

# Public Document Pack

## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### CABINET

**TUESDAY, 26TH MARCH, 2019**

### **SUPPLEMENTARY AGENDA**

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

**Agenda No    Item**

- b)    ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 21 MARCH 2019 - THIRD QUARTER REVENUE MONITORING 2018/19 (Pages 3 - 4)
  
- c)    ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 21 MARCH 2019 - THIRD QUARTER CAPITAL MONITORING 2018/19 (Pages 5 - 6)
  
- d)    ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 21 MARCH 2019 - TREASURY MANAGEMENT THIRD QUARTER (Pages 7 - 8)
  
- e)    ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 21 MARCH 2019 2019 - RISK AND OPPORTUNITIES MANAGEMENT UPDATE (Pages 9 - 10)

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**CABINET  
26 MARCH 2019**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE:  
21 MARCH 2019 - THIRD QUARTER REVENUE MONITORING 2018/19**

*Extract from the draft Minutes of the Finance, Audit and Risk Committee meeting held on 21 March 2019*

***NB The recommendations in this referral are the same as those in the report***

**THIRD QUARTER REVENUE MONITORING 2018/19**

*Audio Recording – Start of Item – 1 hour 19 minutes 14 seconds*

The Accountancy Manager presented the substantive and addendum reports entitled Third Quarter Revenue Monitoring 2018/19 and drew attention to the following:

- The forecast was for a £211k decrease in the revenue budget, with an ongoing impact of a £25k increase in expenditure and which includes the request to carry forward £87k of budget from 2018/19 to 2019/20;
- Table 3 itemised the more significant variances to the forecast;
- Paragraph 1.3 (should be 8.4), page 116 gave details of carry forward budgets;
- Paragraph 1.4, page 117 (should be 8.5) detailed the 4 key corporate ‘financial health’ indicators;
- Table 5 (page 118) detailed the General Fund impact;
- Table 6 (page 119) gave details of the Known financial risks.

The following Members took part in the debate or asked questions:

- Councillor Terry Hone;
- Councillor Helen Oliver;
- Councillor Simon Harwood;
- Councillor Kate Aspinwall.

In response to questions the Service Director – Resources advised that:

- A consultant had given a quote regarding their fee for a Planning Appeal in relation to the proposed Crematorium, which confirmed that the Council has a good basis for an appeal;
- The vacancy control reflected the natural time taken to fill vacancies rather than a budget saving mechanism. It was for managers to decide how to cover their service.

Members were concerned that vacancy control should be reflected in the HR implications of the report.

**RESOLVED:** That the Service Director - Resources be requested to ensure that where there is a vacancy control target, HR implications are stated.

**RECOMMENDED TO CABINET:**

- (1) That Cabinet note the substantive and addendum reports;
- (2) That Cabinet approves the changes to the 2018/19 General Fund budget, as identified in table 3 and paragraph 8.2, a £211k decrease in net expenditure;
- (3) That Cabinet approves the changes to the 2019/20 General Fund budget, as identified in table 3 of the substantive report and paragraph 8.3 of the addendum report, a £25k increase in net expenditure.

**REASON FOR DECISION:** 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.

***NB to be considered with Item 11 - Third Quarter Revenue Monitoring 2018/19***

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26 MARCH 2019**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE:  
21 MARCH 2019 - THIRD QUARTER CAPITAL MONITORING 2018/19**

*Extract from the draft Minutes of the Finance, Audit and Risk Committee meeting held on 21 March 2019*

*NB the recommendation in this referral are the same as in the report*

**THIRD QUARTER CAPITAL MONITORING 2018/19**

*Audio Recording – start of Item – 1 hour 32 minutes 14 seconds*

The Accountancy Manager presented the report entitled Third Quarter Capital Monitoring 2018/19 and drew attention to the following:

- The current estimate was a decrease in spend in 2018/19 of £0.475million and an increase in spend in future years of £0.466 million.
- Table 2 itemised and explained the more significant changes:

**RECOMMENDED TO CABINET:**

- (1) That Cabinet notes the forecast expenditure of **£6.736million** in 2018/19 on the capital programme, paragraph 8.2 refers, and approves the adjustments detailed in table 3 which result in a net decrease on the working estimate of **£0.022million**;
- (2) That Cabinet approves the adjustments to the capital programme for 2018/19 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in future years 2019/20 by **£0.466million**;
- (3) That Cabinet notes the position of the availability of capital resources, as detailed in table 4, and the requirement to keep the capital programme under review for affordability.

**REASONS FOR RECOMMENDATIONS**

- (1) Cabinet is required to approve revisions to the capital programme;
- (2) Cabinet is required to ensure that the capital programme is fully funded.

***NB to be considered with Item 12 - Third Quarter Capital Monitoring 2018/19***

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**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE:  
21 MARCH 2019 - TREASURY MANAGEMENT THIRD QUARTER**

*Extract from the draft Minutes of the Finance, Audit and Risk Committee meeting held on 21 March 2019*

**NB the recommendations in this referral are the same as the report**

**TREASURY MANAGEMENT THIRD QUARTER**

*Audio Recording – Start of Item – 1 hour 34 minutes 5 seconds*

The Service Director –Resources presented the report entitled Treasury Management Third Quarter 2018/19 and drew attention to the following:

- That NHDC operated under the current Treasury Management Strategy for the last quarter;
- Due to the delays in Capital spend there had been additional funds available to invest, therefore the income from these investments was increased.

Members noted that the new Treasury Management Strategy would commence on 1 April 2019.

**RECOMMENDED TO CABINET:** That Cabinet note the position of Treasury Management activity as at the end of December 2018.

**REASON FOR DECISION:** 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.

***NB to be considered with Item 13 - Treasury Management Third Quarter 2018/19***

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**CABINET  
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**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE:  
21 MARCH 2019 2019 - RISK AND OPPORTUNITIES MANAGEMENT UPDATE**

**RISK AND OPPORTUNITIES MANAGEMENT UPDATE**

*Audio Recording – Start of Item – 59 minutes 50 seconds*

The Service Director – Resources presented the report entitled Risk Management Update and drew attention to the following:

- Risks were reviewed on a quarterly basis by the Risk Management Group;
- It was proposed that the risk score regarding Hitchin Town Hall be reduced from a 9 to a 3. This was to reflect completion of the purchase of 14 and 15 Brand Street and the fact that the rest of the project was now under full NHDC control;
- A new Corporate risk was proposed for Brexit, as detailed at Appendix B  
The proposed score for this risk was 9 to reflect the current level of uncertainty.

Detailed debate was undertaken in respect of the new risk for Brexit. The following Members took part:

- Councillor Simon Harwood;
- Councillor Helen Oliver;
- Councillor Kate Aspinwall;
- Councillor Terry Hone;
- Councillor Julian Cunningham (at the invitation of the Chairman).

The Service Director – Resources advised that they were looking at all of the potential implications and would be taking proportionate actions based on likelihood and potential impact.

He advised that, at the moments NHDC did not have any EU funding, but it had to be noted that a proportion of LEP funds were from EU grants.

**RESOLVED:** That the Committee note the changes to the Corporate risks for the Quarter.

**RECOMMENDED TO CABINET:** That Cabinet approve the changes to the Corporate risks for the Quarter namely:

- North Hertfordshire Museum and Hitchin Town Hall Project to be reduced from a 9 to a 3 on the risk matrix.
- New Brexit Corporate risk to be introduced with a score of 9 on the risk matrix.

**REASON FOR DECISION:**

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

- (2) This Committee has responsibility to monitor the effective development and operation of risk management.