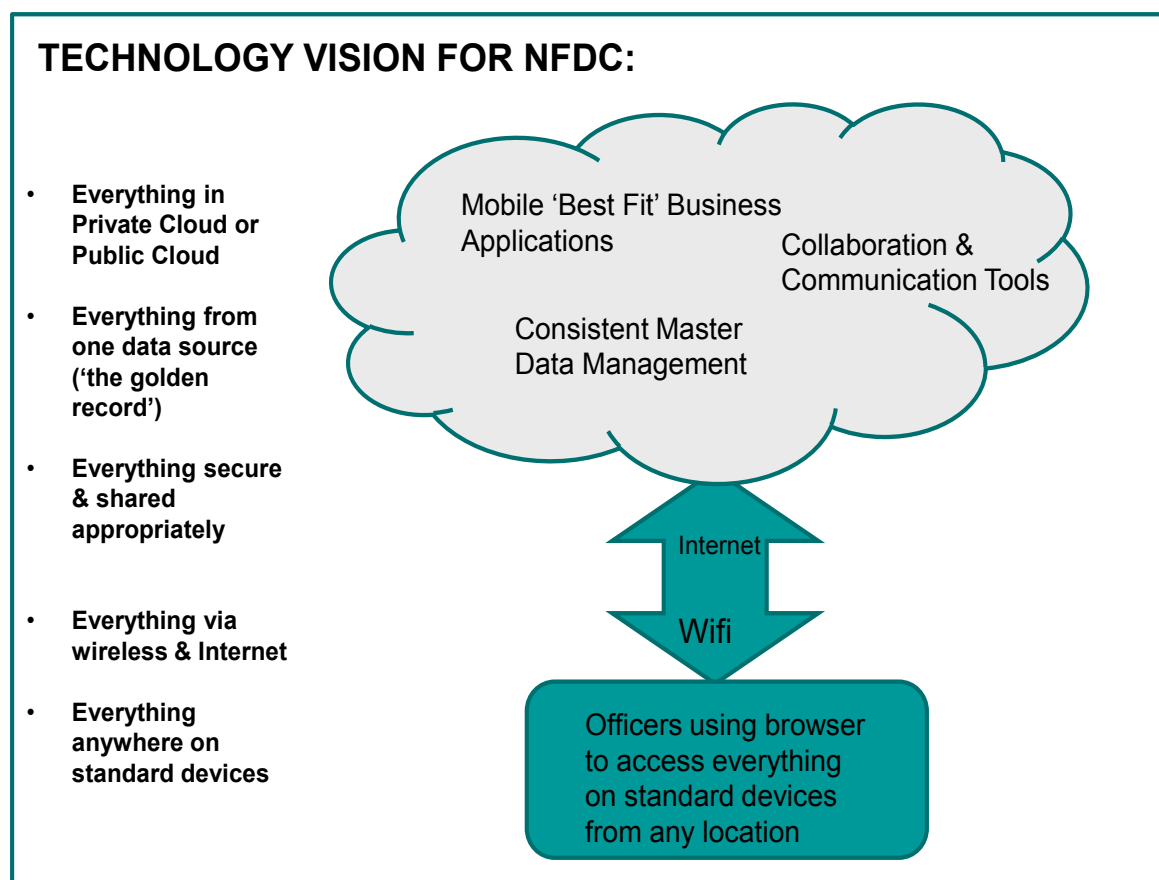
As shown above, to achieve our vision we will focus our work on four themes which will help to steer and focus our efforts on what truly matters, as follows:

- Ensure resilience and security of service delivery
- Create a more flexible, mobile workstyle for our staff
- Improve council efficiency and value for money through simpler, standardised applications
- Enable residents and businesses easily to transact digitally with the council

These themes will be the basis of prioritising ICT investment. Any future ICT investment must address one or more of these themes in order to progress. The themes are explored in more depth in the section headed Themes and Layers.

Technology Vision

The vision for how technology is actually deployed and used is summed up in the following diagram. This vision aims to provide some guiding principles for how we make decisions about future technology choices and how they fit into our ICT architecture.



ICT STRATEGY 2018-2022

Vision - Decision Made So Far

As part of the existing ICT Strategy 2017-2018 a number of decisions have been made to ensure we procure and build future ICT solutions on a solid foundation. These decisions remain relevant and will be taken forward as part of the new strategy. They are as follows.

- i. We will renew our aged on-premise infrastructure with a new on-premise or remote 'private cloud' to meet our centralised computing requirements until at least 2022
- ii. We will explore and use 'public cloud' for line of business or corporate applications when upgrading or replacing and when 'public cloud' is the best solution for cost, resilience and usability.
- iii. We will renew personal devices of all staff with mobile hybrid equipment that provides a proven, up to date, complete solution (inc. ultra-wide screen and dock).
- iv. We will support 'smarter working' with relevant ICT policies, connectivity, software, systems, infrastructure, and by reviewing/upgrading/replacing applications over time so they work remotely.
- v. We will upgrade, simplify, rationalise and replace our corporate and line of business applications over time, especially those no longer 'supported' by vendors, to ensure they are standardised, 'best fit', and have minimal or no customisation.
- vi. We will base our future ICT decisions on a unified approach to data, applications, platforms, connectivity and sourcing using TOGAF (The Open Group Architectural Framework) to ensure we are consistent with IT industry best practice.

In addition, we can now add two more important decisions as part of this new ICT Strategy.

- vii. We will assess all ICT investments against the themes identified in this strategy and pursue those first that most closely align with these themes.
- viii. We will adhere to a set of ICT principles to ensure the integrity and consistency of our ICT architecture and to enable us to stay consistent with our technology vision and thus avoid redundancy or spending money on solutions which are sub-optimal or become irrelevant. The principles we will follow are shown in Appendix B.

4. Scope

This ICT Strategy will cover all ICT services required by NFDC. This includes all service areas, member ICT services and the agreed services provided to partners such as the New Forest National Park Authority and Ringwood Town Council. The ICT Strategy will be the exclusive

ICT STRATEGY 2018-2022

means by which ICT services are planned, procured and implemented. No council services will be permitted to 'go their own way' on ICT solutions unless this is fully endorsed by ICT and EMT. This is essential to ensure consistency, integrity, and best value for money from ICT investments, and to avoid the risk of pockets of sub-optimal 'shadow ICT' existing within NFDC.

5. Themes and Layers

Themes

There are a number of focus areas in which ICT can and should make a large impact on the operations of the council. These have been termed 'themes' in this strategy. All actions stemming from this strategy should support delivery of one or more Themes.

- Ensure resilience and security of service delivery
 - Resilient systems that meet service levels
 - Secure systems safe from attack or failure
 - Data protected in line with our obligations
 - Better preparedness for emergencies
- Create a flexible, mobile workstyle for our staff
 - Suitable equipment for efficient working in the office
 - Standardised and reliable technology outside the office
 - Good connectivity across the district
- Improve council efficiency and value for money through simpler, standard applications
 - Standard applications with minimal or no customisations
 - Standardised simplified business processes using 'vanilla' functionality
 - Useful data and metrics that support decision making
 - Most appropriate sourcing of ICT services and products
- Enable residents and businesses easily to transact digitally with the council
 - Very good customer experience on the website
 - Simple, easy and reliable end to end transactions and customer journeys

The Themes are used as reference check-points for the Action Plan set out in Appendix A.

