

# LGA Corporate Peer Challenge

New Forest District Council

10<sup>th</sup> to 12<sup>th</sup> December 2024

Feedback report



**Corporate Peer Challenge**





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# 1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending three days at New Forest District Council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: Responsible for their own performance, Accountable locally not nationally and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

## 2. Executive summary

New Forest District Council (the Council) is a well-performing council that clearly understands its unique local context which consists of the New Forest National Park, urban areas and 40 miles of coastline. The peer team enjoyed spending time in the New Forest.

There is widespread acceptance that changes in leadership of the Council since the last CPC in 2017, with both a new Leader and new chief executive, has been instrumental in creating a culture of change and improvement. Both the Leader and the chief executive were consistently described by officers, members and external stakeholders as highly visible, collaborative and engaging. Under their leadership the Council has embraced partnership working, become more outward facing, and maximised its role as an effective convener. As a result, the Council now plays a more credible role on the local and regional stage, both at the political and officer

levels.

The Council is now more prominent in maximising exciting regeneration opportunities, such as the delivery of Solent Freeport and town centre regeneration. It works effectively in partnership with businesses, community groups, culture and health partners on a range of areas, as well as continuing to work closely with the New Forest National Park Authority.

Members and officer working relationships are effective, supportive and characterised by mutual respect. Whilst senior members are clearly passionate and committed, there are opportunities for them to have a greater role in setting the direction of the Council. The peer team also heard about the appetite to strengthen the Overview and Scrutiny function and providing more training and support to members on this topic.

The corporate plan clearly sets out an ambitious vision for New Forest, but the peer team consistently heard from staff, members and external partners that there were too many priorities, with a lack of clarity over what would be delivered and by when. Clearer delivery plans for the priorities would improve this. There are also opportunities to make the delivery of the priorities more visible, with the potential to make better use of external and internal communication channels.

The transformation programme, Future New Forest, is in place and has strong commitment from all political groups and staff at all levels. Leadership of the programme is effective, with robust commitment from the Executive Management Team and Senior Leadership Group to deliver it. To further enhance the likelihood of its success, the peer team encourages all members of the Executive Management Team to collectively own the programme, and for its scope to remain focused.

Meeting housing needs is one of the Council's key priorities and the peer team was asked to consider it as an additional area of focus. The Council's development and acquisition programme is centred on local needs; it has strong political support and with effective working relationships between the portfolio holder and the Housing department, the Council is well placed to achieve its ambitions. Nevertheless, challenges remain, and the Council will need to maximise partnership working, particularly emerging relationships with tenants, developers and private sector landlords, as well as with charities to tackle homelessness.

Overall, the organisation has strong foundations to deliver on its corporate plan

ambitions. Delivery will ultimately rest on the capacity and capability of staff, who are New Forest District Council's strongest asset. The workforce is passionate, enthusiastic and proud to work at New Forest District Council. Crucially, staff are committed to delivering the transformation programme. However, the peer team heard that working practices, policies and the new values were being inconsistently applied across the organisation and that this could undermine staff morale. To sustain this, recognising the issue of capacity and maintaining staff motivation will be important.

The Council is in a solid financial position, because of a prudent approach over many years. Sound governance and audit processes supplement its culture of effective financial management and planning. Reserves have been maintained and officers and members have identified future financial pressures facing the Council. The Council has started to undertake work to be more commercially minded, for example developing proposals to release some of Appletree Court to generate income and pulling together an assets register. As the Council faces increasing financial pressures, further work in this area may strengthen its ability to be financially sustainable.

The Council should be rightly proud of what it has achieved to date, with many improvements taking place behind the scenes. Whilst the Council acknowledges that it remains on a journey with some way to go to further improve, the peer team encourages the Council to celebrate its achievements much more, no matter how big or small they are.

Following the corporate peer challenge, the [Devolution White Paper](#) announced the Government's desire for all of England to benefit from devolution. The White Paper also announced that the Government will facilitate a programme of local government reorganisation for all two tier areas. In light of this, the Council will now need to take stock of its priorities and refocus its plans.

