

NORTH HERTFORDSHIRE DISTRICT COUNCIL

DECISION SHEET

Meeting of the Cabinet held in the Committee Room 2, District Council Offices, Gernon Road,
Letchworth, Herts, SG6 3JF
on Tuesday, 25th June, 2024 at 7.30 pm

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Tamsin Thomas.

2 MINUTES - 19 MARCH 2024

RESOLVED: That the Minutes of the Meeting of the Committee held on 19 March 2024 be approved as a true record of the proceedings and be signed by the Chair.

3 CHAIR'S ANNOUNCEMENTS

- (1) The Chair advised that, in accordance with Council Policy, the meeting would be audio recorded.
- (2) Members were reminded that this Council had declared both a Climate Emergency and an Ecological Emergency. These were serious decisions and meant that, as these were emergencies, all of us, officers and Members had that in mind as we carried out our various roles and tasks for the benefit of our District.
- (3) 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.
- (4) The Chair advised for the purposes of clarification that 4.8.23(a) of the Constitution did not apply to this meeting.

4 NOTIFICATION OF OTHER BUSINESS

There was no other business notified.

5 PUBLIC PARTICIPATION

There was no public participation at the meeting.

6 ITEMS REFERRED FROM OTHER COMMITTEES

The Chair advised that items referred from the Overview and Scrutiny Committee and the Finance, Audit and Risk Committee, would be taken with their respective items on the agenda.

7 COUNCIL DELIVERY PLAN 2023-24 (END OF YEAR)

RESOLVED: That Cabinet:

- (1) Noted the progress against Council projects as set out in the Council Delivery Plan (Appendix A) including new milestones and changes to milestone dates.
- (2) Noted the completion in Q4 of the projects detailed in paragraph 8.5.

REASON FOR DECISIONS: The Council Delivery Plan (CDP) monitoring reports provide Overview and Scrutiny, and Cabinet, with an opportunity to monitor progress against the key Council projects, and understand any new issues, risks, or opportunities.

8 ANNUAL REPORT ON RISK MANAGEMENT GOVERNANCE

RESOLVED: That Cabinet noted this report.

RECOMMEND TO COUNCIL: That Council note the report.

REASONS FOR DECISION:

- (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.

9 REVENUE BUDGET OUTTURN 2023/24

RESOLVED: That Cabinet:

- (1) Noted this report.
- (2) Approved a decrease of £194k in the 2023/24 net General Fund expenditure, as identified in section 8, to a total of £16.494million.
- (3) Approved the adjustments to the 2024/25 General Fund budget, as identified in table 4 and paragraph 8.3, a total £634k increase in net expenditure.

RECOMMENDED TO COUNCIL: To approve the net transfer to earmarked reserves, as identified in table 9, of £2.028million.

REASONS FOR DECISIONS:

- (1) 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.
- (2) Changes to the Council's balances are monitored and approved.

10 INVESTMENT STRATEGY (CAPITAL AND TREASURY) END OF YEAR REVIEW 2023/24

RESOLVED: That Cabinet:

- (1) Noted expenditure of £2.409million in 2023/24 on the capital programme, paragraph 8.3 refers.
- (2) Approved the adjustments to the capital programme for 2024/25 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend by £2.655million and £0.193million in 2025/26.
- (3) Noted the position of the availability of capital resources, as detailed in table 4 paragraph 8.7 and the requirement to keep the capital programme under review for affordability.
- (4) Approved the application of £1.313million of capital receipts/set aside towards the 2023/24 capital programme, paragraph 8.7 refers.
- (5) Noted the position of Treasury Management activity as at the end of March 2024.

RECOMMENDED TO COUNCIL:

- (1) To approve the actual 2023/24 prudential and treasury indicators.
- (2) To note the annual Treasury Report for 2023/24.
- (3) To approve a change to the Investment Strategy allowing investments to be placed on Lloyds Call Account so the combined total of Current Account and Call Account is up to £5M.

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.

11 KEY PERFORMANCE INDICATORS 2024/25

RESOLVED:

- (1) That Cabinet adopted the performance indicators set out in paragraph 8.3 for 2024/25.
- (2) Considered adding Key Performance Indicators regarding performance of third party suppliers and staff satisfaction.
- (3) Agreed that Key Performance Indicators were published to the Members Information Service when provided to Cabinet.

