

Public Document Pack

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

TUESDAY, 24TH JUNE, 2025

SUPPLEMENTARY AGENDA

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

Agenda No	Item
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6.	<u>ITEMS REFERRED FROM OTHER COMMITTEES</u> (Pages 3 - 12)
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Any Items referred from other committees will be circulated as soon as they are available.

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| 6A) | Finance, Audit and Risk Committee – Revenue Budget Outturn 2024/25 – considered with Item 11. |
| 6B) | Finance, Audit and Risk Committee – Investment Strategy (Capital End of Year Review 2024/25 – to be considered with Item 12. |
| 6C) | Finance, Audit and Risk Committee – Report on Risk Management Governance (Year End Update) – to be considered with Item 13. |

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Item No	Referred from:	Finance, Audit and Risk Committee
6A	Date:	11 June 2025
	Title of item:	Revenue Budget Outturn 2024/2025
To be considered alongside agenda item:		Agenda Item 11

The report considered by Finance, Audit and Risk Committee at the meeting held on 11 June 2025 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 11th June, 2025, 7.30 pm | North Herts Council](#)

RECOMMENDED TO CABINET: The Finance, Audit and Risk Committee commented on the assumptions and information contained within this report, in the context that Cabinet agrees that:

- (1) That Cabinet note this report.
- (2) That Cabinet approves a decrease of £860k in the 2024/25 net General Fund expenditure, as identified in section 8, to a total of £17.889million.
- (3) That Cabinet approves the changes to the 2025/26 General Fund budget, as identified in table 4 and paragraph 8.3, a total £361k decrease in net expenditure.

That Cabinet recommends to Council:

- (4) That Council approves the net transfer to earmarked reserves, as identified in table 9, of £1.035million.

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 – 40 minutes 29 seconds

The Director – Resources presented the report entitled 'Revenue Budget Outturn 2024/25' and highlighted that:

- Since the publication of the report a few changes were made prior to being sent to Cabinet, however none of these were substantive.
- The key variances for the year were summarised at Table 4 in the report. The key changes that would be in the Cabinet report were highlighted.
- For the apprenticeship scheme, the Council had been overpaying on National Insurance and would receive back approximately £14,000.
- The Council was planning to recruit another management trainee and the carry-forward would help maintain the number of apprentices the Council could recruit.

- Treasury investment income was higher than forecast, due to further capital slippage and higher interest rates, this could result in additional income on the treasury position for 2025/26 too and this would be reviewed at the end of Quarter 1.
- The Strategic Priorities Fund was created for various projects and the request was to use it to fund work on Local Government Reorganisation, and other associated work, if this was not completely covered by Government Funding.
- There was greater than expected contribution to the bad debt provision mainly due to the suspension of income recovery during the year with the transition to the new finance system. This was expected to balance out during the next year.
- Revenues & Benefits Service Government Grant Income of £37,000 would be carried forward. This carry-forward would support the final work on the new finance system.
- The administration proportion of the Shared Prosperity Fund Grant was an underspend due to the use of existing staffing for this purpose.
- Six corporate 'financial health' indicators were identified in relation to key sources of income for the Council in 2024/25 these showed a similar pattern seen in the quarter 3 report.
- The impact on the General Fund balance of the outturn position was summarised at Table 7 of the report, with the biggest impacts on business rates.
- A certain amount of business rates money was kept in case of appeals. Appeals were dealt with by the Valuation Office Agency and there was currently a backlog. After time passes the chances of appeals go down and therefore the appeal provisions can be released into the general fund.
- Business rate reliefs are given by the government in the form of Grant funding and details of what the Council had received was summarised in Table 9 of the report.
- Paragraph 8.17 states the Councils the risk allowance is used to set the minimum level of General Fund balance was determined based on known and unknown risks.
- An additional risk to add to the list in paragraph 8.17 was legal costs for a public inquiry into refused planning permission.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Sean Nolan
- Councillor Ruth Brown
- Independent Member John Cannon

In response to questions, the Director – Resources stated that:

- There was no limit on variances Cabinet can approve on an existing budget, however they cannot introduce new areas of budget.
- Regulatory had large slippage towards the end of the year and the reasons for this slippage were outlined on page 103 of the agenda pack.
- Enterprise had less income than expected and this was outlined on page 98 of the agenda.
- The information about how this Council compared to other Local Authorities regarding revenue spend slippage was not available. The Director – Resources would try and compile some comparison information.
- A lot of this slippage was due to prioritised resources, especially regarding staffing.
- The General Fund may be artificially high as the Council had underspends which it would be spending in the future.
- The 2025/26 Revenue Budget would show the cost of the changes due to the changes in the Leisure Decarbonisation.

Councillor Vijaiya Poopalasingham proposed and Councillor Stewart Willoughby seconded and, following a vote, it was:

RECOMMENDED TO CABINET: The Finance, Audit and Risk Committee commented on the assumptions and information contained within this report, in the context that Cabinet agrees that:

- (1) That Cabinet note this report.
- (2) That Cabinet approves a decrease of £860k in the 2024/25 net General Fund expenditure, as identified in section 8, to a total of £17.889million.
- (3) That Cabinet approves the changes to the 2025/26 General Fund budget, as identified in table 4 and paragraph 8.3, a total £361k decrease in net expenditure.

That Cabinet recommends to Council:

- (4) That Council approves the net transfer to earmarked reserves, as identified in table 9, of £1.035million.

