

NOTICE OF MEETING

Meeting:	RESOURCES AND TRANSFORMATION OVERVIEW AND SCRUTINY PANEL
Date and Time:	THURSDAY, 18 JANUARY 2024, AT 10.00 AM
Place:	COUNCIL CHAMBER - APPLETREE COURT, BEAULIEU ROAD, LYNDHURST, SO43 7PA
Enquiries to:	Email: andy.rogers@nfdc.gov.uk Andy Rogers Tel: 023 8028 5070

PUBLIC PARTICIPATION:

Members of the public may watch this meeting live on the [Council's website](#).

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

- (a) on items within the Resources and Transformation Overview and Scrutiny 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 no later than 12.00 noon on Monday, 15 January 2024.

Kate Ryan
Chief Executive

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AGENDA

Apologies

1. MINUTES

To confirm the minutes of the meeting held on 16 November 2023 as a correct record.

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 receive any public participation in accordance with the Council's public participation scheme.

4. ASSET MAINTENANCE AND REPLACEMENT PROGRAMME AND GENERAL FUND CAPITAL PROGRAMME 2024/25 (Pages 3 - 12)

To receive details of the proposed programmes and pass any comments to Cabinet.

5. CAPITAL STRATEGY 2024/25 (Pages 13 - 24)

To receive details of the proposed strategy and to pass any comments to Cabinet.

6. ICT BENEFITS REALISATION UPDATE (PRESENTATION) (Pages 25 - 32)

To receive a presentation giving update on benefits to services from ICT project investment, and related performance measurement.

7. ICT STRATEGY PROJECT DELIVERY UPDATE (PRESENTATION) (Pages 33 - 40)

To receive a presentation giving a progress update on delivery of the ICT Work Programme for 2023/24.

8. TRANSFORMATION PROGRAMME UPDATE (PRESENTATION)

To receive a presentation giving an update on progress with the Transformation Programme.

9. PORTFOLIO HOLDERS' UPDATES

An opportunity for the Portfolio Holders to provide any updates to the Panel on developments within their portfolios.

10. WORK PROGRAMME (Pages 41 - 44)

To note the Panel's work programme.

11. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

To:

Councillors

Alan O'Sullivan (Chairman)
Barry Dunning (Vice-Chairman)
Alan Alvey
Jack Davies
Jacqui England

Councillors

David Millar
Barry Rickman
Alex Wade
Christine Ward

ASSET MAINTENANCE & REPLACEMENT PROGRAMME AND GENERAL FUND CAPITAL PROGRAMME 2024/25

1. RECOMMENDATIONS

- 1.1 That Panel members give feedback on the schedule of projects as included at Appendix 1 and 2 for onward consideration by the Cabinet.

2. PURPOSE OF THE REPORT

- 2.1 This report provides the proposed revenue funded Asset Maintenance & Replacement programme (AMR) and General Fund Capital programme for 2024/25 and outline budgets to 2026/27.

3. BACKGROUND

- 3.1 The Council's revenue budget includes large sums for the maintenance and cyclical replacement of Council owned assets. The AMR programme budget for 2023/24 totalled £2.050 million to the General Fund and £340,000 to the HRA (£2.390 million total shown within appendix 1), with a further £725,000 of requirements funded by the General Fund and HRA for the ICT Digital Strategy (£625,000) and Community Grants (£100,000).
- 3.2 The December 2023 Medium Term Financial Plan included a revenue budget allowance to cover the AMR programme for 2024/25 of £2.500 million for the General Fund and £350,000 to the HRA (total £2.850 million). The increase from 2023/24 related to inflationary pressures with regards to the Vehicle and Plant replacement programme, as well as an uplift to the Health & Leisure Maintenance budget facilitated by the increased contractual income position with Freedom Leisure. There are currently no further planned adjustments to the overall programme budget over the period covered by the current Medium Term Financial Plan.
- 3.3 Service Managers were asked to come up with their proposed projects for 2024/25 with a strong brief that the programme had to consist of essential items and be realistic in terms of timeframes and deliverability. The programme sums now being proposed matches the funding allocated, after work was required to reprioritise projects to align to the sums available.

- 3.4 The proposed General Fund Capital Programme for 2024/25 totals £16.579 million. Projects are funded by NFDC resources (capital reserve and receipts received), various grants / funds and Developer Contributions / CIL. This programme total does not include the Asset Investment Strategy, due to uncertainty in the timing of the purchases.

4. PROPOSED ASSET MAINTENANCE AND REPLACEMENT PROGRAMME 2024/25

- 4.1 The bid categories for the submitted programme for 2024/25 were;
- 1 – Protect & Maintain Front Line Service Delivery
 - 2 – Efficiency / Savings / Income Generation
 - 3 – Improve / Enhance Value of Asset
- 4.2 The summary programme covering 2024/25 – 2027/28 is included as appendix 1. The budget is monitored at this overall summary level to allow for sufficient flexibility should more urgent projects come to light during the financial year.
- 4.3 **Further Information Relating to Projects**

4.3.1 Health & Leisure Centres Annual Maintenance Programme £750,000

During 2019, a full condition survey of the Council's 5 Leisure Centres was procured by the Council and carried out by a third-party specialist. The resultant report identified a works schedule covering a 15 year period to maintain the centres at the current standard/condition. Annually, this report will be reviewed and will inform the necessary maintenance required at the Leisure Centres. Due to the contractual income increase from contract year 2 to contract year 3, the maintenance budget can be increased by £300,000, with £50,000 reserved for resource to enable project delivery, and £250,000 placed in the maintenance budget. The prioritised programme of works, which will include the cyclical replacement of end-of-life plant with newer more efficient alternatives, will be agreed with the Strategic Director for Corporate Resources & Transformation.

4.3.2 Offices and Depots £170,000 (Plus £45,000 rephasing from 2023/24)

- ATC North Wing Externals and Roof (aborted scheme in 2023/24 due to the detection of bats). The project will include guttering, loose tiles, fascias, soffits, windows repointing.
- Marsh Lane Depot Vehicle Workshop Steels - Structural steel supports at front of vehicle workshop building require stripping and treating. Column bases also need breaking out and re-laying.

4.3.3 Cemeteries Footpaths £40,000

Budget provision of £40,000 is being set aside within the programme to;

- remove and dispose of low traffic paths which are beyond repair and to make good, to ensure safe access.
- create safe compound spaces containing tap and disposal area.
- repair defect, failed paths and operations access routes, which are creating a safety hazard, to ensure safe access.
- ensure the cemetery integrity and appropriate access.

