

21 NOVEMBER 2019

NEW FOREST DISTRICT COUNCIL

CORPORATE OVERVIEW AND SCRUTINY PANEL

Minutes of a meeting of the Corporate Overview and Scrutiny Panel held on Thursday, 21 November 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
Jeremy Heron, Finance, Investment & Corporate Services Portfolio Holder

Officers Attending:

Rob Beere, Alan Bethune, Manjit Sandhu, Ryan Stevens and Claire Upton-Brown

Apologies:

Cllr Thorne

21 MINUTES

RESOLVED:

That the minutes of the meeting held on 26 September 2019 be signed by the Chairman as a correct record.

22 DECLARATIONS OF INTEREST

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

23 PUBLIC PARTICIPATION

No issues were raised during the public participation period.

24 ICT STRATEGY AND BUDGET UPDATE

The Panel received a progress report in respect of the ICT Strategy for 2018-2022, together with an update on the related budget position.

The report covered:

- Resilient and secure information
- Smarter working
- Better digital services for residents and businesses
- Financial implications

Members asked for a detailed clarification of the financial position in respect of each main strand of the ICT Strategy currently and over recent years. Officers subsequently provided this as follows:

Confirmation of ICT workstream, strategy and device budgets;

- 2.1 Protect and Maintain Strategy; approved in 2017, covering 2017/18 – 2018/19 – 2019/20. Original 'ball park' estimate £1.5M. Supplement in Nov 18; £100k. Supplement in Dec 19; £150k. Additional costs to complete large and complex infrastructure project looking likely; will be reported accordingly.
- 2.1 Device Replacement; approved through annual budget setting. Total expenditure 2017/18 – 2018/19 – 2019/20 = £715k. On-going cyclical replacement required; will be approved through annual budget setting.
- 2.2 Smarter Working Strategy; approved via 'Case for change' report through COSP and Dec '18 Cabinet. Original 'ball park' estimate £750k, covering 2019/20 - 2020/21 – 2021/22.
- 2.3/2.4 ICT Strategy 18-22; approved in 2018, covering 2018/19 – 2019/20 – 2020/21 – 2021/22. Original 'ball park' estimate £1.570M. 4 themes are;
- Resilience and Security
 - Members ICT Support
 - Digital Residents (i.e Website)
 - App Replacement

The overall financial summary, bringing together all of the most recent ICT workstreams, including a table for the originally budgeted positions and latest actual/budgeted positions is shown in Appendix 1 to these minutes;

Members noted that ICT was a growth area within NFDC, and it was a service which had to keep pace with rapid change in the industry. The Chairman reminded the Panel of the considerable step changes that had been achieved over recent years, which had come at a significant cost but were necessary and had led to real savings and income generation through the efficiencies realised by smarter working and improvements in the work place.

RESOLVED:

That the Panel support the progress as against the Investment Strategy and the budget update, detailed in the report for inclusion in the Medium Term Financial Plan, subject to the approval of individual business cases.

25 PORTFOLIO HOLDERS' UPDATES

The Panel received oral updates from Portfolio Holders.

The Portfolio Holder for Finance, Investment & Corporate Services referred to the previous paper on ICT and reiterated that the Council was delivering complex ICT projects under a fully funded budget.

He outlined plans for property investments in various locations, including progress on the Lymington Town Hall, Ringwood, the Lymington car park and other areas.

The Portfolio Holder for Economic Development reported on the following issues:

- Involvement in the property investment decisions
- Broadband
- High streets (paper elsewhere on agenda)
- Contacts with local businesses
- Budget Task and Finish Group
- Staffing of the Economic Development Team
- Income generation

26 COUNCIL TAX REDUCTION SCHEME

The Panel received the recommendations of the Council Tax Reduction Scheme Task and Finish Group 2020/2021.

RESOLVED:

That the Panel recommend to Cabinet and the full Council that Option B and C as set out in the report be approved.

27 COUNCIL TAX DISCOUNTS, EXEMPTIONS AND PREMIUMS

The Panel considered proposed Council Tax discounts, exemptions and premiums, as recommended by the Task and Finish Group.

Reference was made to the section of the report on care leavers (and the responsibilities of NFDC as 'Corporate Parents') and Cllr Heron pointed out that rather than single out care leavers, the existing Council Tax Reduction Scheme and Exceptional Hardship Scheme should support all vulnerable people on a low income with paying their Council Tax.

Some members felt care leavers should be given specific consideration and that this should be reviewed again in the future.

RESOLVED:

That the Panel support the following recommendation to the Cabinet and the Council:

- (i) That, insofar as it is entitled to do so by law, the discretionary discounts to and premiums on Council Tax as set out in Options A-C, as set out in paragraph 3 of the report be approved; and
- (ii) To review, by Task and Finish Group, the empty homes premium in 2020.

