

# Public Document Pack

## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### CABINET

TUESDAY, 21ST SEPTEMBER, 2021

### SUPPLEMENTARY AGENDA

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

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

N.B The reports associated with the referrals below can be viewed under their respective agenda items.

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# Agenda Item 6

## **6. ITEMS REFERRED FROM OTHER COMMITTEES**

Please find enclosed:

**6a. Referral from FAR - First Quarter Review Monitoring Report 2021-22**

**6b. Referral from FAR - First Quarter Investments Strategy (Capital and Treasury) Review 2021-22**

**6c. Referral from FAR - Medium Term Financial Strategy**

**6d. Referral from O&S – Customer Service Strategy 2021-2026**

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**6a. REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: FIRST QUARTER REVENUE MONITORING REPORT 2021-22**

***RECOMMENDED TO CABINET:***

- (1) That this report be noted by Cabinet;
- (2) That Cabinet approve the changes to the 2021/22 General Fund budget, as identified in table 3 and paragraph 8.2, a £560k increase in net expenditure;
- (3) That Cabinet note the changes to the 2022/23 General Fund budget, as identified in table 3 and paragraph 8.2, a total £226k increase in net expenditure. These will be incorporated in the draft revenue budget for 2022/23;
- (4) That Cabinet delegates to the Service Director: Resources (in consultation with the Executive Member for Finance and IT) authority to enter in to a Business Rate Pooling arrangement (if available) if it is estimated that it will be in the financial interests of the Council.

***REASONS FOR DECISIONS:*** 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.

The Service Director – Resources presented the report entitled First Quarter Revenue Monitoring Report 2021-22 and advised:

- Table 3 highlighted the various variances in finances, mainly due to impact of Covid-19, carried forward requests and the waste contract inflation.
- This table only highlighted the Q1 impact.
- Table 5 included 4 year forecast for some of the areas, such as parking and income from Hitchin Town Hall.
- Table 6 offered an overall general fund summary.
- The predictions for car parking income performance in Q1 are prudent but should get a clearer idea of actual performance in Q2.
- Q2 should offer a clearer picture of the leisure recovery. There was £2million additional costs included in the budget last year to cover the recovery of leisure. Performance in Q1 was overall good, but there was a dip over the summer holiday period.
- Business Rate Pooling had been confirmed as an option by Hertfordshire County Council. Applications must be submitted by 8 October 2020, which is why the request for a delegated decision had been made.
- Being part of a pool would be beneficial but questioned whether North Herts would be in the optimum pool for the whole County.

Following a vote, it was:

***RECOMMENDED TO CABINET:***

- (1) That this report be noted by Cabinet;
- (2) That Cabinet approve the changes to the 2021/22 General Fund budget, as identified in table 3 and paragraph 8.2, a £560k increase in net expenditure;

- (3) That Cabinet note the changes to the 2022/23 General Fund budget, as identified in table 3 and paragraph 8.2, a total £226k increase in net expenditure. These will be incorporated in the draft revenue budget for 2022/23;
- (4) That Cabinet delegates to the Service Director: Resources (in consultation with the Executive Member for Finance and IT) authority to enter in to a Business Rate Pooling arrangement (if available) if it is estimated that it will be in the financial interests of the Council.

**REASON FOR RECOMMENDATIONS:** 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.

**6b REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: FIRST QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2021-22**

***RECOMMENDED TO CABINET:***

- (1) That Cabinet note the forecast expenditure of £16.144 million in 2021/22 on the capital programme, paragraph 8.3 refers;
- (2) That Cabinet approve the adjustments to the capital programme for 2021/22 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2022/23 by £0.312million.
- (3) That Cabinet note the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability;
- (4) Cabinet note the position of Treasury Management activity as at the end of June 2021.

***REASONS FOR DECISIONS:***

- (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.

The Service Director – Resources presented the report entitled First Quarter Investments Strategy (Capital and Treasury) Review 2021-22 and advised:

- An additional item was added to the version of the report sent to cabinet. This change was to Table 3 where works to Coombes Community Centre would require further work completing and had forecast another £25,000 for this.
- Table 4 showed that we would need to borrow if the Capital Programme is fully spent and relied on property acquisition and development.
- Currently, borrowing has not been explored and this would happen at a later stage, if required.
- There is more cash in treasury than forecast, mainly from funds from Government for Covid relief and support which is due to go out and grants which have not gone out yet. Rates earned on this cash is very low – generally around 0.1% across the year.