4.3.4 Eling Experience £40,000

Budget provision of £40,000 is being set aside within the programme to carry out works identified from the Toll Bridge and Quayside condition surveys. Feasibility surveys on required works related to the deuteriation of the undercroft wall and ground beams that support the machinery at the Tide Mill are on-going. A follow up project bid may be made during the financial year to carry out further works.

4.3.5 Water Safety £21,000

The budget will fund the undertaking of appropriate risk assessments to fully understand and identify the risks to users and to ensure adequate mitigation measures are put in place. This bid is to enable a competent authority to be employed to undertake this work, along with an expected replacement/updating of some signage and public rescue equipment.

4.3.6 Public Convenience - Minor works £28,000

The Public Convenience maintenance budget requires additional funding to adequately maintain and repair the conveniences located throughout the District.

4.3.7 ICT Equipment Replacement Programme £150,000

The Council invested significantly in new devices over the period 2017-2019. Some of the devices will reach beyond their 4 year suggested useful life during 2023/24, and so a cyclical replacement programme will need to continue during the period covered by this Medium Term Financial Plan.

4.3.8 Vehicles & Plant Replacement Programme £1,650,000

Members will note that the replacement of Vehicles & Plant (V&P) occurs on both the revenue AMR programme and the Capital Programme. The Council's policy is to capitalise individual items with a value greater than £10k and then depreciate these over their estimated useful life. The capital programme therefore includes the cash amount required to purchase the V&P, and the revenue programme includes the depreciation charge. The depreciation charge to revenue then makes a direct contribution towards the capital cost through a charge known as the Minimum Revenue Provision (MRP). The significant Capital Outlay required will result in older less efficient vehicles being replaced with the latest more efficient models.

The 2024/25 programme includes cyclical replacement of 'standard' fleet vehicles and plant, as well as the costs associated with the roll out of the waste strategy, including the estimated cost of containers. The £1.650

million budget here does not relate to the additional vehicles or the capitalisation of the containers, on the assumption that new burdens funding and EPR income will offset the costs of these. Further separate reporting will cover this matter in more detail, pending forthcoming clarity on the funding support from central government.

4.3.9 Programme Contingency £41,000

To provide cover for inevitable project variations as they arise, a programme contingency of £41,000 has been allowed for.

4.4 The programme as outlined above totals £2.890 million. Of this total, approximately £390,000 is rechargeable to the HRA leaving £2.500 million to be funded via the General Fund. The increase to the HRA will be accommodated within the detailed budget planning for 24/25.

4.5 Projects that didn't make it through to the final prioritised programme were as follows;

1. Marsh Lane Depot Fuel Tank Replacement – will be picked up in a broader review of the depot to include necessary infrastructure requirements aligned to a new fleet strategy (in development throughout 2024/25)
2. Cemeteries Footpaths – a phased approach will be required pertaining to 1 project a year.
3. ICT Equipment Replacement – the amount requested was £30,000 more than resources available, so additional prioritisation will be required to fit the replacement programme in with the funding available.

4.6 Other One-Off Funded Programmes

4.6.1 Budget provision of £625,000 has been provided for projects in the ICT Digital Strategy. This cost is allocated c75% to the General Fund and c25% to the HRA.

4.6.2 The Community Grants Panel have been given a maximum budget of £100,000 for one-off construction grant applications for 2023/24. The Panel are aware this is a financial ceiling, and not a target. Currently the recommendation from the Task and Finish group to the Community, Partnerships and Wellbeing Overview and Scrutiny Panel is £96,040.

	General Fund £'000	HRA £'000	TOTAL £'000
ICT Strategy	500	125	625
Community Grants	96		96
	596	125	721

4.6.3 The above will require financial resources, funded by the revenue budget or reserves and will be included on the Medium - Term Financial Planning Reports through Cabinet.

5. GENERAL FUND CAPITAL PROGRAMME 2024/25

5.1 The capital programme consists of projects funded by NFDC resources (capital reserve and receipts received), various grants / funds and Developer Contributions / CIL.

5.2 The proposed programme for 2023/24 totalling £16.579 million including the outline financing is included as appendix 2. The project proposals for a 3 year period have been included for overall context. Where a project commences (or continues into) in 24/25 and spans several financial years, a commitment to start in 24/25 is a commitment to approve the funding required to complete over the period of the programme. Where a sum is included in future years, it is not requiring approval now, but is included for completeness and overall programme context; approval for these items will come at the appropriate point in the budget setting cycle for the year in question. Due to the lead in time of the Vehicles and Plant Acquisition programme, the programme sums for 24/25 and 25/26 will be approved now to enable necessary work to commence in the year prior to when the new V&P will actually be delivered.

5.3 Further Information Relating to NFDC Funded Projects

5.3.1 Sustainability and Climate Action £250,000

The Council has committed an annual budget of £250,000 to support the Climate Strategy and action plan.

5.3.2 Milford Sea Wall £100,000

The funding will be used for a combination of rock revetment and beach recharge.

5.3.3 New Depot Site £4.372 million for 24/25 and £104,000 for 25/26

Total funding of £7.8 million has been approved over the period of this capital programme for the new depot project at Hardley Industrial Estate, as a replacement for the Claymeadow depot. This scheme has commenced and is scheduled to complete in the winter of 2024.

5.3.4 Ringwood Depot: Extension and Works £250,000

Discussions are ongoing with the County Council around an extension of the leased space that the Council occupies at the Ringwood Depot site. When new terms are agreed, it is likely that the Council will need to facilitate improvement works to the site to take full advantage that the additional space will give to NFDC operations.

5.3.5 Vehicles & Plant £2.102 million for 24/25 and £996,000 for 25/26

The significant Capital Outlay required will result in older less efficient vehicles being replaced with the latest more efficient models. For 24/25 the replacement programme for the refuse and recycling part of the fleet focuses in the main on vehicles which can be utilised on our current service, whilst also being suitable for a future service, albeit in some cases with some retrospective modifications likely.

5.3.6 Vehicles and Plant – New Waste Strategy Vehicles £885,000 for 2024/25 and £3.730 million for 2025/26

Preparations are underway for the commencement of the new wheeled bin Waste Service to go live from 2025.

5.3.7 Vehicles and Plant – New Waste Strategy Containers £1.025 million for 2024/25 and £4.550 million for 2025/26

The procurement of wheeled bins and food caddies has commenced, with costs falling in both 2024/25 and 2025/26.