28 BUDGET TASK AND FINISH GROUP - FINAL REPORT

The Panel considered the recommendations of the Budget Task and Finish Group.

The Chairman of the Task and Finish Group, Cllr O'Sullivan, reiterated the terms of reference of the Budget Task and Finish Group and explained that the theme followed by the Group was one of scrutiny and assurance. He was pleased to note some progress on the previous year's recommendations, and the Panel reviewed the suggested actions to follow up for each portfolio.

After discussion, it was suggested that the Budget Task and Finish Group be renamed the Performance and Strategy Review Group which should meet earlier in the year, and that proposals for changing the function of the Group be brought to a future meeting of the Panel. Individual recommendations for each portfolio would be brought to the attention of each Overview and Scrutiny Panel as appropriate.

RESOLVED:

- (a) That the relevant Overview and Scrutiny Panels be given regular updates on progress with the actions and matters highlighted throughout the report for each portfolio; and
- (b) That a report be submitted to a future meeting of the Panel with proposals for the renaming of the Budget Task and Finish Group reflect its current function and to a suggested earlier timeframe starting in the summer to allow enough time for its deliberations.

29 ECONOMIC DEVELOPMENT - TOWN CENTRES

The Panel noted issues relating to Economic Development in the town centres and the high street. The report set out the national and local picture including national planning policy, the Local Plan Review and various reports on high street development and town centre regeneration.

After a detailed discussion, the Chairman thanked Mrs Upton-Brown for an interesting and informative report.

RESOLVED:

That the report be noted.

30 PENSIONS UPDATE (PRESENTATION)

The Panel received an update on the provisional results of the 2019 triennial pension revaluation, the presentation slides from which are attached to these minutes as Appendix 2.

In summary, the 2019 triennial valuation confirmed a particularly strong investment return over the previous 3 year period, which had all but diminished the historic fund deficit.

In 2020, the Council would receive its own primary contribution rate, which although at 18.4% is above the rate that was set out in for 2020 the 2016 valuation, can be

temporarily absorbed by the savings resulting from the deficit contribution no longer required over the period covering 2020-2022.

RESOLVED:

That the presentation be noted.

31 WORK PROGRAMME

The Panel considered its future work programme.

32 DATES OF FUTURE MEETINGS

RESOLVED:

That the following meeting dates for 2020/21 be approved:

(All Thursdays at 9.30 a.m.)

18 June 2020
24 September 2020
19 November 2020
21 January 2021
25 March 2021

CHAIRMAN

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Original Budgeted Position £'000

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
Protect and Maintain Strategy	500	750	250			1,500
Device Replacement	165	250	150	150		715
Smarter Working Strategy		225	375	150		750
ICT Strategy 18-22						
Resilience & Security			100	100	100	300
Members ICT			40	40	40	120
Digital Residents		50	250	100		400
Other Apps			250	250	250	750
	0	50	640	490	390	1,570
GRAND TOTAL ICT INVESTMENT PROGRAMMES	665	1,275	1,415	790	390	4,535

Updated Position £'000

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	Actual	Actual	Budget	Budget	Budget	
Protect and Maintain Strategy	81	1,169	500			1,750
Device Replacement	289	419	7			715
Smarter Working Strategy		100	230	420		750
ICT Strategy 18-22						
Resilience & Security			125	88	88	300
Members ICT			40	40	40	120
Digital Residents			75	250	75	400
Other Apps			60	400	290	750
	0	0	300	778	493	1,570
GRAND TOTAL ICT INVESTMENT PROGRAMMES	370	1,688	1,037	1,198	493	4,785

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PENSIONS UPDATE

*An update on the provisional results of
the 2019 Triennial Pension Revaluation*

Triennial Revaluation

- Every 3 years, the Fund actuary carries out a detailed assessment on the fund Assets and Liabilities
- Their review determines the primary and secondary employer contributions for the next 3 year period

