

## Resources and Transformation Overview and Scrutiny Panel

21 November 2024

### Financial Strategy Task and Finish Group – Outcome Report

Purpose	To review the Financial Strategy Task and Finish Group’s recommendations and endorse them for carrying through to officer actions, other overview and scrutiny panels, or Cabinet or other committees as appropriate.
Classification	Public
Executive Summary	The Financial Strategy Task and Finish Group has reviewed the Council’s financial strategy and has sought to understand how the plans and assumptions made by the Portfolio Holders marry up with the overarching financial planning of the Council. This report presents the findings of the Group.
<b>Recommendation(s)</b>	<b>That the Overview and Scrutiny Panel note the contents of the report and endorse the follow up actions for carrying through to officer actions, the relevant Overview and Scrutiny Panels, the Cabinet or other committees as appropriate.</b>
Reasons for recommendation(s)	To provide assurance on the soundness of the overall financial strategy of each portfolio in supporting various workstreams, including maximisation of resources and delivery of corporate plan priorities.
Ward(s)	All
Portfolio Holder(s)	Cllr Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Corporate Resources S151 and Transformation
Officer Contact	Paul Whittles, Assistant Director – Finance 02380 285 766

## **Introduction and background**

1. Further to the creation of the Financial Strategy Task and Finish group as endorsed at the 25 July 2024 Resources and Transformation Overview and Scrutiny Panel, this report sets out the purpose and work of the Group and presents a set of conclusions and recommendations. The Group met 7 times over September, October, and November 2024.

## **Terms of Reference**

2. The terms of reference for the Financial Strategy Task and Finish Group were:

'To gather an understanding of how the Council's overall financial strategy brings together various financial workstreams. This includes income maximisation and prioritisation of resources to ensure the delivery of the Council's priorities, and to challenge how the plans and assumptions made by the Portfolio Holders fit with the overall strategy.'

## **Membership of Group**

3. The Group consisted of the following members:

Cllr Alan Alvey (Chairman)  
Cllr Kate Crisell  
Cllr Sean Cullen  
Cllr Philip Dowd  
Cllr David Hawkins  
Cllr Joe Reilly  
Cllr Steve Rippon-Swaine

## **Scope of Review**

4. The Group received an overview of the Council's financial position, including the latest Medium Term Financial Plan and Annual Budget for 2024/25, for both the General Fund and Housing Revenue Account.
5. Following a review of the data a suite of questions was determined with a series of generic questions for each Portfolio Holder, supplemented with some portfolio specific questions.

6. Each Portfolio Holder was then invited to present their responses to the group with further questions and challenge provided by the group members as part of the interview.
7. The generic questions asked to each Portfolio Holders were as follows:
  - a. Reflecting on the past 12 months through a financial lens, what have been your biggest achievements and challenges?
  - b. Looking ahead, what does the portfolio holder consider to be the main:
    - i. Pressures (and how can the portfolio mitigate the resultant negative financial impacts)?
    - ii. Opportunities (and how can the portfolio realise the connected financial benefits)?
    - iii. Objectives (in terms of significant projects / service delivery aspirations) over the next 12 months?
  - c. How is the portfolio holder supporting the corporate plan priorities and associated portfolio objectives over the medium-term financial plan period?
  - d. Has the portfolio holder reviewed historical trends in income data, and are they confident the income budgets are reflecting the full income potential within their portfolio whilst being realistic and achievable?
  - e. Is the Portfolio Holder satisfied with the Key Performance Indicators in place across his/her services? Any good examples to share?

### **Findings / Issues Raised**

8. Portfolio Holders provided presentations and answers to all questions posed. The group welcomed the level of detail presented to them and subsequently reflected on key issues within each portfolio. This resulted in the following actions for Portfolio Holders and officers to resolve.
9. A common theme across some Portfolio Holders suggested inaccuracies in how officer time was apportioned to service cost centres. On the basis that true service costs, and ultimately full cost recovery (for some services) is extremely important, all Portfolio Holders are requested to undertake a review of cost allocations,

thereby ensuring accurate service cost capture, and that the recovery of costs is set at the appropriate level.

10. Members noted the recent changes to the external Emergency Planning support resulting in improved value for money. It was suggested therefore that due consideration be given to all NFDC outsourced services to ensure value for money is being achieved; and where not the case, that alternative options be explored (subject to contractual conditions).

### **Leaders Portfolio**

11. The group acknowledged this Portfolio is cross cutting and were impressed by the Leader's understanding of their central role across all portfolios, particularly with the oversight of the Solent Freeport and Transformation programme. The group emphasised the importance of the significant investment in the Transformation programme and the expected savings that would follow.
12. Action to follow up:
  - The Portfolio Holder to ensure the MTFP reflects the current investment profile and realistic delivery of savings regarding Transformation.

