

**26 JUNE 2025**

**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, 26 June 2025

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

**Councillors:**

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

\*Present

**In attendance:**

**Councillors:**

Jill Cleary

**Councillors:**

- \* Christine Ward
- \* Phil Woods
- Jill Cleary
- Jeremy Heron

**Councillors:**

Jeremy Heron

**Officers Attending:**

Ingrid Archer, Rebecca Drummond, Philip Marston, Amanda Wilson, Matt Wisdom, Saqib Yasin, Richard Knott, Kevin Green and Lee Ellis

**Apologies**

No apologies were received from Panel members

**4 MINUTES**

The minutes of the meetings held on 20 March and 12 May 2025 were confirmed as correct records.

**5 DECLARATIONS OF INTEREST**

Cllr O' Sullivan disclosed a non-pecuniary interest in item 7 (Commercial and Residential Property Strategies) (Minute 10) as a Director of Appletree Holdings Ltd.

**6 PUBLIC PARTICIPATION**

There was no public participation.

**7 LOCAL GOVERNMENT REORGANISATION JUNE 2025**

The Panel considered the report on local government reorganisation June 2025 and were provided with a comprehensive update on the activities that the Council had

undertaken since the interim plan had been submitted.

It was confirmed that public engagement would be launched on 30 June 2025 and it had become clear that the options referenced in the report as H, I and boundary changes would now be referenced as 1, 2 and 3 which would be clearer for public engagement. Hampshire County Council's position had become clear following the publication of this report and included details of the options which they were separately working on. Further information regarding the impact for this Council's programme was covered in an appendix to the Cabinet report, which articulated in more detail the boundary change impact for the district should the boundary change model progress.

Whilst some Panel members felt that boundary changes would be unlikely due to the complexity and length of the process, another expressed an opposing view that boundary changes were still possible, as the larger authorities had strongly different views and the government would be making the final decision.

A member asked what would happen if the preferred option of the Council wasn't taken forward. It was clarified that the options being developed by the twelve Councils, along with KPMG, the public engagement and the submission to government whatever the outcome then each Council could still submit a final option as part of that process. By engaging with the collective work, the Council was not being forced into having to pursue an option which wouldn't be desirable.

The survey data collated as part of the public engagement would have post code identifiers, so there would be a data set which identified specific area responses, and would be provided to members in due course.

It was acknowledged that the Council did not always receive a good level of participation and therefore it needed to be conveyed that the public engagement was a once in a generation opportunity to influence change and to encourage the public to respond. Members raised concern that Hampshire County Council were undertaking their own engagement and that it could undermine the work being undertaken by the Council. It was confirmed that when the Hampshire wide engagement went live there would be a significant increase in communications to ensure that public engagement, including asking Members to do the same with their communities, working with Parish and Town Councils and stakeholders.

It was acknowledged that the consultation had been commissioned by the twelve Councils who were working with KPMG on the options. Members expressed concern that they had not seen the consultation to date. Members would be expected to play a key role in promoting this and there would be other content that could be used such as leaflets and flyers, stakeholder emails, etc. An overview had been provided as part of the recent Members Briefing. It was confirmed that if Town and Parish Councils required the Council to visit them to as part of the consultation engagement, to make contact with Officers.

It was confirmed that where there was currently a two-tier system a process of disaggregation would be undertaken and this would include an assessment in which part of adult social services would move from Hampshire County Council to a new unitary. This would be a complex piece of work to understand how to deliver a safe, new Council. Important work streams such as adult services had been taken forward with Officer Working Groups, working alongside other Councils, to develop a proposal as part of the geography of how services could be delivered and how

that proposal can lead into the practicalities of the design of those new services. It was confirmed that those work streams were already underway. An action plan had been developed and recognised that a local based, preventative model with key stakeholders involved in the pathway had to include multiple agencies.

It was asked if there was a possibility that East Hampshire and Gosport Councils could come back into the fold or were there any other Councils likely to join them, as the fewer Councils that were working together, the less likely it was that those smaller Councils could be heard. In response, it was confirmed that as part of the governance work stream that area committees would be looked at, the current twelve authorities recognised the strength of working together on a case for change. Whilst there may be different options with the case for change that this Council didn't support it gave the overall case for change a compelling stance.

