

NORTH HERTFORDSHIRE DISTRICT COUNCIL

DECISION SHEET

Meeting of the Finance, Audit and Risk Committee held in the Council Chamber, District Council Offices, Gernon Road, Letchworth on Wednesday, 7th December, 2022 at 7.30 pm

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Morgan Derbyshire, Sean Nolan and Clare Billing.

Having given due notice Councillor Simon Bloxham substituted for Councillor Morgan Derbyshire and Councillor Chris Hinchliff for Councillor Sean Nolan.

2 MINUTES - 7 SEPTEMBER 2022

RESOLVED: That the Minutes of the meeting held on 7 September 2022 be approved as a true record of the proceedings and be signed by the Chair.

3 NOTIFICATION OF OTHER BUSINESS

There was no other business notified.

4 CHAIR'S ANNOUNCEMENTS

(1) The Chair welcomed those present at the meeting, especially John Cannon who is now the independent member for FAR.

(2) The Chair drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.

(3) The Chair made a statement concerning the sad death of Councillor Judi Billing MBE and invited attendees to join him in a minute's silence.

5 PUBLIC PARTICIPATION

There was no public participation.

6 EY AUDIT PLANNING FOR YEAR ENDED 31 MARCH 2022

RESOLVED: That the Committee notes the report entitled EY Audit Planning for Year End 31 March 2022.

7 SAFS UPDATE ON ANTI-FRAUD PLAN 2022/23

RESOLVED: That the Committee notes the work of Council Officers and the Shared Anti-Fraud Service in delivering the 2022/23 Anti-Fraud Plan

8 SIAS PROGRESS UPDATE 2022/23

DECISION: That the Committee:

(1) Notes the report entitled SIAS Progress Update 2022/23.

(2) Approve the plan amendments to the 2022/23 Annual Internal Audit Plan.

9 ANNUAL GOVERNANCE STATEMENT 2021/22

RESOLVED: That the Committee reviews and comments on the draft Annual Governance Statement Action Plan for it to be finalised for approval as soon as possible after the Council's External Audit has been completed.

REASON FOR DECISION: The Committee is the legal body with responsibility for approval of the AGS. Reporting the draft AGS and Action Plan at this stage provides an opportunity for the Committee to assess and comment on the draft before it is finalised and brought back for approval after the External Audit has been completed.

10 COUNCIL TAX REDUCTION SCHEME 2023/24

RECOMMENDED TO CABINET: To:

(1) Note that a full review of the Council Tax Reduction Scheme has taken place and that consultation with the public and Major Precepting Authorities has taken place.

(2) Note the aim of the review has been to introduce a new scheme that will:

- enable us to increase the overall level of support for the lowest income households;
- reduce the administrative burden placed on the Council following the introduction of Universal Credit;
- make the scheme easier for our customers to understand and calculate entitlement.

(3) Recommend to Council that a new banded scheme for working age applicants is adopted from 01 April 2023.

(4) Recommend to Council the use of the Council Tax Hardship Grant to fund a discretionary scheme to provide additional transitional support where appropriate and that decisions regarding Discretionary support are delegated to the Service Director Customers in consultation with the Executive Member for Finance and IT.

(5) Note that the new scheme may increase the costs from those of the current scheme, any increase will be split between the Council and its Major Precepting Authorities. The Council's share is expected to be around 12.5%.

REASON FOR DECISIONS: To ensure that the Council has a fit for purpose Council Tax Reduction Scheme that:

- Provides the greatest support to the lowest income households;
- Reduces the administrative burden that has been placed on the Council since the introduction of Universal Credit (UC);
- Is simple to understand, meaning that customers will be able to calculate entitlement and assess the impact of potential changes in circumstances.

11 ANNUAL REVIEW OF THE CONTRACT PROCUREMENT RULES

RECOMMENDED TO COUNCIL: That Council considers the proposed changes and recommends their adoption to Full Council.

REASON FOR DECISION: The Contract Procurement Rules (CPR's) are part of the Constitution (under Section 20) and must be regularly reviewed and updated as part of the Council's governance and procurement review processes, contributing to the Council's system of effective internal control.

12 HALF YEARLY UPDATE ON RISK MANAGEMENT

DECISIONS: That the Committee:

- (1) Notes and provides recommendations to Cabinet on the Half Yearly Risk Management update;
- (2) Notes and provides recommendations to Cabinet on the review of the Risk Management Framework;
- (3) Comments on the type of Risk Management Training they would like to see going forward.

REASON FOR DECISIONS:

- (1) The responsibility for ensuring the management of risks is that of Cabinet;
- (2) This Committee has responsibility to monitor the effective development and operation of Risk Management.

13 SECOND QUARTER REVENUE BUDGET MONITORING 2022/23

RECOMMENDED TO CABINET: That Cabinet:

- (1) Note this report;
- (2) Approves the changes to the 2022/23 General Fund budget, as identified in table 3 and paragraph 8.2, a £270k decrease in net expenditure;
- (3) Notes the changes to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.2, a total of £69k increase in net expenditure. These will be incorporated in the draft revenue budget for 2023/24.

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.

14 SECOND QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2022/23

RECOMMENDED TO CABINET: That Cabinet:

- (1) Note the forecast expenditure of £9.815M in 2022/23 on the capital programme, paragraph 8.3 refers.
- (2) Approves the adjustments to the capital programme for 2022/23 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the estimated spend in 2023/24 by £0.861M and £2.0M in 2024/25
- (3) Notes 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) Recommends to Council that it notes the position of Treasury Management activity as at the end of September 2022.

REASONS FOR DECISION:

(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.

15 DRAFT BUDGET 2023/24

RECOMMENDED TO CABINET: That Cabinet:

(1) Note the latest funding forecasts for 2023/24 onwards and the significant uncertainty that still remains;

(2) Confirms that it is necessary to increase Council Tax by 3% (the maximum amount now allowed without a local referendum) as this is what will be assumed by Government in determining the Business Rates that the Council can retain;

(3) Confirms that the Council should be a part of the Business Rate pool in 2023/24, but delegated to the Service Director: Resources, in consultation with the Executive Member for Finance and IT, authority to withdraw from the pooling arrangement if there are significant changes that would make it likely that the Council would suffer a financial loss from pooling;

(4) Notes the comments made at the budget workshops, and comment on the inclusion of the revenue savings and investments in the budget to be brought back for consideration in January, for referral on to Council in February;

(5) Notes the comments made at the budget workshops, and comment on the inclusion of the capital investments in the Investment Strategy to be brought back for consideration in January, for referral on to Council in February.

REASON FOR DECISIONS: To ensure that all relevant factors are considered in arriving at a proposed budget, Investment Strategy and Council Tax level for 2023/24, to be considered by Full Council on 23 February 2022.

16 POSSIBLE AGENDA ITEMS FOR FUTURE MEETINGS

The Chair requested that, should any Members have any suggestions for agenda items for future meetings, they advise himself, officers or the Committee Clerk.