

Public Document Pack

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

TUESDAY, 27TH JUNE, 2023

SUPPLEMENTARY AGENDA

Please find attached supplementary papers relating to the above meeting, as follows:

Agenda No Item

6. ITEMS REFERRED FROM OTHER COMMITTEES (Pages 3 - 26)

Referrals included in this supplementary pack:

- 6a – Referral from Overview and Scrutiny Committee
Corporate Peer Challenge Report and Action Plan
(To be considered with Agenda Item 7)
- 6b – Referral from Finance, Audit and Risk Committee
LGA Review Action Plan
(To be considered with Agenda Item 8)
- 6c – Referral from Overview and Scrutiny Committee
North Herts Place Narrative
(To be considered with Agenda Item 14)
- 6d – Referral from Overview and Scrutiny Committee
Waste Shared Service: Client Team and Corporate Support
Arrangements
(To be considered with Agenda Item 15)
- 6e – Referral from Overview and Scrutiny Committee
Q4 Council Delivery Plan Update
(To be considered with Agenda Item 18)
- 6f – Referral from Finance, Audit and Risk Committee
Revenue Budget Outturn 2022/23
(To be considered with Agenda Item 19)
- 6g – Referral from Finance, Audit and Risk Committee
Investment Strategy (Capital and Treasury) End of Year Review
2022/23
(To be considered with Agenda Item 20)
- 6h – Referral from Finance, Audit and Risk Committee
Year End Report on Risk Management Governance
(To be considered with Agenda Item 21)

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Item No	Referred from:	OVERVIEW & SCRUTINY
6a	Date:	20 JUNE 2023
	Title of item:	CORPORATE PEER CHALLENGE REPORT & ACTION PLAN

The report considered by Overview & Scrutiny Committee at the meeting held on 20 June 2023 can be viewed here: [Agenda for Overview and Scrutiny Committee on Tuesday, 20th June, 2023, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

RECOMMENDED TO CABINET:

- (1) That the draft Action Plan at Appendix A be considered, and proposed action be recommended to Cabinet for approval (as per Appendix A*).
- (2) That, in the absence of timescales, that it be recommended to Cabinet, that these be set by the Leader, Deputy Leader and Managing Director (in consultation with relevant Committee Chairs and Vice Chairs).

REASON FOR RECOMMENDATION: To ensure that the Council responds to the matters identified within the CPC report, ensuring that the benefits of the CPC process are realised.

*NB Appendix A should read Appendix B

Audio recording – 46 minutes and 1 second

Councillor Elizabeth Dennis presented the report entitled ‘Corporate Peer Challenge Report and Action Plan’ and highlighted:

- The LGA 2020 Peer Review looked at North Herts Council and provided an action plan that was agreed by Cabinet in March 2020. A follow up review took place in 2022, with a focus on Overview and Scrutiny and Finance, Audit and Risk Committees and how these could be improved.
- A number of recommendations were produced from this review, which are detailed in the Action Plan, and Members were asked to consider these actions and whether they were appropriate.
- Any timescales that are not set would be agreed by the Managing Director, Leader and Deputy Leader consulting the relevant Committee Chairs and Vice Chairs.

The following Members asked questions:

- Councillor Ralph Muncer
- Councillor Matt Barnes

In response to a question from Councillor Ralph Muncer, the Service Director - Legal and Community advised that the Scrutiny Officer role was discussed with Group Leaders, and although a full time role would be ideal, the 17 hour role reflected the funding available. This could be reviewed following the recruitment process and when an Officer was in place.

In response to a question from Councillor Matt Barnes, Councillor David Levett, as former Chair of the Overview and Scrutiny Committee, confirmed that the Action Plan was a fair

reflection of what was required, especially a dedicated Scrutiny Officer, however he noted that this had been difficult due to resources, recruitment and staff turnover.

The Chair made the following comments:

- Overview and Scrutiny Members had not previously been reviewing the Forward Plan and therefore it was often left for Officers to decide what items to include on agendas.
- Debate at meetings had previously been limited.
- A pre-agenda meeting had been set up with Officers and the Chair and Vice Chair to discuss topics before publication of agenda.
- The Scrutiny Officer role would assist with ensuring agendas were shorter and more focussed.