### 3. Recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the Council:

#### 3.1 Clarify priorities and timelines for delivery

The corporate plan sets out lots of ambitious priorities and not all of them can be

delivered at the same time. The Council will need to consider capacity in order to understand what can be delivered over the short, medium and longer terms, particularly in response to the publication of the Devolution White Paper.

### **3.2 Create an overarching corporate narrative and communicate proactively with staff, members and local people**

Only 66 per cent of respondents to the resident's survey said that they feel the Council keeps residents well-informed about the services it provides. A compelling narrative will help staff, members, partners, and residents look towards the future and help them see how they can support the delivery of the corporate plan.

### **3.3 Design and deliver a robust member and senior officer development programme**

Leadership of the Council, both at political and officer levels, is effective. Development days could further strengthen working relationships, particularly in supporting senior members to be more assertive in setting and steering the priorities of the Council.

### **3.4 Consider ways to strengthen your Overview and Scrutiny function**

Members are keen to provide more effective scrutiny and the Council may wish to consider ways to strengthen and develop its Overview and Scrutiny function; one option could be to appoint opposition members as chairs of the Panels.

### **3.5 Ensure there is collective ownership of the transformation programme by the Executive Management Team**

Collective ownership will ensure that all members of the Executive Management Team are all equally responsible for the delivery of the transformation programme, thereby contributing to the likelihood of its success.

### **3.6 Apply internal policies and practices consistently across the Council**

To maintain staff morale and commitment to the transformation programme, internal policies and practices must be applied consistently across the Council.

### **3.7 Develop an Assets Strategy and Action Plan**

The Council has already begun to understand its physical assets, their liabilities, and future commercial opportunities. The peer team encourages the Council to complete

this work and develop a strategy to deal with the assets as part of a coherent corporate asset management appraisal system.

### **3.8 Demonstrate further commitment to carbon reduction with a clear action plan**

The Council has bold ambitions to reduce carbon emissions of council owned homes to net zero by 2050 and to reduce carbon emissions of the housing operational services; the peer team encourages the Council to develop an action plan that will demonstrate how it will deliver these ambitions.

### **3.9 Continue the good practice in housing and consider applying successful approaches to the wider organisation**

There are already examples of transformation and improvement achieved in the Council's Housing department. This presents a valuable opportunity to take the learning, for example the preparation for regulatory inspection, and apply it to other parts of the organisation.

### **3.10 Remember to celebrate your achievements no matter how small or big they are**

The Council has achieved significant change and improvement over the last few years, and there is much to be proud of. Whilst there is more work to be done, do not forget to celebrate your achievements.

## **4. Summary of peer challenge approach**

### **4.1 The peer team**

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected by the LGA on the basis of their relevant expertise. The peers were:

- Jonathan Stephenson, Chief Executive, Brentwood Borough Council and Rochford District Council
- Cllr William Nunn, Breckland Council and Norfolk County Council
- Cllr Sarah Osborne, East Sussex County Council
- Claire Astbury, Head of Housing Strategy and Development, Luton Borough Council



- Jane Wilson, Chief Operating Officer, Cambridge City Council
- Eva Barnsley, LGA Policy Adviser
- Nick Searle, LGA Peer Challenge Manager

## 4.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - **Does the council have a grip on its current financial position?** Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?
5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core elements outlined above, every Corporate Peer Challenge includes a strong focus on financial sustainability, performance, governance, and assurance.

In addition to these themes, the Council asked the peer team to provide feedback on housing and its transformation programme.

## 4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not

an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at New Forest District Council and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team then spent three days onsite at New Forest District Council, during which they:

- Gathered evidence, information, and views from more than 40 meetings, in addition to further research and reading.
- Spoke to more than 130 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

## 5. Feedback

### 5.1 Local priorities and outcomes

In 2024, the Council launched its new [Corporate Plan 2024 to 2028](#), setting out clear ambitions for the district, with strategic priorities focusing on People, Place and Prosperity. The peer team consistently heard that the development of the corporate plan involved comprehensive and meaningful engagement from staff, members and external partners.

