

**25 JULY 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, 25 July 2024

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

**Councillors:**

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

**Councillors:**

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

\*Present

**In attendance:**

**Councillors:**

Jill Cleary  
Geoffrey Blunden  
Jeremy Heron  
Keith Craze

**Councillors:**

Steve Davies  
Janet Richards  
Malcolm Wade

**Officers Attending:**

Alan Bethune, Paul Whittles, Rebecca Drummond, Saqib Yasin, Ryan Stevens, Andrew Mills, Andy Rogers, Rich Bird, Kim Gray, Roxanne King, Samantha Wills and Matt Wisdom

**Apologies**

Apologies were received from Cllr Woods.

**4 MINUTES**

The minutes of the meetings held on 28 March and 13 May 2024 were confirmed as a correct record.

**5 DECLARATIONS OF INTEREST**

Councillor O'Sullivan declared a non pecuniary interest in Item 8 (Commercial and Residential Property Strategy Annual Report) as Chairman of Appletree Property Holdings Ltd, for reasons of transparency.

**6 PUBLIC PARTICIPATION**

There was no public participation.

**7 ANNUAL PERFORMANCE AND PROVISIONAL BUDGET OUT TURN**

The Committee received the Annual Performance and Provisional Budget Outturn report.

Members of the Housing and Place O&S Panels had been invited to the meeting for consideration of this item.

The report provided an overview of performance over the last year (April 2023 to March 2024) against the Corporate Plan 2020-2024 and set out provisional outturn results for Revenue and Capital budgets for both the General Fund and Housing Revenue Account.

Officers addressed a number of queries, relating to reasons for budgetary variations, and the establishment and subsequent use of the Corporate Priorities Reserves, which was allocated for the Transformation Programme.

A member made reference to the KPI's relating to Trees removed / planted on NFDC land, and officers undertook to provide further details to the member by email.

**RESOLVED:**

- (1) That the annual performance and budget outturn report be noted, including:
  - (a) the Annual Performance Report for 2023/24;
  - (b) the provisional outturn of the General Fund revenue and capital budgets for 2023/24;
  - (c) the provisional outturn of the Housing Revenue Account and capital budgets for 2023/24; and
  - (d) the year-end rephasings, as included within the provisional outturn figures.
- (2) That the Panel request Council approval of;
  - (e) the establishment of a new Corporate Priorities Reserves, with an initial contribution of £1.5 million in 2023/24 and note the transfer of £262,000 in 2023/24 to enhance the Treasury Management Reserve.

**8 PERFORMANCE MANAGEMENT FRAMEWORK**

The Panel considered a proposed new performance management framework to measure progress on delivery of the objectives set out in the new Corporate Plan.

The report included a proposed response to a Council Motion from Cllr Richards, concerning targets for protecting the climate, at paragraph 8. Cllr Richards had been invited to attend the meeting, and was given the opportunity to speak in response to the paper as mover of the original motion.

Cllr Richards expressed a future aspiration to identify and publish the Council's total emissions on an annual basis. It was explained that currently, there was no government framework for the items to be included in assessments of an organisation's total emissions. Additionally, given this would require significant Council resources (eg quantifying staff commuting and supply chain etc), it was explained that the Task and Finish Group would need to take an overall view on this

as part of establishing the scope of its work. Currently the Council only measured emissions relating to factors over which it had direct control.

Members were pleased to note recent improvements in the content and timing of the annual publication of related internal performance data, so that reports for the year ending in March would now be available in October of the same year.

Some panel members suggested additional items they would have liked to have seen as part of the corporate plan KPIs / scorecards. These included:

- Housing waiting list numbers
- Universal Credit claimants
- Complaint numbers
- Parish / Town council engagement
- Customer satisfaction on new waste collection arrangements,
- Rising crime
- Homelessness

Officers committed to consider these suggestions at service level and clarified that some of these indicators were already reported through different mechanisms, but undertook to address these where they were not duplicated elsewhere.

**RESOLVED:**

- (a) That, subject to the comments detailed above, the Performance Management Framework document be supported for approval by Cabinet.
- (b) That the Resources and Transformation Overview and Scrutiny Panel note the response to the related motion referred by Council to the Panel, as outlined in section paragraph 8.

**9 CUSTOMER STRATEGY**

The Panel considered a proposed Customer Strategy for 2024-28.

It was explained that the Customer Strategy supported the new Corporate Plan and the Transformation Strategy, and focussed on how the Council would provide services to all of its customers, in whichever way they wanted to interact with the Authority.

