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NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

TUESDAY, 26TH JANUARY, 2021

SUPPLEMENTARY AGENDA

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

Agenda No Item

7. **ITEMS REFERRED FROM OTHER COMMITTEES (Pages 3 - 12)**

Any Items referred from other committees will be circulated as soon as they are available.

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Referrals from Other Committees

- 7a Referral from Finance, Audit and Risk Committee: 18 January 2021 – Revenue Budget 2021/22
- 7b Referral from Finance, Audit and Risk Committee: 18 January 2021 – Investment Strategy (Integrated Capital and Treasury)
- 7c Referral from Overview and Scrutiny Committee: 19 January 2021 – Proposed Amendments to Performance Management Measures for 20/21

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7a REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 18 JANUARY 2021 – REVENUE BUDGET 2021/22

NB: To be taken with Item 11

RECOMMENDED TO CABINET:

- (1) That the decrease in the 2020/21 working budget of £129k, as detailed in table 5, be approved.

That Cabinet recommend to Council:

- (2) That the position on the Collection Fund and how it will be funded be noted;
- (3) That the position relating to the General Fund balance and that due to the risks identified a minimum balance of £3.7 million is recommended, be noted;
- (4) That the savings and investments as detailed in Appendix B be approved;
- (5) That a net expenditure budget of £16.390m, as detailed in Appendix C, be approved. In the event of a £10 band D increase being allowed, then Appendix D would apply.
- (6) That a Council Tax increase by the maximum allowed without the need for a local referendum in 2021/22 (as per the Medium Term Financial Strategy), be approved. This is likely to be an amount of £5 for a band D property, with other increases pro-rata to this. However in response to the consultation on the Local Government settlement, a £10 increase for a band D property (other bands pro-rate) may be allowed.

REASONS FOR DECISIONS:

- (1) To ensure that all relevant factors are considered in arriving at a proposed budget and Council Tax level for 2021/22, to be considered by Full Council on 11 February 2021.
- (2) To ensure that Cabinet recommends a balanced budget to Full Council on 11 February 2021.

The Service Director – Resources presented the Addendum report entitled Revenue Budget 2021/2022 and explained that the main update to the report was in relation to Recommendation 2.6.

The Service Director – Resources directed Members to various sections of the report including:

- Paragraphs 8.4 – 8.5 on page 6 within the report and advised that the Council Tax base calculation for 2021/22 had been calculated at 49.396.9, which represented a 1.17% decrease on the Council Tax Base for 2020/21 and was equivalent to a £140k reduction in Council Tax income. The cause of this was a potential consequence of the Covid-19 pandemic on resident's finances and an increase in the eligibility of Council Tax Reduction support;
- Paragraph 8.8 on page 7 within the report, namely Council Tax support grant;

- Paragraph 8.9 on page 7 within the report and advised that the Government had announced a 'Local Tax Income Guarantee' for 2020/21, with the government compensating local authorities for 75% of irrecoverable losses in Council Tax and business rates income in respect of 2020-21; and
- Paragraph 8.10 on page 7 within the report and advised that the Government had legislated that the repayment of the Business Rates and Council Tax Collection Fund deficits for 2020/21 be spread over three years from 2021/22, rather than full repayment in 2021/22.

The Service Director – Resources pointed Members towards Table 3 – Specific Reserves on page 11 within the report and provided some additional information relating to its contents, including:

- MHCLG Grants Reserve – it was considered that £2.5m could be released from the reserve and used to cushion the impact on the General Fund of the anticipated funding shortfall from 2022/23;
- Special Reserves – The reserve was maintained for special financial pressures. As detailed in the Covid-19 Financial Impacts report, the Special Reserve would be released in to General Fund balances. The balance of £716k would be transferred in 2022/23.

The Service Director – Resources then directed Members to Table 5 - Summary of forecast variances and provided further detail on the Budget Area - Support for Leisure Facilities including that there would be an update on the financial position of the Leisure Facilities presented to Council on 21 January 2021.

The following Members asked questions:

- Councillor Sam North; and
- Councillor Morgan Derbyshire.

In response to the Member's question regarding the Syrian Refugee Project, the Service Director – Resources advised that he would find out how many Syrian refugees had been accommodated thus far and he would update the Committee with the figure in due course.

In response to the Member's question regarding Council Tax Support for Parishes, the Service Director – Resources advised that it started a long time ago when CTS stopped being funded by central Government and was localised.

It was:

RECOMMENDED TO CABINET:

- (1) That the decrease in the 2020/21 working budget of £129k, as detailed in table 5, be approved.

That Cabinet recommend to Council:

- (2) That the position on the Collection Fund and how it will be funded be noted;
- (3) That the position relating to the General Fund balance and that due to the risks identified a minimum balance of £3.7 million is recommended, be noted;
- (4) That the savings and investments as detailed in Appendix B be approved;

- (5) That a net expenditure budget of £16.390m, as detailed in Appendix C, be approved. In the event of a £10 band D increase being allowed, then Appendix D would apply.
- (6) That a Council Tax increase by the maximum allowed without the need for a local referendum in 2021/22 (as per the Medium Term Financial Strategy), be approved. This is likely to be an amount of £5 for a band D property, with other increases pro-rata to this. However in response to the consultation on the Local Government settlement, a £10 increase for a band D property (other bands pro-rate) may be allowed.

REASONS FOR DECISIONS:

- (1) To ensure that all relevant factors are considered in arriving at a proposed budget and Council Tax level for 2021/22, to be considered by Full Council on 11 February 2021.
- (2) To ensure that Cabinet recommends a balanced budget to Full Council on 11 February 2021.