The steer from Group Leaders was to go for Option H, no boundary changes, as the Council did not want the New Forest to be split and needed all Councillors, once the consultation was launched to engage with their residents. It was confirmed that there was an allegiance with Test Valley Borough Council and the Council was working with Winchester City Council. Work was also being undertaken with East Hampshire District Council, although they preferred the three unitary Council model. It was stated that Gosport Borough Council did not want local government reorganisation to happen and was therefore not engaging in the process, whilst the Isle of Wight needed to either make a case to join a new authority or to stay the same.

A Panel member stated that they had asked the Leader of Hampshire County Council to attend a Boldre Parish Council meeting, whilst another Member had requested that they also attend a meeting at Lymington Town Council to receive a balance of information. It was confirmed that New Forest District Council would also be invited to these events.

It was felt by a Panel member that if New Forest had to join into a unitary with Southampton, then it needed to include the whole of the District. In response, it was confirmed that the Leader of the Council would not support any boundary changes, resulting in the district being split.

#### **RESOLVED:**

That the Panel supported the following recommendations to the Cabinet:-

That the Cabinet:-

1. Note the progress made on the development of final local government reorganisation proposals by September 2025.
2. Agree that the priority for LGR proposals was:-
  - a. A financially sustainable rural-focused unitary council, bringing together the New Forest area with mid-Hampshire.
  - b. An authority that did not split the historic communities of the New Forest through boundary changes, or forced the district into an urban-led model.
3. Support the active engagement in competing proposals for LGR in Hampshire and the Solent, to best represent and campaign for the above priorities, including the strong opposition to any proposals that involved boundary changes that would split the historic communities of the New Forest.

4. Support the establishment of the LGR Programme Governance and Member oversight arrangements detailed in the report, alongside current programme activity and spend incurred from the established LGR reserve.

## **8 REVISED TRANSFORMATION STRATEGY AND BUSINESS CASE REPORT**

The Panel considered the revised transformation strategy and business case report.

It was confirmed that this report was intrinsically linked to the previous item, on local government reorganisation, which would significantly change the context in which the Council would approach transformation. It was, therefore, appropriate in that context, to revise the transformation strategy and revisit the business case.

It was confirmed that the Council compared and worked closely with other Council on similar systems. One of the difficulties the Council faced, was the uncertainty of not knowing which other authorities would make up any new unitary authority. There was only so much work that could be undertaken ahead of that decision. However, IT and the transformation team had mapped software being used by neighbouring authorities and the wider Hampshire. With the customer relationship management (CRM) and the housing maintenance system, Officers had looked systems being used by other authorities, the market leaders, etc. and how the systems could be used to modernise services. It was recognised that services needed efficient, joined up and that the customer as the end user was fully considered.

It was raised that at Paragraph 28 the original costs for option B version 2 were a total one-off cost of £2,109,000, with a payback through to year five. However, the revised costs were still the same but there would now be no payback. In response, it was confirmed that the costs still stood because the systems still needed to be replaced and it was important the Council invested in its staff, so some of the costs included support for and delivery of the people strategy. It also included organisational development work such as change management and resources to back fill in service areas. The costs would still be deemed necessary and efficiencies would be made, where possible. The original business case relied on staff changes and the report now stated that the Council would no longer make those significant staff changes, although efficiencies would be made by the new technology.

A Panel member asked whether recruitment was difficult, at present, due to the uncertainty of local government and it was confirmed that in terms of vacancies being filled first time there had been an increase and the Council was still attracting applicants for roles. However, retention rates had also decreased, some of which was due to staff retiring, although more work was being undertaken as to why staff had left the Council.

### **RESOLVED:**

1. That the updated Business Case position be noted; and
2. That the revised transformation strategy be recommended for approval by Cabinet.

## 9 STRATEGIC ASSET MANAGEMENT PLAN

The Panel considered the strategic asset management plan which would set out a clear direction for the management, development and rationalisation of the Council's property assets.