Customer insight work had been undertaken, as well as consultation with staff and partners, which had led to establishment of customer outcomes and principles, the development of agreed standards, and an action plan.

Members sought clarification on whether there were plans to close any parish or town council offices, and it was confirmed that these hubs would be reviewed as part of the accommodation strategy review and would continue to be supported based on need. There would be 24 hour availability online on all devices.

Members emphasised the importance of maintaining Face to Face service availability in accessible places. In answer, the Portfolio Holder for Finance and Corporate gave assurances that Face to Face service would always be available to those who could not access the Council's services online.

**RESOLVED:**

That it be a recommendation to Cabinet that the Customer Strategy be approved.

## 10 TRANSFORMATION BUSINESS CASE

The Panel considered the business case for the Council's Transformation Programme.

The Customer & Digital Services (including Organisational Design) business case had been developed following the adoption of the Transformation Strategy, Future New Forest, in December 2023. It enabled the implementation of the Transformation Programme by setting out a clear future organisational design for the Council to leverage new technology, service and process redesign. In addition it would look at how some teams were structured in order to improve customer experience and the efficiency and effectiveness of the organisation.

The Appletree Court business case considered options to exploit the commercial opportunities of Appletree Court and make better use of the currently underutilised office accommodation. In response to a query, it was explained that a study on future asset and accommodation utilisation should be completed towards the end of the year.

Members commented on the importance of retaining our workforce talent through retraining and redeployment of staff where there were organisational changes.

Members also emphasised the need for support for improved customer technology to provide residents with a more consistent experience.

Reference was made to the change in Government, and potential implications of further developments in the devolution agenda. It was queried whether consideration was being given to this in the Transformation Business Case. In response, it was explained that it was too early to know any implications at this stage, any change would take some years to develop, and in any case the possibility did not preclude the Council from making improvements to resident and customer services.

Some members queried the invest-to-save payback period of 4-5 years, in respect of any risks that might arise in that time. The Panel noted its role in monitoring progress in the delivery of the transformation programme through regular reports.

It was confirmed that the funds required for the Transformation Programme sat outside service budgets.

### **RESOLVED:**

- 1) That the panel note the following proposed recommendations to Cabinet:  
That Cabinet (subject to the required Council approval to funding):
  - I. Approve the Customer & Digital Services (including Organisational Design) business case at Appendix A and adoption of the preferred future organisational design option Bv2.
  - II. Support the intention to let out the south wing of Appletree Court (ATC) to third party tenants as set out in Appendix B.

III. Note the opportunity to further enhance ATC through works to the ground floor

north wing, but these to be progressed subject to further approval (at additional cost), dependant on the success of the letting activity.

IV. Delegate responsibility to oversee delivery of these recommendations to the Transformation Programme Board.

2) That the panel support the proposal that Cabinet seek Council approval to:

V. Allocate £2.709m on an invest-to-save basis to deliver the necessary technology

and organisational changes to deliver the preferred future organisational design option.

VI. Allocate up to £1.75m for improvements to the East wing of ATC on an invest-

to save basis, to facilitate the third party letting of the south wing and the generation of c£300,000 per annum in income

## 11 COMMERCIAL AND RESIDENTIAL PROPERTY STRATEGY ANNUAL REPORT

The Panel received a presentation summarising progress with the Commercial and Residential Property Strategy.

Councillor O'Sullivan declared a non-pecuniary interest as Chairman of Appletree Property Holdings Ltd, for reasons of transparency.

Members were reminded that the aims of the Commercial Property strategy were to acquire or develop property within the District and secure local economic benefits. An original portfolio fund of £30m had been supplemented with a further £20m following revision of the Strategy in 2022. The Commercial Property Panel (CPP) met regularly and comprised of senior officers and members.

The Panel received an overview of investments at various sites and income in 2023/24, and noted the reduced activity due to adverse market conditions, particularly higher interest rates. Cumulative net income up to 2023/24 was £963K.

Members noted the detailed governance arrangements of Appletree Property. It was a private limited company and a commercial enterprise which aimed to be a landlord of choice and offered market rental properties in the District to people with a local connection, with an investment fund of £10m. The Board was comprised of members and officers with the Chairman being Cllr O'Sullivan. The Board met every 3 months. Rental income in 2023/24 was £240k. No new acquisitions had been made in 2023/24 due to market conditions.

A member praised the success of the Business Park but felt there should be more such examples, and queried whether the overall strategy needed to be reviewed in this regard. It was explained that although the Council had identified a number of opportunities over the past year, it had been decided not to invest given the current adverse market conditions. Members were also reminded that both enterprises

were long term (40-50 year) strategies. There had been significant activity since inception in 2017, and there would always be fluctuations.