The Council has made good progress on a number of its key priorities, including delivery of new affordable homes and implementation of its Waste Strategy 2022 – 2027. Whilst recognising that the Council has an ambitious de-carbonisation

approach, aiming to reduce carbon emissions of council owned homes to net zero by 2050 and to reduce carbon emissions of the housing operational services, the peer team encourages the Council to develop an action plan with milestone targets demonstrating how it will deliver these ambitions.

Communication of the Council's priorities to staff, members and stakeholders is key to ensure that they understand their role in supporting its objectives. It is also important to be clear to residents about what the Council can and cannot deliver, and by when. Furthermore, the Council may wish to explore ways to make the delivery of its priorities more visible, such as through internal and external communication channels. A clearer narrative on priorities will better help staff, local people and partners understand what the priorities, why they are needed and when they will be delivered.

Although the corporate plan sets out ambitions, it was clear to the peer team that not all staff understood their role in delivering it, as well as feedback that there was a large number of priorities. The Council may therefore wish to explore ways to provide clarity on the priorities, outlining when priorities will be achieved over the short, medium and longer term, as well as ensuring there is a 'Golden Thread' from the corporate plan down to staff.

The corporate plan provided an opportunity for the Council to review its existing approach to performance management. It subsequently put in place arrangements to monitor performance against the strategic priorities outlined in the corporate plan. The Council's new performance management framework takes the commitments outlined in the corporate plan, works with the transformation programme, and builds continuous improvement opportunities and learning throughout. The corporate plan includes a list of 48 key performance indicators (KPIs). The development of corporate KPIs has been rigorous with detailed descriptions and data collection methodology assigned to each measure within a comprehensive definitions handbook. Performance against these KPIs is monitored and will be published via a corporate performance dashboard.

The peer team saw visible evidence of the Council engaging with its residents, demonstrating that it continues to incorporate community engagement into service development and service provision. For example, the Tenant Involvement Group meets regularly and is used as a forum to engage and discuss ideas for future service delivery initiatives, with tenants reporting that they felt more listened to and

respected. Community forums have been established covering cost of living, emergency planning and resilience. These forums invite town and parish councils, councillors, partners, emergency planning responders, local organisations, and representatives of the council to hear presentations from key speakers. These approaches demonstrate how the Council can continue to achieve community-driven solutions.

The peer team observed that community groups feel valued, with the annual community grants process seeing 17 awards totalling £135,000 in revenue support and £96,040 in 12 capital awards for 2024/25. The peer team welcomed that the grants in 2025/2026 will be closely aligned to the corporate plan objectives.

The Council has driven forward efforts to improve the equality, diversity and inclusivity (EDI). This includes establishing the EDI staff group in July 2023, the launch of the launch of the LGBT+ employee-led network in June 2024, and the chief executive's discussions with different faith groups within the Council's workforce. The peer team commends the efforts to date and encourages the Council to build on this progress. The Council may wish to ask itself whether EDI features adequately in terms of service planning and delivery; whether there is appetite from other protected groups to establish staff networks; and whether EDI is being considered early enough in the policy development cycle so changes can be made.

### **5.1.1 Performance**

The Council's approach to business planning and performance management is relatively new, with a recently approved performance framework. The corporate plan includes a list of 48 key performance indicators (KPIs). Performance against these KPIs is monitored and is published via a corporate performance dashboard. As of August 2024, the 48 KPIs on or above target has been raised to 84%.

The Council uses a resident's survey to capture a range of data. The most recent [resident's survey](#) (September – November 2022) engaged 760 residents across the district. The results are used to inform decision-making and the development of priorities. The survey showed positive results, for example 93% of respondents feel satisfied with the area as a place to live, and 78% of respondents feel satisfied with the way the Council runs things.