5.3.8 Asset Modernisation Programme £300,000

The standard sum of £300,000 has been allowed for within the Capital Programme towards asset modernisation. The asset to be allocated funding in 2024/25 is the Hurst Road Public Convenience at Milford-on-Sea.

5.4 **Further Information Relating to Part or Non-NFDC Funded Projects**

5.4.1 UK Shared Prosperity Fund £208,000

The Council was awarded £1 million from the UK SPF. An investment plan was approved by the Council and project delivery is underway.

NFDC Capital Contribution: £nil

5.4.2 Rural England Prosperity Fund £300,000

The Council was awarded £540,115 as a top-up to the UK Shared Prosperity Fund. Fuller information related to this scheme was reported to the Cabinet in December 2023.

NFDC Capital Contribution: £nil

5.4.3 Disabled Facilities Grants £1.5 million PA

The Council facilitates the delivery of Disabled Facility Adaptations each year, using central government 'Better Care Fund' to pay for said adaptations. The Council's contribution is in the staffing resource to deliver the adaptations.

NFDC Capital Contribution: £nil

5.4.4 South-East Strategic Coastal Monitoring £2.667 million / £2.829 million / £2.216 million

This project is the continuation of the regional coastal monitoring programme, for the next phase that will go through to 2027. The figures above are for the full approval for the SE region as managed and co-ordinated by NFDC.

NFDC Capital Contribution: £nil

5.4.5 Barton Horizontal Directional Drilling Trials £260,000

Works expected to take the form of test drainage trials to determine suitability and effectiveness of the system. The aim being to control and manage groundwater levels to reduce erosion risk.

Regular monitoring will be required post completion of the project.

NFDC Capital Contribution: £120,000

5.4.6 Hurst Spit Shingle Source Study £100,000 / £58,000

The existing Hurst Spit Beach Management Plan (BMP) has been in existence since 1996. The plan requires updating to consider additional data, past performance of the Spit and future management operations. This study will enable this work to be undertaken, enabling the BMP to be updated in line with current practices.

NFDC Capital Contribution: £nil

5.4.7 Milford-On-Sea Beach and Cliff Study £100,000 / £180,000

This project is a follow on from the Westover urgent works undertaken during 2020. The expected scope and coastal frontage will be broadened to consider the wider defended Milford frontage.

The commencement and delivery of this project will be subject to the outcomes of the Christchurch Bay Strategy Study.

NFDC Capital Contribution: £nil 24/25 / £50,000 25/26

5.4.8 ATC East Wing Boiler Replacement £160,000

The Council has submitted a bid to the Public Sector Decarbonisation scheme for a project to replace an end-of-life boiler with a more energy efficient alternative (Air Source Heat Pump). We will know if our bid is successful in March 2024.

NFDC Capital Contribution: £62,000

5.4.9 Developer Contributions / CIL £2.0 million / £1.0 million / 1.0 million

A separate report will confirm the proposed projects, with the Capital Programme at this stage setting aside a gross overall budget to be set for drawdown for individual project delivery.

NFDC Capital Contribution: £nil

6. CRIME & DISORDER / EQUALITY & DIVERSITY / ENVIRONMENTAL IMPLICATIONS

6.1 As the Council invests in the maintenance and replacement of its assets, it will do so ensuring environmental implications are considered and where it can, the delivery of energy efficiencies, whether that be in lighting / heating or in more economic vehicles, will be at the forefront of the Council's spending decisions.

7. CONCLUSION

7.1 The AMR programme represents a significant element of the Council's annual net expenditure. The prioritised General Fund programme matches the budget outlined for 2024/25 at £2.500 million and the HRA proportion at £390,000 will be accommodated within the detailed budget planning.

7.2 The Council is committed to the continuation of its investment in ICT and the financial implications to deliver the strategy will be included in the appropriate Medium Term Financial Planning Reports through Cabinet.

7.3 The General fund Capital programme is funded in several ways, and the net NFDC funding requirement for 2024/25 after internal borrowing is taken into account is £5.454 million.

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Background Papers
Published Papers

ASSET MAINTENANCE AND REPLACEMENT PROGRAMME

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Health & Leisure Centres	500	750		
Offices, Depots and Outlying Buildings	200	170		
Feasibility Surveys	10			
Deployable CCTV Cameras	15			
Programme Contingency	65	41		
Cemeteries Footpaths		40		
Eling Experience		40		
Water Safety		21		
Public Conveniences		28		
	790	1,090	1,090	1,090
ICT Replacement Programme	150	150	150	150
Vehicles and Plant (Depreciation / MRP)	1,450	1,650	1,650	1,650
	2,390	2,890	2,890	2,890
Less: Proportion allocated to HRA	-340	-390	-390	-390
TOTAL GENERAL FUND PROGRAMME	2,050	2,500	2,500	2,500

MEDIUM TERM FINANCIAL PLAN 2023-2027

CAPITAL PROJECTS REQUIREMENTS WITH FINANCING

Portfolio

UK Shared Prosperity Fund LEADER / ALL
Rural England Prosperity Fund LEADER

Disabled Facilities Grants HOU (GF)

Sustainability Fund - Unallocated ENV & SUSTAIN
Strategic Regional Coastal Monitoring (22-27) ENV & SUSTAIN
Barton Horizontal Directional Drilling Trials ENV & SUSTAIN
Hurst Spit Beach Shingle Source Study ENV & SUSTAIN
Milford Beach and Cliff Study ENV & SUSTAIN
Milford - Sea Wall Construction Works ENV & SUSTAIN

New Depot Site: Hardley FIN & CORP
Ringwood Depot: Extension and Works FIN & CORP
V&P; Replacement Programme FIN & CORP
V&P; Replacement Programme - Waste Strategy Vehicles FIN & CORP
V&P; Replacement Programme - Waste Strategy Containe FIN & CORP
Asset Modernisation Programme FIN & CORP