NB: The report considered by Finance, Audit and Risk Committee at the meeting held on 18 January 2021 can be viewed at Minute 61 here:

<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CIId=146&MIId=2456&Ver=4>

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7b REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 18 JANUARY 2021 – INVESTMENT STRATEGY (INTEGRATED CAPITAL AND TREASURY)

NB: To be considered with Item 12

RECOMMENDED TO CABINET:

That Cabinet recommend to Council:

- (1) That it adopts the Investment Strategy (as attached at Appendix A), including the capital programme and prudential indicators; and
- (2) That it adopts the four clauses in relation to the Code of Practice on Treasury Management (as detailed in paragraphs 8.12 to 8.17).

REASONS FOR DECISIONS:

- (1) To ensure that the capital programme meets the Council's objectives and officers can plan the implementation of the approved schemes;
- (2) To ensure the Council's compliance with CIPFA's code of practice on Treasury Management, the Local Government Act 2003, statutory guidance from the Ministry of Housing, Communities and Local Government and the CIPFA Prudential Code. As well as determining and managing the Councils risk appetite in respect of investments.

The Service Director – Resources presented the report entitled Investment Strategy (Integrated Capital and Treasury) and advised that new capital investments were outlined in the appendices.

The Service Director – Resources highlighted the following key sections within the report:

- Paragraph 8.4 - Tables 6 and 7 on pages 13 and 14 detailed what had been presented to the budget workshops. However, the two exceptions to this were the proposed changes to the IT budgets for purchase of laptops and the addition of a £27k budget for the purchase of 76 election polling booths as a number of the booths were coming to the end of their useful life. The purchase was for a new type of more portable booth;
- Paragraph 8.9 on page 116 related to proposed changes to treasury investments and advised that there was a slightly higher forecast for the end of the year;
- The investment limit for Local Authorities would be increased from £3m per Authority to £5m;
- The amount that can be invested in Property Funds would be reduced to £2m;
- In a meeting with the Council's Treasury Advisors, they suggested that investing in UK multi-asset funds would be a good long-term investment. This is proposed to be added to the Strategy with a limit of £2m.

RECOMMENDED TO CABINET:

That Cabinet recommend to Council:

- (1) That it adopts the Investment Strategy (as attached at Appendix A), including the capital programme and prudential indicators; and
- (2) That it adopts the four clauses in relation to the Code of Practice on Treasury Management (as detailed in paragraphs 8.12 to 8.17).

REASONS FOR DECISIONS:

- (1) To ensure that the capital programme meets the Council's objectives and officers can plan the implementation of the approved schemes;
- (2) To ensure the Council's compliance with CIPFA's code of practice on Treasury Management, the Local Government Act 2003, statutory guidance from the Ministry of Housing, Communities and Local Government and the CIPFA Prudential Code. As well as determining and managing the Councils risk appetite in respect of investments.

NB: The report considered by Finance, Audit and Risk Committee at the meeting held on 18 January 2021 can be viewed at Minute 62 here:

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7c REFERRAL FROM OVERVIEW AND SCRUTINY COMMITTEE: 19 JANUARY 2021 – PROPOSED AMENDMENTS TO PERFORMANCE MANAGEMENT MEASURES FOR 20/21

NB: To be considered with Item 13

RECOMMENDED TO CABINET:

- (1) That Cabinet considers and formally approves the proposed amendments to the PIs and any associated targets that will continue to be monitored throughout 2020/2021 by Overview & Scrutiny;
- (2) That Cabinet consider instigating a “reporting only” figure of those viewing Council meetings on YouTube in order to gauge public engagement with virtual meetings.

REASON FOR DECISION: To ensure that Performance Monitoring is effective and reflects the current national situation.

The Leader of the Council presented the report entitled Mid-Year Amendments to Performance Monitoring Targets for 2020/21.

He advised that two amendments were proposed being:

MI LI015 - Number of Visits to Leisure Facilities

- It was proposed to reduce the target from 1,530,000 to 205,440.
- This target was set with the assumption that the centres will reopen in March 2021.
- If the facilities did not reopen in March the target would be reduced to 162,950.

REG3 - Percentage of Environmental Health Programmed Inspections Completed

- It was proposed that the current target of 95.0% be deleted
- Given the current resource commitment to the pandemic and future commitments to the EU transition this PI would be for reporting purposes only.

The following Members took part in the debate:

- Councillor David Levett;
- Councillor Claire Strong;

Members commented that consideration should be given to opening the outdoor pools earlier in the season and that there would be value in considering the views on YouTube compared with public attendance at meetings in order to gauge public engagement with virtual meetings.

Councillor Ian Albert, Executive Member for Finance and IT advised that, from a financial point of view, opening of the outdoor pools was under consideration.

The Committee, Member and Scrutiny Manager advised that her team was undertaking some research regarding the comparison of public attendance at meeting against views of YouTube recordings of meetings.

RESOLVED:

- (1) That the Controls, Risk and Performance Manager be requested to liaise with the Committee, Member and Scrutiny Manager in order to include the number of views of Council meetings on YouTube in the next performance target report.
- (2) That the Leader of the Council be requested to refer the possibility of re-opening the outdoor pools earlier in 2021 to Leisure Services, in order to maximise the potential number of visitors to leisure facilities and provide this service to the community which had been unavailable in 2020.

RECOMMENDED TO CABINET:

- (1) That Cabinet considers and formally approves the proposed amendments to the PIs and any associated targets that will continue to be monitored throughout 2020/2021 by Overview & Scrutiny;
- (2) That Cabinet consider instigating a “reporting only” figure of those viewing Council meetings on YouTube in order to gauge public engagement with virtual meetings.

REASON FOR DECISION: To ensure that Performance Monitoring is effective and reflects the current national situation.

NB: The report considered by Overview and Scrutiny Committee at the meeting held on 19 January 2021 can be viewed here:

<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=134&MId=2480&Ver=4>