Layers

The layers show the dimensions which each project needs to consider to ensure a complete, integrated ICT solution is provided. As such they provide a checklist to ensure all facets of ICT are considered in our solutions.

To illustrate, in designing a solution we need to consider the **data** we want to hold, and the way that data is presented, processed and stored within end user **applications**. We then need to consider what **platform** each application sits on. We then need to decide how users **connect** to

ICT STRATEGY 2018-2022

that platform. Finally we need to decide how we **source** all of this for best value – specifically, what do we do ourselves within the council and what do we source from suppliers and partners. The layers are as follows.

- Data Strategy
 - Clarity of data ownership, security and integrity across NFDC
 - Work with each Service to help them define their master data management approach
- Applications Strategy
 - Reduce the number and complexity of our applications
 - Increase the use of standardised, simpler ‘best fit’ applications
 - Standardise business processes to fit the applications standard functions
- Platform Strategy
 - Simplify our infrastructure platforms and devices and use the most cost effective and efficient solutions – public or private cloud
- Connectivity Strategy
 - Renew our solutions for local and wider connectivity including within and between offices and the internet
 - Review our voice connectivity solutions
- Sourcing Strategy
 - Use suppliers, partners and managed services when cost effective while retaining contractual and managerial control
 - Focus the internal ICT function on its specific areas of competence to support the ICT Strategy

6. Action Plan

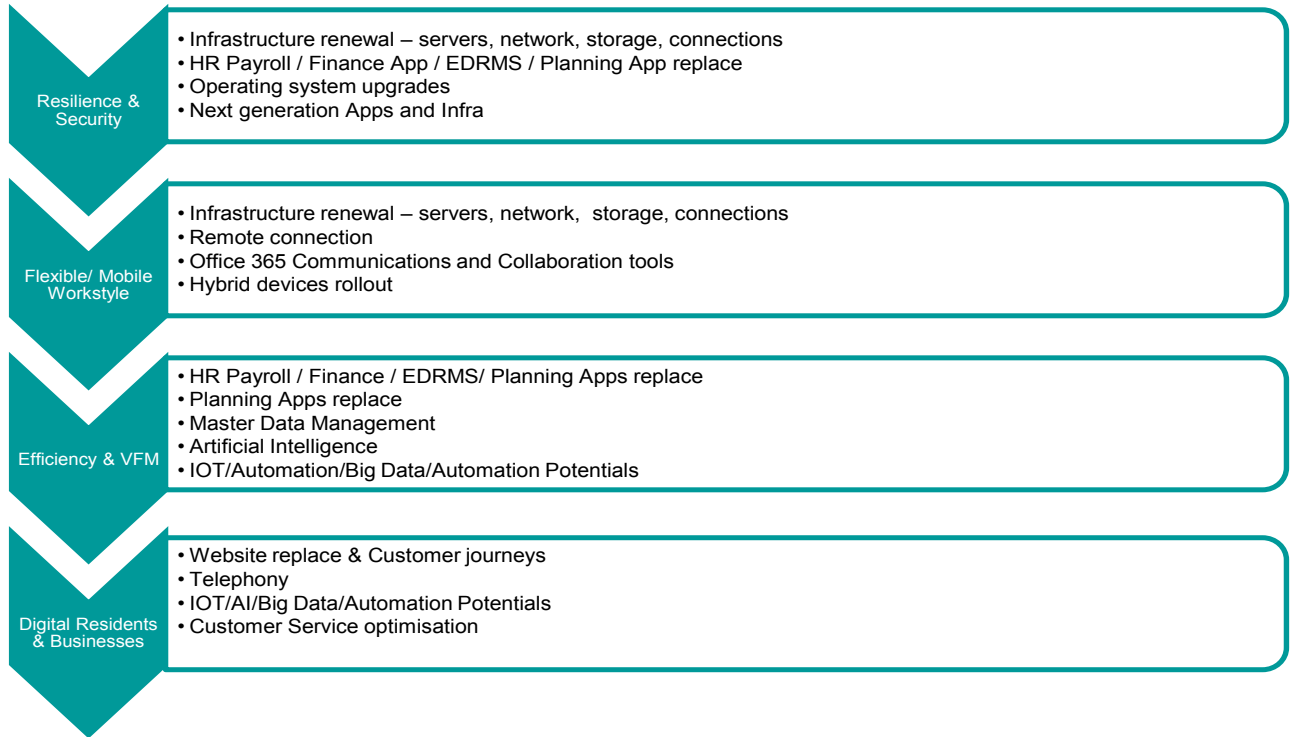
The action plan is the means by which we turn the vision and principles of the strategy into reality. The plan lays out the key projects we will action. These projects are over and above Business as Usual (BAU) ICT activities required for day to day council services.

The Action Plan consists of a view of the key projects through two complimentary lenses. The first lense is that of a theme by theme view of the outcomes we aim to achieve. The second lense is that of a time orientated high level plan of our year by year goals.

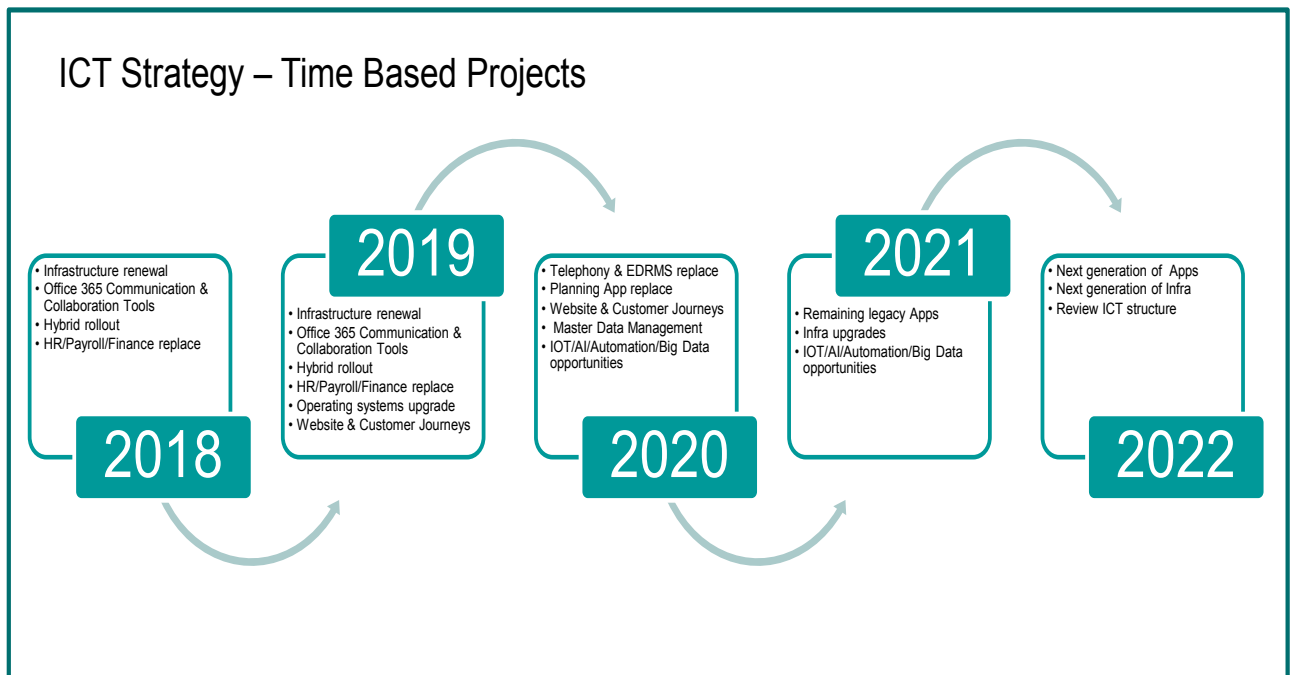
These are each illustrated below and explained in more detail in Appendix A.