The Council's [LG Inform Headline Report](#) compares council performance to its Chartered Institute of Public Finance and Accountancy (CIPFA) nearest neighbours.

These show how the Council performs strongly in some areas, for example housing. When compared to other councils in the CIPFA nearest neighbours group the Council has the shortest amount of time taken to process housing benefit new claims at four days (average is 10 days), and below average number of total households on the housing waiting list at 1,876 (against an average of 2,687). It does, however, have the most number of households living in temporary accommodation per 1,000 households at 4.08 (average is 1.25) The peer team found that in housing, the Council showed a willingness to review their processes and improve performance monitoring.

The number of affordable homes delivered (130) in 2023/24 is below the benchmarking group average of 228. Despite spending the least amount in the benchmarking group of total revenue on planning and development services per head of population at £27.13 (against an average of £54.60), the Council performs well with 100 per cent of major planning applications decided on time and 95 per cent of other planning applications decided on time. Minor applications are at 86 per cent, which is just below the average of 92 per cent. In relation to this, the peer team found that local developers did report that they would like to see improvements in the consistent application of planning policy, and standardisation of Section 106 planning agreements to facilitate faster conclusion of planning permissions.

On waste, LG Inform performance data suggests that there is room for improvement. When compared to the benchmarking group, the Council has the lowest percentage of household waste sent for reuse, recycling and composting at 34 per cent (well below the average of 46.38 per cent); and its amount of residual household waste per household at 457.40kg is higher than the average of 396.2kg. The Council is confident that fundamental service changes in this area supported by a new depot will improve this performance over the coming years.

## **5.2 Organisational and place leadership**

The peer team heard consistent and positive feedback on how the Leader and chief executive are highly respected, engaging and collaborative, both inside the Council and by external partners across the Hampshire region.

After a long period of continuity at the helm of the organisation, there were changes of leadership with the new chief executive joining in December 2021, and the Leader of the Council taking up their role in November 2022. Both were described as

instrumental in improving the visibility and credibility of the Council on the regional stage, both at the political and officer level. The peer team heard how the Leader is described as 'open and a key figure in the culture of change', and the chief executive as a 'breath of fresh air'.

Following the appointment of the chief executive, a new model of leadership was implemented, moving from a four executive head model to three new strategic director roles. Its senior officer leadership team, known as the Executive Management Team (EMT), consists of the chief executive and three strategic directors. EMT meets twice a month with the monitoring officer and democratic services manager also attending. The EMT works well together and brings together valuable experience from working in the Council as well as from other local authorities but could be more joined up on their approach to transformation. EMT may wish to build on the leadership development work it has already undertaken and consider development days to further strengthen working relationships.

Below the EMT, the Senior Leadership Team (SLT) brings together senior managers and meets monthly. The peer team found that the SLT is highly engaged and proactively supportive of change. The Council may wish to consider clarifying the membership of the SLT and their corporate role; ensuring that SLT membership consistently cascade information to the wider staff community will be important.

Internally, both the Leader and the chief executive are accessible to staff. The employee forum meets approximately four times a year and is attended by both the chief executive and the Leader, with representatives from each service area who can raise issues and cascade information back to their teams. The chief executive holds regular staff briefings three or four times a year, both in person and virtually. At these briefings corporate updates are provided and staff are given a chance to ask questions. The staff networks also appreciate their good access to the chief executive. This accessibility reinforces the clear value-led commitment that staff at all levels have to the Council and residents.

Externally, the Council listens to local people, residents and businesses and engages in a meaningful way, for example through the Resident's Insight Survey as previously mentioned, the Tenants Involvement Group (see Housing section 5.6) and Town and Parish Councils. Whilst acknowledging the existing partnership with the Town Parish Councils is productive, the peer team heard of the Town and Parish Councils' enthusiasm to further collaborate as partners and to develop a more meaningful



relationship regarding budget for them to deliver services. The Council may therefore wish to consider this in more detail. The Council works effectively in partnership with community groups who are seen as respected and their relationship with the Council is strong.