ATC East Wing Boiler Replacement FIN & CORP

Mitigation Schemes PLAN & ECON
Infrastructure Projects PLAN & ECON

TOTAL GENERAL FUND CAPITAL PROGRAMME

LOAN FINANCED

RESIDUAL NFDC RESOURCES

PROJECT REQUIREMENTS £			ORIGINAL 2024/25 PROJECT FINANCING £			
2024/25	2025/26	2026/27	NFDC Resources / Loan	Better Care Fund	Grant / Income	DC / CIL
208,000					208,000	
300,000					300,000	
1,500,000	1,500,000	1,500,000		1,500,000		
250,000	250,000	250,000	250,000			
2,667,000	2,829,000	2,216,000			2,667,000	
260,000			120,000		140,000	
100,000	58,000				100,000	
100,000	180,000				100,000	
100,000			100,000			
4,372,000	104,000		4,372,000			
250,000			250,000			
2,102,000	996,000	1,000,000	2,102,000			
885,000	3,730,000	453,000	885,000			
1,025,000	4,550,000		1,025,000			
300,000	300,000	300,000	300,000			
160,000			62,000		98,000	
1,000,000	1,000,000	1,000,000				1,000,000
1,000,000						1,000,000
16,579,000	15,497,000	6,719,000	9,466,000	1,500,000	3,613,000	2,000,000
						16,579,000
			Vehicles & Plant	-4,012,000		
				5,454,000		

RESOURCES AND TRANSFORMATION OVERVIEW & SCRUTINY PANEL – 18 JANUARY 2024

CAPITAL STRATEGY 2024/25

1. RECOMMENDATIONS

- 1.1. The Resources and Transformation Overview and Scrutiny Panel is recommended to request Cabinet approve the Capital Strategy 2024/25, including the adoption of the MRP statement.

2. INTRODUCTION

- 2.1. The Capital Strategy is a high-level document, giving an overview of how capital expenditure, capital financing and treasury management come together, with an overview of current activities and the implications for future financial sustainability.
- 2.2. By producing this strategy report, the Council is following statutory guidance issued by the Government in January 2018.
- 2.3. This report has been produced for Panel before final 24/25 budgets have been prepared and therefore there may be some minor amendments made to the report presented to Cabinet.

3. OVERVIEW OF WHAT IS INCLUDED IN THE CAPITAL STRATEGY

- 3.1. The Capital Strategy confirms at high level what the Council is intending to spend its money on over the medium term and how it intends to finance this expenditure. Over the period covered by 2024/25 to 2026/27, total capital expenditure is forecast at around £128 million.
- 3.2. As demonstrated throughout the report, the Council is initially intending to utilise the cash balances it has accrued to deliver the various adopted strategies, including the acquisition and development of Commercial Property, which aims to provide a sustainable and buoyant economy within the New Forest and present options for regeneration, Residential Property Ownership and additional Council owned Housing.
- 3.3. The Council will supplement internal resources, when necessary, with external borrowing and in accordance with advice it receives from its contracted Treasury Management experts. Based on the current set of prudential indicators, external borrowing will be required each year from 2023/24.
- 3.4. It is vitally important that the Council has regard to the relationship between the financing costs of the capital programme and the revenue General Fund, and Housing Revenue Account. This is covered within the report by the prudential indicators.
- 3.5. This Council has established a sound level of governance surrounding its capital investments and employs suitably qualified personnel in order to fulfil the objectives of the Strategy. External support and expertise is sought where necessary, and officers have the ability to communicate openly and freely with members of the Cabinet.

4. MINIMUM REVENUE PROVISION

- 4.1. Where General Fund capital spend has been financed by loan (including internal borrowing) and has increased the Capital Financing Requirement (CFR), the Council is required to make a provision to repay a proportion of the accumulated amount each year. This amount is charged to revenue and is called the Minimum Revenue Provision (MRP). This charge reduces the CFR each year and is based on the expected economic use period related to the capital expenditure.
- 4.2. Full Council is required to approve an MRP statement in advance of each financial year. The Council is recommended to approve the following MRP statement:

“ For capital expenditure that has been incurred, and which has given rise to a CFR, the MRP policy for expenditure other than that incurred on investment property and dwellings, shall be to charge revenue an amount equal to the depreciation of any asset financed by loan. The MRP policy specific to investment properties and dwellings financed by loan, shall be to charge revenue an amount equivalent to the sum of borrowing utilised, over a repayment period of 50 years.”

5. ENVIRONMENTAL / CRIME AND DISORDER IMPLICATIONS

- 5.1. There are no implications arising from this report.

6. OVERVIEW AND SCRUTINY PANEL COMMENTS

7. PORTFOLIO HOLDER COMMENTS

For Further Information Please Contact:

Background Papers:

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Capital Strategy 2024/25

1.0 Introduction

This capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

The report also includes the prudential indicators, as required by the Prudential Code.

2.0 Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are generally not capitalised and are charged to revenue in year.

In 2024/25, the Council is planning capital expenditure of £49.459 million as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
General Fund services	6.682	13.654	17.079	16.297	7.169
Council housing (HRA)	22.077	28.095	32.380	27.400	27.380
Capital investments	13.203	0.250	0.000	0.000	0.000
TOTAL	41.962	41.999	49.459	43.697	34.549

The General Fund capital programme includes the cyclical replacement of vehicles and plant, the new depot facility at Hardley and containers/vehicles for the new Waste Strategy. A couple of additional projects have been allowed for within the capital strategy, but are not included within the Capital programme at this time, as they are subject to further feasibility work and will require approval through specific business cases in due course. Due to the recent increase in interest rates, no further expenditure on commercial and residential properties is assumed at this time (save for exceptional opportunities).

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised by, other local services. HRA capital expenditure is therefore recorded separately and includes the maintenance and decarbonisation of existing stock and the building and acquisition of new homes over the forecast period, in line with the Housing strategy.

Governance: Service managers bid annually in the early Autumn to include projects in the Council’s capital programme. Bids are collated by the Chief Finance Officer and reviewed collectively by the Executive Management Team. The Resources and Transformation Overview and Scrutiny Panel appraises the proposed programme and makes recommendations to the Cabinet. The final capital programme is then presented to Cabinet and to Council in February each year.