Councillor David Levett noted that the discussion on this item had been one of the most in-depth at the Committee and this was thanks to the new Members on the Committee who had contributed.

The following Members took part in debate:

- Councillor Ralph Muncer
- Councillor Matt Barnes
- Councillor Val Bryant
- Councillor Clare Billing

Points raised during the debate included:

- The Action Plan proposed was fair and followed the best practices of the LGA peer report.
- Without the Scrutiny Officer role in place, it was difficult to set timescales for the actions.
- Taking relevant actions from the plan should be a priority, and operational before May 2024.
- Requested that a progress report be provided at the next meeting of the Overview and Scrutiny Committee.

Councillor Adam Compton, as Chair, proposed and Councillor Val Bryant seconded, and following a vote, it was:

RESOLVED: That the content of the CPC report was noted.

RECOMMENDED TO CABINET:

- (1) That the draft Action Plan at Appendix A be considered, and proposed action be recommended to Cabinet for approval (as per Appendix A*)
- (2) That, in the absence of timescales, that it be recommended to Cabinet, that these be set by the Leader, Deputy Leader and Managing Director (in consultation with relevant Committee Chairs and Vice Chairs).

REASONS FOR DECISIONS: To ensure that the Council responds to the matters identified within the CPC report, ensuring that the benefits of the CPC process are realised.

Item No	Referred from:	FINANCE AUDIT & RISK COMMITTEE
6b	Date:	21 JUNE 2023
	Title of item:	CORPORATE PEER CHALLENGE REPORT & ACTION PLAN

The report considered by Overview & Scrutiny Committee at the meeting held on 21 June 2023 can be viewed here: [Choose agenda document pack - Finance, Audit and Risk Committee 21 June 2023 | North Herts Council \(north-herts.gov.uk\)](#)

RECOMMENDED TO CABINET: That Finance, Audit and Risk Committee recommended to Cabinet that they note the comments of FAR and approve the draft Action Plan.

REASON FOR RECOMMENDATION: To ensure that the Council responds to the matters identified within the peer support report, ensuring that the benefits of the process are realised.

Audio recording – 1 hour 17 minutes 40 seconds

The Service Director – Resources presented the report entitled ‘LGA Review Action Plan’ and highlighted:

- This was a follow up review from the Peer Review and focused on the effectiveness of the O&S and FAR Committees.
- Paragraph 8.1 of the report highlighted the Action Plan to be considered by Cabinet, including target completion dates and current progress.
- The recommendation for the Service Director – Resources to draft wording for the Chair to read at each meeting has not happened for this meeting and would commence in September.
- The training stated in the Action Plan is for Members and to promote the role of the Committee.
- The recommendation to transfer the finance elements of FAR over to O&S was not being taken forward. This was because O&S was developing and FAR was benefitting from the expertise and knowledge of the current Committee and Independent Person. However, it could be revisited in the next civic year.
- The Service Director - Resources would contact Committee Services to confirm that every Member of the Committee can easily access information about the Committee meeting.

In response to a point of clarification from Councillor Tasmin Thomas, the Committee, Member and Scrutiny Manager stated that the information as to how the LGA Peer Review was shared with Councillors would be sent at a later date.

Councillor Terry Hone proposed, and Councillor Mandi Tandi seconded, and following a vote, it was:

RECOMMENDATIONS TO CABINET: That Finance, Audit and Risk Committee recommend to Cabinet that they note the comments of FAR and approve the draft Action Plan.

REASONS FOR RECOMMENDATIONS: To ensure that the Council responds to the matters identified within the peer support report, ensuring that the benefits of that process are realised.

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Item No	Referred from:	OVERVIEW & SCRUTINY
6c	Date:	20 JUNE 2023
	Title of item:	NORTH HERTS PLACE NARRATIVE

The report considered by Overview & Scrutiny Committee at the meeting held on 20 June 2023 can be viewed here: [Agenda for Overview and Scrutiny Committee on Tuesday, 20th June, 2023, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

RECOMMENDED TO CABINET: That Cabinet approves the North Herts Place Narrative.

