

24 JUNE 2021

NEW FOREST DISTRICT COUNCIL

**CORPORATE AFFAIRS AND LOCAL ECONOMY OVERVIEW AND SCRUTINY
PANEL**

Minutes of a meeting of the Corporate Affairs and Local Economy Overview and Scrutiny Panel held on Thursday, 24 June 2021

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

Councillors:

- * Fran Carpenter
- * Keith Craze
- * Jack Davies
- * Mahmoud Kangarani

Councillors:

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

*Present

In attendance:

Councillors:

Michael Harris
Edward Heron

Councillors:

Jeremy Heron

Officers Attending:

Alan Bethune, Bird, Rebecca Drummond, Kim Gray, Sally Igra, Andy Rogers, Andrew Smith, Ryan Stevens and Claire Upton-Brown

4 MINUTES

RESOLVED:

That the minutes of the meetings held on 18 June 2020, 28 July 2020, 19 November 2020, 21 January 2021 and 25 March 2021 be confirmed and signed.

5 DECLARATIONS OF INTEREST

There were no declarations of interest on any agenda item.

6 PUBLIC PARTICIPATION

There was no public participation.

7 TERMS OF REFERENCE

The Panel noted its terms of reference.

8 PORTFOLIO HOLDER'S REPORTS

Portfolio holders gave an update on various issues within their areas.

1. Leader (Portfolio Holder – Cllr Edward Heron)

- **Freeports** – An update was given on the Solent Freeport application, one of eight potential Freeports. The current focus was on providing re-assurance that local structures were in place to fulfil the Government's objectives, with an outline business case to be submitted by the end of July. The estimated tax benefit for firms relocating into a Freeport tax site was £2m per hectare per annum. The scheme would be targeted to particular sectors and would need to ensure there was a net economic benefit, given that the Government would be foregoing estimated tax revenue of approximately £1.2bn. The Freeport would be important to the Waterside and the Forest as a whole, benefitting and feeding into supply chains and services. There was now a Freeport website, the weblinks of which would be circulated in due course. A key objective of the Council was upskilling residents, including the hospitality sector, and participating firms would be required to offer training and upskilling.
- **WorkSmart.**
Reference was made to the Worksmart proposals elsewhere on the agenda. There would be engagement with members on how they wished to work in future.

2. Business, Tourism and High Streets (Portfolio Holder – Cllr Michael Harris)

- **Business Grants**
NFDC was in the top 25% of authorities for prompt payment of grants distribution, with appropriate checks. The Council was required to allocate all of its Additional Restrictions Grants (ARG), funding by the end of June, to secure a further phase of funding of £1.4m. He thanked officers for the efficient way in which the Grants had been administered.
- **High Streets**
An online event was planned for businesses, live, but available for later viewing, which would feature advice on business growth and competing with online trade.
- **Tourism**
The visitor economy was essential to the New Forest. GoNewForest had organised an event at Balmer Lawn, which was attended by local businesses and aimed to highlight to young people the benefits of working in the Forest. In addition to the Kickstart Scheme, the Council worked with the LEP to assist young people into employment where it could.
- **Staff Suggestion scheme**
It was proposed that the NFDC staff efficiency ideas suggestion scheme be publicised and promoted as good practice among local businesses with examples of successful ideas given.
- **Flexible Working Hours**
It was suggested that employees be given further flexibility in the hours they worked, eg, later in the evenings.

- **Broadband**
Government targets in this regard had altered and this was being monitored, but local schemes were being promoted and assisted by the Council wherever possible.

3. Finance, Investment and Corporate Services (Portfolio Holder – Cllr Jeremy Heron)

- **Performance and Budget Outturn**
He was pleased with the outcome and good government support though reduced income from Leisure and Car Parking covered by related grants.
- **ICT Investment**
Congratulations to the ICT team for maintaining services and adapting to the demands of homeworking / Covid. Helped continuation of service delivery to the community.
- **Business Support Grants**
Important to businesses, but also to wider community. Funding delivered rapidly and to wide benefit to local economy and residents. Appropriate steps were taken to avoid fraud.