- Full details of the Council’s capital programme are available within the Feb 2024 Cabinet papers (Medium Term Financial Plan / Annual Budget 2024/25)

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council’s own resources (revenue, reserves and capital receipts) or debt (borrowing). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
External sources (Grants / DC's)	4.543	10.469	15.620	10.998	7.391
Capital Receipts	3.977	3.000	3.381	2.000	2.000
Capital Reserves	3.640	5.474	6.666	2.444	2.555
Revenue Contributions	11.946	10.360	10.700	10.700	10.700
Debt / Loan	17.856	12.696	13.092	17.555	11.903
TOTAL	41.962	41.999	49.459	43.697	34.549

Prior to 2023/24 any borrowing required to meet the Council’s capital expenditure was met by using cash held in reserves rather than raising loans. This action is known as internal borrowing. Internal borrowing is replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP, explained further below). Alternatively, additional (beyond those already anticipated within the financing as shown within table 2) proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and debt repayment are as follows:

Table 3: Replacement of debt finance in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Capital Expenditure Financed by Debt / Loan	17.856	12.696	13.092	17.555	11.903
Own resources - Debt Repayment	-4.100	-2.749	-4.100	-4.100	-4.100
Own resources - MRP Provision	-1.615	-2.210	-2.746	-3.259	-3.798
Movement in CFR	12.141	7.737	6.246	10.196	4.005

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP, debt repayments and capital receipts used to replace debt. The CFR is expected to increase by £6.246 million during 2024/25. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
General Fund services	6.105	7.721	7.988	13.887	12.858
Council housing (HRA)	128.846	135.082	141.495	146.228	151.696
Capital investments	21.400	21.285	20.850	20.415	19.980
Total CFR at Year End	156.351	164.087	170.333	180.530	184.534
Movement in CFR from one year to the next	12.141	7.737	6.246	10.196	4.005

Minimum Revenue Provision: Where General Fund capital spend has been financed by loan (internal borrowing), and has increased the CFR, the Council is required to make a provision to repay a proportion of the accumulated amount each year. This amount is charged to revenue and is called the Minimum Revenue Provision (MRP). This charge reduces the CFR each year and is based on the expected economic use period related to the capital expenditure.

Full Council is required to approve an MRP statement in advance of each financial year. The Council is recommended to approve the following MRP statement:

“ For capital expenditure that has been incurred, and which has given rise to a CFR, the MRP policy for expenditure other than that incurred on investment property and dwellings, shall be to charge revenue an amount equal to the depreciation of any asset financed by loan. The MRP policy specific to investment properties and dwellings financed by loan, shall be to charge revenue an amount equivalent to the sum of borrowing utilised, over a repayment period of 50 years.”

For Council Housing and the refinancing settlement of 2012, the Council approved a business plan that charged amounts to revenue to ensure that any borrowings are reduced in accordance with the maturity of the debt outstanding. The proposed 2024/25 HRA budget confirms that new borrowing is required to provide the necessary finance to the Capital Programme.

Asset management: Service Managers from across the Council manage assets in their service delivery areas. The Council’s Service Manager for Estates and Valuation has overall responsibility for the management of the Council’s property estate records, including liaising with the Council’s Accountancy department on statutory annual financial reporting. To ensure that property assets continue to be of long-term use, the Council will be producing an overarching Accommodation Strategy.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds (capital receipts), can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. Council dwelling sales through the Right to Buy scheme also generate capital receipts. The Council plans to receive £2.3 million of capital receipts in the coming financial year as follows:

Table 5: Capital receipts in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Asset sales	4.293	2.400	2.000	2.000	2.000
Loans repaid	0.451	0.301	0.300	0.000	0.000
TOTAL	4.744	2.701	2.300	2.000	2.000

- The majority of forecast asset disposals relate to Right to Buy receipts.
- In 2014, the Council arranged £2m of prudential borrowing on behalf Lymington Harbour Commissioner. This is being repaid annually, with the final payment in 2023/24.
- In 2022/23, the Council provided a loan facility to the New Forest Enterprise Centre to finance planned maintenance works. The outstanding loan value at the end of 2023/24 is expected to be £300,000, with full repayment due by 31/3/2025.

3.0 Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent¹ but will become cash poor in

¹ ‘spent’ in this context also includes the payment of collected council tax to the relevant precepting authorities

the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

At the last balance sheet date (31/03/23), the Council had £118.3 million borrowing at an average interest rate of 3.32% (due principally to the HRA refinancing settlement in 2012) and held £31.50 million treasury investments (including sums received from Central government for redistribution) earning an average rate of 3.77%.

Borrowing strategy: The Council’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting and the Council therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.

The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

Projected levels of the Council’s total outstanding debt are shown in table 6 below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Debt - HRA Settlement	118.1	114.0	109.9	105.8	101.7
Debt - Capital Programme	0.2	7.4	25.1	41.5	52.2
Total Debt	118.3	121.4	135.0	147.3	153.9
Capital Financing Requirement	156.4	164.1	170.3	180.5	184.5

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this for the duration of the current programme.

The figures shown in the Debt – Capital Programme row highlight the amount of external borrowing that is anticipated to be needed from 31 March 2024, but this will be managed against actual overall cash balances, as part of the Treasury Strategy.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £millions

	2022/23 limit	2023/24 limit	2024/25 limit	2025/26 limit	2026/27 limit
Authorised limit – total external debt	202.9	229.9	230.5	231.1	231.8
Operational boundary – total external debt	185.1	211.5	211.5	211.5	211.5

- Further details on borrowing are included within the treasury management strategy.

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 8: Treasury management investments in £millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Near-term investments	17.9	1.1	1.1	1.0	1.0
Longer-term investments	13.6	9.0	9.0	9.0	9.0
TOTAL	31.5	10.1	10.1	10.0	10.0

- Further details on treasury investments are included within the treasury management strategy

Table 8 highlights that the majority of the Council's cash will be utilised over the period through internal borrowing to fund the needs of the Council's capital programme, until minimum balances reach £10 million. Use of cash for capital programme financing will then be supplemented through external borrowing, when required. The Council should expect to retain a minimum level of cash, known as the **Liability Benchmark**. The General Fund balance reserve at £3 million and the HRA reserve at £1 million are an absolute minimum, with further headroom added to set where the Council's basic benchmark should be (**£10 million** in total).

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and staff, who must act in line with the treasury management strategy approved by Council. A mid-year and an outturn report on treasury management activity are presented to the audit committee. The audit committee is responsible for scrutinising treasury management decisions.

4.0 Commercial Activities for the Purpose of Economic Sustainability, Regeneration and Income

The Council has invested in commercial and residential property to support a sustainable local economy within the New Forest and encourage regeneration projects. The Council will invest in and will lend to its Wholly Owned Trading Company and will in return receive an income. Investment properties were valued at £30.7 million on the Council's balance sheet as at 31/03/23 and long terms loans to the WOC totalled £3.713 million as at the same date.

To support the wider objective of economic sustainability and regeneration the Council accepts higher risk on commercial and residential investment than with treasury investments. The principal risk exposures include vacancies and falls in capital values. These risks in relation to commercial property are managed by predominantly targeting acquisitions with existing medium-long term tenancies in place and being sensible about the purchase price in relation to the Council's desire to promote and sustain employment sites within the district, and the income yields achievable. In order that commercial investments remain proportionate to the size of the authority, these are currently subject to an overall maximum investment limit of £50 million. Residential property investments are currently subject to an overall investment limit of £10 million.

