

**21 NOVEMBER 2024**

**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, 21 November 2024.

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

**Councillors:**

- \* Alan Alvey
- \* Jack Davies
- Jacqui England
- \* Barry Rickman

\*Present

**In attendance:**

**Councillors:**

Steve Davies  
Jeremy Heron  
Steve Clarke

**Councillors:**

- \* Alex Wade
- \* Christine Ward
- \* Phil Woods

**Councillors:**

Janet Richards  
John Sleep

**Officers Attending:**

Alan Bethune, Kate Ryan, Ingrid Archer, Rebecca Drummond, Kim Gray, Ryan Stevens, Paul Whittles, Amanda Wilson, Rich Bird, Tanya Coulter, Andy Rogers, Matt Wisdom and Karen Grimes

**Apologies**

Apologies were received from Cllr England.

**26 MINUTES**

The minutes of the meeting held on 19 September 2024 were confirmed as a correct record.

**27 DECLARATIONS OF INTEREST**

For the purposes of transparency, Cllr Jack Davies declared an interest in the Transformation Programme item as a member of Lyminster and Pennington Town Council.

**28 PUBLIC PARTICIPATION**

There was no public participation.

**29 INFORMATION GOVERNANCE AND COMPLAINTS - HALF YEARLY UPDATE**

The Panel received a half yearly update on complaints, which had been introduced to provide increased member scrutiny standards of complaints as required by the Housing Ombudsman and the Local Government and Social Care Ombudsman. These new arrangements were designed to ensure both overview and scrutiny panels and Cabinet as the governing body, received regular updates on complaint handling.

The report included details of new complaint-handling codes, the Council's corporate complaint procedures, and a summary and breakdown of complaints received during the period 1 April 2024 – 30 September 2024. As well as complaints, the report also included positive feedback / compliments received by services.

As the report included complaints relating to the Housing Ombudsman (tenant complaints), members of the Housing and Communities O&S Panel had been invited to the meeting for discussion of this item.

It was reported that 125 complaints had been received during the half yearly period, an increase on the 109 received in the last financial year, though 42 of the 125 complaints related to the handling of a single planning application.

Overall, there had been a general increase in the number of complaints that the Council had received, in part due to the introduction of new services (though the complaint rate was proportionally low compared with the number of new service users). However, it was explained the increase in complaints overall reflected both the Council's efforts in making it easier for the public to raise issues, as well as the national trend for greater publicity and awareness of complaints reporting procedures.

It was queried whether more case examples could be included to better illustrate learning from complaints upheld, and officers would consider this.

It was noted that the percentage of complaints upheld had declined when compared to the last financial year, which should be viewed positively as it showed less finding of fault. The Council aimed to effectively deal with complaints in accordance with its corporate complaints procedure and the requirements of the complaint handling codes, and use to complaints as a source of learning to drive service improvements.

The Panel noted that there had been no maladministration findings by either ombudsmen in the half yearly period.

Members felt the report was very useful and was evidence of a robust process which was open to scrutiny.

**RESOLVED:**

That the report be noted.

**30 FINANCIAL STRATEGY TASK AND FINISH GROUP REPORT**

The Panel received the report of the Financial Strategy Task and Finish Group, which had reviewed the Council's financial strategy and had sought to understand

how the plans and assumptions made by the Portfolio Holders married up with the overarching financial planning of the Council.

Some members of the Group felt that some portfolio holders had been more forthcoming than others in their answers.

Members discussed the format of the reviews undertaken by the Group and how this might be improved. It was acknowledged that the Group's operation was open, in that there were no restrictions on the types of questions that could be asked, though one member queried how useful it was as a tool for improving financial performance, and felt some of information in the report was a little vague.

It was suggested that feedback be sought from Cabinet members on whether they felt it a worthwhile exercise, and these views would inform the format of future reviews.

It was requested that the Panel receive a report to its meeting in June 2025 on progress with the actions raised.

**RESOLVED:**

That the contents of the report be noted and the follow up actions for carrying through to officer actions, the relevant Overview and Scrutiny Panels, the Cabinet or other committees as appropriate, be endorsed.

**31 COUNCIL TAX REDUCTION SCHEME TASK AND FINISH GROUP REPORT**

The Panel considered the recommendations of the Council Tax Reduction Task and Finish Group on the Council Tax Reduction scheme 2025/26, the Council Tax Reduction Scheme Sanctions and Penalties Policy, and local exceptions to the empty home premium and second home premium, which were being introduced from 1 April 2025.

It was noted that the Scheme supported approximately 8000 claimants in paying their council tax, with the level of support being circa £10m per annum. Councils had responsibility for determining its local scheme to support those of working age, with support for pension age claimants set by Government.

The Task and Finish Group had reviewed aspects of the Scheme, taking into account a number of factors including feedback following the public consultation. Hampshire County Council had expressed concerns about making the scheme more generous, due to its severe financial pressures. 225 responses had been received to the consultation.

The Group had also taken into account the expected additional income to be gained from the Second Homes Premium.