9 ICT STRATEGY DELIVERY/BUSINESS WEBSITE/APP DEVELOPMENT

The Panel received a presentation on progress with the Council’s ICT Strategy Delivery, the Business Website, and App Development. The presentation was given by Kim Gray and Rich Bird, ICT, in Rob Beere’s absence. The slides are attached to these minutes as Appendix 1.

The presentation outlined:

- The Themes of the Strategy for 2018-2022
- The ‘ICT Journey’ and steps taken since 2016
- Key achievements against the Themes since the last report in November 2020: Resilience and Security / Digital Services/ Simple and Standard Applications
- Smarter Working
- Financial Summary
- Business as usual (responding to the Pandemic)

The Chairman thanked the officers for the presentation and the progress made, and paid tribute to Rob Beere, who would be retiring in August. Rob had reported to this Panel on progress with ICT on numerous occasions since he joined the Authority in 2016. The Chairman stated that, with his excellent team, the changes he had brought to ICT in the last few years had revolutionised the operations at the Council, overhauling the ICT infrastructure, and improving customer services. He had overseen the expansion of homeworking for officers and members, which had helped keep Council services running throughout the Pandemic. Members of the Panel echoed the Chairman’s sentiments. They sent him their best wishes for the future, and wished to put on record their sincere thanks for all he had done.

10 ANNUAL PERFORMANCE AND PROVISIONAL BUDGET OUTTURN 2020/21

The Panel considered the Annual Performance and Provisional Budget Outturn 2020/21.

In answer to a query about the 'red' performance indicator scores relating to staffing and service delivery impact in Economic Development, it was explained that instead of delivering many of their normal functions staff had been focussed on supporting the local economy with grants and giving advice to businesses during pandemic.

It was noted that the number of apprenticeships had declined in the District. Whilst the Council had a number of its own apprentices and played a role in encouraging take - up by firms in the District, the Council had limited influence in overall apprenticeship numbers.

This report provided an overview of performance and delivery of the corporate plan for 2020/21. The report reflected the impact of the Coronavirus pandemic and set out provisional outturn results for the General Fund and Housing Revenue Account.

RESOLVED:

That:

- a) The Annual Performance Statement for 2020/21, including the impact of Covid-19 on performance be noted;
- b) The provisional outturn of the General Fund revenue and capital budgets for 2020/21 be noted;
- b) That the provisional outturn of the Housing Revenue Account for 2020/21 be noted.

11 COMMERCIAL AND RESIDENTIAL PROPERTY ANNUAL REPORT

The Panel received a presentation giving the Annual Report on progress against the Commercial and Residential Property strategies. A copy of the slides for the presentation is attached at Appendix 2 to these minutes. The position on each strategy was summarised as follows:

Appletree Holdings

- Approval given for £4 million of the £10 million pot to be invested in the project
 - Expenditure to date was £2,619,229 with a further £274,600 committed - totals £2,904,065.
 - Income % return in line with strategy forecast.
 - The Property Investment Panel gave support to release of an additional £2M tranche of shareholder funds (10/06/21); total £6M released.
- **Commercial Property**
 - £10M commercial property acquired through strategy
 - Properties acquired all within the District helping to sustain local employment
 - Income is tracking expectations and exceeding treasury management returns
 - 5 potential acquisitions presently under negotiation

In answer to a question on return from investments, it was confirmed that approximately £10m had been spent on commercial property, with net income at £397k now built into the base budget. Financing of the spend had been achieved

using the Council's own balances, and so there were no third-party borrowing charges.

It was confirmed that yield was at 3.56% for Appletree Property Lettings, slightly above the original strategy target.

RESOLVED:

That the Panel note the performance to date in the delivery of the commercial and residential strategies, and supports the continuation of both projects.

12 BUSINESS SUPPORT GRANTS UPDATE

The Panel received an update on Business Support Grants. The purpose of the report was to provide a summary of the support given to businesses via the Government's various Business Support Schemes from November 2020 to 31 March 2021.

