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NORTH HERTFORDSHIRE DISTRICT COUNCIL

COUNCIL

THURSDAY, 11TH FEBRUARY, 2021

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 - 10) |
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Any Items referred from other committees will be circulated as soon as they are available.

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Agenda Item 6

Referrals from Other Committees

6a Referral from Cabinet: 26 January 2021 – Revenue Budget 2021/22

6b Referral from Cabinet: 26 January 2021 – Investment Strategy (Capital and Treasury)

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6a REFERRAL FROM CABINET: 26 JANUARY 2021 – REVENUE BUDGET 2021/22

NB: This referral will be taken with Item 8

RECOMMENDED TO COUNCIL:

- (1) That the position on the Collection Fund and how it will be funded be noted.
- (2) That the position relating to the General Fund balance and that due to the risks identified a minimum balance of £3.85 million is recommended be noted.
- (3) That the savings and investments as detailed in Appendix B be approved.
- (4) That a net expenditure budget of £18.391m, as detailed in Appendix C be approved. In the event of a £10 band D increase being allowed, then Appendix D would apply,
- (5) 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.
- (6) That, in the event that a £10 increase in 2021/22 is allowed, the additional funding (£247k) be set aside for Covid support for residents, in 2021/22 only.
- (7) That Citizens Advice North Herts be allocated an additional £50,000 funding in 2021/22 only.

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 Executive Member for Finance and IT presented the report entitled Revenue Budget together with the following appendices:

- Appendix A – Financial Risks 2021/22;
- Appendix B – Revenue Budget Savings and Investments;
- Appendix C – Budget Summary 2021 – 2026;
- Appendix D – Budget Summary 2021 – 2026 (£10 Council Tax increase 2021/22;
- Revenue Budget 2021-22 – Addendum;
- Appendix B - Revenue Budget Savings and Investments – Addendum;
- Appendix C - Budget Summary 2021-26 – Addendum;
- Appendix D - Budget Summary 2021-26 – Addendum.

The Executive Member for Finance and IT drew attention to the following:

- An addendum report and appendices had been published that reflected the position taking into the account the decision to support the leisure facilities;
- An amendment had been made to saving E5;
- The impact on the Tax Base was detail in Paragraph 8.5;
- Table 1 showed the impact of a £10 increase in council tax;
- It had been decided to continue with the Business Rate Pool;
- Appendix B outlined the proposed savings;
- The work of the Challenge Board would continue;
- Citizens Advice had provided a business case for additional funding.

Councillor Ian Albert proposed and Councillor Judi Billing seconded the recommendations as per the report addendum and an additional recommendation that Citizens Advice be awarded additional funding of £50,000 for 2021/22 only.

The following Members took part in the debate:

- Councillor Judi Billing;
- Councillor Steve Jarvis.

Councillor Steve Jarvis proposed and Councillor Martin Stears-Handscomb seconded that, in the event that a £10 increase in 2021/22 is allowed, the additional funding (£247k) be set aside for Covid support for residents, in 2021/22 only.

The Chair thanked the Finance, Audit and Risk Committee for the referral (7a) which endorsed the recommendations.

RESOLVED: That the increase in the 2020/21 working budget of £291k, as detailed in table 5 be approved.

RECOMMENDED TO COUNCIL:

- (1) That the position on the Collection Fund and how it will be funded be noted.
- (2) That the position relating to the General Fund balance and that due to the risks identified a minimum balance of £3.85 million is recommended be noted.
- (3) That the savings and investments as detailed in Appendix B be approved.
- (4) That a net expenditure budget of £18.391m, as detailed in Appendix C be approved. In the event of a £10 band D increase being allowed, then Appendix D would apply,
- (5) 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.
- (6) That, in the event that a £10 increase in 2021/22 is allowed, the additional funding (£247k) be set aside for Covid support for residents, in 2021/22 only.
- (7) That Citizens Advice North Herts be allocated an additional £50,000 funding in 2021/22 only.

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 Cabinet at the meeting held on 26 January can be viewed at Minute 92 here:

<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=133&MId=2405&Ver=4>

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6b REFERRAL FROM CABINET: 26 JANUARY 2021 – INVESTMENT STRATEGY (CAPITAL AND TREASURY)

RECOMMENDED TO COUNCIL:

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

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.

Audio recording – 46 minutes 4 seconds

The Executive Member for Finance and IT presented the report entitled Investment Strategy (Integrated Capital and Treasury) together with the following appendices:

- Appendix A - Investment Strategy;
- Appendix A1- A full list of planned capital expenditure (2021/22 onwards);
- Appendix A2 - A list of new capital schemes and schemes planned to commence from 2021/22.

The Executive Member for Finance and IT drew attention to the following:

- Investments in commercial aspects would likely require borrowing and this would be considered at the appropriate time
- Yield was low currently therefore consideration would be given to selecting alternative investments
- That the Service Director – Resources and his team be thanked for their hard work, which had been praised by auditors.

Councillor Ian Albert proposed, Councillor Martin Stears-Handscorn seconded and it was:

RECOMMENDED TO COUNCIL:

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

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 Cabinet at the meeting held on 26 January 2021 can be viewed here:

<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=133&MId=2405&Ver=4>