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NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

TUESDAY, 25TH JANUARY, 2022

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 - 8)
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Two referrals from the Overview & Scrutiny Committee of 14 December 2021 are enclosed.

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

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6c. REFERRAL FROM FINANCE, ADUIT AND RISK COMMITTEE: REVENUE BUDGET 2022-2023

RECOMMENDED TO CABINET:

- (1) Approves the decrease in the 2021/22 working budget of £111k, as detailed in table 5;
- (2) That Cabinet recommends to Council to note the position on the Collection Fund and how it will be funded;
- (3) That Cabinet recommends to Council to note the position relating to the General Fund balance and that due to the risks identified a minimum balance of £2.95 million is recommended;
- (4) That Cabinet recommends to Council to approve the saving and investments as detailed in Appendix B;
- (5) That Cabinet recommends to Council to approve a net expenditure budget of £18.123m, as detailed in Appendix C.
- (6) That Cabinet recommends to Council to approve a Council Tax increase of £5 or a band D property (other bands with pro-rata increases). This is in line with the Medium Term Financial Strategy and is equivalent to 2.08%.

REASON FOR RECOMMENDATIONS: To ensure that all relevant factors are considered in arriving at a proposed budget and Council Tax level for 2022/23, to be considered by Full Council on 10 February 2022. To ensure that the budget is aligned to Council priorities for 2022/23 as set out in the Council Plan.

The Service Director – Resources presented the report entitled Revenue Budget 2022/23 and advised:

- Paragraph 5.2 details the Business Ratepayers statutory consultation;
- Paragraph 8.1 to 8.6 summarises some of the key savings investments and are generally in line with what was presented at budget workshops;
- Paragraph 8.20 details that as Chief Finance Officer, it is required that advice be provided on what is the minimum General Fund balance;
- Paragraph 8.21 provides a table of a budget provision, set aside for COVID impact in both 2022/23 and 2023/24;
- The COVID provision money will be set aside in one general pot to be allocated as required;
- Paragraph 8.24 and 8.25 detail that the Council will need to borrow at the end of the period;
- Paragraphs 8.26 to 8.30 provides a commentary on the reliability of estimates within the budget, as well as mentioning the CIPFA financial resilience index which is yet to be published;
- Paragraph 8.32 highlights that the overall impact is that the Council needs to find a minimum of 1.5m savings over the next 5 years.

The following Members asked questions:

- Councillor Terry Hone

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

- The Alternative Financial Model is accounted a year in arrears, the amount stated in 2022/23 is based on the performance of 2021/22. There is a risk this year that the Council won't receive anything. The amount of the year after is an estimate based on County Council information.

Following the vote, it was:

RECOMMENDED TO CABINET:

- (7) Approves the decrease in the 2021/22 working budget of £111k, as detailed in table 5;
- (8) That Cabinet recommends to Council to note the position on the Collection Fund and how it will be funded;
- (9) That Cabinet recommends to Council to note the position relating to the General Fund balance and that due to the risks identified a minimum balance of £2.95 million is recommended;
- (10) That Cabinet recommends to Council to approve the saving and investments as detailed in Appendix B;
- (11) That Cabinet recommends to Council to approve a net expenditure budget of £18.123m, as detailed in Appendix C.
- (12) That Cabinet recommends to Council to approve a Council Tax increase of £5 or a band D property (other bands with pro-rata increases). This is in line with the Medium Term Financial Strategy and is equivalent to 2.08%.

REASON FOR RECOMMENDATIONS: To ensure that all relevant factors are considered in arriving at a proposed budget and Council Tax level for 2022/23, to be considered by Full Council on 10 February 2022. To ensure that the budget is aligned to Council priorities for 2022/23 as set out in the Council Plan.

The reports considered by the Committee can be found at Item 7 here: [Agenda for Finance, Audit and Risk Committee on Monday, 17th January, 2022, 7.30 pm - North Hertfordshire District Council \(north-herts.gov.uk\)](#)

REFERRAL FROM FINANCE, ADUIT AND RISK COMMITTEE: REVENUE BUDGET 2022-2023

RECOMMENDED TO CABINET:

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

REASON FOR RECOMMENDATIONS:

- (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 Department of Levelling Up, Housing and Communities (DLUHC) 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:

- Paragraph 5.1 details the minor changes made to the capital items since the budget workshops;
- The two changes to those capital items are an addition of an item in relation to building a new mausoleum at the Wilbury Hill site and capitalising bin purchases;
- Paragraph 8.7 highlights that the Council will have a need to borrow based on forecasts in 2026/27 to fund the capital programme;
- The new Prudential Code is prompting Local Authorities towards internal borrowing, borrowing against revenue reserves;
- Paragraph 8.9 has a proposed change to the Investment Strategy, in how the Council invests its surplus cash.
- Paragraph 8.9 also proposes to change the institution minimum credit rating for non-UK investments from AA- to A+;
- Paragraph 8.10 highlights that the Commercial Team are still looking at some investment options that have not been outlined in the Investment Strategy;

The following Members asked questions:

- Councillor Terry Hone

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

- The bins the Council are not capitalising are the brown bins on the basis that the residents, in some cases, will have paid for those bins and they are their assets rather than the Council's. Some trade waste bins are also considered the customer's. The bins the Council feel they own are being capitalised.