ICT STRATEGY 2018-2022

ICT Strategy – Theme Based Projects



ICT Strategy – Time Based Projects



ICT STRATEGY 2018-2022

7. Implementation and Monitoring

Monitoring of the delivery of this ICT Strategy will be done by a number of governance bodies as follows:

Governance Body	Prime Function	Frequency
ICT Management Team	Day to day leadership and control	Weekly
Project Boards for individual projects	Leadership and decisions on specific projects	Bi-weekly or monthly
Service Manager	Control and coordination of the overall strategy and architectural integrity of ICT and risk control	Daily
Executive Head of Resources	Exec level monitor and guidance on ICT strategy to service manager	Bi-weekly
Portfolio Holder	Review and control of ICT budgets and strategy from democratic viewpoint	Monthly
EMT	Direction and priorities of ICT; decisions on contentious matters	Monthly-Quarterly
Cabinet	Decisions on budgets and overall priorities	Ad-hoc
Audit role	Validation and verification that due process is being followed and risks managed	Annual programme
Finance	Monitoring of budgetary spend with ICT	Monthly

8. ICT Architecture Principles

TOGAF Enterprise Architecture suggests that well defined principles help an organisation to build and sustain a more robust and better value for money ICT architecture. We will adhere to a set of ICT principles to ensure the integrity and consistency of our ICT architecture. This will enable us to stay consistent with our technology vision and thus avoid redundancy or spending money on solutions which are sub-optimal or become irrelevant. The draft principles we will follow are shown in Appendix B.

NFDC ICT Strategy 2018- 2022

Appendix A: ACTION PLAN

Theme	Project	Outcome Desired	Start	End
Resilience & Security	Infrastructure Renewal – Servers, Network, Connections	Replace existing ICT infrastructure (servers, network, platforms, software) with a new infrastructure that meets the needs of the council and integrates with public cloud services as required.	Dec 2017	June 2019
Resilience & Security	HR/Payroll/Finance Replacement	Replace Agresso, which is 'out of support', with new applications for HR/Payroll and Finance.	Jan 2018	Dec 2019
Resilience & Security	EDRMS (Electronic Document and Record Management Systems) Replacement	Replace Meridio, which is 'out of support', with a new application.	Jan 2019	June 2020
Resilience & Security	Planning Application Replacement	Replace Acolaid, which is 'out of support', with a new application.	Jan 2019	June 2020
Resilience & Security	Operating System (SQL/Server 2020) Upgrade	Update the underlying operating system for all of our systems from SQL/Server 2008 which goes out of support in 2018 with the latest operating system.	Jan 2019	Dec 2019
Resilience & Security	Ongoing Infrastructure and Operating System Upgrades	Continue to ensure that upgrades are done at the first reasonable opportunity across our ICT estate (apps and infra) so that we don't end up with a swathe of 'out of support' software or hardware again.	Jan 2019	Dec 2022
Flexible, Mobile Workstyle	Infrastructure Renewal - – Servers, Network, Connections	Replace existing ICT infrastructure (servers, network, platforms, software) with a new infrastructure that meets the needs of the council and integrates with public cloud services as required.	Dec 2017	June 2019
Flexible, Mobile Workstyle	Remote Connection	This is a workstream of the Infrastructure Renewal project, focusing on enabling high quality remote working with easy, reliable connectivity from remote locations.	Dec 2017	June 2019
Flexible, Mobile Workstyle	Office 365 - Communications and Collaboration Tools	Replace Exchange 2010 with Office 365 or similar to enable: status of each person; instant messenger; internal Skype (for internal calls, including multi-person calls); external Skype for all external incoming and outgoing telephony; Onedrive for personal document storage; SharePoint for shared document storage; plus email and all the standard Office apps.	Mar 2018	Dec 2019

NFDC ICT Strategy 2018- 2022

Appendix A: ACTION PLAN

Flexible, Mobile Workstyle	Hybrid Device Rollout	Replace all Windows 7 desktop and laptop devices with Windows 10 new hybrids to deal with Windows 7 going out of support and to enable smart working.	Oct 2017	April 2018
Efficiency & VFM	HR/Payroll/Finance Replacement	Replace Agresso, which is 'out of support', with new applications for HR/Payroll and Finance.	Jan 2018	Dec 2019
Efficiency & VFM	EDRMS (Electronic Document and Record Management Systems) Replacement	Replace Meridio, which is 'out of support', with a new application.	Jan 2019	June 2020
Efficiency & VFM	Planning Application Replacement	Replace Acolaid, which is 'out of support', with a new application.	Jan 2019	June 2020
Efficiency & VFM	Master Data Management	Develop an overarching strategy / case for moving to single sources of key data items – the golden record. Then develop an implementation plan and do it.	Jan 2020	Dec 2021
Efficiency & VFM	Remaining legacy applications rationalisation and replacement	Review then either keep or retire, refresh, replace remaining applications not already reviewed and sorted.	Jan 2021	Dec 2022
Efficiency & VFM	IOT/AI/Automation/Big Data Potentials	Investigate potential for emerging technologies such as Internet of Things, Artificial Intelligence, Automation, and Big Data, then develop a roadmap and implementation plan for NFDC services	Sep 2020	Dec 2021
Digital Residence & Businesses	Website Replacement	Develop roadmap for NFDC website(s) and then implement the roadmap. Includes back office systems integration.	Jun 2018	Jun 2020
Digital Residence & Businesses	CRM (Customer Relationship Management) System replacement	New CRM for better workflow and information management linked with the new website and back office systems.	Jun 2019	Jun 2020
Digital Residence & Businesses	IOT/AI/Automation/Big Data Potentials	Investigate potential for emerging technologies such as Internet of Things, Artificial Intelligence, Automation, and Big Data, then develop a roadmap and implementation plan for NFDC services	Sep 2020	Dec 2022
All Themes	Next Generation Apps/Infra/ICT provision	Develop the vision for the next generation of ICT for NFDC for the period 2023 to 2030	Jan 2022	Dec 2022

ICT STRATEGY 2018-2022

Appendix B – Principles for ICT Architectural Decisions

Introduction

These principles have been adapted from TOGAF Enterprise Architecture to provide a set of guiding rules for how ICT decisions are made at NFDC. These principles are aimed at ensuring that consistent decisions are made that protect the integrity of the ICT architecture and the value of the investment in ICT at NFDC.

Each principle is structured in the same way to provide clarity of the purpose, scope, rationale and implications of the principle. They are grouped into four categories of business, data, applications and technology.

ICT STRATEGY 2018-2022

Appendix B – Principles for ICT Architectural Decisions

Business Principles

Principle 1:

ICT Responsibility

Statement:

The ICT organization is responsible for owning and implementing IT processes and infrastructure that enable solutions to meet user-defined requirements for functionality, service levels, cost, and delivery timing.

Rationale:

Effectively align expectations with capabilities and costs so that all projects are cost-effective. Efficient and effective solutions have reasonable costs and clear benefits.

Implications:

A process must be created to prioritize projects.
The IT function must define processes to manage business unit expectations.