Expenditure on these approved strategies is currently paused due to the increased interest return that can currently be received on cash balances, and as the Council is now in an external borrowing position, the interest charges are currently too high to satisfy the financial parameters of the business case requirements.

Governance: Decisions on commercial investments are made by an investment panel in line with the criteria and limits approved by Council in the Commercial Property Investment strategy. Decisions on residential investments are taken by the Board of Directors of the wholly owned company, in line with the criteria and limits approved by Council in the Residential Property Strategy. Property and most other commercial investments are also capital expenditure and purchases have therefore also been pre-approved as part of the capital programme.

- Further details, including the risk management on commercial and residential investments are outlined in these respective strategy documents;
 - [Commercial Property Investment Strategy - 2022](#)
 - [Residential Property Investment Strategy](#)

5.0 Other Liabilities

In addition to debt of £118.3 million detailed above, the Council is committed to making future payments to cover its pension fund liability (valued at £21 million as at 31/03/23), It has also set aside £4.5 million in provisions, with £4 million of this to cover risks of business rate appeals.

Governance: Decisions on incurring new discretionary liabilities are taken by the Chief Finance Officer. The risk of liabilities crystallising and requiring payment is monitored by Accountancy and reported when necessary.

- Further details on liabilities are shown within the Council's draft balance sheet on page 18 of the 2022/23 draft Annual Financial Report, further supported by notes to the accounts:
 - [Annual Financial Report - 2022-23](#)

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable². The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants for the General fund, and the income receivable from rents within the HRA.

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
General Fund; Financing costs (£m)	0.31	0.31	0.85	1.63	2.12
General Fund; Proportion of net revenue stream	1.5%	1.4%	3.6%	7.0%	9.6%
HRA; Financing costs (£m)	4.2	4.1	4.9	5.6	6.4
HRA; Proportion of net revenue stream	13.8%	12.4%	13.6%	15.4%	17.2%

The Financing costs of both the General Fund and HRA are set to increase as a result of the required Capital Financing Requirement, reducing cash balances (and assumed interest rates) for investment and costs of external borrowing. Financing costs for the General Fund will increase from 23/24 to 24/25 principally as a result of increased prices of Vehicles and Plant, the application of MRP to the new Platinum Jubilee Business Park and the allowance for borrowing charges as a result of the Capital Financing Requirement. The further increase to 31/3/27 is principally down to expected reductions in treasury management earnings and the capital expenditure requirements associated with the roll out of the new waste strategy, and the MRP / financing thereof. There is a working assumption that

² In relation to the finance costs incurred within the General Fund, the income to be generated from Commercial and Residential property will exceed the additional MRP and interest charges, but as this income is to be used to directly contribute towards the funding of services, the income is not netted off against the finance costs within the table 9.

reduced service costs, as a result of the collection methodology change will counter this increase, and that the additional revenue costs associated with regards to Food Waste collection will be supported with government funding.

Financial Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Chief Finance Officer is satisfied that the proposed capital programme is appropriate according to required projects aligned to service delivery. The medium-long term affordability remains reliant on service change savings being delivered, and government transitional support (with regards to the waste strategy roll-out & the large decarbonisation requirements within the HRA).

6.0 Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Chief Finance Officer, the Finance Service Manager and the Council's Principal Corporate Accountant are all qualified accountants with several years' experience between them. The Service Manager for Estates, Valuation & Facilities is highly experienced in commercial property transactions and facilities management and is supported by experienced and professionally qualified surveyors and valuers (members of the Royal Institution of Chartered Surveyors).

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and has a Service Level Agreement with Hampshire County Council's Treasury Management department for day-to-day treasury management activities. The Council instructs external surveyors, valuers, architects and quantity surveyors to provide specialist advice on specific projects, where required. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

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ICT

Benefits Realisation Update - January 2024

Background

Recommendation by members of the Financial Strategy Task and Finish Group:

- ICT Improvements - Several Portfolio Holders mentioned the key role that enhanced ICT would play in facilitating service improvements to the customer. We must therefore maintain momentum and ensure appropriate resource matches that need to deliver the digital strategy, and ensure the right level of training and development, and so competence exists across Council departments to crystallise the benefits available from the new technology being implemented. The benefit realisation should be measured and monitored, to ensure desired outcomes are being met.
- ICT Investment – The Group reiterated its request for a suitable KPI be devised to track ICT investment as against the benefits realisation.

2

Project Benefits – What we do today

ICT Project Initiation Document

Project name

Project objectives

Ref	Objective	Measure
1		
2		
3		
4		

Outcomes

We intend to do xx that will bring the following benefits:

1. ~~xx~~
2. ~~xx~~
3. ~~xx~~
4. xx



Project Closure Report

Project Name

Benefits Realisation

Benefits	Measure	Success/Failure

Benefits Realisation Measurement

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Formal project initiation document, closure report and project board governance to track and review benefits. We are standardising documentation structure, layout and how / what is reported.

Benefits Realisation - Opportunities

“...The benefit realisation should be measured and monitored, to ensure desired outcomes are being met...”

- We are mindful that there are opportunities to enhance our benefits realisation.
- Updated ICT Benefits Management approach being developed and trialled with one of our current projects.
- Review of Operational ICT KPI's to best reflect the services we provide is planned.
- Potential Project Management Office (PMO) for Transformation can help support the process.
- There is potential to review post project utilising our Audit partnership with SIAP.
- The Draft Corporate Plan includes how Digital will be measured.
- The Transformation Strategy includes how Digital will be measured and will include a benefits management approach.
- Every project is different with a customised set of benefits and measures.



Customer and digital services

- Customer experience (% rating Good or above)
- Residents satisfaction with council services (% satisfied)
- Number of fully digital services (definition and baseline to be confirmed)
- Customers choosing digital channels (% requests received via digital channels)

Measured by:

- Benefit realisation through ICT investment.
- Percentage of ICT incidents resolved within SLA.
- Number of projects delivered on time and to budget.
- Percentage unscheduled downtime.