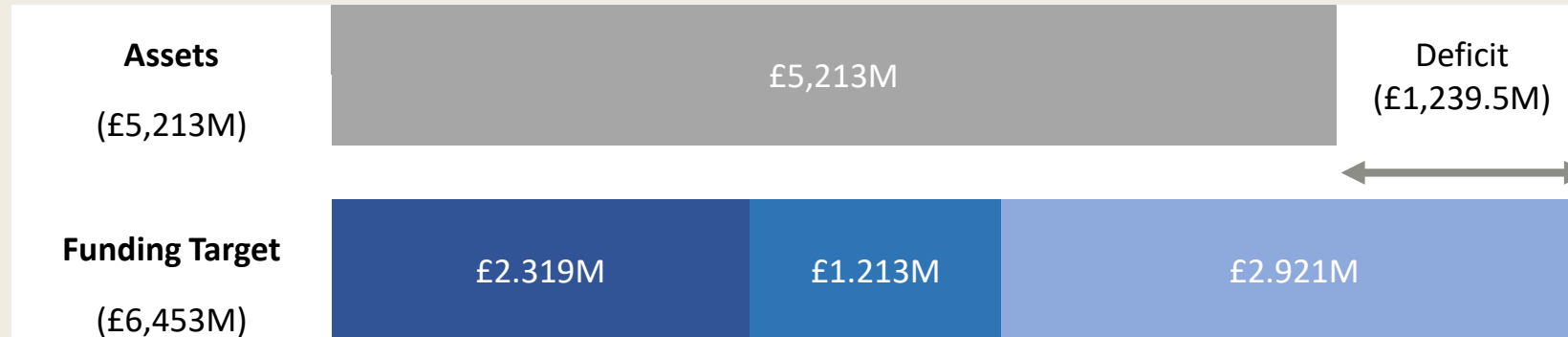
Primary
Rate

- Employer Contributions to meet cost of new benefits

Secondary
Rate

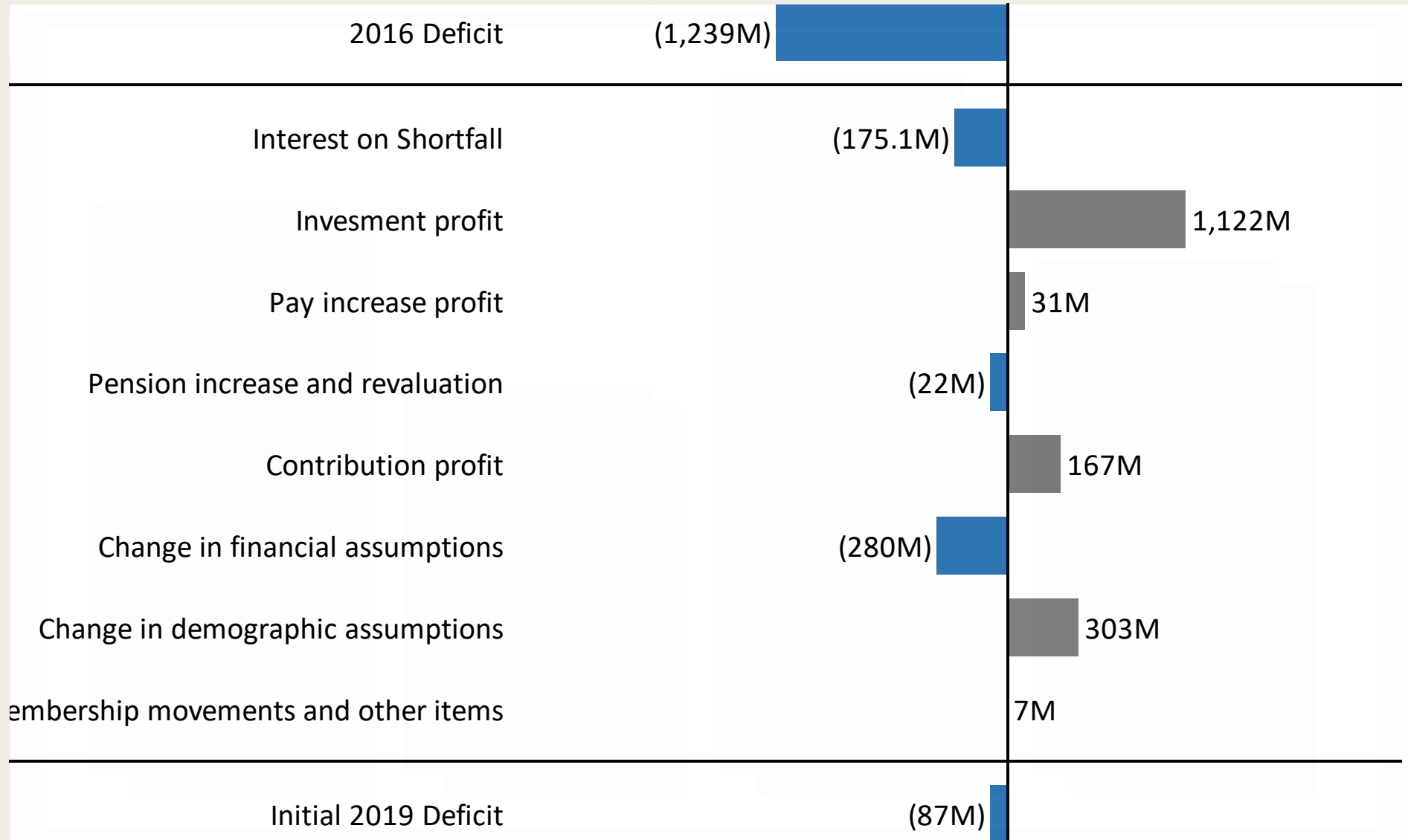
- Employer Contributions to eliminate surplus/shortfall