Data, application, and technology models must be created to enable integrated quality solutions and to maximize results.

Principle 2:

Maximize Benefit to the Council

Statement:

Information management decisions are made to provide maximum benefit to the Council as a whole.

Rationale:

This principle embodies "service above self". Decisions made from a Council-wide perspective have greater long-term value than decisions made from any particular organizational perspective. Maximum return on investment requires information management decisions to adhere to Council-wide drivers and priorities. No minority group will detract from the benefit of the whole. However, this principle will not preclude any minority group from getting its job done.

Implications:

Achieving maximum Council-wide benefit will require changes in the way we plan and manage information. Technology alone will not bring about this change. Some services may have to concede their own preferences for the greater benefit of the entire Council. Application development priorities must be established by the entire Council for the entire Council. Applications components should be shared across organizational boundaries. Information management initiatives should be conducted in accordance with the Council plan. Individual services should pursue information management initiatives which conform to the blueprints and priorities established by the Council. We will change the plan as we need to. As needs arise, priorities must be adjusted. These decisions will be made via agreed governance bodies.

Principle 3:

Business Continuity

Statement:

Council operations are maintained in spite of system interruptions.

Rationale:

ICT STRATEGY 2018-2022

Appendix B – Principles for ICT Architectural Decisions

As system operations become more pervasive, we become more dependent on them; therefore, we must consider the reliability of such systems throughout their design and use. Business premises throughout the Council must be provided with the capability to continue their business functions regardless of external events. Hardware failure, natural disasters, and data corruption should not be allowed to disrupt or stop Council activities. The Council business functions must be capable of operating on alternative information delivery mechanisms.

Implications:

Dependency on shared system applications mandates that the risks of business interruption must be established in advance and managed. Management includes but is not limited to periodic reviews, testing for vulnerability and exposure, or designing mission-critical services to assure business function continuity through redundant or alternative capabilities. Recoverability, redundancy, and maintainability should be addressed at the time of design. Applications must be assessed for criticality and impact on the Council mission, in order to determine what level of continuity is required and what corresponding recovery plan is necessary.

Principle 4:

Compliance with Law

Statement:

Council information management processes comply with all relevant laws, policies, and regulations.

Rationale:

Council policy is to abide by laws, policies, and regulations. This will not preclude business process improvements that lead to changes in policies and regulations.

Implications:

The Council must be mindful to comply with laws, regulations, and external policies regarding the collection, retention, and management of data. Education and access to the rules. Efficiency, need, and common sense are not the only drivers. Changes in the law and changes in regulations may drive changes in our processes or applications.

ICT STRATEGY 2018-2022

Appendix B – Principles for ICT Architectural Decisions

Data Principles

Principle 5:

Data is an Asset

Statement:

Data is an asset that has value to the Council and is managed accordingly.

Rationale:

Data is a valuable corporate resource; it has real, measurable value. In simple terms, the purpose of data is to aid decision-making. Accurate, timely data is critical to accurate, timely decisions. Most corporate assets are carefully managed, and data is no exception. Data is the foundation of our decision-making, so we must also carefully manage data to ensure that we know where it is, can rely upon its accuracy, and can obtain it when and where we need it.

Implications:

This is one of three closely-related principles regarding data: data is an asset; data is shared; and data is easily accessible. The implication is that there is an education task to ensure that all services within the Council understand the relationship between value of data, sharing of data, and accessibility to data.

Stewards must have the authority and means to manage the data for which they are accountable.

We must make the cultural transition from "data ownership" thinking to "data stewardship" thinking.

The role of data steward is critical because obsolete, incorrect, or inconsistent data could be passed to Council personnel and adversely affect decisions across the Council. It could also have GDPR consequences.

Part of the role of data steward, who manages the data, is to ensure data quality.

Procedures must be developed and used to prevent and correct errors in the information and to improve those processes that produce flawed information. Data quality will need to be measured and steps taken to improve data quality - it is probable that policy and procedures will need to be developed for this as well.

Since data is an asset of value to the entire Council, data stewards accountable for properly managing the data must be assigned at the Council level.

Principle 6:

Data is Shared

Statement:

Users have access to the data necessary to perform their duties; therefore, data is shared across Council functions and services.

Rationale:

Timely access to accurate data is essential to improving the quality and efficiency of Council decision-making. It is less costly to maintain timely, accurate data in a single application, and then share it, than it is to maintain duplicative data in multiple applications. The Council holds a wealth of data, but it is stored in hundreds of incompatible stovepipe databases. The speed of data collection, creation, transfer, and assimilation is driven by the ability of the organization to efficiently share these islands of data across the organization.

Shared data will result in improved decisions since we will rely on fewer (ultimately one virtual) sources of more accurate and timely managed data for all of our decision-making.

Electronically shared data will result in increased efficiency when existing data entities can be used, without re-keying, to create new entities.

Implications:

ICT STRATEGY 2018-2022

Appendix B – Principles for ICT Architectural Decisions

To enable data sharing we must develop and abide by a common set of policies, procedures, and standards governing data management and access for both the short and the long term.

For the short term, to preserve our significant investment in legacy systems, we must invest in software capable of migrating legacy system data into a shared data environment.

We will also need to develop standard data models, data elements, and other metadata that defines this shared environment and develop a repository system for storing this metadata to make it accessible.

For the long term, as legacy systems are replaced, we must adopt and enforce common data access policies and guidelines for new application developers to ensure that data in new applications remains available to the shared environment and that data in the shared environment can continue to be used by the new applications. For both the short term and the long term we must adopt common methods and tools for creating, maintaining, and accessing the data shared across the Council.

Data sharing will require a significant cultural change.

This principle of data sharing will continually "bump up against" the principle of data security. Under no circumstances will the data sharing principle cause confidential data to be compromised.

Data made available for sharing will have to be relied upon by all users to execute their respective tasks. This will ensure that only the most accurate and timely data is relied upon for decision-making. Shared data will become the Council-wide "virtual single source" of data.

Principle 7:

Data is Accessible

Statement:

Data is accessible for users to perform their functions.

Rationale:

Wide access to data leads to efficiency and effectiveness in decision-making, and affords timely response to information requests and service delivery. Using information must be considered from an Council perspective to allow access by a wide variety of users. Staff time is saved and consistency of data is improved.

Implications:

Accessibility involves the ease with which users obtain information.

The way information is accessed and displayed must be sufficiently adaptable to meet a wide range of Council users and their corresponding methods of access.

Access to data does not constitute understanding of the data. Personnel should take caution not to misinterpret information.

Access to data does not necessarily grant the user access rights to modify or disclose the data. This will require an education process and a change in the organizational culture, which currently supports a belief in "ownership" of data by functional units.

Principle 8:

Data Trustee

Statement:

Each data element has a trustee accountable for data quality.

Rationale:

One of the benefits of an architected environment is the ability to share data (e.g., text, video, sound, etc.) across the Council. As the degree of data sharing grows and business units rely upon common information, it becomes essential that only the data trustee makes decisions about the content of data. Since data can lose its integrity when it is entered multiple times,

ICT STRATEGY 2018-2022

Appendix B – Principles for ICT Architectural Decisions

the data trustee will have sole responsibility for data entry which eliminates redundant human effort and data storage resources.

Note:

A trustee is different than a steward - a trustee is responsible for accuracy and currency of the data, while responsibilities of a steward may be broader and include data standardization and definition tasks.