- The Waste Facility mentioned on P. 15 Appendix A is a joint venture with Hertfordshire County Council. The values included are an estimation of NHC's share and not the overall total.

Following a vote, it was:

RECOMMENDED TO CABINET:

- (3) That Cabinet recommends to Council the adoption of the Investment Strategy (as attached at Appendix A), including the capital programme and prudential indicators;
- (4) That Cabinet recommends to Council the adoption of the four clauses in relation to the Code of Practice on Treasury Management (as detailed in paragraphs 8.12 to 8.17)

REASON FOR RECOMMENDATIONS:

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

The reports considered by the Committee can be found at Item 8 here: [Agenda for Finance, Audit and Risk Committee on Monday, 17th January, 2022, 7.30 pm - North Hertfordshire District Council \(north-herts.gov.uk\)](#)

**6e REFERRAL FROM OVERVIEW AND SCRUTINY COMMITTEE: 14 DECEMBER 2021
– Q2 PERFORMANCE INDICATORS 2021-22**

RECOMMENDED TO CABINET: To consider further messaging and communications, not exclusive to social media, to clarify the process for residents regarding food waste and the missed collection protocol.

REASONS FOR DECISIONS: To update the Committee on the performance indicators as well as other indicators that officers have updated and activated on Pentana Risk.

The Controls, Risk and Performance Manager presented the report entitled 'Quarter 2 PI Data' including:

- This report showed the data for 21 Indicators to the end of September 2021 and there were four green, two amber and three red Indicators. The remaining indicators were for information only and did not have targets.
- Sales Ledger collection was up on last year and improving month on month, but was still down on target.
- Payment collections from businesses were still facing issues with fewer court dates available to reclaim owed monies and payment deadlines being pushed back to February or March 2022.
- North Herts is performing well against other Herts authorities regarding Homeless Prevention and Relief, but down on performance from last year.
- Visits to leisure centres are continuing to perform well against the recovery plan.
- Residual Household Waste indicator was red and this was down primarily to food waste in residual bins, but public messaging was going out to target this.
- Outlined the other Waste Indicators and noted that recycling was improving on last year.

The following Members asked questions:

- Councillor David Levett
- Councillor Terry Hone
- Councillor Claire Strong

The Senior Estates Manager advised that the government moratorium on rent had been extended to 25 March 2022, but could be further extended.

In response to questions the Controls, Risk and Performance Manager advised:

- The rents owed generally amounted to a small proportion of Sales Ledger invoices. The higher value invoices generally fell within the Estates department.
- Communications on social media had been made to encourage residents to reduce food waste in residual bins.
- They were unsure of the breakdown of the 21 households in temporary accommodation and would look to provide Members with details of this following the meeting.

In response to questions the Deputy Executive Member for Recycling and Waste Management advised:

- Messages addressing food waste had been included in previous Outlook magazines.
- When food waste collections have had to be suspended, due to staffing shortages and the pandemic, the issue tended to get worse.

- A previous composition waste analysis had been completed at the beginning of 2022, but it was difficult to monitor and repeat due to the scale of the project.
- Council messages had been clear on this, but this had been confused by different messages locally.
- The message had been consistently that food waste could go in the residual waste bin if no other alternative and while this was not ideal it was deemed a necessary short term measure.

Councillor Terry Hone advised that it would not be legal for the Council to tell residents to put food waste in their charged garden waste bin.

Councillor David Levett commented that the advice given relating to this may need a refresh to ensure the best information is being provided.

Councillor Terry Hone requested that Officers and Executive Members seek advice from other authorities regarding their actions on food waste and missed collections to explore other options and ensure best practice is followed. Councillor Carol Stanier advised that she would request the Executive Member raise this with the Hertfordshire Waste Partnership group.

Councillor Claire Strong proposed and Councillor Terry Hone seconded and, following a vote, it was:

RESOLVED: That the report entitled 'Q2 Performance Indicators 2021-22' be noted.

RECOMMENDED TO CABINET: To consider further messaging and communications, not exclusive to social media, to clarify the process for residents regarding food waste and the missed collection protocol.

REASONS FOR DECISIONS: To update the Committee on the performance indicators as well as other indicators that officers have updated and activated on Pentana Risk.