### **Finance and Corporate Portfolio**

13. Actions to follow up:
  - The Portfolio Holder to ensure the implementation of the new planning software is concluded in a timely manner and that the MTFP reflects the budget required.
  - The Portfolio Holder to ensure the Council is best placed to derive benefit from the Solent Freeport retained rates pool, when appropriate.
  - The Portfolio Holder to ensure there is full confidence in the forecast salary budgets considering the pay award implications and the direction of travel in terms of the national living wage.

### **Housing and Homelessness Portfolio**

14. The group welcomed the Portfolio Holder taking forward a review of the mix of new building projects ensuring adequate temporary accommodation is provided to support a reduction in homelessness expenditure. It was also noted that the tenancy review initiative would now be coming into effect, and the group were keen to

ensure that this process was pro-actively followed through on a regular basis.

15. Actions to follow up:

- Given the Portfolio Holder stated they are unlikely to be achieved, the Portfolio Holder is asked to update the MTFP regarding the current savings expected associated with the homelessness budget, particularly in light of potential changes to grant funding and growing demand.
- The Portfolio Holder to explore the potential to repurpose our Garage sites given the decreasing trend in income.

### **Environment and Sustainability Portfolio**

16. The group acknowledged this is a large portfolio with a lot of external influences including public behaviours affecting income streams and environmental risks particularly affecting our coastline. The significance of national Government policy specifically regarding the new waste arrangements was also flagged as a significant financial and service delivery risk.

17. Actions to follow up:

- The Portfolio Holder to bring forward a funding plan to support the significant costs associated with our Coastal strategy, including recognising the role and contributions required from external partners in addition to our own commitments as a first responder and minority landowner.
- The group welcomed the progression of a Parking Strategy but wanted to ensure the strategy gave a greater understanding regarding the approach to pricing.
- The group sought reassurance regarding the timely implementation of the Waste Strategy including comprehensive communications, and the Council's ability to recover the associated new burdens funding, particularly in light of the considerable risks associated with this project and unknown dependencies regarding third parties.

### **Planning and Economy Portfolio**

18. Actions to follow up:

- The Portfolio Holder to ensure a review of the Planning and Building Control income is conducted given the pressures placed on the current income budget expectations. Consideration to be given as to

whether our charging structure is appropriate, and clarity as to whether are we recovering all chargeable elements.

- The Portfolio Holder to ensure all S106/CIL income is received and spent in a timely manner.
- The Portfolio Holder to ensure that costs within Planning were benchmarked with other local authorities, and that all resources linked to income were budgeted for accordingly.

### **Community & Safety Portfolio**

19. Actions to follow up:

- The Portfolio Holder to review and consider options to improve the cost recovery status of the Appletree Careline service.
- To ensure the positive impact on the MTFP due to the transition from analogue to digital regarding the CCTV upgrades is delivered.

### **Corporate plan priorities**

20. This report and its contents support all of the council's corporate plan priorities through the recommendations made regarding the budget setting process.

### **Financial and resource implications**

21. The financial and resource implications from this report will filter through to future MTFP and budget setting reports, as required. Subject to the actions recommended and any decisions that may follow as a consequence, specific finance and resource comments may need to be provided at that stage.

### **Legal implications**

22. There are no direct legal implications from this report. Subject to the actions recommended and any decisions that may follow as a consequence, specific legal comments may need to be provided at that stage.

### **Risk assessment**

23. There are no direct risk implications from this report. Subject to the actions recommended and any decisions that may follow as a consequence, specific risk comments may need to be provided at that stage.

### **Environmental / Climate and nature implications**

24. There are no direct environmental, climate or nature implications from this report. Subject to the actions recommended and any decisions that may follow as a consequence, specific environmental, climate or nature comments may need to be provided at that stage.

### **Equalities implications**

25. There are no direct equalities implications from this report. Subject to the actions recommended and any decisions that may follow as a consequence, specific equalities comments may need to be provided at that stage.

### **Crime and disorder implications**

26. There are no direct crime and disorder implications from this report. Subject to the actions recommended and any decisions that may follow as a consequence, specific crime and disorder comments may need to be provided at that stage.

### **Data protection / Information governance / ICT implications**

27. There are no direct data protection, information governance and ICT implications from this report. Subject to the actions recommended and any decisions that may follow as a consequence, specific data protection, information governance and ICT comments may need to be provided at that stage.

#### **Appendices:**

None

#### **Background Papers:**

None