Implications:

Real trusteeship dissolves the data "ownership" issues and allows the data to be available to meet all users' needs. This implies that a cultural change from data "ownership" to data "trusteeship" may be required.

The data trustee will be responsible for meeting quality requirements levied upon the data for which the trustee is accountable.

It is essential that the trustee has the ability to provide user confidence in the data based upon attributes such as "data source".

It is essential to identify the true source of the data in order that the data authority can be assigned this trustee responsibility. This does not mean that classified sources will be revealed nor does it mean the source will be the trustee.

Information should be captured electronically once and immediately validated as close to the source as possible. Quality control measures must be implemented to ensure the integrity of the data.

As a result of sharing data across the Council, the trustee is accountable and responsible for the accuracy and currency of their designated data element(s) and, subsequently, must then recognize the importance of this trusteeship responsibility.

Principle 9:

Common Vocabulary and Data Definitions

Statement:

Data is defined consistently throughout the Council, and the definitions are understandable and available to all users.

Rationale:

The data that will be used in the development of applications must have a common definition throughout the Headquarters to enable sharing of data. A common vocabulary will facilitate communications and enable dialogue to be effective. In addition, it is required to interface systems and exchange data.

Implications:

The Council must establish the initial common vocabulary for the business. The definitions will be used uniformly throughout the Council.

Whenever a new data definition is required, the definition effort will be co-ordinated and reconciled with the corporate "glossary" of data descriptions. The Council data administrator will provide this co-ordination.

Ambiguities resulting from multiple parochial definitions of data must give way to accepted Council-wide definitions and understanding.

Multiple data standardization initiatives need to be co-ordinated.

Functional data administration responsibilities must be assigned.

Principle 10:

Data Security

Statement:

Data is protected from unauthorized use and disclosure. In addition to the traditional aspects of national security classification, this includes, but is not limited to, protection of pre-decisional, sensitive, source selection-sensitive, and proprietary information.

ICT STRATEGY 2018-2022

Appendix B – Principles for ICT Architectural Decisions

Rationale:

Open sharing of information and the release of information via relevant legislation must be balanced against the need to restrict the availability of classified, proprietary, and sensitive information. GDPR is key here.

Implications:

Aggregation of data, both classified and not, will create a large target requiring review and de-classification procedures to maintain appropriate control. Data owners and/or functional users must determine whether the aggregation results in an increased classification level. We will need appropriate policy and procedures to handle this review and de-classification. Access to information based on a need-to-know policy will force regular reviews of the body of information.

The current practice of having separate systems to contain different classifications needs to be rethought. Is there a software solution to separating classified and unclassified data? The current hardware solution is unwieldy, inefficient, and costly. It is more expensive to manage unclassified data on a classified system. Currently, the only way to combine the two is to place the unclassified data on the classified system, where it must remain.

In order to adequately provide access to open information while maintaining secure information, security needs must be identified and developed at the data level, not the application level.

Data security safeguards can be put in place to restrict access to "view only", or "never see". Sensitivity labeling for access to pre-decisional, decisional, classified, sensitive, or proprietary information must be determined.

Security must be designed into data elements from the beginning; it cannot be added later. Systems, data, and technologies must be protected from unauthorized access and manipulation. Headquarters information must be safeguarded against inadvertent or unauthorized alteration, sabotage, disaster, or disclosure.

Need new policies on managing duration of protection for pre-decisional information and other works-in-progress, in consideration of content freshness.

ICT STRATEGY 2018-2022

Appendix B – Principles for ICT Architectural Decisions

Application Principles

Principle 11:

Technology Independence

Statement:

Applications are independent of specific technology choices and therefore can operate on a variety of technology platforms.

Rationale:

Independence of applications from the underlying technology allows applications to be developed, upgraded, and operated in the most cost-effective and timely way. Otherwise technology, which is subject to continual obsolescence and vendor dependence, becomes the driver rather than the user requirements themselves.

Realizing that every decision made with respect to IT makes us dependent on that technology, the intent of this principle is to ensure that Application Software is not dependent on specific hardware and operating systems software.

Implications:

This principle will require standards which support portability. For Commercial Off-The-Shelf (COTS) and Government Off-The-Shelf (GOTS) applications, there may be limited current choices, as many of these applications are technology and platform-dependent. Application Program Interfaces (APIs) will need to be developed to enable legacy applications to interoperate with applications and operating environments developed under the Council architecture. Middleware should be used to decouple applications from specific software solutions. As an example, this principle could lead to use of Java, and future Java-like protocols, which give a high degree of priority to platform-independence.

Principle 12:

Ease-of-Use

Statement:

Applications are easy to use. The underlying technology is transparent to users, so they can concentrate on tasks at hand.

Rationale:

The more a user has to understand the underlying technology, the less productive that user is. Ease-of-use is a positive incentive for use of applications. It encourages users to work within the integrated information environment instead of developing isolated systems to accomplish the task outside of the Council's integrated information environment. Most of the knowledge required to operate one system will be similar to others. Training is kept to a minimum, and the risk of using a system improperly is low.

Using an application should be as intuitive as driving a different car.

Implications:

Applications will be required to have a common "look and feel" and support ergonomic requirements. Hence, the common look and feel standard must be designed and usability test criteria must be developed.

ICT STRATEGY 2018-2022

Appendix B – Principles for ICT Architectural Decisions

Guidelines for user interfaces should not be constrained by narrow assumptions about user location, language, systems training, or physical capability. Factors such as linguistics, customer physical infirmities (visual acuity, ability to use keyboard/mouse), and proficiency in the use of technology have broad ramifications in determining the ease-of-use of an application.

Principle 13:

Best FIT Applications

Statement:

Implementation of common 'out of the box' applications, with only minimal user configuration, is preferred over the development of custom applications.

Rationale:

Customisation is expensive to develop and prohibitive to maintain and upgrade. It inhibits changes to working practices and stifles new best practice coming into the Council.

Implications:

Services will not be allowed to procure or develop customised applications. We will move to more and more standard packaged applications running either on public cloud or our own servers. In this way, expenditures of scarce resources to develop essentially the same capability in marginally different ways will be reduced. It will reduce ongoing costs for maintenance and upgrade and standardise the way the Council works in line with best practice.

ICT STRATEGY 2018-2022

Appendix B – Principles for ICT Architectural Decisions

Technology Principles

Principle 13:**Requirements-Based Change**

Statement:

Only in response to business needs are changes to applications and technology made.

Rationale:

This principle will foster an atmosphere where the information environment changes in response to the needs of the business, rather than having the business change in response to IT changes. This is to ensure that the purpose of the information support - the transaction of business - is the basis for any proposed change. Unintended effects on business due to IT changes will be minimized. A change in technology may provide an opportunity to improve the business process and, hence, change business needs.

Implications:

Changes in implementation will follow full examination of the proposed changes using the Council architecture.

We don't fund a technical improvement or system development unless a documented business need exists.

Change management processes conforming to this principle will be developed and implemented.

This principle may bump up against the responsive change principle. We must ensure the requirements documentation process does not hinder responsive change to meet legitimate business needs. The purpose of this principle is to keep us focused on business, not technology needs - responsive change is also a business need.

Principle 14:**Responsive Change Management**

Statement:

Changes to the Council information environment are implemented in a timely manner.

Rationale:

If people are to be expected to work within the Council information environment, that information environment must be responsive to their needs.

Implications:

We have to develop processes for managing and implementing change that do not create delays.

A user who feels a need for change will need to connect with a "business expert" to facilitate explanation and implementation of that need.