REASONS FOR RECOMMENDATION:

- (1) Despite being a district since 1974, North Hertfordshire has no clear identity and needs a point of differentiation within the county. This will help North Herts stand out as the place to invest, live, visit and work in Hertfordshire.
- (2) Currently, the Council and its partners are all telling different stories about North Herts which leads to fragmented communications. A joined up and coherent approach in the future will have greater impact, generate greater engagement and raise the profile of North Herts the place.

Audio recording – 20 minutes 3 seconds.

Councillor Elizabeth Dennis presented the report entitled 'North Herts Place Narrative' including that:

- It is often remarked that there is no such place as North Herts, but from engagement with residents, businesses and those who work in the district it was clear there were things that tied people together.
- The Narrative compiled the different views and interpretations of the district and place so there was one message to promote to industries, as well as promoting North Herts as a place to move, live and engage to drive the local economy.
- The Narrative focussed on the people, culture and businesses that makes North Herts a unique place, consisting of a logo, a strapline and passage of copy.
- It was based on research completed by a partner Council and had been completed at no cost to North Herts Council with funding and support provided by the Local Government Association.
- The Narrative put people at the centre and was aligned to the priorities of the Council, including the People First priority.
- Bold colours were used for the logo and strapline and these deliberately avoided traditional political colours or those of the Council branding, to ensure that it was about the place North Herts, not North Herts Council.
- It showcased what made North Herts a unique place, including our local artists, writers, businesses, residents and greenspaces, and would be key in recovery of town centres and the local economy.
- It would assist in drawing people into the area, retaining the existing economy, growing local skills, and investing in people.

- The project would be the responsibility of the Communication team to embed the Narrative and initially this would have minimal costs, though more ambitious strategies may be considered alongside partners.
- The Narrative was about evolution not revolution and selling North Herts as a place that exists which is vibrant and unique.

The following Members asked questions:

- Councillor Adam Compton
- Councillor Matt Barnes
- Councillor David Levett
- Councillor Ralph Muncer
- Councillor Nigel Mason
- Councillor Clare Billing
- Councillor Dominic Griffiths

In response to questions, Councillor Elizabeth Dennis clarified that:

- The Narrative could be used when considering other policies and strategies of the Council, such as the climate strategy or town centre recovery, to make North Herts a better place.
- The Herts Growth Board has a workstream looking into town centre regeneration, including understanding and creating place narratives. The progress has been slow and a number of districts and boroughs, including North Herts, have therefore undertaken their own work.
- The comments from Leaders and Chief Executive were based on perception of place, which still had a role in contributing to the Narrative, but Members needed to be mindful of this.

In response to questions the Communications Manager clarified that:

- Royston BID were unavailable when the research was completed but they now have a new manager in place, who would be consulted on the work before rollout. However local Councillors had been involved, as well as representatives from creative and arts groups in Royston.
- Therfield Heath had been directly referenced in the copy produced as part of the Narrative.
- The launch was expected in September 2023 with organic growth expected from key partners following this date.

During the debate, Councillor Muncer noted his support for the work produced, but questioned whether it was overly negative in the copy at Appendix D, specifically the penultimate paragraph. Following comments from other Members, it was agreed that it was important to recognise the challenges and issues that the district faced and therefore should be retained.

Councillor Nigel Mason proposed, and Councillor Dominic Griffiths seconded and, following a vote, it was:

RECOMMENDED TO CABINET: That Cabinet approves the North Herts Place Narrative.

REASONS FOR RECOMMENDATION:

- (1) Despite being a district since 1974, North Hertfordshire has no clear identity and needs a point of differentiation within the county. This will help North Herts stand out as the place to invest, live, visit and work in Hertfordshire.

(2) Currently, the Council and its partners are all telling different stories about North Herts which leads to fragmented communications. A joined up and coherent approach in the future will have greater impact, generate greater engagement and raise the profile of North Herts the place.

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Item No	Referred from:	OVERVIEW & SCRUTINY
6d	Date:	20 JUNE 2023
	Title of item:	WASTE SHARED SERVICE: CLIENT TEAM AND CORPOARTE SUPPORT ARRANGEMENTS.