A Panel member raised that they had previously sought guidance on how they could safeguard community assets owned by the Council but used by local communities. It was suggested that it would be helpful to have a more user-friendly proposal as to how Parish and Town Councils could approach the issue.

There was also concern that the report did not list the assets concerned and although Councillors would be involved, the decisions could be made by Officers or Portfolio Holders. It was confirmed that officers would take those comments away and report them to the Cabinet.

It was felt that timescales were a concern with local government reorganisation as a new authority would exist before the work had been completed and then transferred to the new authority. Another concern was the scrutiny and governance of operation facilities which served the wider communities such as the depots, so more ward members should be consulted. It was requested that this should be included in the plan. An example was provided of an item going from the transformation board to Council for decision and it would effectively be a done deal at that point. Therefore, there should be greater scrutiny within the process. In response, it was confirmed that the comments received from the Panel would be reviewed. It was also confirmed that on the establishment of a new council, assets would not necessarily be sold or closed. As part of this work, stock condition surveys would be undertaken so that informed decisions could be made by the Council, along with Parish and Town Councils on the transfer of any assets. Those Councils who had previously gone through local government reorganisation such as Cornwall, were still transferring assets and working with communities to offer better solutions for local people.

A member asked what the benefits were of undertaking this now compared to not undertaking it at all and what were the risks. It was confirmed that a future risk was that a new Council could decide that a particular building was no longer of use and may it could be closed or sold off. Therefore, the Council wanted to protect its communities by reviewing assets for the benefit of local communities. If assets were not transferred it would allow new ways of working to be adopted but utilised potentially in the new model of service delivery. Therefore a balance was required. It was confirmed that there had already been some interest and approaches from Parish and Town Councils and communities but those approaches would need to be reviewed in a structured process. The Strategic Asset Management Strategy was currently going through the Council's decision-making process but consultation with all stakeholders could be undertaken due to the timeframe. However, the Council was already working with Parish and Town Councils on the principles of the strategy and there would be a Parish and Town Council engagement process as part of local government reorganisation and this would include asset management.

### **RESOLVED:**

That the Panel supported the following recommendations to Council :

It is recommended that Cabinet recommend Council approve:

1. the Strategic Asset Management Plan 2025-28 ('SAMP') and the high-level actions which flow from the Plan.
2. the Asset Disposal Policy.
3. the Community Asset Transfer policy.
4. the re-direction of the £1.5 million Corporate Priorities reserve to support the delivery of the SAMP, resulting in the full budget equalisation reserve being available to support budget preparation over the medium term period.
5. the approval of a delegation to the Strategic Director Corporate Resources and Transformation to drawdown the Corporate Priorities reserve for the purposes of SAMP delivery, in consultation with the Portfolio Holder for Corporate Resources.
6. the approval of a delegation to the Chief Executive and Strategic Director Corporate Resources and Transformation in their positions as Transformation Board members, to take decisions in accordance with the Governance arrangements as set out in the SAMP and associated policies.

## 10 COMMERCIAL AND RESIDENTIAL PROPERTY STRATEGIES

The Panel received a presentation on the commercial and residential property portfolios' performance.

A Panel member raised that the previous year projected net income was £488,000 at the Platinum Jubilee Business Park but this year the net operating income was £262,000. It was confirmed that the difference was due to whilst there were voids the Council had to cover utilities and business rates. At Queensway there was no income to the Council at the moment due to the operational requirement to use it for 12-18 months for the implementation of the waste strategy. Nearing the end of that period the property would be marketed for re-let or considered for disposal.

A member asked for an explanation between the acquisition cost and the balance sheet value at the Platinum Jubilee Business Park and it was confirmed that the acquisition cost reflected the purchase of the land and the construction of the buildings scheme, whereas the balance sheet reflected the income from the tenants. Each year as it was assessed and was revalued there would be an increase on the balance sheet value as the income progressed. The open market for sale value would be different from the value figure which the Council presented, with the balance sheet based on the income that had been received.