Reminder 2016 Position

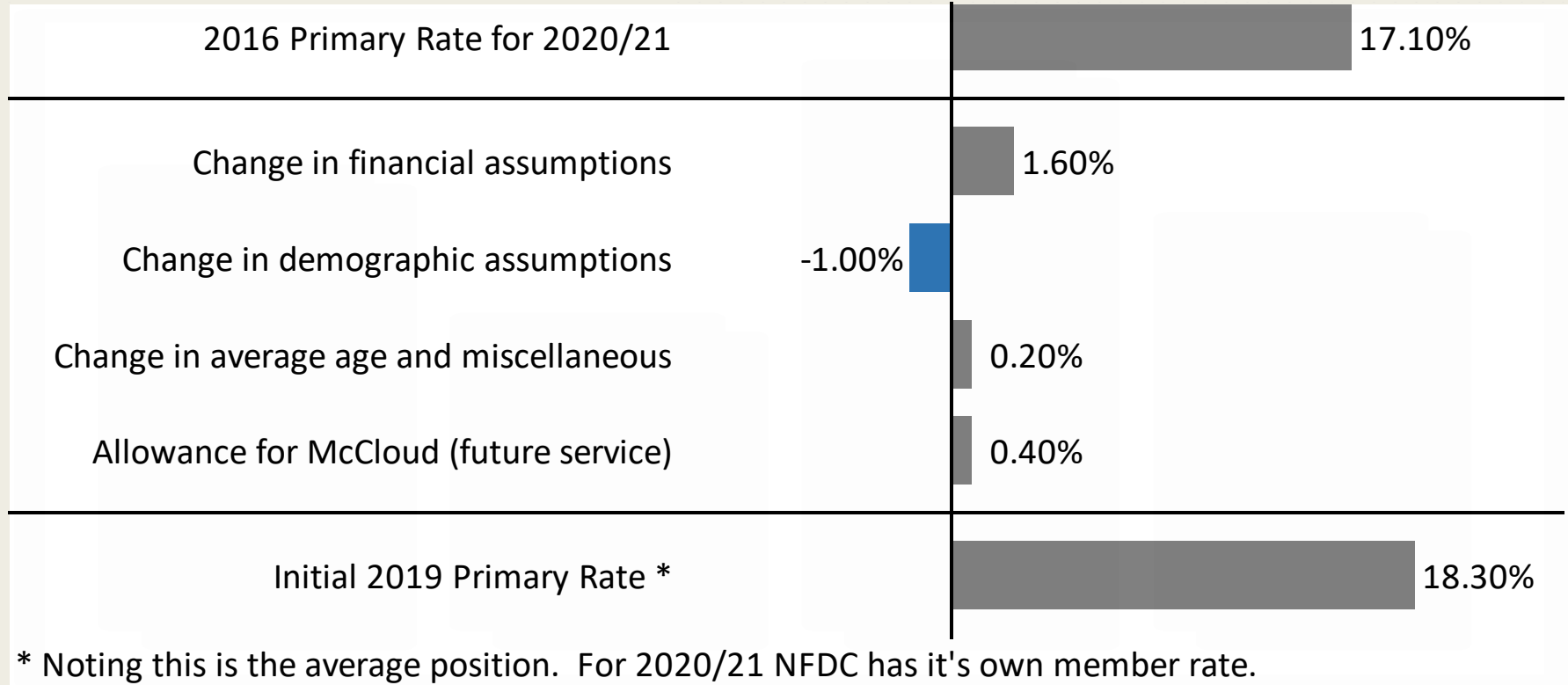


	Certified contributions			Planned
Contributions of pay	2017/18	2018/19	2019/20	2020/21
Employer share of future service cost (primary Rate %)	14.1	15.1	16.1	17.1
Past Service Deficit Contributions (19 years): Base 2016	+8.8%	+8.8%	+8.8%	+3.9%
Past Service Deficit Contributions (19 years): NFDC £M	1.503	1.635	1.779	1.850

Change in funding position (2019)



Change in primary rate 2016 to 2019



What does this all mean to NFDC?

	Budgeted 2020 Postion based on 2016 Valuation	Revised 2020 Postion based on 2019 Valuation	Financial Impact *
Primary Rate	17.10%	18.40%	+£200k pa
Secondary Rate	£1.850M	-	(£1.850M) pa
* Note these figures are split across the General Fund / HRA			

November MTFP;

- 4.7 *It is proposed that savings arising from the favourable 2019 Pension Fund valuation largely be used to top up the Budget Equalisation Reserve in the intervening period, or support one-off expenditure. If by the 2022 valuation the returns have been maintained and stabilised (by which time we should also have more certainty about the financial outlook for the Council) the revenue savings can be factored into the MTFP at that point in time.*