Delivery supported through:

















- Digital Strategy
- ICT Security and Information Governance Policy

Financial Return on investment

- The Project Initiation Document (PID) captures benefits including financial.
- ICT projects help facilitate these benefits for Service Areas to realise and monitor.
- Further opportunities exist for ICT and Service Areas to strengthen accountability for the identification of benefits and post project control plans to ensure immediate and sustained realisation.
- Transformation Strategy and Digital will be aligned to develop these opportunities.

ICT Project Benefits Summary

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Project Name	Narrative	On Time	On Budget	Total Benefits	Project Status
Council Chamber AV	Modern and fit for purpose digital meeting and broadcast technology introduced to the chamber.			5	Delivered
Locata HMS	Replacement housing system introducing a modern cloud based digital platform, new business processes and resident support.			5	Delivered
HPSN2 Migration	Provision of new network connectivity across all NFDC sites and modern remote working VPN solution.			4	Delivered
Teams Telephony and Contact Centre	New telephony and contact centre software based on MS Teams and cloud platforms to support residents			4	Delivered
Finance – Chip and Pin, Online and Telephone Payments	New systems to support our residents in making payments across multiple channels following late notice de-support from suppliers.			7	Delivered
SharePoint Migration	Migration to a modern, cloud based document management system based in Microsoft SharePoint including foundations for upcoming new modern Intranet.			4	Delivered
Azure Cloud Migration	Migration of ICT servers to Microsoft Azure Cloud			4	In Progress
Intranet Project	Introduce New ForestNet based on SharePoint			4	In Progress

Recommendations

- The Resources and Transformation Overview and Scrutiny Panel are asked to note the contents of this update.

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ICT Project Update

January 2024

Resources and Transformation Overview and
Scrutiny Panel

Agenda

1. Introduction
2. ICT Work Programme – Summary
3. ICT Work Programme – Briefing
4. ICT Work Programme – Timeline
5. ICT Work Programme – Status
6. Recommendations

ICT Work Programme 2023/24 - Summary

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Project Title	Total Project Budget	Total Project Spend	Commitments	Remaining Budget	ProjectStage	ProjectStatus	RAG Rating
Analogue to Digital	£38,000	£162	£7,553	£30,285	08-Build	03-In Progress	Green
Azure Cloud Migration	£258,000	£140,604	£81,103	£35,960	08-Build	03-In Progress	Amber
Direct Debit Automation	£30,000	£0	£21,536	£8,464	07-Design	03-In Progress	Green
Hardley Depot ICT	£0	£0	£0	£0	07-Design	03-In Progress	Green
Intranet Project	£50,000	£12,813	£10,937	£26,250	13-Deployment	03-In Progress	Green
Learning Management System	£20,000	£34,568	£0	£-14,568	08-Build	03-In Progress	Amber
M365 Adoption	£0	£0	£0	£0	08-Build	03-In Progress	Green
Major Software Upgrades and Development	£64,000	£23,708	£18,168	£22,124	08-Build	03-In Progress	Green
Northgate API	£25,000	£23,600	£0	£0	14-Transition to BAU	03-In Progress	Green
Operations Project	£360,000	£30,439	£247,263	£82,298	08-Build	03-In Progress	Green
Regulatory Services Project	£420,000	£268,623	£138,264	£14,082	08-Build	03-In Progress	Red

Narrative.

Northgate API – Budget value of £0 is expected as no budget allocated this financial year.

Digital Service Improvements (DSI) & Service Led (Delivery)			
DSI	Void Utility Management	IN PROGRESS	Housing
DSI	Lone Worker Module	IN PROGRESS	Corporate
DSI	Engineering Services with M365	IN PROGRESS	Engineering

Operational			
ITSI	Windows Defender Anti Virus	IN PROGRESS	ICT
ITSI	Microsoft Sentinel Monitoring	IN PROGRESS	ICT
ITSI	Laptop Device Replacement	IN PROGRESS	ICT

ICT Work Programme 2023/24 – Briefing Part 1

Project Title	Project Description	Latest Update
Analogue to Digital	Preparing for the nationwide BT transition from old analogue phone lines to digital by 2025.	Project on track and within budget, with some analogue lines already switched over to Digital or SIM card based connectivity solutions.
Azure Cloud Migration	We are moving all ICT servers to the Microsoft Azure Cloud to take advantage of new Microsoft cloud features and industry leading security for our software and data.	Project has been delayed whilst we worked with one of our suppliers to resolve connectivity issues that needed to be stable before proceeding. This technically complex and resource intensive project is back on track to start server migrations in January 2024.
Direct Debit Automation	Introduce a corporate standard of Direct Debit automated processing and enhance the service for our residents and back office teams.	Project on track and within budget, with new digital solution identified.
Hardley Depot ICT	Introducing ICT capabilities at the new Hardley depot.	Project on track with ICT teams working with Hardley Depot project colleagues and contractors.
Intranet Project	The SharePoint Intranet project will bring the council a new, fresh and modern digital intranet offering collaboration, knowledge management, social, news and productivity tools.	New ForestNet is launched in its phase 1 form for internal consultation. The final phase 2 product is due in March 2024 on track and within budget.

ICT Work Programme 2023/24 – Briefing Part 2

Project Title	Project Description	Latest Update
Learning Management System	We are introducing a corporate learning management system to store our learning and development records and provide online training content.	Project has been delayed with an approved budget, whilst we work with one of our suppliers to integrate the new LMS with our existing HR system. Internal system demonstrations were well received and revised timetable due shortly.
M365 Adoption	Microsoft365 is central to the ICT infrastructure of the council. It provides us with our document creation and storage, telephony, email, chat and online meetings as well as many other tools.	Project on track and within budget alongside other projects to support increased adoption and enterprise level rollout of Microsoft services.
37 Northgate API	Adding API integration to our eForms to help automate processing with our revenue and benefits services.	Project closing, within budget, and being transitioned to the revenues and benefits team.
Operations Project	The new system is being introduced to digitally modernise how operations is delivered at the council including garden waste, street scene, refuse collection and more!	New online portal and back office went live in October 2023 supporting our new garden waste service for residents. The project is on track, within budget and with focus now on prioritising new system modules.
Regulatory Services Project	The project is intended to replace an ageing system and introduce a new cloud platform to support our regulatory services teams including Planning, Building Control, Land Charges and Public Protection.	Project is delayed and high risk in terms of budget and delivery time whilst we continue to work with our supplier to identify a positive way forward.