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 and Risk Committee
6B	Date:	11 June 2025
	Title of item:	Investment Strategy (Capital and Treasury) End of Year Review 2024/25
To be considered alongside agenda item:		Agenda Item 12

The report considered by Finance, Audit and Risk Committee at the meeting held on 11 June 2025 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 11th June, 2025, 7.30 pm | North Herts Council](#)

RECOMMENDED TO CABINET: The Finance, Audit and Risk Committee commented on the assumptions and information contained within this report, in the context that Cabinet agrees that:

- (1) That Cabinet notes expenditure of £11.362million in 2024/25 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approves the adjustments to the capital programme for 2025/26 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend by £5.202million.
- (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.
- (4) That Cabinet approves the application of £3.787million of capital receipts/set aside towards the 2024/25 capital programme, paragraph 8.7 refers.
- (5) Cabinet is asked to note the position of Treasury Management activity as at the end of March 2025.
- (6) Cabinet is asked to recommend this report to Council and ask Council to:
 - 1) Approve the actual 2024/25 prudential and treasury indicators as detailed in Appendix B.
 - 2) Note the annual Treasury Management Review for 2024/25 (Appendix B).

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 – 1 hour 7 minutes 15 seconds

N.B. Cllr Paul Ward declared an interest in this item due to his employment and left the chamber.

The Director – Resources presented the report entitled 'Investment Strategy (Capital and Treasury) End of Year Review 2024/25' and highlighted that:

- The schemes in the 2024/25 Capital Programme that would start or continue in 2025/26 were listed in Table 2.
- The changes to the overall costs of schemes in 2024/25 were detailed in Table 3.
- The Council had operated both within the treasury and prudential indicators set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices.
- The average interest rate agreed on new deals during the year was 5.26%. The current performance was achieving interest rates of around 4%, which was demonstrating the downward trajectory predicted.
- One breach of the Treasury Management rules was recorded during the year, which related to the combined balance of the Call Account and Current Account and was due to staff resourcing. The situation was resolved within 1 day. This would be reviewed to see whether it could be prevented from happening again.
- The full Treasury Management report was included as Appendix B to the report.

In response to a question from Independent Member John Cannon, the Director – Resources advised that all information in Appendix B pertained directly to North Herts District Council.

Councillor Vijaiya Poopalasingham proposed and Councillor Stewart Willoughby seconded and, following a vote, it was:

RECOMMENDED TO CABINET: The Finance, Audit and Risk Committee commented on the assumptions and information contained within this report, in the context that Cabinet agrees that:

- (1) That Cabinet notes expenditure of £11.362million in 2024/25 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approves the adjustments to the capital programme for 2025/26 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend by £5.202million.
- (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.
- (4) That Cabinet approves the application of £3.787million of capital receipts/set aside towards the 2024/25 capital programme, paragraph 8.7 refers.
- (5) Cabinet is asked to note the position of Treasury Management activity as at the end of March 2025.
- (6) Cabinet is asked to recommend this report to Council and ask Council to:
 - 1) Approve the actual 2024/25 prudential and treasury indicators as detailed in Appendix B.

2) Note the annual Treasury Management Review for 2024/25 (Appendix B).

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.

N.B. Cllr Paul Ward returned to the Chamber at 20:47.

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Item No	Referred from:	Finance, Audit and Risk Committee
6C	Date:	11 June 2025
	Title of item:	Report on Risk Management Governance (Year-End Update)
<i>To be considered alongside agenda item:</i>		Agenda Item 13

The report considered by Finance, Audit and Risk Committee at the meeting held on 11 June 2025 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 11th June, 2025, 7.30 pm | North Herts Council](#)

RECOMMENDED TO CABINET: That Finance, Audit and Risk Committee note and provide recommendations to Cabinet on this year-end Risk Management Governance update, for referral on to Full Council.

REASONS FOR RECOMMENDATIONS:

- (1) Cabinet has responsibility for ensuring the management of risks.
- (2) This Committee has responsibility to monitor the effective development and operation of risk management.

Audio recording – 1 hour 42 minutes 46 seconds

The Director – Resources presented the report entitled ‘Report on Risk Management Governance (Year-End Update)’ and highlighted that:

- The mitigating actions and ongoing controls for identified risks were highlighted at Table 2 in the report.
- Actions completed since the mid-year update were in bold italics to indicate how mitigating activity was progressing.
- Some target risk scores were the same as actual risk as the Council had limited control over the risk, an example was cyber security. They were kept on the risk register as still actions to do and to maintain focus.
- An overview of new and archived risks was included at paragraph 8.4 of the report.
- All archived risks were included in Appendix A to the report.

The following Members asked questions:

- Councillor Paul Ward
- Independent Member John Cannon

In response to questions, the Director – Resources stated that:

- The Government had announced there would be a 3-year settlement, but the specific financial amount had not yet been announced.
- The report was a snapshot at the current time but also featured reflection on the last Civic year.
- Details of all risks were accessible to all Councillors via Ideagen. The Intranet provided a user guide and guest log in details.

Councillor Vijaiya Poopalasingham proposed and Councillor Paul Ward and, following a vote, it was:

RECOMMENDED TO CABINET: That Finance, Audit and Risk Committee note and provide recommendations to Cabinet on this year-end Risk Management Governance update, for referral on to Full Council.

REASONS FOR RECOMMENDATIONS:

- (1) Cabinet has responsibility for ensuring the management of risks.
- (2) This Committee has responsibility to monitor the effective development and operation of risk management.