If we are going to make changes, we must keep the architectures updated.

Adopting this principle might require additional resources.

This will conflict with other principles (e.g., maximum Council-wide benefit, Council-wide applications, etc.).

Principle 15:**Control Technical Diversity**

Statement:

Technological diversity is controlled to minimize the non-trivial cost of maintaining expertise in and connectivity between multiple processing environments.

Rationale:

ICT STRATEGY 2018-2022

Appendix B – Principles for ICT Architectural Decisions

There is a real, non-trivial cost of infrastructure required to support alternative technologies for processing environments. There are further infrastructure costs incurred to keep multiple processor constructs interconnected and maintained.

Limiting the number of supported components will simplify maintainability and reduce costs.

The business advantages of minimum technical diversity include: standard packaging of components; predictable implementation impact; predictable valuations and returns; redefined testing; utility status; and increased flexibility to accommodate technological advancements. Common technology across the Council brings the benefits of economies of scale to the Council. Technical administration and support costs are better controlled when limited resources can focus on this shared set of technology.

Implications:

Policies, standards, and procedures that govern acquisition of technology must be tied directly to this principle.

Technology choices will be constrained by the choices available within the technology blueprint. Procedures for augmenting the acceptable technology set to meet evolving requirements will have to be developed and emplaced.

We are not freezing our technology baseline. We welcome technology advances and will change the technology blueprint when compatibility with the current infrastructure, improvement in operational efficiency, or a required capability has been demonstrated.

Principle 16: **Interoperability**

Statement:

Software and hardware should conform to defined standards that promote interoperability for data, applications, and technology.

Rationale:

Standards help ensure consistency, thus improving the ability to manage systems and improve user satisfaction, and protect existing IT investments, thus maximizing return on investment and reducing costs. Standards for interoperability additionally help ensure support from multiple vendors for their products, and facilitate supply chain integration.

Implications:

Interoperability standards and industry standards will be followed unless there is a compelling business reason to implement a non-standard solution.

A process for setting standards, reviewing and revising them periodically, and granting exceptions must be established.

The existing IT platforms must be identified and documented.

This page is intentionally left blank

EXECUTIVE MANAGEMENT TEAM – 8 MAY 2018
EMPLOYEE ENGAGEMENT PANEL – 7 JUNE 2018
CORPORATE OVERVIEW AND SCRUTINY PANEL – 21 JUNE 2018

HR STRATEGY 2018- 2022

1. PURPOSE OF REPORT

1.1 To Agree the Councils HR Strategy.

2. INTRODUCTION

2.1 The aim of this HR strategy is to set out how the approach and plans for the future delivery of HR services demonstrate how they will support the organisational strategy and the corporate plan.

2.2 The draft HR Strategy is set out at Appendix 1.

2.3 The HR Strategy will be part of a suite of strategies including Accommodation, Customer, and ICT which between them will support the Organisational Strategy.

2.4 The HR Strategy and the ICT Strategy are being considered alongside the Organisational Strategy. The Accommodation and Customer Strategies are being developed and will be considered in early 2019.

3. FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications.

4. CRIME AND DISORDER, ENVIRONMENTAL, EQUALITY AND DIVERSITY IMPLICATIONS

4.1 None arising directly from this report.

5. LEADERS COMMENTS

5.1 To follow.

6. RECOMMENDATIONS

6.1 That the HR Strategy 2018-2022 attached as Appendix 1 to this report be approved.

For further information contact:

Heleana Aylett
Service Manager Human Resources
Tel: 02380 285588

Email: Heleana.aylett@nfdc.gov.uk

New Forest District Council

HR Strategy

2018 - 2022

Contents

Introduction.....	2
Our Vision.....	2
HR Strategy Themes.....	3
Attract and Retain.....	4
Smarter Working.....	5
Modernising the way we work.....	6
Future Skills.....	7
Changes in Service Delivery.....	8
Future Leadership and Capabilities.....	8
Implementation and Monitoring.....	9
Review.....	9
ACTION PLAN.....	APPENDIX A

Introduction

For several years now the Council has faced reduced funding contributing to employees facing greater uncertainty. It is recognised that this situation is unlikely to change in the near future. The reductions in funding have led to a smaller workforce and fewer senior managers. The challenge for the Council's Human Resources looking forward is to continually strive for the Council to become an 'employer of choice' making the Council an attractive option to the employee of the future.

The Council's Organisation Strategy identifies the need to plan for future change. The council recognises that if it keeps doing the same things in the same way it will get the same outcomes and nothing will change. The concept of Smarter Working provides greater emphasis on the delivery of outcomes in the community as well as responding to the changing lifestyles of existing and future employees and is an important consideration for the HR Strategy.

The Council of the future must not only look inwardly at itself and its own performance but it must be part of the community learning from the world outside and bringing back into the Council what is happening outside and experimenting with what it sees as good practice. The organisation will need to create a culture of continual learning that encourages all its employees to be curious and challenge the way things are done.

In addition future working practices will need to reflect changes in employee lifestyles which will need to allow for more flexibility and the organisation will need to develop a more outcome based performance management approach. These are the issues that the HR strategy sets out to address.

Vision

Corporate vision

Our aim is to secure a better future for the New Forest By:

- Supporting local businesses to prosper for the benefit of the community
- Assisting the wellbeing of those people who live and work within the District
- Protecting the special and unique character of the New Forest

Our vision for Human Resources is:

- To provide adaptable, flexible and modern organisational structures that can respond to the changing working environment and meet the Councils priorities.
- To provide modern flexible methods of working for employees to enable them to be best placed within the community to provide quality services where they are required.
- To provide sound working procedures and policies to support the principles of flexible/mobile working and smarter working in general
- To provide the support and training required to embrace the changes in technology to enable staff to work in new and more flexible ways to reflect changing lifestyles.

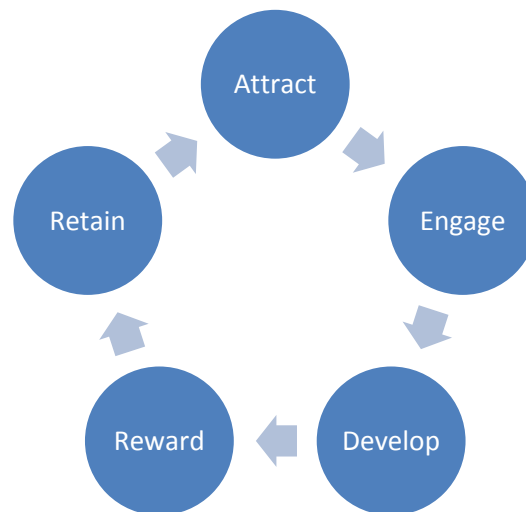
HR Strategy Themes

There are a number of focus areas in which HR can make a large impact on the successful operations of the council. The HR Strategy can be split into the following themes:



Attract and Retain

It is becoming increasingly difficult to attract applicants to some of our key positions. Due to our location we have major competitors both to the east and west of our district. We need to recognise that potential employees are looking for a more flexible approach to their work with work life balance playing a key part in their employment choices.