The report considered by Overview & Scrutiny Committee at the meeting held on 20 June 2023 can be viewed here: [Agenda for Overview and Scrutiny Committee on Tuesday, 20th June, 2023, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

RECOMMENDED TO CABINET:

- (1) That each Council leads on their own customer service provision with one set of processes for customer interactions being developed and agreed with a focus on resolution at the first point of contact.
- (2) That Cabinet agrees, the proposed updates and changes to financial management and governance arrangements and subsequent necessary changes to the Inter Authority Agreement outlined in Section 8.
- (3) That Cabinet agrees to the updated waste service policy statements contained in Appendix 2 to come into force from May 2025.

REASONS FOR RECOMMENDATIONS: To ensure the effective and efficient administration of the shared waste service.

Audio recording 1 hour 17 minutes 39 seconds

Councillor Amy Allen presented the report entitled 'Waste Shared Service: Client Team and Corporate Support Arrangements' highlighting:

- That this report related to the support and governance for the new waste, recycling and street cleansing contract.
- This new contract would allow residents to get a consistent service across East and North Herts.
- Each Council would lead their own Customer Services team.
- North Herts would lead on expenditure management on behalf of both Councils, although each Council will remain in charge of their own income management.
- The new service would come into effect in 2025.
- As previously agreed at Cabinet, the Customer Services team will be managed by the in-house corporate team at each Council.

The following Members asked questions:

- Councillor Clare Billing
- Councillor Ralph Muncer
- Councillor David Levett

In response to questions Councillor Allen stated that:

- The contract would go live in May 2025.
- Bin collections were moved to 6.30am and this was normal across other authorities to account for hotter weather.
- Larger bin will need to be replaced at the expense of the resident or Urbaser, depending on cause.
- Food caddies and blue paper boxes were free to replace and could be requested online by residents and therefore are not referenced in this document.

In response to question the Shared Waste Service Manager stated that:

- East Herts had considered, commented on, and agreed the recommendations at their Overview and Scrutiny Committee on the waste agreement.
- The transition to a new payment system with online integration was a big project, and consideration had been given to Plan B scenarios but believed there is enough time to get the resources in place for a seamless transition.
- There would not be a joint waste committee, but the partnership would continue, with the only minor change being that the Executive Member for Finance would be invited to relevant meetings. .
- The legal implications were included on the Cabinet version of the report and confirmed how the governance arrangements would work alongside the Council Constitution.
- Within the Street Cleansing Policy, rural areas referred to did not mean the villages, but rather rural roads where road closures may be required or where it could be incorporated into already existing schedules.
- The 3-14 days stated did not mean that it would take 14 days for action, and it was normal for action to be taken before the 14-days.

Councillor Nigel Mason proposed and Councillor Dominic Griffiths seconded and, following a vote, it was:

RESOLVED: That the draft timeline for transition for customer service provision outlined at 8.7 in the report was noted.

RECOMMENDED TO CABINET:

- (1) That each Council leads on their own customer service provision with one set of processes for customer interactions being developed and agreed with a focus on resolution at the first point of contact.
- (2) That Cabinet agrees, the proposed updates and changes to financial management and governance arrangements and subsequent necessary changes to the Inter Authority Agreement outlined in Section 8.
- (3) That Cabinet agrees to the updated waste service policy statements contained in Appendix 2 to come into force from May 2025.

REASONS FOR RECOMMENDATIONS: To ensure the effective and efficient administration of the shared waste service.

Item No	Referred from:	OVERVIEW & SCRUTINY
6e	Date:	20 JUNE 2023
	Title of item:	Q4 UPDATE ON PROGREE AGAINST THE COUNCIL DELIVERY PLAN 22/23

The report considered by Overview & Scrutiny Committee at the meeting held on 20 June 2023 can be viewed here: [Agenda for Overview and Scrutiny Committee on Tuesday, 20th June, 2023, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

RECOMMENDED TO CABINET:

- (1) That Cabinet notes the progress against Council projects as set out in the Council Delivery Plan (Appendix A) including new milestones, deleted milestones, and changes to milestone dates and risks.
- (2) That Cabinet notes the deletion of projects outlined in 8.6, to be replaced by new projects in 2023-24.
- (3) That Cabinet notes the completion in Q4 of the Museum and HTH recovery, Customer Portal, Full review of the Council Tax Reduction Scheme, and Green Space Management Strategy Projects.
- (4) That Cabinet notes the reduction in the Town Centre Recovery risk score from a 3 to a risk score of 2.