**RESOLVED:**

That the annual updates be noted.

**12 ICT WORK PROGRAMME 2024/25**

The Panel received a summary of the ICT Work Programme for 2024/25, which included

- Background to the ICT work programme
- Programme summary
- How the programme would be delivered

The ICT work programme budget for 2024/25 was £625K. This was an assumed annual sum in the Council's Medium Term Financial Plan. It was anticipated that this work programme budget would make a contribution of circa £1m towards the cost of the Transformation project over the financial years 2024/25 to 2026/27.

Additional resources had been identified and formed part of the Transformation Business case, which members had discussed in a previous agenda item. There was therefore a strong correlation between the ICT work programme activity, and the development of the Transformation programme, as well as the Corporate Plan Objectives.

Alongside this, projects included a new Customer Relationship Management system (CRM), Contact Centre Software, and new Housing, Revenue and Benefits, and Regulatory Services systems.

Details were given of governance and review mechanisms to monitor overall progress. There was a continued focus on improving the customer experience with all online systems. Details were also given regarding project risks and identified mitigations.

Regarding a question on maximising end user benefits, it was explained that customer engagement measures were an important tool in enabling good communication with residents, as well as close attention to processes and listening to resident feedback.

In response to a query about sufficient staff to ensure systems resilience, it was reported that at least 2 technical analysts were always involved in delivering projects, and knowledge was shared with service partners and teams, and well documented.

In response to a question on learning from other organisations, officers reported that they often looked at other authorities via networking events, benchmarking, and gleaning best practice on things such as digital skills training, as well as observing working systems in situ when NFDC projects were in the procurement phase.

**RESOLVED:**

That the report be noted.

### **13 FINANCIAL STRATEGY TASK AND FINISH GROUP ARRANGEMENTS**

The Panel considered proposed arrangements for meetings of the Financial Strategy Task and Finish Group in 2024.

The role of the Financial Strategy Task & Finish Group was to review the Council's financial strategy and understand how the plans and assumptions made by the Portfolio Holders married up with the overarching financial planning of the Council.

It was proposed that a Group of 7 members be convened after seeking volunteers, and the final membership be agreed by the Charman of the Panel.

#### **RESOLVED:**

That the arrangements for operation of the Financial Strategy Task and Finish Group for 2024 be endorsed as set out in the report.

### **14 PORTFOLIO HOLDERS' UPDATES**

The Panel received updates from Portfolio Holders on developments within their portfolios and on performance data from January to March 2024.

#### **Cllr Cleary (Leader)**

The Leader summarised work over 2023/2024 to conclude the former corporate plan, as well as shaping the performance management framework with a new set of Key performance indicators.

The Leader had continued to champion an aspiration for the Council to be an Employer of Choice, whilst in turn enabling the Authority to deliver the best services to residents through recruiting an experienced and motivated workforce.

Whilst vacancies were not always filled first time, there was a raft of initiatives that HR and services worked on together, to support recruitment in what remained a challenging market. Additionally, the Leader was pleased to report that the Council's work with Brockenhurst College had been reflected in them awarding NFDC 'Employer of the Year'.

The Council was preparing prudently for the future, both financially and in terms of service delivery. This was evidenced by the Panel's consideration of the Transformation Programme business case earlier in the meeting. This included a programme to secure necessary savings whilst meeting customers' needs through more modern, responsive services.

#### **Cllr Jeremy Heron (Finance and Corporate)**

Cllr Heron referred to the budget out-turn and was pleased with the allocation of the interest windfall towards capital projects. He commented on the tough targets members had set for housing, reflecting the importance placed on this.

In reference to a question earlier in the meeting, he stated that staff were NFDC's most important asset and that where there were organisational changes, the Council would try to redeploy employees wherever possible.

The Portfolio holder also pointed out the 11 new projects in the ICT work programme, which grew ever more complex.

In response to an earlier question concerning the potential impact of devolution, he reiterated that the Council could not await potential developments from Central Government, and it was important to continue with service improvements. Further, it was confirmed that the Council had written to the former Local Government minister asking for multi-year settlements, emphasising the benefits in stability and operations of longer term planning. He would ensure similar representations were made to the new minister.

When asked about underspends, Cllr Heron explained that budgets were built on financial assumptions, forecasts and estimates. Given the variables, factors and eventualities that could arise during a financial year, it was difficult to predict, though it was preferable to underspend than overspend.

**15 WORK PROGRAMME****RESOLVED:**

That the Work Programme be approved.

CHAIRMAN