It was confirmed that the Platinum Jubilee Business Park was ahead of the expectations of the business plan, although there was one large office unit which was difficult to let, and this was due to the office market being depressed. The unit may need to be divided into smaller units to make it more attractive.

A Panel member felt that considering the wider challenges would the purchase of new property now be on hold. In response, it was confirmed that Appletree Property Holdings was fully let, with no voids and although wasn't looking at purchasing large schemes, it was looking at private sector lease properties, used by the homelessness team, which could be going back into the private market. With commercial lettings, the Council was doing what it could and was mindful that towards the end of the year voids would be filled. Those were seen as long-term

investments, based on income received over 30 year period, and fitted into the corporate plan objectives. As an arm's length company Appletree Property Holdings Ltd would still operate following local government reorganisation.

Cllr O' Sullivan disclosed a non-pecuniary interest in item 7 (Commercial and Residential Property Strategies) (Minute 10) as a Director of Appletree Holdings Ltd.

## **11 ANNUAL PERFORMANCE REPORT 2024/25**

The Panel considered the Annual Performance Report 2024/25 and it was confirmed that this was the first time the report had been produced that related to the new Corporate Plan. The Annual Report would also be published on the Council's website.

A Panel member raised that due to local government reorganisation and the comments raised regarding the residents' survey should the Council be reviewing the KPI's or replace them. In response, it was felt that it was a good suggestion, and that the Council should look at other opportunities as a result to deprioritise a residents' survey to raise relevant measures.

It was also raised that under the prosperity headline there were six KPI's that were either to be confirmed or not applicable, so the member questioned their purpose. In response, it was confirmed that in developing the dashboard of measures, the Council still wanted to give an overview of the district. Accordingly, some measures were derived from national data which was published infrequently and although this may be out of the Council's hands, they were important indicators to share when this data was released.

A Panel member asked how the report affected improvement and for an example of where performance had been improved as a result of the annual report or dashboard. It was confirmed that the annual performance report took account of the regular dashboard information, the actions undertaken, the good performance made over the year, press statements, good news stories raised by services including those shared with panels and Cabinet and is collated into a more cohesive narrative that forms the Annual Performance Report. An example was provided of council tax collection being slightly below target, mitigation was offered, the performance in the last quarter had improved and it was now where it was expected to be. The point of the narrative was that Panel members could be provided with an opportunity to cross examine and revisit.

A Panel member felt it was difficult to judge the annual performance when there were indicators missing.

### **RESOLVED:**

That the Resources and Transformation Overview and Scrutiny Panel noted the Corporate Plan: Annual Performance Report 2024/5.

## **12 CORPORATE PLAN: KEY PERFORMANCE DATA - QUARTER 4**

The Panel considered the Corporate Plan: Key Performance Data – Quarter 4.

A Panel member raised a query on No 45 - Benefits Realisation from ICT investment and asked how the figure had been derived at. In response, it was

confirmed that each digital project, as part of the project initialisation and specification, the relevant service and ICT would determine what the benefits and objectives were, along with what the Council wanted out of the investment. When the project was completed an assessment would be undertaken to establish whether those benefits had been achieved. Following that, a report would be presented to the panel as part of the digital update.

It was felt by a Panel member that exit interviews for staff leaving the authority should be undertaken as a standard with the detail recorded. Consideration should also be given to agile working and multi-skilling for staff sickness. It was also requested that IT should consider setting a higher target as they had always achieved 90% - 95% and therefore, there should be a review of the target as 70% was always manageable based on how effectively they worked, along with an additional request of the addition of a KPI for complaints, along with a staff well-being survey and an online customer survey which targeted IT aspects of the service. It was confirmed that the suggestions would be taken away for consideration.

**RESOLVED:**

That the Panel considered and reviewed the:

- a) Q4 dashboard.
- b) refreshed targets for 2025/2026.

**13 COMPLAINTS PERFORMANCE AND SERVICE IMPROVEMENT REPORT**

The Panel was requested to consider the complaints performance and service improvement report.

The report covered an overview of the garden waste collection service, and it was recognised that with any service change, it was expected that there would always be teething problems. Moving towards the new financial year there would be significant change to the waste collection service and there may be an increase in complaints, as the roll out of the service was implemented and embedded.