Having taken everything into account, the Group had recommended the removal of the 10% minimum contribution, the removal of the Band D cap, an increase to the de minimis rule from £1 to £2, and to align the treatment of childcare costs with Universal Credit levels for all claims.

The Group had also undertaken the 3 yearly review of the Council Tax Reduction Scheme Sanctions and Penalties Policy. As there had been no changes to legislation, only minor updating amendments were being proposed.

The Group had also considered the exceptions that the Government had recently announced regarding the Second Homes Premium and the Empty Homes Premium and recommended using local discretions to extend these in exceptional circumstances.

Cllr Alvey, the Chairman of the Group, thanked members of the Group and officers for their support during the review process. He spoke in support of the recommendation to remove the 10% minimum contribution, and for the removal of the Band D cap, both of which related to the Council's Corporate Plan objective to assist our most vulnerable residents. He felt the report should have had more emphasis on the increased income expected from changes to the second home premiums. The Group had been informed that this extra income amounted to £2m, which would greatly exceed the additional cost to NFDC and other authorities (HCC and Fire etc), of the removal of the 10% minimum contribution and the Band D Cap. He also queried whether a Task and Finish Group was the best way of considering such matters, and suggested that future consideration could be done directly by the Cabinet.

Cllr Heron, Portfolio Holder for Finance and Corporate, explained that the Council was contending with ever increasing prices, including annual wage increases, against fairly fixed income and a cap on council tax increases. Consequently, there was still much hard work to do to achieve a balanced budget for 2025/26. The Council was facing a long term deficit in 2028/29 of nearly £2.544m, which already took account of cumulative council tax growth of £1.4m. The Council needed to maximise income and minimise expenditure. Accordingly, he asked the Panel to be mindful of these constraints when considering the Group's recommendations.

The Chairman echoed Cllr Heron's comments and added that the budget deficit was quite dramatic, not only for this Council but for HCC, and there was some uncertainty about how this would be rectified. He also referred to the Government imposed caps on Council Tax increases. He felt it inadvisable to suggest removing the 10% minimum contribution at this time.

Cllr Heron added that the costs of removing the 10% minimum contribution was a total of approximately £30K to the current NFDC administration. In answer to a query, officers confirmed that the overall cost of removal of the 10% minimum contribution was approximately £300K, whilst the overall expected additional income from the second homes premium was forecasted to be about £2m per year.

A member asked about the exceptional hardship threshold in respect of the proposal to align the treatment of childcare costs with Universal Credit levels for all claims. In response it was explained that the overall reduction in support for the 42 claimants was £3K per year, which affected most individuals by a few pounds. The Council had an exceptional hardship policy and process via an online form or via support by phone, and each case was looked at on its own merits and those affected would be informed of the process.

In response to a query, officers confirmed that the in-year collection rate for those subject to the 10% minimum council tax contribution had historically remained fairly stable at around 75-77%, though not all of this was collected in the financial year it was due.

It was clarified in discussion that rather than being a unanimous agreement, the majority of Group members had agreed to recommend removing the 10% contribution.

The Chairman referred to the Council's Medium Term Financial Plan position, which as of October still required over £600,000 to be identified to help achieve a balanced budget for 2025/26. This gap extended to more like £2.5m over a 4 year term. The items as identified through the Financial Task and Finish group, including the requirement to support a higher homelessness budget, were also more likely make the Council's position more challenging.

The Chairman added that in terms of Council Tax Reduction, those most vulnerable already received up to 100% relief. The Government had also extended the household support fund into 2025/26, so that some households within the New Forest could be eligible to receive some support with their housing costs from that fund.

Whilst he acknowledged that the forecasted additional income from the second home premium was helpful, this was in keeping with the Council's financial strategy to maximise council tax in line with Government reform and parameters. Given this, he disagreed with the Task and Finish Group's decision to recommend giving some of this additional income away.

The Chairman felt that on the basis the Council needed to maintain additional budget resource for homelessness, had significant budget pressures to address, and other priorities to fund, now was not the right moment to make the Council's scheme more generous at a cost of over £30k to the Council. He also felt members should be mindful of the significant financial pressures faced by the County Council at this time, with a lot of that pressure emanating from their services supporting the most vulnerable adults and children, including residents within the New Forest.

Accordingly, the Chairman proposed that the Panel should agree the proposals set out in Recommendation 1 as made by the Group, with the exception of Part a), which he proposed be removed from the recommendation up to the Cabinet.

On Recommendation 3, the Chairman felt that in respect of second and empty homes, there was merit in keeping the Council's policy and scheme in alignment with the Government's position, on exceptions as opposed to employing local discretions. He explained that alignment with the Government's position on this made things more simple and clear for residents who may move from one area to another, and could incentivise quicker action by homeowners, as opposed to further extending the exceptions, and again being more generous, on a localised basis.

The Chairman therefore proposed to recommend removing the proposed local discretion at Recommendation 3 as per paragraph 42 of the report and apply the prescribed terms as outlined in paragraph 41 of the report.