The peer team heard that the Council used to be very inward looking, but now embodies strong partnership working and has an effective convening role with a range of partners. There was wholeheartedly positive feedback from neighbouring authorities, business partners, public sector partners and other stakeholders. The peer team heard how the Council is now seen as open and willing to collaborate.

The partnership with the New Forest National Park Authority (NFNPA) is particularly well-established and mature. The NFNPA is the planning authority for the specific area and there are several service level agreements in place, covering things such as HR, finance, IT and technical professional services. The Council is encouraged to maintain its positive relationship with the NFNPA and harness any further opportunities, such as future accommodation and joint working on climate action and tourism.

Partnerships with other public sectors partners are also strong. On facilitating greater local involvement in the development of cultural activities, the Council has worked effectively with Arts Council England. A strategy is currently being developed, and the Council has established a strategic working group, which includes the NFNPA, Arts Council England, the NHS, the Hampshire Cultural Trust as well as other partners.

The Council has proactively built effective relationships with business partners and is an active player in these networks. The Leader sits on the Hampshire Prosperity Partnership Leaders Board, and from this District representatives attend the Hampshire Prosperity Board, which replaced the previous Local Enterprise Partnerships covering Hampshire.

The Council is an active player in the development and delivery of the Solent Freeport, with the Leader on the Solent Freeport Board. The Council established the Waterside Steering Group and plays a crucial role in facilitating joint working across partners and delivering work on the Freeport priorities. The peer team encourages the Council to maintain its efforts to date and maximise the opportunities within the Freeport, such as wider NFDC representation in sub-regional groups.

The Council also partners with the voluntary sector, particularly on supporting vulnerable households across New Forest, and chairs a New Forest Partnership Meeting which brings together multiple organisations to share information and work on specific projects, as well as signposting support. The Council works collaboratively with FareShare, local foodbanks, and partners to support the weekly food larders and community hubs as part of a cost-of-living steering group. The peer team encourages the Council to further harness the voluntary sector in New Forest to enhance and improve service delivery.

### **5.3 Governance and culture**

The Council's governance and decision-making processes are strengthened by positive and respectful relationships between officers at all levels and the Cabinet, with the Leader's consensual style recognised and all political groups reporting good access to the chief executive.

The peer team consistently found that member and officer roles and responsibilities are well understood, with relationships described as trusting, constructive and collaborative. Collaborative working, particularly between senior officers and the Cabinet, has created a supportive culture.

The Council has improved its support to members, particularly via the revamped member induction programme in 2023, which included improved IT support, a new members' handbook, and a dedicated SharePoint site with resources uploaded. The peer team heard the induction programme has been well received and the regular all member briefings are welcomed.

Whilst the member induction programme is effective, the Council should ensure that the ongoing member development provision is robust. The peer team encourages senior members to be more assertive in setting and steering the priorities of the Council, for example in developing their own agendas and encouraging recommendations for Cabinet committee meetings.

To ensure that New Forest District Council is a diverse and representative local council, it is vital that councillors from all backgrounds and experiences reflect the New Forest communities they serve. The peer team encourages the Council to continue its efforts to recruit more diverse people to consider standing to be local councillors. The LGA can provide support and information on this.

The Council revised its Overview and Scrutiny arrangements in May 2023, to



coincide with the implementation of an electoral review and the reduction in the number of district councillors from 60 to 48. There are now three Overview and Scrutiny panels: Housing and Communities; Place and Sustainability; and Resources and Transformation. There is a clear appetite from members and officers to learn from best practice to provide more effective scrutiny. The Council is therefore encouraged to consider ways to strengthen and develop its Overview and Scrutiny function. This could include opposition-led scrutiny, as well as utilising LGA resources to learn from best practice and apply it in the New Forest.

There is evidence of cross-party working, with support across all political groups on the Council's transformation ambitions. Furthermore, the Council set up several task and finish groups with wide political representation to undertake reviews on areas such as health and leisure and sustainable waste, amongst others. The Council may wish to explore further opportunities for cross-party working to deepen political commitment to achieving the Council's goals.