REASONS FOR RECOMMENDATIONS: The Council Delivery Plan (CDP) monitoring reports provide Overview and Scrutiny, and Cabinet, with an opportunity to monitor progress against the key Council projects, and understand any new issues, risks, or opportunities.

Audio recording 1 hour 2 minutes 50 seconds

The Controls Risk and Performance Manager presented the report entitled 'Q4 update on the Council Action Plan 2022-23' and highlighted that:

- The report detailed project risks and performance indicators, as well as a high-level overview of progress made on projects in the Council Delivery Plan.
- Members can request more details of specific projects to be reported to the Committee and are able to log into view projects on Pentana.
- Projects moving to the 2023-24 Action Plan are highlighted in grey in Appendix A, with new milestones and dates.
- Paragraph 8.5 of the report highlighted the four projects have been completed in this period.
- Paragraph 8.6 of the report detailed the projects that will no longer be included in the report.
- The Boundary Review report has now been received the project will be marked as complete and removed from future monitoring reports.
- The further details requested on the Town Centre Recovery and the Tourism Strategy requested at the last meeting can be found in Appendix B at 8.9 of the report.
- The proposed milestones changes are required to be signed off by Cabinet and are highlighted in yellow.

- The Town Centre Recovery plan had moved from a risk factor of 3 to 2 following a review of the risks.
- The risk performers indicators for Q4 show 6 Green, 1 Amber and 2 Red as highlighted in blue in the report.

The following Members asked questions:

- Councillor Matt Barnes
- Councillor Ralph Muncer

In response to questions the Controls Risk and Performance Manager stated that:

- The projects identified for inclusions on the Council Plan are set out by the Leadership team and Cabinet and monitored by O&S.
- Where the milestones have slipped, sometime this is due to resourcing, and an overarching resourcing risk has now been added to projects which is shown in Appendix A.
- An update on the EV Charging project and delivery dates can be provided outside of this meeting.
- There were no quality bids for the Royston Solar Thermal procurement, a feasibility report has been requested so it can be reviewed, and a decision made as to whether to continue with the existing project or roll into a new project on the 2023-24 Council Delivery Plan.
- HR and the Leadership team are looking into the resourcing issues and a more detailed report on resourcing risk could be highlighted at the next O&S meeting.

In response to questions the Service Director – Enterprise stated that a budget had been set regarding the Churchgate project and a consultant had been appointed, with a review scheduled by the July Project Board.

The Chair stated that he would look to prioritise projects for consideration on the agenda from the Council Delivery Plan for future meetings.

Councillor Adam Compton, as Chair, proposed and Councillor Val Bryant seconded, and following a vote, it was:

RESOLVED: That the Overview and Scrutiny Committee determined projects that they wanted to receive more details on as part of the next monitoring report, including the resourcing issues the Council was facing.

RECOMMENDED TO CABINET:

- (1) That Cabinet notes the progress against Council projects as set out in the Council Delivery Plan (Appendix A) including new milestones, deleted milestones, and changes to milestone dates and risks.
- (2) That Cabinet notes the deletion of projects outlined in 8.6, to be replaced by new projects in 2023-24.
- (3) That Cabinet notes the completion in Q4 of the Museum and HTH recovery, Customer Portal, Full review of the Council Tax Reduction Scheme, and Green Space Management Strategy Projects.
- (4) That Cabinet notes the reduction in the Town Centre Recovery risk score from a 3 to a risk score of 2.

REASONS FOR RECOMMENDATIONS: The Council Delivery Plan (CDP) monitoring reports provide Overview and Scrutiny, and Cabinet, with an opportunity to monitor progress against the key Council projects, and understand any new issues, risks, or opportunities.