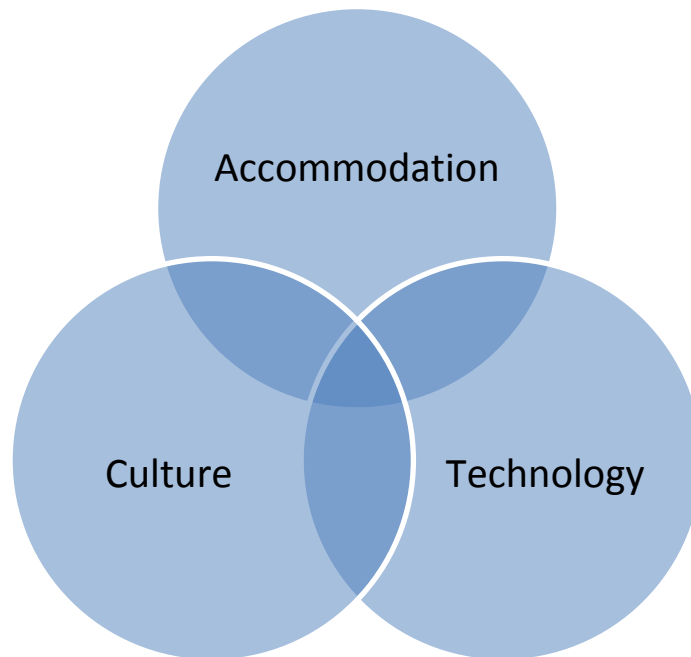
To support the employee cycle the strategy will look to:

- Develop pay structures that are fair and consistent but that retain the flexibility required to support market demands.
- Provide employee benefits to compliment the pay offered leading to a comprehensive employee package.
- Promote NFDC as an employer of choice using social media, careers events and external partnerships
- Encourage employees to engage with the organisation, using the employee forum, change agent meetings and other methods to promote good communication and understanding within the authority.
- Development opportunities and external networking will be key in building resilience, promoting best practice and retaining skilled employees.
- Provide support to employees in terms of their mental and physical wellbeing.

Smarter Working

Any transformation programme is about getting staff to do things differently. Any change programme is meaningless without staff involvement.

To enable our change to be effective, efficient and engaging we need to ensure that the following three aspects are addressed:



The HR strategy will need to address the Culture aspect and the following actions need to be delivered:

- Training for managers in performance management for mobile workers.
- Training and guidelines for all staff working flexibly, including advice and support on coping with change and increasing resilience.
- Training in technology such of Office 365 and Skype and which will support mobile working
- Staff involvement and internal communications
- An HR system which is accessible through mobile devices aiding efficiency
- HR policies which support flexible working.

Modernising the way we work

The speed at which technology is changing is becoming increasingly impressive. Having the right technology in place will be essential in the delivery of flexible and mobile working. Standardised and reliable technology will enable staff to benefit from a more flexible working arrangement which will benefit both staff and customers.

From an HR perspective having systems which employees can access on mobile devices ensuring optimum efficiency but retaining robust approval processes and acceptable audit trails will be key.

Future technology demands for mobile devices will include:

- Travel and subsistence
- Overtime
- On line Timesheets
- On line leave requests
- Manager approvals for all these actions.

In order to increase efficiency and effectiveness of our managers it will be essential to provide them with accurate management information. This will include a dashboard of information containing:

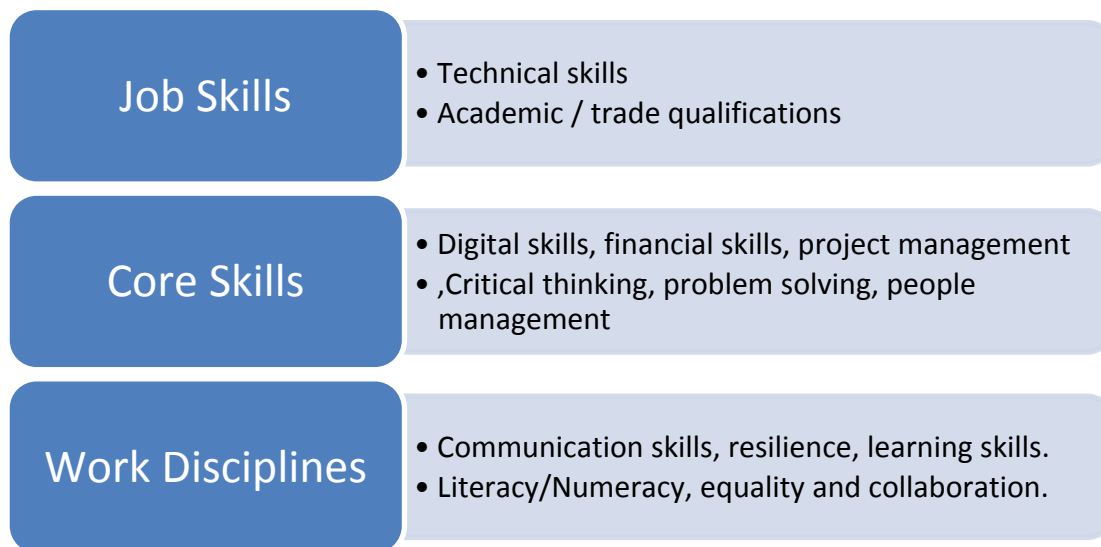
- Absence data
- Recruitment data
- Vacant post data
- Mandatory training requirements and key dates
- Sickness data including trigger points

To achieve all of the above HR will be securing a new HR and Payroll system. The new system will have a go live payroll date of April 2019. Other modules such as Recruitment and Training will follow later in the year.

The system we secure will also enable us to be in a position to offer our payroll and recruitment services to other authorities or local businesses. Where possible we will seek to secure partnership arrangements which will deliver tangible benefits to both parties and a financial benefit to the council.

Future Skills

As recruitment becomes increasingly difficult it will be essential that we maintain our talent pool. Talent development will become of strategic importance as the pool diminishes. We need to invest in and develop our staff from apprentices to future managers and leaders to ensure the level of resources with the skills required are available.



To facilitate this we will be focusing on the following:

- Delivering apprenticeship opportunities both for new employees and existing employees
- Encouraging staff to look outside our organisation in order to bring back sharing and best practice
- Introducing a mandatory need to attend external events for managers. This is essential to move the organisation forward and ensure best practice in professional disciplines is shared and implemented.
- Looking to develop programmes which will cover the future professional skills required.
- Providing training programmes to support the change to smarter working.
- Ensuring managers are trained and supported in managing off site workers and the move towards performance management is focused on the achievement of objectives.

Changes in Service Delivery

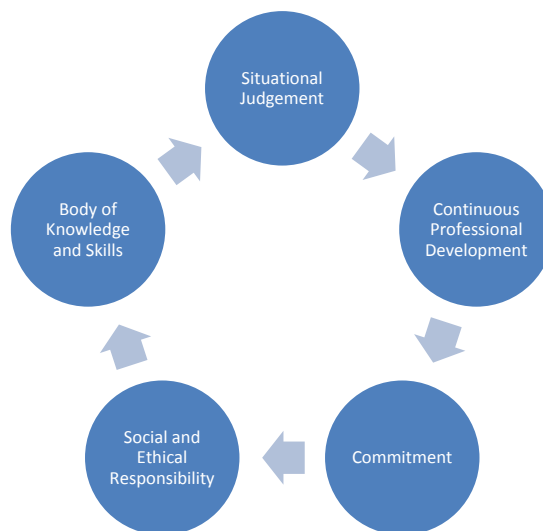
There are a number of areas of work which will increase in demand over the next 5 years. Some opportunities such as partnership working should be considered as a matter of fact at each stage in any change. Others are more focussed but each element requires us to have the necessary skills and knowledge to make the right choices and decisions.

