

Item No	Referred from:	FINANCE, AUDIT AND RISK COMMITTEE
6F	Date:	4 SEPTEMBER 2024
	Title of item:	MEDIUM TERM FINANCIAL STRATEGY 2025-30
To be considered alongside agenda item:		AGENDA ITEM 15

The report considered by Finance, Audit and Risk Committee at the meeting held on 4 September 2024 can be viewed here [Agenda for Finance, Audit and Risk Committee on Wednesday, 4th September, 2024, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

**RECOMMENDATION TO CABINET:** The adoption of the Medium Term Financial Strategy 2025-30

**REASON FOR RECOMMENDATION:** Adoption of a MTFS and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2025/2026 to 2029/2030, culminating in the setting of the Council Tax precept for 2025/26 in February 2025. Alongside the Council Plan, this will support the Council in setting a budget that is affordable and aligned to Council priorities.

Audio recording – 1 hour 45 minutes 14 seconds

*N.B Councillor Paul Ward declared an interest and left the Chamber at 21:16, Councillor Griffiths returned to the Chamber at 21:18.*

The Service Director – Resources presented the report entitled ‘First Quarter investment Strategy (Capital and Treasury) Review 2024-25’ and highlighted that:

- The details in relation to current investments were highlighted in the report appendix.
- The returns from investments in Local Authorities were currently the highest performers and these equated to 77% of all investments. Local Authority investments were generally a lower risk than banks or building societies and were providing better returns. This was not always the case as during Covid banks and building societies provided higher returns.
- There was an ongoing review of the Capital programme and therefore the analysis provided in the report was not as detailed as previous reports, a more in-depth analysis would be presented to the Committee in quarter 2.
- It was proposed that a small amount of the IT spend scheduled for 2025-26 be brought forward to 2024-25, this would save money and was detailed in paragraph 8.9 of the report.
- It was becoming no longer viable to repair the chiller at the North Herts Museum and a spend of £80K was proposed to replace the chiller.
- Details of the Local Authority Housing Fund award were highlighted in paragraphs 8.5 to 8.8 of the report. Funding had been awarded for 10 properties and approval was sought from Council to add this item to the Capital programme.
- It was anticipated that housing providers would provide any required match funding.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Dominic Griffiths

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

- Settle had provided match funding for the previous Local Authority Housing Fund awards.
- The forecast of external debts shown on page 177 of the report, was calculated from forecast capital spend, it was likely that any future borrowing would commence with internal borrowing.
- The total forecast debt assumed the full delivery of the Capital programme.
- There was a multi-million provision for the new waste vehicles which formed part of the new contract and was factored into the contract costs.
- A provision had been made in the near future for a new waste depot, which could be moved to later years.
- Borrowing was likely to be required for any Churchgate project. As with any capital spend the cost would be spread over the lifespan of the asset.
- It was a normal for Local Authorities to borrow for investments, capital spend was required to keep running services.

Councillor Vijaiya Poopalasingham proposed and Councillor Ruth Brown seconded and, following a vote, it was:

**RESOLVED:** That the Finance, Audit and Risk Committee noted the report.

**RECOMMENDATION TO CABINET:** The adoption of the Medium Term Financial Strategy 2025-30.

**REASON FOR RECOMMENDATION:** Adoption of a MTFS and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2025/2026 to 2029/2030, culminating in the setting of the Council Tax precept for 2025/26 in February 2025. Alongside the Council Plan, this will support the Council in setting a budget that is affordable and aligned to Council priorities.