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Item No	Referred from:	FINANCE AUDIT & RISK COMMITTEE
6f	Date:	21 JUNE 2023
	Title of item:	REVENUE BUDGET OUTTURN 2022/23

The report considered by Overview & Scrutiny Committee at the meeting held on 21 June 2023 can be viewed here: [Choose agenda document pack - Finance, Audit and Risk Committee 21 June 2023 | North Herts Council \(north-herts.gov.uk\)](#)

RECOMMEND TO CABINET:

- (1) That Cabinet note this report.
- (2) That Cabinet approves a decrease of £918k in the 2022/23 net General Fund expenditure, as identified in table 4 and paragraph 8.1, to a total of £15.820million.
- (3) That Cabinet approves the changes to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.3, a total £153k increase in net expenditure.

That Cabinet recommends to Council.

- (4) That Council approves the net transfer from earmarked reserves, as identified in table 9, of £5.274million.

REASONS FOR RECOMMENDATIONS

- (1) Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.
- (2) Changes to the Council's balances are monitored and approved.

Audio recording – 39 minutes 31 seconds

The Service Director – Resources presented the report entitled 'Revenue Budget Outturn 2022/23', as published as a supplementary document, and highlighted:

- The supplementary agenda pack contained 1 minor difference to the original published report.
- The report related to the revenue for the year 1 April 2022 to 31 March 2023.
- Paragraph 8.16 and Table 7 highlighted the General Fund Impact, with our main reserves increase which meant greater stability for the future.
- The Q4 spending was lower than forecasted in the Q3 forecast.
- Table 4 summarised significant variances at Outturn and detailed the reasons for differences, with an overall £920K balance. £184K of this related to projects carried over to the 2023/24 budget.
- A reduction of £250K in the amount that was expected to be needed as a contribution to Housing Benefit bad debts was the most significant ongoing change, this was highlighted in the addendum.
- Paragraph 8.3 of the report highlighted the impact of the carried forward budget from the previous year.

- Paragraph 8.4 of the report showed the planned efficiencies for the year, what was forecasted and budgeted, and will assist our forecasting for future years.
- Paragraphs 8.6 to 8.8 showed the key sources of incomes for the Council, with supporting data included in table 6.
- Paragraph 8.18 highlighted the final position of other reserves available to the Council for future spend. This is a combination of funding that the Council has chosen to set aside for specific purposes and funding that can only be spent on specific projects, e.g. based on funding criteria.

The following Members asked questions:

- Councillor Terry Hone
- Councillor Tom Plater
- Independent Person John Cannon

In response to questions the Service Director – Resources stated:

- That parking penalties notices payments had a higher than usual element of Bad Debt provision, and comparisons with previous years would be provided separately to the Committee.
- Parking penalties notices are not issued frivolously and had been chased prior to their write off, any upheld disputes would be credited rather than written off.
- There was a lot of uncertainty regarding Council funding in future years, with retained business rates, core funding and the influence of inflation.
- Council Tax receipts are based on numbers of households and increases allowed by Government, so this revenue is more certain.
- The Leisure Centre Management fee was a reflection of the recovery from the impact of Covid and was expected to stabilise.
- In 2022/23 there was a budget set aside for Covid recovery, and that was not all needed.

Councillor Tom Plater proposed and Councillor Tasmin Thomas seconded and, following a vote, it was:

RECOMMEND TO CABINET:

- (1) That Cabinet note this report.
- (2) That Cabinet approves a decrease of £918k in the 2022/23 net General Fund expenditure, as identified in table 4 and paragraph 8.1, to a total of £15.820million.
- (3) That Cabinet approves the changes to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.3, a total £153k increase in net expenditure.

That Cabinet recommends to Council.

- (4) That Council approves the net transfer from earmarked reserves, as identified in table 9, of £5.274million

REASONS FOR RECOMMENDATIONS

- (1) Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.

(2) Changes to the Council's balances are monitored and approved.