The Government had provided further funding to councils to administer the following business support grants to ratepayers:

1. Local Restrictions Support Grant (Closed) Addendum November to December 2020
2. Local Restrictions Support Grant (Closed) due to tier restrictions
3. Local Restrictions Support Grant (Open) due to tier restrictions
4. Christmas Support Payment for wet-led pubs
5. Closed Business Lockdown Payment
6. Local Restrictions Support Grant (Closed) 5 January – 31 March 2021
7. Restart Grant.
8. Additional Restriction Grants

The report detailed grant payments for each type of grant fund, both the total amount paid and the number of businesses supported. The Council had paid £31.265m in the rate-based grants and £5.2m in Additional Restrictions Grants. The report set out the method of administration, including the use of eforms and the various validation and security checks. Whilst there had been one incident of fraud in the previous grant schemes, no such issues had been in evidence with the grants paid since November 2020. Feedback from businesses had been very positive in the Council's prompt payment of grants and notifications.

As the council had fully allocated its Additional Restrictions Grant funding, the Council was able to claim further grant funding of £1.4m to provide additional support to businesses. Officers will work with Portfolio Holders to agree a policy.

Economic Development officers were using this as an opportunity to shape current and future policies and will continue to build relationships with the businesses sector.

RESOLVED:

That the report be noted and that the Panel's sincere thanks be passed on to the teams for the excellent response in administering the grants in such a timely and efficient way.

13 WORKSMART PROPOSAL

The Panel noted a summary of the proposed implementation of the WorkSmart initiative, the next step in the Council's Smarter Working Programme, supported with a HR Policy.

The significant majority of the Council's c400 office-based employees work in roles that have been working from home since the middle of March 2020. WorkSmart introduced a policy to allow staff to continue to work from home or an alternative base for part of their standard working week.

Staff surveys have shown the majority of employees prefer a hybrid approach between working at home and at the office. Performance management measures would be incorporated to ensure service delivery.

Moving to a hybrid way of working enables the Council to make a good contribution towards its sustainability agenda. Employee travel in 2019/20 was in the region of 480,000 miles. A reduction in travel was anticipated from employees who have a new flexible working arrangement in place, which could generate financial and time benefits.

RESOLVED:

That the Cabinet be advised:

- (a) That the Panel support the business case for Worksmart.
- (b) That the Panel recognise that as the Council moved forward with more hybrid working, this would necessitate a review of the Council's use of offices across the District, to ensure it met the needs of the organisation moving forward, and the Panel would welcome the opportunity to consider these matters at the appropriate time.

14 FINANCIAL STRATEGY TASK AND FINISH GROUP

The Panel discussed arrangements for creating a task and finish group to monitor the Council's financial strategy.

The Chairman explained that this panel had previously convened an annual budget task and finish group exercise to examine the Council's Medium Term Financial Plan, and hear directly from the Portfolio Holders on their financial challenges and assumptions.

The Group was not convened in 2020, as instead, some members of this panel contributed to the Financial Recovery Group, which resulted in an Emergency Budget for 2020/21 and updated assumptions that fed into the 2021/22 budget process and updated Medium Term Financial Plan.

The Chairman suggested that a new 'Financial Strategy Task and Finish Group', be created to meet over the late summer and into Autumn, with the group reporting back to this Panel later in the year.

It was suggested that the terms of reference for the Group be targeted to gather an understanding of how the Council's overall financial strategy brought together various financial workstreams. This included income maximisation and prioritisation of resources to ensure the delivery of the Council's priorities, and to challenge how the plans and assumptions made by the Portfolio Holders fitted in with the overall strategy.

Members supported this suggestion and Councillors Carpenter, Levitt, Craze, O'Sullivan, Alvey and Kangarani volunteered to serve on the Group. A further invite to serve on the Group would be made to all members and the Chairman would finalise the membership.

15 WORK PROGRAMME

The panel reviewed its work programme.

The Chairman reported that through this Panel, she initiated a Staff Suggestion Scheme earlier this year. The intention was to provide an additional way for staff to suggest efficiency or savings ideas for their service, or elsewhere in the organisation.

She was pleased to report that this has now been launched, employees have been made aware of the online form, and service managers have been asked to raise this at their service meetings. Any corporate ideas will be passed to the Employee Forum to initially consider.

Staff will be kept up to date on what has happened with their ideas, and she had asked for this Panel to receive an update after a year of the scheme's operation.

That the relevant portfolio holder would give a report on progress with high streets at each meeting.

RESOLVED:

That the Work Programme be noted, subject to the above comments.

CHAIRMAN