One of the key priorities for the Council is to be an employer of choice, with a well-supported and dedicated workforce. Staff are New Forest District Council's greatest asset. They are passionate, enthusiastic and committed to the direction the Council is heading in. It was very clear to the peer team that the culture of the Council has improved, with a notable shift away from being siloed and inwardly facing to more collaborative and supportive. The Monthly Meet, launched in 2023, has played a key role in this shift. It provides an opportunity for staff to better understand other services and learn more about the work the Council does. The peer team also observed the Council's improved relations with its Trade Unions.

The annual staff survey gives employees a voice to express their opinions and is a useful way to gather feedback to identify areas for improvement. Although only 57 per cent of staff responded to the 2024 staff survey, this was an increase of 16 per cent on the previous survey. Overall, 76 per cent of respondents would recommend the Council as a place to work. The Council's supportive culture was recognised, with 84 per cent of respondents agreeing that team members help and support each other. The peer team did hear about some scepticism on the anonymity of the staff survey so the Council may wish to reassure staff about this.

To shape the culture of the Council four values, known as LEAF, were established: Learning, Empathy, Ambition and Fairness. Whilst staff clearly accept the four LEAF values, many staff felt 'Learning' and 'Fairness' were not consistently applied across

the organisation. In particular, there appears to be inconsistency on communications, with staff at the depot not always receiving key messages at the same time when it is cascaded to all staff.

The Council has historically been a risk averse organisation, but with robust risk management arrangements in place it can become bolder and braver with its decisions. It was clear to the peer team that members and the Senior Leadership Group are committed to effective risk management as they have led from the front in driving forward improvements to the council's risk management processes. The Audit Committee considers risk management and operates effectively, and the Annual Governance Statement tracks actions to completion.

Strategic risk management is embedded into service plans, with the service plans informing the Strategic Risk Register. In a tangible sign of good practice, the Council's Strategic Risk Register is published on the website, updated regularly, and kept under review. The Council could use the audit planning cycle for 2025/26 to ensure there is a 'Golden Thread' from the Strategic Risk Register through to individual Service Risk Registers.

In their last formal report covering 2021/22, no issues in relation to value for money were raised by the Council's external auditors. Although issues were raised over the valuation of both investment and leisure properties, this was due to differences of view on the methodology.

Like many other local authorities, the Council received a disclaimed opinion on its 2022/23 accounts. Draft accounts for 2023/24 have been published with no significant risks identified. The Council is hopeful that its auditors will complete the audit of the 2023/24 accounts before the February 2025 deadline.

#### **5.4 Financial planning and management**

The Council is in a solid financial position because of a prudent approach to financial stability and proactive financial management over many years. Indeed, being financially responsible is one of the key strategic priorities of the Council's corporate plan.

The Council's Medium Term Financial Plan (MTFP) covers the period up to 2028/29. The overall forecast deficit taking into the account the various funding assumptions and budget movements totals £466,000 for 2025/26, increasing to a cumulative

£2.693m by 2028/29. With the General Fund budget set for 2024/25 at £24.536m, the deficit represents a gap equivalent to 10% by the end of the MTFP period.

The budget gap for 2025/2026 is primarily related to the additional costs of transitioning to the new waste service during 2025/2026, with an expectation of new burdens funding from April 2026. The larger gap from 2027/2028 is an assumption of a business rate reset, tied in with the Fair Funding Review.

To address the forecast deficit to 2028/29, the Council is undertaking an organisation wide transformation programme. The MTFP identified a targeted saving of £1.75m from the transformation programme.

There is a risk that the scope of the transformation programmes widens too far, and the Council wants to do too much at the same time; the peer team recommends that the scope of the transformation programme remains focused to ensure that officer capacity is not stretched and that the timetable and sequencing of the transformation programme is clear to all staff.

