

27 JUNE 2019

NEW FOREST DISTRICT COUNCIL

CORPORATE OVERVIEW AND SCRUTINY PANEL

Minutes of a meeting of the Corporate Overview and Scrutiny Panel held in the Bradbury Room, Appletree Court, Lyndhurst on Thursday, 27 June 2019

- * Cllr Alexis McEvoy (Chairman)
- * Cllr Alan Alvey (Vice-Chairman)

Councillors:

- * Fran Carpenter
- * Keith Craze
- * Sandra Delemare
- * Mahmoud Kangarani

Councillors:

- * Martyn Levitt
- Alan O'Sullivan
- * Beverley Thorne
- * Derek Tipp

*Present

In attendance:

Councillors:

Michael Harris, Economic Development Portfolio Holder
Barry Rickman, Leader & Corporate Affairs Portfolio Holder
Jeremy Heron, Finance, Investment & Corporate Services Portfolio Holder

Also In Attendance:

Anthony Climpson, Go New Forest

Officers Attending:

Alan Bethune, Rebecca Drummond, Sheryl Parry, Andy Rogers and Andrew Smith

Apologies

Apologies for absence were received from Cllr O'Sullivan and Cllr Tipp.

4 MINUTES

RESOLVED:

That the minutes of the meetings held on 24 January and 20 May 2019 be signed by the Chairman as correct records.

5 DECLARATIONS OF INTEREST

No declarations of interest were made by any member in connection with any agenda item.

6 PUBLIC PARTICIPATION

No issues were raised during the public participation period.

7 GO NEW FOREST - UPDATE

The Panel received an update on the activities of Go New Forest, a not for profit community interest company which delivered marketing and promotional support for the New Forest as a tourist destination. The organisation was supported by the Council with £100,000 given in 2017/18, £50,000 given in 2018/19 and £25,000 given in 2019/20. It was explained that in 2017 the Council had transferred its tourism function to Go New Forest, with the Council providing initial funding which ceased this year. Mr Climpson felt that tourism was arguably the most important industry in the District. He gave details of the Go New Forest (GNF) business plan, which included the VERB model of destination management which sought to balance the needs of Visitor, Environment, Residents and Businesses.

Tourism was weather dependent and 2019 had not been a good summer to date. Other factors, such as economic uncertainty (including Brexit) had an adverse effect on tourism. Recent achievements had included website investment, increased user traffic, improved member benefits, and increased consultation and engagement with stakeholders. GNF objectives included:

- Increased and broader membership
- Increased website use
- Increased sales and other income
- Increased advertising revenue and subscribers

Of around 8000 small business in the New Forest, GNF currently had a membership of 290 business members across all sectors.

Mr Climpson wished to maintain a close relationship with NFDC with a shared policy for tourism. He wished to engage towns and villages in promoting local tourism and into becoming GNF members.

Mr Climpson referred to new phenomena such as Air B&B and similar businesses, some of which appeared to avoid the usual regulatory responsibilities and he felt that this was something to watch for the future.

He explained that as Council grant reduced, he was endeavouring to ensure funding support from businesses to bridge the gap and this was on track with revenue being £110,000, against the target of £114,000.

He pointed out that Bournemouth Council made four times more revenue from the same number of visitors, as much of the District comprised of open forest, and the Council could only obtain parking revenue.

Reference was made to the Go New Forest discount card and it was felt this needed more publicity and the website information could be more useful. Mr Climpson invited feedback on these issues. It was noted that Esso, Beaulieu and Paultons Park gave the card to their staff.

The Chairman thanked Mr Climpson for his interesting presentation and invited him to a future meeting to give a further progress report in the next year or so.

8 PORTFOLIO HOLDERS' UPDATES

Cllr Rickman, Leader & Corporate Affairs Portfolio Holder briefly referred to a number of issues including

- Leisure review
- Economic development
- Corporate Plan progress and the related performance paper being submitted to Cabinet
- City of Culture Bid which had a number of potential advantages for the Council

Cllr Harris, Portfolio Holder for Economic Development explained that whilst property investment was no longer in his portfolio, he would work with Cllr Heron to maximise these opportunities, and he felt there was a need to accelerate employment space availability in the District. He also felt there was a need for investment in town and village centres. He would continue to promote internet and broadband availability within the District working with Go New Forest.

As well as the traditional business ventures, he referred to the Guildford Games Festival and the high profile and importance of the games industry.

On income generation, there were still some initiatives to pursue and he was keen that a vacancy within the Economic Development team should be filled as soon as possible.