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Item No	Referred from:	FINANCE AUDIT & RISK COMMITTEE
6g	Date:	21 JUNE 2023
	Title of item:	INVESTMENT STRATEGY (CAPITAL AND TREASURY) END OF YEAR REVIEW 2022/23

The report considered by Overview & Scrutiny Committee at the meeting held on 21 June 2023 can be viewed here: [Choose agenda document pack - Finance, Audit and Risk Committee 21 June 2023 | North Herts Council \(north-herts.gov.uk\)](#)

RECOMMENDATIONS TO CABINET:

- (1) That Cabinet notes expenditure of £6.923million in 2022/23 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approves the adjustments to the capital programme for 2023/24 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in by £1.222million.
- (3) That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.7 and the requirement to keep the capital programme under review for affordability. Page 75 Agenda Item 9
- (4) That Cabinet approves the application of £6.300million of capital receipts/set aside towards the 2022/23 capital programme, paragraph 8.7 refers.
- (5) Cabinet is asked to note the position of Treasury Management activity as at the end of March 2023.
- (6) Cabinet is asked to recommend this report to Council and ask Council to:
 - 1) Approve the actual 2022/23 prudential and treasury indicators.
 - 2) Note the annual Treasury Report for 2022/23.

REASONS FOR RECOMMENDATIONS:

- (1) Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.
- (2) To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

Audio recording – 57 minutes 37 seconds

The Service Director – Resources presented the report entitled 'Investment Strategy (Capital and Treasury) End of Year Review 2022/23', and highlighted

- The report covered the Councils capital expenditure for the year 2022-23.

- The Capital related to the acquisition and improvements to buildings and property and Treasury is the investing of surplus cash.
- The Treasury Strategy of February 2022 set the parameters for investing.
- Table 2 of the report showed the Scheme Timetable Revision of projects that now happen in 2023/24. The Capital slippage is higher than hoped and the reasons for difference can be found in Column 5.
- The Council had 3 items on the report Changes to Capital Schemes Commencing in 2022/23 in Table 3, all of these schemes showed underspends and column 5 details the underspend reasons
- Paragraph 8.6 of the report highlighted schemes that have been completed in the year 2022/23.
- Paragraph 8.7 and Table 4 of the report showed how these schemes were funded, including the use of capital receipts.
- The Council have been investing surplus funds, in line with the Treasury Management Strategy Statement and shown in Appendix B. Due to the rise in interest rates, over £1m in additional interest had been generated.

The following Member asked questions:

- Councillor Terry Hone
- Councillor Sean Nolan
- Independent Person John Cannon.

In response to questions the Service Director – Resources stated:

- In February 22 the Council forecasted what it thought interest rates would do, that interest rates would peak and then start to drop down towards 2.5%. At the moment the interest being earned by the Council is above 4% and may not have reached its peak. Currently, the Council is in a strong position, with high investment balances and low borrowing, but the longer-term forecast assumes that the interest rate will come back down. The Council run out of capital receipts to fund its capital programme.
- A budget has been made for Street Cleaning Vehicles in 2025/26, and the Council are preparing for both funding options within the new contract, either Council or provider funding. A requirement under the accounting rules means that the Council must capitalise purchases for vehicles we gain from the use of, whatever the legal structure of funding or ownership.
- Finances and resources always have a limit our property improvements and The Council are focusing on ensuring that works the Council are prioritised based on risk and, where relevant, are commenced in the right seasonal months.

Councillor Tasmin Thomas proposed, and Councillor Tom Plater seconded, and following a vote, it was:

RECOMMENDATIONS TO CABINET:

- (1) That Cabinet notes expenditure of £6.923million in 2022/23 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approves the adjustments to the capital programme for 2023/24 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in by £1.222million.

- (3) That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.7 and the requirement to keep the capital programme under review for affordability. Page 75 Agenda Item 9
- (4) That Cabinet approves the application of £6.300million of capital receipts/set aside towards the 2022/23 capital programme, paragraph 8.7 refers.
- (5) Cabinet is asked to note the position of Treasury Management activity as at the end of March 2023.
- (6) Cabinet is asked to recommend this report to Council and ask Council to:
 - 1) Approve the actual 2022/23 prudential and treasury indicators.
 - 2) Note the annual Treasury Report for 2022/23.

