

# NORTH HERTFORDSHIRE DISTRICT COUNCIL

## DECISION SHEET

Meeting of the Finance, Audit and Risk Committee held in the Council Chamber, District Council Offices, Letchworth Garden City, SG6 3JF on Wednesday, 8th January, 2025 at 7.30 pm

### 1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Steven Patmore and Paul Ward.

Having given due notice, Councillor Ralph Muncer substituted for Councillor Patmore and Councillor Caroline McDonnell substituted for Councillor Ward.

### 2 MINUTES - 13 NOVEMBER 2024

**RESOLVED:** That the Minutes of the Meeting of the Committee held on 13 November 2024 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 advised that, in accordance with Council Policy, the meeting would be recorded.
- (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 advised that section 4.8.23(a) of the Constitution did not apply to this meeting.

### 5 PUBLIC PARTICIPATION

There was no public participation at this meeting.

### 6 INTERNAL AUDIT REPORT – REVIEW OF FINANCE, AUDIT AND RISK COMMITTEE

**RESOLVED:** That the Committee commented on and noted the Internal Audit report as attached at Appendix A.

**REASON FOR DECISION:** To allow the Committee to discuss the findings of the Internal Audit report, and contribute to the actions to improve the effectiveness of the Committee.

### 7 REVENUE AND CAPITAL BUDGETS FOR 2025/26 ONWARDS

**RECOMMENDED TO CABINET:** The Finance, Audit and Risk Committee commented on the recommendations to Cabinet, which are:

- (1) That Cabinet notes the Council's expected funding for 2025/26.
- (2) That Cabinet confirms (in line with the Medium-Term Financial Strategy) that budget forecasts should be based on increasing Council Tax by 2.99% (the maximum amount allowable without a local referendum). Noting that Government have assumed Council Tax will increase by the maximum allowed in calculating Core Spending Power.

- (3) That Cabinet notes that the Council may see real-term reductions in its funding in future years.
- (4) That, in the context of the above, Cabinet agree which proposals (revenue and capital) should be taken forward as part of the budget-setting process for 2025/26.

**REASON FOR REFERRAL:** To ensure that all relevant factors are considered in arriving at a proposed budget, Investment Strategy and Council Tax level for 2025/26, to be considered by Full Council on 27 February 2025.

## 8 REPORT ON RISK MANAGEMENT GOVERNANCE (MID-YEAR UPDATE)

**RESOLVED:** That Finance, Audit and Risk Committee noted and provided recommendations to Cabinet on this mid-year Risk Management governance update.

**RECOMMENDED TO CABINET:** That Finance, Audit and Risk Committee commented on the changes to the Risk Management Framework and recommended to Cabinet that they approve the changes.

### **REASONS FOR REFERRAL:**

- (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 SECOND QUARTER REVENUE BUDGET MONITORING 2024/25

**RECOMMENDED TO CABINET:** The Finance, Audit and Risk Committee commented on the recommendations to Cabinet, which are:

- (1) That Cabinet note this report.
- (2) That Cabinet approves the changes to the 2024/25 General Fund budget, as identified in table 3 and paragraph 8.2, a £550k decrease in net expenditure.
- (3) That Cabinet notes the changes to the 2025/26 General Fund budget, as identified in table 3 and paragraph 8.2, a total £306k increase in net expenditure. These will be incorporated in the draft revenue budget for 2025/26.
- (4) That Cabinet approve the debt write-offs detailed in paragraphs 8.16 and 8.17.

**REASON FOR REFERRAL:** 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.

## 10 SECOND QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2024/25

**RECOMMENDED TO CABINET:** The Finance, Audit and Risk Committee provided comments on the recommendations to Cabinet, which are:

- (1) That Cabinet notes the forecast expenditure of £15.699M in 2024/25 on the capital programme, paragraph 8.3 refers.

**Wednesday, 8th January, 2025**

- (2) That Cabinet 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.
- (3) That Cabinet recommends to Council that it notes the position of Treasury Management activity as at the end of September 2024.
- (4) That Cabinet recommends to Council that it approves capital budgets in 2025/26 for a new flume (£300k) and a refurbishment of the pool changing rooms (£250k) at North Herts Leisure Centre, subject to the revised assessments following the decision by Cabinet regarding Public Sector Decarbonisation Scheme on 14 January 2025.

***REASONS FOR REFERRAL:***

- (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.
- (3) The proposal to approve the 2025/26 capital budgets at North Herts Leisure Centre in January (rather than in the usual budget report at the end of February) means that the works can take place at the same time as the decarbonisation works, and therefore not require two periods where the pool cannot be used. It also provides a more obvious benefit to users of the facility.

**11 POSSIBLE AGENDA ITEMS FOR FUTURE MEETINGS**

The Chair led a discussion regarding possible agenda items for future meetings.