

22 JUNE 2023

NEW FOREST DISTRICT COUNCIL

RESOURCES AND TRANSFORMATION OVERVIEW AND SCRUTINY PANEL

Minutes of a meeting of the Resources and Transformation Overview and Scrutiny Panel held on Thursday, 22 June 2023

- * Cllr Alan O'Sullivan (Chairman)
- * Cllr Barry Dunning (Vice-Chairman)

Councillors:

- * Alan Alvey
- * Jack Davies
- Jacqui England
- * David Millar

Councillors:

- * Barry Rickman
- * Alex Wade
- * Christine Ward

*Present

In attendance:

Councillors:

Jill Cleary
Jeremy Heron
John Sleep

Councillors:

Officers Attending:

Kate Ryan, Alan Bethune, Rebecca Drummond, Rich Bird, Adam Hobbs, Kim Gray, Andy Rogers and Andrew Smith.

Apologies

Apologies were received from Cllr J England.

4 MINUTES

The following minutes were confirmed as a correct record:

24 March 2023 (Local Affairs and Local Economy O&S Panel)

22 May 2023 (Annual Meeting)

5 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

6 PUBLIC PARTICIPATION

There were no issues raised in the public participation period.

7 TERMS OF REFERENCE OF THE PANEL

The Panel's Terms of Reference were noted.

8 ANNUAL PERFORMANCE AND PROVISIONAL BUDGET OUTTURN

The Panel received the Annual Performance and Provisional Budget Out-turn report.

The report provided an overview of performance and delivery of the Corporate Plan for 2022/23 and set out provisional outturn results for Revenue and Capital budgets for both the General Fund and Housing Revenue Account.

It was noted that, when combined, the overall general fund variations resulted in a neutral position for the year, with no transfers to or from general non-committed reserves.

It was also noted that the Housing Revenue Account had been adversely affected over a difficult year, with a net overspend totalling nearly £1.2m on the original budget.

In answer to a question on Government funding for the Council's transition to the new Waste Service, it was explained that the Council expected to receive new income from the Extended Producer Responsibility Scheme, but the mechanism for this and overall new burdens funding was not yet known.

A member queried the quoted percentage of 'Vacancies filled first time' (82% in 2022/23, against a target of 85%), and asked whether any particular areas were affected. It was explained that this had since risen to 91% in the last quarter. Several updates on improvements to recruitment processes had been reported to HR Committee, including enhanced social media use, and direct contact with relevant organisations, to assist with recruitment supply. No single service was adversely affected, though EMT monitored emerging issues and where necessary, could deploy existing policies to respond to adverse market trends. Although recruitment would always be a challenge, the position was improving, and the matter would be kept under review and reflected in the new Corporate Plan.

RESOLVED:

That the Cabinet be advised that Panel note and support:

- a) The Annual Performance Report for 2022/23;
- b) The provisional outturn of the General Fund revenue and capital budgets for 2022/23;
- c) The provisional outturn of the Housing Revenue Account and capital budgets for 2022/23; and
- d) The yearend re-phrasings as included within the provisional outturn figures.

9 NFDC TRANSFORMATION PROGRAMME UPDATE

The Panel received an update on progress with the Transformation Programme.

It was explained that a leadership team had been formed and the programme was in the design and planning phase. Any further resources required to

progress the Programme would be identified once the scope of the project had been established, though it was envisaged most work could be undertaken using existing internal resources.

Reference was made to the financial challenges faced by the Council and transformation foundations had been identified in various areas including:

- Customer Service
- People
- Digital
- Property and Accommodation
- Business Reviews
- Delivery

The Panel noted that initial research had identified significant opportunities around serving and engaging with customers, which, taken in the context of the whole programme approach to transformation, could release £1m in cost efficiencies.

It was reported that further assessment was ongoing, around customer needs via resident engagement, including street surveys, focus groups, and questionnaires.

The Transformation Strategy would be drawn up over the next few months with a view to it being presented to this Panel and the Cabinet in the Autumn. This would include a roadmap for the next four years, an action plan for the next 12 months, governance arrangements and details on the means of progressing the Programme.

Members supported efficiencies from rationalisation of the Council's estates and assets.

Members stressed the need to ensure that any changes in customer services, particularly with increasing service via the web, did not disadvantage certain groups, and emphasised the importance of the plans for engagement with residents.

RESOLVED:

That the Panel note and support the Transformation Programme as outlined.