ICT Work Programme 2023/24 - Timeline

			Q4 2023/2024				Q1 2024/2025			Q2 2024/2025			Q3 2024/2025		
Source	Project	Status	December	January	February	March	April	May	June	July	August	September	October	November	December
ICT Work Programme (Delivery)															
Digital WP	Analogue to Digital Switchover	IN PROGRESS	Green	Green	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Digital WP	Azure Cloud Migration	IN PROGRESS	Red	Amber	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
DSI	Direct Debits Automation	IN PROGRESS	Green	Green	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Corp WP	Hardley Depot ICT Build	IN PROGRESS	Green	Green	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Digital WP	Intranet Project	IN PROGRESS	Green	Green	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Digital WP	Learning Management System	IN PROGRESS	Amber	Amber	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Digital WP	M365 Adoption	IN PROGRESS	Green	Green	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Digital WP	Northgate API	IN PROGRESS	Green	Green	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Digital WP	Operations Project	IN PROGRESS	Green	Green	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Digital WP	Regulatory Services Project	IN PROGRESS	Red	Red	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Digital WP	Software Upgrade Activity	IN PROGRESS	Green	Green	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Digital Service Improvements (DSI) & Service Led (Delivery)															
DSI	Void Utility Management	IN PROGRESS	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
DSI	Lone Worker Module	IN PROGRESS	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
DSI	Engineering Services with M365	IN PROGRESS	Green	Green	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Operational															
ITSI	Windows Defender Anti Virus	IN PROGRESS	Green	Green	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
ITSI	Microsoft Sentinel Monitoring	IN PROGRESS	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
ITSI	Laptop Device Replacement	IN PROGRESS	Green	Green	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey

NOW

ICT Work Programme 2023/24 - Status

- The overall ICT Work Programme status is **Amber**
- The main risks and issues are:
 - Azure Cloud Migration Delay – this technically and resource intensive project has been delayed impacting current and future project delivery.
 - Resource – project management and technical resources are at capacity.
- 39 • Action Plan:
 - 2 x Project Manager vacancies to recruit.
 - Draft 2024/25 ICT work programme to be proportionate and realistic aligning with Transformation goals. Multiple ways of resourcing projects will be explored including partners and contractors.
 - The draft 2024/25 ICT work programme will be presented to panel for review in March 2024

Recommendation

- The Resources and Transformation Overview and Scrutiny Panel are asked to note the contents of this update.

RESOURCES AND TRANSFORMATION OVERVIEW AND SCRUTINY PANEL

WORK PROGRAMME 2024/2025

ITEM	OBJECTIVE	METHOD	LEAD OFFICER
28 MARCH 2024			
Council Tax Reduction Task & Finish Group Arrangements for 2024	To agree arrangements for the Council Tax Reduction T&F meetings for 2024	Discussion	Ryan Stevens
Staff Efficiency Ideas	To receive the annual summary of ideas put forward by staff	Written Report	Heleana Aylett
Platinum Jubilee Business Park. Business Park. Project close	To receive an update on the current position with Platinum Jubilee Business Park.	Written Report	Andrew Mills
Corporate Plan 2024 -28	To consider the final Corporate Plan draft after the consultation exercise.	Written Report	Saqib Yasin / Rebecca Drummond
Transformation programme update.	To receive an update on progress with the Transformation programme.	Written Report	Rebecca Drummond
Customer Strategy	To consider a draft Customer Strategy	Written Report	Ryan Stevens

ITEM	OBJECTIVE	METHOD	LEAD OFFICER
27 JUNE 2024			
Annual Performance and Provisional Budget Out turn	The Panel received the Annual Performance and Provisional Budget Out-turn report	Written Report	Saqib Yasin / Kevin Green
Hardley Depot Update	To receive an update on progress with the Hardley Depot Project.	Presentation	Presentation
Commercial and Residential Property Strategy Annual Report	To receive the Annual Report on progress with the Commercial and Residential Property Strategies	Written Report	Alan Bethune
Financial Strategy Task and Finish Group Arrangements	To agree the arrangements for this year's Financial Strategy Task and Finish Group Meetings	Discussion	Alan Bethune / Andy Rogers
Freeports Update	To receive an update on the latest position in respect of the Freeports Initiative	Presentation	Alan Bethune
Transformation Programme Update	To receive an update on progress with the Transformation programme.	Written Report	Rebecca Drummond
19 SEPTEMBER 2024			
Citizens Advice New Forest Update	To receive a presentation on the work of Citizens Advice New Forest	Presentation	Citizens Advice New Forest
Procurement Update	To receive an update on procurement activity over the last year	Presentation	Gary Jarvis

ITEM	OBJECTIVE	METHOD	LEAD OFFICER
ICT Strategy Delivery Update	To receive the Annual Update on progress with delivery of the ICT strategy	Presentation	Kim Gray / Rich Bird
Transformation Programme Update	To receive an update on progress with the Transformation programme.	Written Report	Rebecca Drummond
21 NOVEMBER 2024			
Complaints Annual Report	To receive an annual overview of complaints received, and dealt with by the Information Governance and Complaints Team	Written Report	Karen Grimes / Amanda Wilson
Asset Investment Strategy	to receive the end asset investment strategy and make any comments to Cabinet	Written Report	Alan Bethune
Council Tax Reduction Schemes Task and Finish Group Report	To receive the report of the Council Tax Reduction Schemes Task and Finish Group	Written Report	Ryan Stevens
Financial Strategy Task and Finish Group Report	To receive the report of the Financial Strategy Task and Finish Group	Written Report	Alan Bethune / Andy Rogers
Transformation Programme Update	To receive an update on progress with the Transformation programme.	Written Report	Rebecca Drummond
23 JANUARY 2025			
Asset Maintenance and Replacement Programme	To receive details of the proposed programme and pass any comments to Cabinet.	Written Report	Alan Bethune

ITEM	OBJECTIVE	METHOD	LEAD OFFICER
Capital Strategy	To receive details of the proposed strategy and pass any comments to Cabinet.	Written Report	Alan Bethune
Transformation Programme Update	To receive an update on progress with the Transformation programme.	Written Report	Rebecca Drummond
20 MARCH 2025			
Council Tax Reduction T&F – Arrangements for 2024	To agree arrangements for the Council Tax Reduction T&F meetings for 2024	Discussion	Ryan Stevens
Staff Efficiency Ideas	To receive the annual summary of ideas put forward by staff	Written report	Heleana Aylett
Transformation Programme Update	To receive an update on progress with the Transformation programme.	Written Report	Rebecca Drummond
TO BE CONFIRMED			
Customer Services Update	to receive an update on changes to Customer Services Provision	Presentation	Ryan Stevens