REASONS FOR RECOMMENDATIONS:

- (1) Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.
- (2) To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

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Item No	Referred from:	FINANCE AUDIT & RISK COMMITTEE
6h	Date:	21 JUNE 2023
	Title of item:	YEAR END REPORT ON RISK MANAGEMENT ANNUAL REPORT 2022/23

The report considered by Overview & Scrutiny Committee at the meeting held on 21 June 2023 can be viewed here: [Choose agenda document pack - Finance, Audit and Risk Committee 21 June 2023 | North Herts Council \(north-herts.gov.uk\)](#)

RECOMMENDATIONS TO CABINET:

- (1) That Cabinet note the comments provided by FAR on the Annual Risk Management update and refer this onto Full Council.
- (2) That Cabinet note the comments provided by FAR on the review of the Risk Management Framework.

REASONS FOR RECOMMENDATIONS:

- (1) The responsibility for ensuring the management of risks is that of Cabinet.

This Committee has responsibility to monitor the effective development and operation of Risk Management.

Audio recording – 1 hour 40 minutes 19 seconds

The Service Director – Resources presented the report entitled ‘Year End Report on Risk Management Governance’ and highlighted:

- Paragraph 7.1 of the report outlined the background to the how the risks impacting on the delivery of the Council Plan were reported and the change to the current Council Delivery Plan as reviewed by the Overview and Scrutiny Committee, and for this Committee to review how risk is monitored.
- Paragraph 7.3 explained the role of the Council Risk and Performance Management Group (RPMG). The RPMG had regular daytime meetings that Members of FAR and O&S were welcome to attend where they have in-depth discussion around Risk and produced a formal report.
- The Year End Council Delivery Plan risks are highlighted in the Corporate Risk Matrix shown at paragraph 8.2.5.
- The items with high impact and high likelihood are the Response to Government Resources and Waste Strategy item, which was still to be published, and Churchgate
- A General Resourcing risk had been added to the list, currently shown with a rating of 8 on the matrix.
- Table 1 presented the risk categorisations and changes. It is important that risks have mitigation actions, and risk score changes are a sign that those actions are being implemented.
- Members can request more details of specific projects and are able to log in to and view projects on Pentana.

- Paragraph 8.7 discussed the approach of the Council to emerging risks and the Risk Appetite at North Herts and how the Council approach risks based on outcomes.
- As highlighted in paragraph 8.7.3, and following a suggestion from a risk audit, the Council now identifies and considers risks that are emerging and have a procedure on how to identify and consider these. This included situations such as the war in Ukraine, in the Taiwan-China conflict and inflation. These are going to be considered by the Council's Senior Management Group, and when required would be added as more defined risks.
- The report includes detailed explanations on Insurance, Business continuity, Health and Safety and how these input into risk.
- Paragraph 13.1 related to target actions of the Council, which are risk training, the risk framework and insurance tenders.

The following Members asked questions

- Councillor Sean Nolan
- Independent person John Cannon

In response to questions the Service Director – Resources stated:

- The Shared Internal Audit Service shared information on issues and awareness of Risk from other Districts in the County. The Shared Anti-Fraud Service also shared information from other Councils and National bodies.
- It would be worth considering how we can learn from the risks that Central Government face and their learning.
- Paragraph 10.3 focused on the key dependencies and what the response would be if they were not available and how it would affect business continuity and what resources are available should something happen.

RESOLVED:

- (1) That Finance, Audit and Risk Committee noted and provided comments to Cabinet on the Annual Risk Management update, for referral on to Full Council.
- (2) That Finance, Audit and Risk Committee provided comments to Cabinet on the review of the Risk Management Framework.
- (3) That Finance, Audit and Risk Committee commented on the type of Risk Management Training they would like to see going forward.

RECOMMENDATIONS TO CABINET:

- (1) That Cabinet note the comments provided by FAR on the Annual Risk Management update and refer this onto Full Council.
- (2) That Cabinet note the comments provided by FAR on the review of the Risk Management Framework.

REASONS FOR RECOMMENDATIONS:

- (1) The responsibility for ensuring the management of risks is that of Cabinet.
- (2) This Committee has responsibility to monitor the effective development and operation of Risk Management.