Some members felt there were advantages to retaining local discretions rather than using national rules, which did not always fit local demographics and circumstances. The Chairman pointed out that the proposed local discretion to extend the period by up to six months where a premium cannot apply, would mean an undesirable loss of income.

Both proposals were put to the vote and agreed.

Cllr J Davies proposed that Recommendation 1d) (the alignment of childcare costs with Universal Credit for all claims at a saving of £3k to precepting authorities) be removed. This proposal was voted on and was lost.

**RESOLVED:**

That it be a recommendation to Cabinet:

1. That the following changes be agreed in respect of the Council Tax Reduction Scheme from 1 April 2025:
  - a) The removal of the Band D cap at an overall cost to precepting authorities of £33k.
  - b) The increase of the de-minimis rule to £2 at no net cost.
  - c) The alignment of childcare costs with Universal Credit for all claims at a saving of £3k to precepting authorities.
2. That the Council Tax Reduction Scheme Sanctions and Prosecution Policy be approved.

**32 TRANSFORMATION PROGRAMME UPDATE**

For the purposes of transparency, Cllr Jack Davies declared an interest in this item as a member of Lymington and Pennington Town Council.

The Panel received a presentation update on progress with the transformation programme. The slides from the presentation form part of the agenda pack.

The update summarised the position with regard to the following aspects:

- a) Customer & Digital
- b) People & Capabilities
- c) Assets & Accommodation
- d) Finance & Delivery

A member asked whether the MACE Assets Review Report could be given to Panel members for scrutiny purposes. Officers advised that no decisions had yet been made arising from the MACE report, it was a 90 page officer - facing report not intended for publication, and it would inform future decisions which would be brought forward in a transparent way, in line with the Council's democratic processes. In response to a further question, officers would consider whether it was practicable to make it available on the Members' Portal.

It was suggested that future reports provide information on the net benefit of the actions covered, for example whether they had led to higher levels of staff retention and any cost benefits, service improvements, fewer complaints, savings, or higher levels of engagement and feedback from residents, so that the data could more clearly show the impact the Transformation Programme was having on the Council and its residents.

In response, officers explained that some data on staff retention was already available in reports to HR Committee, which could be shared with this Panel, and

the Transformation Strategy contained performance measures, which would be brought back to the Panel.

In answer to a query on whether members could be given process mapping data, including information on savings, officers advised that they were using a suite of financial and non-financial measures to inform progress and were very happy to provide these sorts of details and it was agreed that some examples be made available to members at the next meeting. Officers cited an example where the Council's Housing Voids process was being analysed and broken down in detail, and a number of the Council's processes were being looked at using that approach.

A member sought assurances that the Panel would be given reports and background information which informed the decisions on the options being considered, prior to various decisions being made. Officers responded that as part of the governance structure to support the agreed Transformation Strategy, reports would be brought to the Panel and elsewhere as decisions in the programme were brought for agreement.

In response to a query on a reference in Principle 2 – Data Driven, it was explained that 'Golden records' of customers and assets providing a 'single source of truth' referred to ensuring customer and other data being joined up and held in a centralised location to provide better informed decision making and an optimised customer experience. Officers undertook to refine the description to make it clearer.

In answer to a question, it was explained that customer data was protected under the Transformation Strategy and there was assurance under the Council's Information Governance impact assessments.

A member suggested that Principles 1-3 (which focussed on digital service delivery) should provide assurance on inclusion, emphasising the need to acknowledge those members of the public who may not have the skills to be able to use online services.

**RESOLVED:**

That the report be noted and the 7 Digital Principles set out in the presentation be supported.

**33 PORTFOLIO HOLDERS' UPDATES**

Cllr Heron, Portfolio Holder for Finance and Corporate, reported that slow but steady and good progress was being made on the Planning software project.

The Solent Freeport was progressing slowly due to some delays, and it was accepted that progress was very much driven by local industry. He hoped that it would eventually deliver benefits for the local area and he would ensure the Panel were kept informed.

In answer to a query on KPIs, it was explained that this would be forthcoming at the January meeting following these recently been agreed by Cabinet.

Budget work was ongoing and it was hoped a balanced budget would come forward in due course.

Consultants were now undertaking work in relation to works on Eling Tide Mill. The costs of the works would be significant, though indications were that these would not be as high as previously feared. Discussions were being held with the Town Council and the two councils would be collaborating on the best way forward.

A comment was made to Cllr Steve Davies, who was standing in for the Leader, on the Peer Review document and inclusion of the Opposition's view on perceived defects in the role of scrutiny and the fact that the scrutiny panels were chaired by the ruling group. The Deputy Leader felt the Peer Review document was comprehensive, but undertook to pass these views back to the Leader. Officers further explained that there would be the opportunity for all members to discuss issues around the way governance issues worked within the Council. The Peer Review team, which included a Conservative and Lib Dem, would be interested to hear from a wide range members including back bench and opposition councillors.

### **34 WORK PROGRAMME**

#### **RESOLVED:**

That the Work Programme be approved.

(An update on progress with the actions arising from the Financial Strategy T&F report would be added to the Work Programme for the June Panel meeting).

CHAIRMAN