The Council's unearmarked reserves balance has remained constant at £3m since 2017. Whilst the level of the Council's reserves relative to spend is not as high as some of its neighbours, they are sufficient for the authority to smooth changes to income in the medium-term. The Council has been able to add to reserves largely as a result of additional interest income.

The Council has well-established and good financial monitoring systems in place. The financial position is reported on quarterly as part of the performance management framework and Cabinet members are confident in the monitoring process. To enhance reporting, the Council could consider formal corporate processes for monthly reporting.

The peer team recognises the work done to date to make the Council more commercially aware, with ownership of around £30m of commercial property that is all located in the district, and the plans to improve the utilisation of office accommodation at Appletree Court to generate income. However, the peer team felt that much more can be done to comprehensively understand the Council's physical assets, their liabilities, and future commercial opportunities. Assets across the New Forest could include things such as car parks, public toilets, Tide Mill, and the waste depot site. Once the mapping has been complete, a strategy could be developed to deal with the assets as part of a coherent corporate asset management appraisal

system. This work would help the Council consider opportunities to maximise its income, thereby further supporting its ambitions to be financially responsible.

The Council's transformation savings targets and its position on assets will need to be revisited in light of the Government's announcements on local government reorganisation.

## **5.5 Capacity for improvement**

The delivery of the Council's transformation programme, Future New Forest, is significant in helping the Council achieve financial sustainability, deliver services effectively, and to continually improve.

The peer team observed that the transformation programme is purpose led and has a solid evidence base. There is clear recognition of the Council's starting point and progress has already been achieved behind the scenes, but that the level of modernisation needed to deliver transformation is challenging.

Leadership of the transformation programme is strong, with commitment at all management levels to deliver it. The peer team observed that increased visibility of EMT's collective ownership of the transformation programme could strengthen the delivery of the programme.

Staff at all levels are passionate, committed, and believe in the need for change – they want to play their part in delivering the transformation programme. Despite this, adequate resourcing of the transformation programme is fundamental for its success. The peer team recommends that officer capacity is constantly reviewed to ensure that staff are not just delivering business as usual but can deliver transformation priorities too. Giving staff permission to say no may enable this. The peer team also recognises that progress has been made on reducing silo-working, which could further increase staff capacity. The Council may look to build on this and go further by combining specialisms, such as communications, consultation and business intelligence.

Keeping up the morale of staff is equally important, especially during periods of significant change. The peer team observed that several internal policies and practices are not being consistently applied across the organisation, including staff, induction, flexible working, Job Evaluation, Sickness Policy, job titles and job descriptions. This has led to staff dissatisfaction and frustration, particularly in the areas of the Council who have felt that they are being treated unfairly. Addressing

these inconsistencies may ensure that support for the transformation programme is not diminished.

One of the four themes of the transformation programme is customer and digital services. Standardising customer focuses processes and technology across all services will rely heavily on digital platforms. It will therefore be essential that staff have the required skills and that customers are able to use it.

The peer team heard that the Council's IT officers are well thought of, and they provide helpful support. However, there is inconsistent use of IT across teams within the Council, for example how documents are stored, IT training and the use of SharePoint. There are therefore opportunities to create more effective and efficient working practices. There could be an opportunity to establish expectations for IT use across the authority.

The Council is currently considering ways to improve the underutilised office accommodation at Appletree Court. This presents an opportunity to reexamine the layout of its office space and could result in potentially releasing some office space for third party tenants, providing a commercial opportunity for generating income. The peer team encourages the Council to engage staff sufficiently in these plans to ensure that their needs are met.

A consistent approach to IT use and the adoption of shared practices would benefit the organisation and improve efficiency. The Council's move to hybrid working thereby demonstrates the importance of developing capabilities in Microsoft Teams to enable effective working.