10 DEVELOPMENT OF A NEW OPERATIONAL SERVICES DEPOT AT HARDLEY INDUSTRIAL ESTATE

The Panel considered a proposed scheme for the development of a new operational services depot at Hardley Industrial Estate.

The Waste Strategy had pointed to the need for replacement of Claymeadow, given its size, location and nearby facilities, which had been confirmed by external consultants. Investment in the new Depot was much needed, in order to provide a safer, more practical facility, with modern and purpose-built workshop facilities that were fit for future operations.

This new depot would serve as an operational centre for the east of the District. One of the Council's three existing depots – "Claymeadow" in Totton – would be

decommissioned, and planning permission sought for an alternative development, most likely housing

NFDC was seeking to develop land at Hardley Industrial Estate for use as an operational services depot. The proposed scheme comprised staff and operational vehicle parking, storage, fuelling, vehicle washing facilities, a vehicle maintenance workshop and office units.

This was a cross – Council project involving close collaboration between members and officers, covering various services within the Authority.

A robust procurement exercise was run, over a 3 month period. The preferred bidder would be reported confidentially to the Cabinet.

HR policies were in place to recognise the change of location for affected staff.

In all, £7.8m had been allocated for the project, including a contingency sum. This exceeded the capital programme allocation for the project, but the capital receipt expected from the sale of the Claymeadow site would resolve the deficit.

Risks had been mitigated through the procurement exercise. A fixed - price contract would ensure the project was not vulnerable to changes in materials costs. Future provision of charging facilities for plant and equipment was planned.

Governance arrangements included oversight via the Waste Programme Board (including members of the Cabinet), as well as a separate steering group involving senior officers.

It was queried whether social housing would be provided on the vacated site, including from NFDC Housing. It was responded that options were being kept open, and it was explained that ultimately, the Council's General Fund had to realise market value from the site, and any residential development from NFDC had to be policy compliant in terms of affordable housing need. Discussions would continue with the Housing service.

The local member for the Hardley area indicated the Parish Council's support for the project.

A query was raised concerning the 60/40 split in Price / Quality aspects of the procurement. It was explained that the procurement process had been robust and the Council had received strong bids, both in terms of price and quality. Officers undertook to check how the quality assessment was worked through, and to what extent relevant documents could be made publicly available, balanced against the need to protect commercial confidentiality.

It was confirmed that overall, the relocation of the site would not present adverse transport / journey times for staff and all operational rounds would be reviewed using new technology.

RESOLVED:

That the Panel support the proposal to allocate £7.8M of Capital funding towards the new depot facility.

11 COMMERCIAL AND RESIDENTIAL PROPERTY STRATEGIES - ANNUAL REPORT (PRESENTATION)

The Panel received a presentation on the performance to date in the delivery of the Commercial and Residential Property strategies. The slides from the presentation were attached to the agenda pack and the summary position on each was noted as follows:

Commercial Property Summary

- £29.22M commercial property spent to acquire or construct in line with strategy
- Properties acquired all within the District helping to sustain local employment viability and vitality
- Income yield is tracking expectations, with net income ahead of strategy due to being fully internally funded to date
- Platinum Jubilee Business Park has been completed with estimated 150-200 direct jobs being supported once fully let
- Further commercial property investments presently “on pause” save for exceptional opportunities

Appletree Holdings Summary

- Presently approval has been given for £8 million of the £10 million pot to be invested in the project
- Expenditure to date is £5,081,093.
- Income yield in line with strategy forecast

Whilst commercial investments were on pause because of uncertainty (eg with interest rates), demand for use of the Platinum business park was good.

Members queried whether void periods as reported were typical and proportionate. This depended on the definition of the void and examples were given of how void delays occurred.

In response to a query, it was explained that the quoted extra 150-200 associated with the creation of the Platinum business park included those from businesses moving from within the District and were mostly regional rather than national.

RESOLVED:

That performance to date in the delivery of the commercial and residential strategies be noted and the continuation of both projects be supported.

12 ICT UPDATE (PRESENTATION)

The Panel received an update on the work of the Council’s ICT Services team, including progress with the ICT Strategy. The slides from the presentation were attached to the agenda pack.

The presentation covered the following areas:

1. An introduction to the ICT Service
2. Digital Strategy 2022-2025
3. ICT Operations Update
4. ICT Delivery Update

5. Work Programme Financials 2023/24
6. Work Programme Update 2023/24

In answer to a query, it was reported that the HPSN project had been completed in terms of its objectives and was now entering closure stage.