REASON FOR DECISIONS: North Herts District Council had tried to move towards having indicators that were focused on key projects of the Council. However it had been found that these do not generally give the level of Council oversight that the Council would want. Therefore these performance indicators are proposed to give that view of overall performance.

12 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the said Act (as amended).

13 PART 2 MINUTES - 12 DECEMBER 2023

RESOLVED: That the Part 2 Minutes of the Meetings of the Committee held on 12 December 2023 be approved as a true record of the proceedings and be signed by the Chair.

14 LEISURE INVESTMENT OPTIONS - PART 2

RESOLVED: That the Part 2 report was considered when the decisions detailed in Part 1 were reached.

REASONS FOR DECISION: As detailed in the Part 1 report.

15 LEISURE INVESTMENT OPTIONS - PART 1

RESOLVED: That Cabinet:

- (1) Agreed in principle to terminate the Combined Heat and Power Centrica contracts at North Herts Leisure Centre (NHLC) and Hitchin Swimming and Fitness Centre (HSFC) at the appropriate time during the PSDS project and recommend to Council as per 2.6 below regarding the termination fee.
- (2) Expressed its profound disappointment at the position taken by Centrica over the cost of the CHP contract termination, given the company's stated position as "Energising a greener, fairer future" and requests that the Council continues to raise, and seek solutions to, the issue of long-term inflexible agreements for gas CHPs with Salix and Government, which will inevitably prevent many public sector organisations from achieving their net zero ambitions.
- (3) Did not approve the business case for Royston Leisure Centre Learner Pool at this time due to matters identified in the Part 2 report.
- (4) Agreed that the Project Board would review the business case for the Royston Learner Pool, after further work had taken place to explore any other funding options that were realistically available. That review would then feed into the planned review of the Council's capital programme, as part of the 2025/26 budget setting process.

RECOMMENDED TO COUNCIL:

- (1) An increase in capital expenditure of £2.4m into the capital programme for the decarbonisation work to the three leisure centres. The overall budget will be profiled across 2024/25 and 2025/26.
- (2) An increase in the capital budget of £250k for the Royston Leisure Centre (RLC) gym extension, to ensure the extension is built to net zero carbon standards.
- (3) Approval of revenue expenditure of up to £757k for termination and removal fees of the gas CHPs at North Herts Leisure Centre and Hitchin Fitness and Swimming Centre. This would be funded from General Fund reserves. To take this Part 2 report into consideration when reaching the decisions detailed in Part 1.

REASONS FOR DECISIONS:

- (1) North Herts Council passed a climate emergency motion in May 2019. This declaration asserted the council's commitment toward climate action beyond current government targets and international agreements. This is currently pursued through the North Herts Climate Change Strategy 2022-2027 which sets out what the council will aim to do to reduce its own carbon emissions to achieve Carbon Neutrality for the Council's own operations by 2030 and a Net Zero Carbon district by 2040.
- (2) Gas use from our leisure centres is a significant contributor towards the Council's own emissions. In 2022-23, gas use across the three leisure centres accounted for 1,428 tonnes CO₂e. This equates to 45% of the Council's Scope 1-3 emissions. Taking action to replace gas heating for our leisure centres with low carbon alternatives is the single most effective action we can take towards meeting our target of being carbon neutral by 2030.
- (3) There is currently a capital allocation in the 2024/25 budget to build a gym extension and learner pool (subject to business case) at Royston Leisure Centre.

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- (4) During the procurement for the leisure and active communities contract, the Council committed to deliver the gym extension project which is incorporated in to the contractual management fee. The initial tender stage returns showed that extension would generate additional income of at least £150k per year, and subject to inflationary increases. The latest estimate is that the capital costs will be £1.25m. This is an increase from the initial estimate of £1m and includes making the extension net-zero. The income generated will still exceed the revenue cost of capital (at around £90k per year), but in line with the financial regulation the increased capital spend needs to be approved by Cabinet.
- (5) The business case for the learner pool has not yet been agreed and is included in the Part 2 report.