Future growth areas include:

- Partnership working
- Projects for smarter working
- Collaboration
- Changes in legislation
- Housing Demands
- Utilisation of council property and land
- Investment in housing

Future Leadership and Capabilities

To ensure that we are able to meet the challenges ahead and deliver results in our growth areas it will be essential that as well as having some core skills it is essential that we allow our managers space to look outside our organisation in order to bring back sharing and best practice.



We will look to review our performance management framework with a view to introducing meaningful outcomes whilst supporting staff to achieve and deliver the best for our customers.

All staff will be encouraged to consider their own personal development and take responsibility for ensuring their knowledge and skills equip them for the role they do. All staff will also be encouraged to consider future roles in the organisation and what skills they may need to achieve their ambition.

Implementation and Monitoring

Monitoring of the delivery of this HR Strategy will be done by a number of bodies as follows:

Governance Body	Prime Function	Frequency
HR Service Manager	Day to day leadership and control. Co-ordination of the overall strategy.	Daily
Exec Head of Resources	Exec head monitoring of the strategy delivery	Monthly
Project Boards	Leadership and decisions on specific projects	Monthly
Portfolio Holder	Review and control of HR budget and strategy from democratic viewpoint	Monthly
EMT	Direction and priorities for HR.	Quarterly or as required
Employee Engagement Panel	Review of HR policy changes	Quarterly
Cabinet	Decisions on budgets as required	As required
Audit role	Validation and verification of risks	Annual
Finance	Monitoring of any financial implications	As required

Review

This strategy will be reviewed and updated as necessary. The first formal review will take place in 2020.

HR Strategy 2018- 2022

Appendix A: ACTION PLAN

Theme	Project	Outcome Desired	Start	End
Attract and Retain	Review and Develop Pay Structures	To have flexible pay structures which are capable of support market demands	July 2018	April 2019
Attract and Retain	Review Employee benefits	Review and recommend changes to the current employee benefits package which complement the remuneration and would lead to a comprehensive employee package.	Jan 2019	Dec 2019
Attract and Retain	Promote NFDC and an employer of choice	Use social media careers events and external partnerships. Build and retain good relationships with local schools and universities.	July 2019	Ongoing
Attract and Retain	Encourage employees to engage with the organisation.	Promotion of good communications and feedback from employees. Create an environment where employees feel able and willing to share views.	June 2018	Ongoing
Attract and Retain	Building Resilience within the organisation	Promotion of learning and development opportunities. Creating and promoting an environment which encourages staff to be curious and always searching for improvement. Promoting wellbeing initiatives to support both physical and mental wellbeing.	Jan 2019	Dec 2019
Smarter Working	Learning for managers in performance management for mobile workers	Performance becomes more about meaningful outcomes.	Jan 2019	Dec 2020
Smarter Working	Guidelines for all staff that work flexibly	Staff are comfortable and able to cope with change. Staff expectations are discussed and agreed. Staff develop a resilience to cope with changing demands and new ways of working	May 2018	Dec 2020
Smarter Working	Training in technology to support mobile working	To enable the maximum benefit to be gained from the combination of smarter working and technology	July 2019	Ongoing
Smarter Working	Communications and Staff involvement	To ensure that Staff concerns and issues are picked up. To ensure that consistent corporate messages are cascaded through the organisation. To encourage and enable good	July 2018	Ongoing

HR Strategy 2018- 2022

Appendix A: ACTION PLAN

		internal communications.		
Smarter Working	HR policies to support flexible working	As flexible/smarter working develops to review HR policies to ensure they are fit for purpose and support new working methods	July 2019	Dec 2021
Modernising the way we work	Procurement of a new HR/Payroll system	To increase efficiency and effectiveness of the HR/Payroll information. Provide improved managers information. To enable corporate and statutory returns to be completed efficiently.	April 2019	March 2020
Future Skills	Maintaining our talent pool	Developing and investing in our existing staff to ensure that we build skills required for the future.	Jan 2019	Ongoing
Future Skills	Apprenticeships	Delivering and supporting apprenticeship opportunities for both new and existing staff.	Jan 2019	Ongoing
Future Skills	Promoting curiousness and best practice	Building a culture which promotes and encourages staff to look outside the organisation. Supporting staff to try new methods and within reason to take risks on new ideas.	Jan 2019	Ongoing
Changes in Service Delivery	Promote and support ideas for different delivery methods	Ensure support for managers at times of change. Ensuring the right skills and knowledge are available.	Jan 2019	Dec 2022
Changes in Service Delivery	Partnership Working	Support managers and encourage their thinking to include partnership possibilities. Provide training and support to facilitate this.	Dec 2019	Dec 2022
Future Leadership and Capabilities	Review of the performance management system	Review and replace with a more modernised process. Allowing for performance management to be focussed on meaningful outcomes rather than inputs.	Jan 2021	Dec 2021
Future Leadership and Capabilities	Sharing and best practice	To promote external events and partnerships so enable the sharing of best practice and sharing of knowledge. Encouraging managers to look outside the organisation	Jun 2018	Jun 2022

WORK PROGRAMME 2018/19

TASK AND FINISH GROUPS				
ITEM	OBJECTIVE	METHOD	TIMING	LEAD OFFICER
Citizens' Advice Bureau (CAB)	To agree new management arrangements and related issues; including Grant	Task and Finish Group	Ongoing	Ryan Stevens
Customer Services Strategy	Progress report	Task and Finish Group	Ongoing	Rebecca Drummond
Democratic Engagement	To consider ways to enhance democratic engagement	Officer Report/Task and Finish Group	Ongoing	Rosemary Rutins
Property Investment Strategy		Task and Finish Group	Ongoing	Andrew Smith
Budget Task and Finish Group	To review the Council's future budget strategy	Task and Finish Group	To receive updates at the June 2018 meeting, on progress with the Group's recommendations which were submitted at January 2018 Panel meeting	Andy Rogers/ Alan Bethune/ Rebecca Drummond
Council Tax Reduction Task and Finish Group	To review the Council Tax Reduction Scheme for persons on low income and other exemptions. To include empty homes premium, non-domestic rates schemes and related issues.	Task and Finish Group/	Annual	Ryan Stevens

ITEM	TIMING	LEAD OFFICER
Accommodation Strategy	20 September 2018	Andrew Smith
Broadband in the New Forest - update on progress with provision	20 September 2019	Matt Callaghan

NOT YET TIMETABLED

ITEM	OBJECTIVE	METHOD	TIMING	LEAD OFFICER
Employee Owned Services (John Lewis Model)	Terms of Reference to be agreed	Task and Finish Group	Initiate at June 2019 panel	
“Regions” Continue engagement/ collaboration with HCC/LEPS or any other external public agency, including reference to the Hampshire-wide devolution proposal	To effectively facilitate good relationships with these agencies in order to produce beneficial outcomes in the District	Report documenting progress with LEPs and business portal HCC element via Leader updates	TBC	TBC
Devolution – Wider Hampshire	Monitor progress with regard to devolution	Regular update from Leader	At appropriate times	TBC
Universal Credit update	To be aware of issues arising	Regular update from Finance & Efficiency Portfolio Holder	At appropriate times	TBC
Portfolio Holders' Updates (Standing Item) Updates from Task and Finish Groups				
Access to alternative funding sources for voluntary organisations and Parish/Town Councils	To explore opportunities, eg crowd funding, following funding reductions	Officer written report	To be confirmed	TBC