The following Members asked questions:

- Councillor Terry Hone

In response to questions asked, the Service Director – Resources advised:

- Currently, borrowing costs and income have not been included, this was a prudent approach when there was uncertainty regarding what the opportunities would be.
- Borrowing would not be considered if the returns were not worthwhile.
- Capital from the sale of housing stock to settle has been used up over many years from 2003.
- Some capital receipts are still coming in from sale of land.

Following the vote, it was:

***RECOMMENDED TO CABINET:***

- (1) That Cabinet note the forecast expenditure of £16.144 million in 2021/22 on the capital programme, paragraph 8.3 refers;
- (2) That Cabinet approve the adjustments to the capital programme for 2021/22 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2022/23 by £0.312million.
- (3) That Cabinet note the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability;
- (4) Cabinet note the position of Treasury Management activity as at the end of June 2021.

***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.



**6c REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: MEDIUM TERM FINANCIAL STRATEGY**

**RECOMMENDED TO CABINET:** That they recommend to Full Council the adoption of the Medium Term Financial Strategy 2022-2027 as outlined in Appendix A.

**REASONS FOR DECISIONS:** Adoption of a MTFs and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2022/2023 to 2026/2027, culminating in the setting of the Council Tax precept for 2022/23 in February 2022. This will (alongside the Council Plan) support the Council in setting a budget that is affordable and aligned to Council priorities.

The Service Director – Resources presented the report entitled Medium Term Financial Strategy and advised:

- The Communications team looked at the wording of the report to make it more accessible to public and improve the presentation, but the principles and technical content are correct.
- The report has factored in the impacts of Covid 19.
- It was assumed that there will be no changes to the funding formula.
- It was assumed that there will be a small increase in the Council Tax base. As Covid restrictions reduce more people are expected to be able to pay standard rate of Council Tax.
- Council Tax will be increased by highest amount allowed without a referendum.
- There will need to be £1.8million of savings over the 5-year period.
- The report offered details on how this will be saved; through increase automation of services, increase income from commercial activities and reduction of some services.

Following a vote, it was:

**RECOMMENDED TO CABINET:** That they recommend to Full Council the adoption of the Medium Term Financial Strategy 2022-2027 as outlined in Appendix A.

**REASON FOR DECISION:** Adoption of a MTFs and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2022/2023 to 2026/2027, culminating in the setting of the Council Tax precept for 2022/23 in February 2022. This will (alongside the Council Plan) support the Council in setting a budget that is affordable and aligned to Council priorities.

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**6d. REFERRAL FROM OVERVIEW AND SCRUTINY COMMITTEE: 14 SEPTEMBER 2021 - CUSTOMER SERVICE STRATEGY 2021 - 2026**

The Service Director - Customers introduced the report entitled Customer Service Strategy 2021 - 2026, together with the following appendices:

- Appendix A – Customer Service Strategy 2021 - 2026;
- Appendix B – Customer Care Standards

She drew attention to the following:

- The report was being presented to the Committee ahead of consideration by Cabinet;
- The Strategy pre-emptively referred to the ‘People First’ priority set out in the draft Council Plan, due to be considered by Cabinet and Council in September 2021;
- The Strategy set out how NHDC would put its customers at the heart of everything we do and reflected changes which had been brought about as a result of the pandemic, e.g. increased use of digital support services;
- It was recognised that, for some customers, traditional contact methods remained essential and these would continue to be provided;
- A Target Operating Model had been adopted, as recommended in the Peer Review.

The following Members took part in discussion:

- Councillor Morgan Derbyshire;
- Councillor Claire Strong;
- Councillor Tony Hunter.

Comments from Members included:

- This was an enlightening and necessary document;
- Council had not yet agreed the NHDC rebranding/new logo – a presentation to Council on this would be appreciated before the official launch.

The Service Director – Customers, replied to questions from Members as follows:

- Emails to the Customer Service Centre were automatically acknowledged; there was also a target to reply to emails in full within two days;
- The new NHDC logo was due to be officially launched in October, and had therefore been included on this new document;
- Members would be updated on the status of the re-branding;
- The Councillor Portal was currently being piloted by a group of 15 Councillors before being rolled out to all Councillors – it will allow Councillors to raise and track a case, and send things through to departments and teams directly on behalf of constituents – there were also links to useful information such as crime data and a link to mod.gov.

Councillor Jim McNally proposed, Councillor Claire Strong seconded, and it was:

**RESOLVED:** That the report entitled Customer Service Strategy 2021 - 2026 and appendices be noted.

**REASON FOR DECISIONS:** To enable the Overview and Scrutiny Committee to comment on the report entitled Customer Service Strategy 2021 - 2026 prior to consideration by Cabinet.

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