

Item No	Referred from:	Cabinet
8C	Date:	10 September 2024
	Title of item:	First Quarter Investment Strategy (Capital and Treasury) Review 2024/25
To be considered alongside agenda item:		Agenda Item 13

The report considered by Cabinet at the meeting held on 10 September 2024 can be viewed here: [Agenda for Cabinet on Tuesday, 10th September, 2024, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

RECOMMENDED TO COUNCIL: That Council:

- (1) Approves a capital budget of £0.080M to fund the purchase and installation of a new chiller at the museum, paragraph 8.4 refers.
- (2) Approves a capital budget of £1.920M (£0.96M in 24/25 and £0.96M in 25/26) for round 3 of the Local Authority Housing Fund. This will be fully funded from Government grants and housing provider contributions, paragraph 8.5 refers.
- (3) Approves bringing forward £0.008M of the backup and business continuity hardware capital budget (from 2025/26 to 2024/25) and reducing the 2025/26 budget to £0.057M.
- (4) That Council approved bringing forward £0.672M of leisure funding to allow upgrades to the fitness facilities in Hitchin to take place in this financial year, instead of next financial year. This would be made up of the £0.300M budget for Member Change and Relaxation Area Refurbishment, and £0.372M of the 2025/26 allocation of the budget for providing capital funding to our leisure provider.

REASONS FOR RECOMMENDATIONS:

- (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.

Audio recording – 1 hour 53 minutes 26 seconds

The Chair invited Councillor Sean Nolan, as Chair of the Finance, Audit and Risk Committee, to present the referral on this item. Councillor Nolan advised that there had been discussion about:

- Understanding the costs and looking at the longer-term effects associated with the borrowing that was needed to fund the Capital programme.
- Any spend changes, including the new chiller required at the museum and the new waste vehicles purchased for the waste contract.
- The Churchgate project, where costs were currently unknown as the project was in an early stage.

Councillor Ian Albert, Executive Member for Finance and IT, presented the report entitled 'First Quarter Investment Strategy (Capital and Treasury) Review 2024/25' and advised:

- It was important to understand that the Council was moving towards a need to borrow to fund the Capital programme.
- A Capital Budget Review was to be conducted to feed into the 2025/26 budget process.
- Everyone Active, the new leisure provider had requested that the works planned by them, and the Council at the Hitchin gym were brought forward to this year. This would be both beneficial in attracting new users and overall be less disruptive for the leisure centre.
- Therefore, an additional recommendation would be required to ask Council to approve to bring forward part of the capital budget to this financial year.

The following Members took part in a debate:

- Councillor Tamsin Thomas
- Councillor Mick Debenham
- Councillor Ian Albert

Points raised in a debate included:

- The chiller at the museum was a specialist piece of equipment and was getting more difficult to repair. A new chiller would help ensure the protection of important items which must be stored at a certain temperature to ensure that they did not degrade. This was imperative not only to preserve the heritage of North Hertfordshire, but also to protect items lent to the museum from other areas.
- It made good sense to combine the works required at the Hitchin leisure centre to reduce any loss to revenue.
- This Capital Budget Review would be carried out to ensure that the capital programme reflected priorities set out in the Council Plan.

The Service Director – Resources advised that it was in the interest of the Council to bring forward part of the capital budget to provide a good leisure facility for the District which would generate income for the Council.

Councillor Daniel Allen proposed and Councillor Mick Debenham seconded and, following a vote, it was:

RESOLVED: That Cabinet:

- (1) Noted the forecast expenditure of £30.415M in 2024/25 on the capital programme, paragraph 8.3 refers.
- (2) Noted the position of the availability of capital resources, as detailed in table 2 paragraph 8.10 and the requirement to keep the capital programme under review for affordability.
- (3) Noted the position of Treasury Management activity as at the end of June 2024.
- (4) Approved that the Council should proceed with the Local Authority Housing Fund round 3 and submit the Memorandum of Understanding so that the Council can receive the initial allocation of funds.

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