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NORTH HERTFORDSHIRE DISTRICT COUNCIL

FINANCE, AUDIT AND RISK COMMITTEE

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES
ON MONDAY, 17TH JANUARY, 2022 AT 7.30 PM

MINUTES

Present: *Councillors: Councillor Keith Hoskins MBE (Chair), Adam Compton, Morgan Derbyshire, Terry Hone and Sean Prendergast*

In Attendance: *Ian Couper (Service Director – Resources), Isabelle Allajooz (Legal Commercial Team Manager), William Edwards (Committee, Member and Scrutiny Manager), Louis Mutter (Committee, Member and Scrutiny Officer)*

1 APOLOGIES FOR ABSENCE

Audio recording – 1:26

Apologies for absence were received from Councillor Adem Ruggerio-Cakir.

2 MINUTES - 15 DECEMBER 2021

Audio Recording – 1:40

RESOLVED: That the Minutes of the Meeting of the Committee held on 15 December 2021 be approved as a true record of the proceedings and be signed by the Chair.

3 NOTIFICATION OF OTHER BUSINESS

Audio recording – 2:18

There was no other business notified.

4 CHAIR'S ANNOUNCEMENTS

Audio recording – 2:20

- (1) The Chair welcomed those present at the meeting, especially those who had attended to give a presentation;
- (2) The Chair advised that, in accordance with Council Policy, the meeting would be audio recorded;
- (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 drew attention to a supplementary agenda pack for item 7 that had been published containing an updated version of Appendix A owing to a technical problem with the original document.

5 PUBLIC PARTICIPATION

Audio recording – 3:03

There was no public participation at this meeting.

6 UPDATED CONTRACT PROCUREMENT RULES FOR 2022/2023

Audio Recording: 3:10

The Legal Commercial Team Manager presented the report entitled Updated Contract Procurement Rules for 2022/23, together with Appendix A – Contract Procurement Rules showing track changes. She drew attention to the following:

- The amendments have been made in consultation with the Councils Contracts and Procurement Group, as well as relevant Executive Members and Deputies;
- Amending the Go Local threshold from £50,000 to £100,000, asking officers to consider going local in procurements that meet that threshold;
- The Contract Procurement Rules form part of the Constitution at Section 20, amendments to these rules have been made as a result of the UK's withdrawal from the European Union;
- Paragraph 8.5 sets out the threshold amendments that have been made and contained in Appendix A as tracked changes;
- Terminology has also been changed to reflect the UK's withdrawal from the European Union.

The following Members asked questions

- Councillor Terry Hone
- Councillor Adam Compton

In response to questions, the Legal Commercial Team Manager advised:

- Consultations with neighbouring Local Authorities took place before any amendments were made;
- The Council's Contracts and Procurement Group allows discussions between key contract managers and any changes are made after consulting this group;
- If these amendments are adopted, the Legal Commercial Team Manager would provide training on any key amendments;
- A requirement to add contracts above £5,000 into the contract register would be added to the Contract Procurement Rules due to the Local Government Transparency Code;
- A definition would be provided for the acronym WTOGPA;
- The use of the term 'e-tender' would be looked into due to its possible confusion between tender and quotations.
- Guidance is provided on the intranet around Regulation 84 reports which can be added onto the Section 20 CPRs.

RECOMMENDED TO CABINET: That they recommend to Full Council the adoption of the Updated Contract Procurement Rules for 2022/23 as outlined in Appendix A

REASON FOR DECISION: That the Contract Procurement Rules are part of the Constitution (under Section 20) and are revised and updated periodically as part of the Council's governance and procurement review processes, contributing to effective organisational internal control.

7 REVENUE BUDGET 2022/23

Audio Recording: 29:35

The Service Director – Resources presented the report entitled Revenue Budget 2022/23 together with the following appendices:

- Appendix A – Financial Risks 2022/2023;
- Appendix B – Revenue Budget Savings and Investments;
- Appendix C – Budget Summary 2022 – 2027.

He drew attention to the following:

- 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:

- (1) That Cabinet 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.

8 INVESTMENT STRATEGY (INTEGRATED CAPITAL AND TREASURY)

Audio Recording – 16:38

The Service Director – Resources presented the report entitled Revenue Budget 2022/23 together with the following appendices:

- Appendix A – Financial Risks 2022/2023;
- Appendix B – Revenue Budget Savings and Investments;
- Appendix C – Budget Summary 2022 – 2027.

He drew attention to the following:

- 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) That Cabinet 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.

9 POSSIBLE AGENDA ITEMS FOR FUTURE MEETINGS

Audio recording – 40:45

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

The meeting closed at 8:11 pm

Chair

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