As previously mentioned, the Council may wish to explore how internal and external communication channels can increase the visible delivery of its priorities. The Council will be building on solid foundations with communications colleagues already working effectively with teams to develop messaging on service delivery and key projects. A corporate-wide communications strategy could help prioritise key campaigns and messaging to drive behaviour change, such as implementation of the waste strategy. Furthermore, given communications is at the heart of all Council activity and success, the peer team encourages the Council to better celebrate its achievements, no matter how big or small they are. On the transformation programme, quick wins could be regularly highlighted to build momentum and communications to residents could explain how the transformation programme will benefit them.

## 5.6 Housing

Given meeting housing needs is one of the Council's top priorities in its corporate plan, the peer team were asked to consider it as an additional area of focus. Overall, the peer team found that Council has an ambitious and creative development and acquisition programme focused on local needs.

There is strong political support for the Council's housing priorities. The Peer Team found that the Council's portfolio holder, who is also the Deputy Leader, is committed and has a strong working relationship with the Housing Team and the Tenants Group. The Housing and Communities Overview and Scrutiny Panel operates collaboratively and provides effective oversight.

The Council's commitment to delivering 600 new affordable homes by 2026 is ambitious, but challenges remain. Given the Council's emphasis on housing delivery, housing developers were keen to see greater articulation of housing needs to overcome localised opposition to housebuilding. The Council may therefore wish to establish a narrative to better articulate local housing requirements to overcome public and political opposition.

The Council cannot achieve its housing ambitions on its own; it will need to work effectively with private and public sector partners. Peers were impressed by the approach taken to affordable housing delivery which has embraced multiple approaches to increasing availability, including partnerships with housing associations, acquisitions from the open market, S106 acquisitions and direct delivery.

The peer team also welcomed the Council's emerging relationships with developers and private sector landlords, and noted the Council's constructive relationship with Hampshire County Council on helping people live independently at home.

The Council owns around 5,000 homes and has undertaken sufficient preparation in advance of the new social housing regulatory requirements, including staff training and tenant engagement. The Tenant Involvement Group set out that attitudes to tenants had shifted recently to a more positive and equal relationship. The group meets regularly and is a forum to discuss ideas around priorities and service delivery. Further involvement of tenants in policy development, scrutiny and training could strengthen their voice within the organisation, putting the Council in a stronger position for regulatory inspection.



The Council is rightly proud that 81% of respondents are satisfied overall with their council managed property. However, only 29.1% of tenants are satisfied with the Council's approach to complaint management and the Council recognises this is an area to improve upon. The existing tenant engagement channels provides an opportunity to grow their involvement and influence, and work collaboratively to resolve issues.

In February 2024, Cabinet agreed to undertake a full review of the Local Plan. It is worth noting that any developments on local government reorganisation in Hampshire may impact Local Plan activity. The peer team observed that some aspects of the planning process are delaying development, although this is not a problem just for New Forest. The Council will therefore need to be mindful of future challenges and opportunities for its development programme.


On homelessness, the Council has an effective operational response to homelessness pressures and works collaboratively with local charities and groups to tackle rough sleeping, for example with The Crossings charity on housing register support in the Hythe area. Furthermore, there has been a reduction in rough sleeping over the past three years, which is a significant achievement.

The Council also partners with the New Forest Disability Information Service to provide support for vulnerable residents who have been discharged from hospital to help them live independent lives at home. It also works effectively with Hampshire County Council on adaptations and specialist accommodation needs.

## 6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. It has already been acknowledged in this report that the peer review took place before the announcements on devolution by the Government. It is important to recognise that while addressing key priorities, the Council will need to divert officer capacity to support potential local government reorganisation planning.

The LGA will continue to provide on-going support to the council. Following publication of CPC report you need to produce and publish an Action Plan within five months of the time on site. As part of the CPC, the council are also required to have a progress review and publish the findings from this within twelve months of the CPC. The LGA will also publish the progress review report on their website.



The progress review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.

The date for the progress review at New Forest District Council is October 2025.

In the meantime, Will Brooks, Principal Adviser for the South East, is the main contact between your authority and the Local Government Association. As outlined above, Will is available to discuss any further support the council requires.

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