A Panel member supported that new record keeping which had been introduced following complaints of poor communications. It was suggested that regarding the new waste collection complaints, that there be a monthly guide on those complaints as due to the three stage roll out, complaints could then be analysed.

Concern was raised by a Panel member and requested that it be noted, that support should be provided to customer service staff who were managing waste collection complaints. In response, it was confirmed that additional support had been put in place for the team to understand the type of calls which were being received and to respond quickly and flexibly to the types of issues which had come through, whilst recognising any well-being needs the team had.

**RESOLVED:**

That the Panel noted the Annual Complaints Performance and Service Improvement Report 2024/25.

**14 FINANCIAL MONITORING REPORT (PROVISIONAL BUDGET OUTTURN 2024/25)**

The Panel considered the financial monitoring report (Provisional Budget Outturn 2024/25) which presented the pre-audit financial outturn figures for the general fund, the housing revenue account and the capital programme for 2024/25 financial year.

It was confirmed that the Devolution & LGR reserve had been increased to £500,000.

**RESOLVED:**

That the Panel Members noted the following:

- 1) the provisional budget outturn 2024/25 for onward consideration by Cabinet
- 2) the proposed Cabinet recommendations as follows:

It was recommended that Cabinet:

- a) noted the provisional outturn of the General Fund, HRA, and Capital budgets for 2024/25.
- b) noted the year-end rephasing, as 385 Agenda Item 11 included in the provisional outturn figures.
- c) approved an additional £350,000 is added to the Devolution and Local Government Reorganisation reserve.

Is asked to recommend to Council that they:

- 3) Approved adding £500,000 to the Capital Programme to facilitate improvements across the Council's depot estate

**15 FINANCIAL STRATEGY TASK AND FINISH GROUP ARRANGEMENTS FOR 2025**

The Panel considered the financial strategy task and finish group arrangements for 2025.

**RESOLVED:**

That the arrangements for operation of the Financial Strategy Task and Finish Group for 2025, were agreed.

**16 PORTFOLIO HOLDER'S UPDATE**

The Panel received updates from the portfolio holders.

**Cllr Cleary, Leader**

The Leader reported that the Council was going through unprecedented change and it was still appropriate to reflect on the scope of the Council's programmes and whether it was providing meaningful benefits. The Council continued to look at its systems and its staff, which in the long run would give staff a better chance when the new unitary Council would take over.

The Annual Report was a good opportunity to reflect on everything which had been delivered in the previous twelve months. The Council had done well and was committed to focussing on its communities, to achieve the best outcome for the New Forest through local government reorganisation.

It was positive that the Council was still attracting new staff, which other Councils were struggling with, although there was a higher staff turnover than the Council would like to see. To understand what was at the crux of this, Officers had been asked to gather further data on this.

The Council had ten apprentices which included six newly created apprenticeships, with the remainder being current staff who were being invested in via the apprenticeship levy.

### **Cllr Heron, Finance and Corporate**

The Portfolio Holder reported that the commercial and investment strategy had stalled due to the current financial market but it was still moving forward.

Local government reorganisation touched every aspect of the Council and he was particularly keen to support staff as the process moved on. It was hoped that the changes would not impact too hard on staff and that their work was appreciated in continuing to deliver services.

A Panel member asked whether there was an opportunity in the remaining years of the Council that there would be projects and responsibilities that could be invested in and use the unanticipated savings to put our communities in the best place possible. In response, the Portfolio Holder confirmed that the Council wished to ensure that it invested in its assets, one of those being housing. The Council was pushing every project and delivery that it possibly could. However, there was a limit on resources and Officer time, as they were also involved in local government organisation.

It was also raised that there was a budget shortfall of £107,000 in car parking and in response, it was stated that the reason for the shortfall wasn't currently known by the Portfolio Holder who was waiting to hear back from Officers. However, it was thought that it was probably due to over optimistic forecasting, following the increase in parking charges.

## **17 WORK PROGRAMME**

### **RESOLVED:**

That the Work Programme be approved.

CHAIRMAN