Cllr Heron, Finance, Investment & Corporate Services Portfolio Holder gave a brief update on the following issues:

- ICT – HR software rollout (including members' travel expenses)
- Accounting software
- Rollout of Office 365
- Outsourcing of servers
- Accounts final outturn
- Medium Term Financial Plan
- Property investment (acquisition of Ampress car park and lease to hospital)

9 ANNUAL PERFORMANCE AND PROVISIONAL BUDGET OUTTURN REPORT 2018/19

The Panel received the annual performance and provisional budget outturn report for 2018/19. Members queried a number of aspects and officers undertook to provide answers to these by email after the meeting. The Panel were supportive of the content document.

RESOLVED:

- (a) That the performance and achievements as set out in Appendix 1 be noted;
- (b) That the key strategies in progress for 2019/20 set out in Appendix 2 be noted;
- (c) That the provisional General Fund outturn position be noted;
- (d) That the provisional outturn position of the Capital Programme be noted; and
- (e) That the provisional outturn position of the Housing Revenue Account be noted.

10 HAMPSHIRE PENSION FUND - PROPOSED CHANGES TO EMPLOYER GROUP ARRANGEMENTS (PRESENTATION)

The Panel received a presentation on proposed changes to employer group arrangements for the Hampshire Pension Fund and discussed proposed feedback to Hampshire County Council (the administering authority).

The Head of Finance explained that Hampshire County Council had sought informal feedback from partner pension authorities on potential changes to the Hampshire Pension Fund. The County Council were seeking indicative feedback which may lead to councils having a greater say over deficits and costs without being adversely affected by the activities of other authorities. This included more local control over the liabilities of each authority, arrangements for deficit recovery, and changes to promote good governance, increased diversity of employer workforce management policies, and greater transparency over employers' pension costs.

It was noted that the funding levels for the pension scheme had moved to 93.5% at 31 December 2018 compared to 80.8% at 31 March 2016, and deficit contributions of £1.24 billion at 31 March 2016 which had now reduced to £464 million at 31 March 2018.

Changes to the pension pool groupings would have no implications for lump sum death in service benefit, ill health early retirement, and partner's pension on death in service, as these benefits would continue to be pooled at fund level.

The Panel were asked to discuss the suggested comments from NFDC back to HCC which were as follows:

- NFDC support the need to continually review and reform within Local Government and understand the decision as to why this proposal is being considered as part of the 2019 valuation of the HFP.
- We appreciate that we are being asked to consider and feedback on the principles of the proposals, and in summary can support the rationale and objectives.
- We agree that decisions taken across the County should not have a significant bearing on the pension contributions that NFDC are required to pay. Disbanding would mean that NFDC are accountable for decisions taken by NFDC.
- As a mid-sized scheme member, NFDC could support the de-pooling of death and ill health benefits, but understands that in order to offer a level of protection to smaller scheme members, certain elements (death in service, ill health) should be pooled (as will presumably the administration fees?)
- We welcome the opportunity to explore how one-off lump-sum contributions or additional contributions could be evaluated on a financial return basis
- Ultimately we feel very strongly that it would be preferential to make an informed judgement on more specific feedback based on our individual standing as a scheme member, as opposed to just being asked to comment on the overarching principles

The Panel supports this feedback. It was emphasised that the Finance Officer would only give indicative feedback on the Council's behalf, and any formal decisions on the matter would be submitted to Cabinet for approval.

RESOLVED:

That the Panel supports the officers' suggested response as set out above.

11 COMMERCIAL PROPERTY INVESTMENT STRATEGY 2018/19 - UPDATE

The Panel received a presentation on progress with the Council's Commercial Property Investment Strategy for 2018/19.

It was explained that in 2017, £30 million had been allocated to invest in income-generating assets or commercial property development. The New Milton Health Centre had been acquired in December 2017 which provided a reasonable rental return. In 2018, no further acquisitions had been made due to uncertain and unsuitable market conditions. In the main, the search criteria continued to be within the District boundaries.

2019/20 was more encouraging with the acquisition in June 2019 of the Ampress Lane car park (let to NHS as Lymington Hospital staff car park).

Refurbishments at Lymington Town Hall were ongoing for re-letting space to JB Associates (now completed), and to Hampshire Constabulary.

Negotiations were also in train to acquire a significant plot of development land for employment use, with an investment for these projects in excess of £4 million. In addition potential transactions involving over £20 million of real estate were under negotiation.

12 TASK AND FINISH GROUP APPOINTMENTS

It was agreed that the Budget Task and Finish Group and the Council Tax Scheme Task and Finish Group be set out from Panel volunteers and from an invitation to other members of the Council. The Chairman would decide on the final membership of each Group.

13 WORK PROGRAMME

The Panel reviewed its future Work Programme and members were invited to contact Andy Rogers with any suggested additions for discussion at a future meeting.

CHAIRMAN