In response to a question concerning cyber security risks, it was explained that this aspect was one of the Council's high risks, likely in common with all local authorities, due to the scale and nature of data held. Accordingly, this risk was held on the Council's Strategic Risk Register. It was noted that, like all organisations, the Council received lots of threats and malicious attacks, which were mitigated by its security systems, firewalls, and technical controls, as well as strict admin controls. In addition to significant internal security processes, annual penetration testing and scanning was undertaken by external contractors as part of compliance and accreditations requirements. A remediation plan then followed.

It was commented that the project concerning the logging of engineering work was in preliminary discussions and would appear in future reports.

RESOLVED

That the report be noted.

13 PORTFOLIO HOLDER UPDATES

The Panel received updates from the Leader, and the Portfolio Holder for Finance and Corporate, on developments within their portfolios.

Leader

The Leader outlined key achievements delivered from the corporate priorities of the Council, including the agreement of the waste strategy, the climate action plan and the Solent Freeport approval. The Council had worked hard with partners to ensure it supported those struggling with the cost-of-living challenge.

Five community hubs had been established, £220k in community grants had been allocated and the Council had distributed Government support for those in greatest need.

Under the new Chief Executive, progress had been made in modernising the organisation, with a new leadership team, wider staff engagement, a pay review and a commitment to be an employer of choice.

In response to a question on the County Deal, the Leader confirmed that she was not supportive of the establishment of a Regional Mayor. The position on Devolution Deals was evolving, and once there was clarity from the Government the District would play its part in seeking to ensure any deal benefitted residents.

The Leader was asked about doing more to engage the public with member meetings and elections, and to encourage more women employees and more women councillors. The Leader confirmed her support for initiatives to achieve these aspirations.

Portfolio Holder for Finance and Corporate

The portfolio reiterated the Council's commitment that whilst Digital Transformation presented many cost savings, the Council's non-digital audience would continue to be catered for.

The Council's budget was in a reasonably good condition but was constantly receiving new pressures, including new ways of dealing with waste. These costs needed to be balanced against service and Government requirements and a greener and more sustainable way of living.

The Council's ICT programme included 30 projects, all of which were complex but also presented challenges including security.

It was pointed out that dashboards were being realigned in line with the changes to portfolios.

It was explained that developments in Local Government Finance appeared to be in one-year settlements. Details of new burdens funding for waste collection was still awaited.

It was noted that NFDC had not at this point chosen to formally comment on the County Council budget proposals but was in discussion with HCC on a number of specific areas. EMT were taking stock of the HCC proposals and would respond in due course.

14 COUNCIL TAX REDUCTION SCHEME TASK AND FINISH GROUP

The Panel considered arrangements for the establishment of the Council Tax Schemes Task and Finish Group for 2023.

RESOLVED

That it be agreed that the Council Tax Schemes Task and Finish Group meet 4 times between July and September to make recommendations to the Panel on:

1. Review of the Council Tax Support scheme
2. Local disregard for Housing Benefit
3. National Non-Domestic Rates policy review

15 FINANCIAL STRATEGY TASK AND FINISH GROUP

The Panel considered arrangements for meetings of the Financial Strategy Task and Finish Group in 2023.

RESOLVED:

- (i) That the Financial Strategy Task and Finish Group be established and meet 4 times over September and October 2023 around the following dates:

w/c 4 September: **1.** Introduction, background and MTFP assumptions
w/c 18 September: **2.** Alternative budget format
w/c 2 October: **3.** Reserve Balances

w/c 16 October: 4. Wrap up session

(ii) That the Group's work includes the following:

To provide detailed scrutiny on the budget assumptions made within the latest Medium Term Financial Plan.

- To consider an alternative format for high-level budget adoption.
- To overview the reserve balances held by the Council, in light of the planned reduction here, and potential for borrowing moving forward.

16 WORK PROGRAMME

The Panel received and noted its work programme.

Members were advised that, in line with recent overview and scrutiny training provided to members, and what was becoming best practice, it was the intention to work towards bringing fewer agenda items to future panel meetings, so that members could focus on perhaps 2 or 3 priority items in more depth, rather than spending a short time on a larger number of items and dealing with them perhaps only superficially.

This approach was being adopted by the Council's other overview and scrutiny panels, especially where it was felt there were too many items to fully do justice to the reports submitted.

It was hoped this would strengthen Scrutiny, add greater value, and ensure that best use was made of the Panel's time.

Regular updates and information items would continue be made available to members outside of the meetings. Members could of course ask that any issues arising out of these information items be covered at a future meeting, and officers would work with the Chairman to arrange this.

CHAIRMAN