

Public Document Pack

NORTH HERTFORDSHIRE DISTRICT COUNCIL

FINANCE, AUDIT AND RISK COMMITTEE

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES,
LETCWORTH GARDEN CITY, SG6 3JF
ON WEDNESDAY, 4TH SEPTEMBER, 2024 AT 7.30 PM

MINUTES

Present: *Councillors: Sean Nolan (Chair), Vijaiya Poopalasingham (Vice-Chair), Tina Bhartwas, Ruth Brown, Dominic Griffiths, Steven Patmore, Paul Ward and Stewart Willoughby.*

John Cannon (Independent Member) Non-voting advisory role.

In Attendance: *Ian Couper (Service Director - Resources) and Sjanet Wickenden (Committee, Member and Scrutiny Officer).*

Other Presenters: *Chris Wood (Head of Assurance Services (HCC) & Client Audit Manager (NHDC)) Philip Juhasz (Senior Fraud Investigator), and Michelle Griffiths (Fraud Prevention and Training Officer).*

Also Present: *Councillor Ian Albert was also present.*

18 APOLOGIES FOR ABSENCE

Audio recording – 1 minute 1 second

There were no apologies for absence.

19 MINUTES - 19 JUNE 2024

Audio Recording – 1 minute 9 seconds

John Cannon, Independent Member noted that the Reason for Decision details on item 9 of the minutes was unclear and that the further details regarding the ICO case were still outstanding from the Policy and Strategy Team Leader.

Councillor Sean Nolan, as Chair, proposed and Councillor Stewart Willoughby seconded and, following a vote, it was:

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

20 NOTIFICATION OF OTHER BUSINESS

Audio recording – 2 minutes 54 seconds

There was no other business notified.

21 CHAIR'S ANNOUNCEMENTS

Audio recording – 3 minutes

- (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.
- (4) The Chair confirmed that the meeting listed for the 25 September 2024 had been cancelled.
- (5) The Chair advised Members of the ongoing Community Governance Review survey which was being conducted to look at parish arrangements. The survey was open until the 7 October 2024 and posters had been provided to Members to distribute in their wards.

22 PUBLIC PARTICIPATION

Audio recording – 5 minutes 1 second

There was no public participation at this meeting.

23 SAFS ANNUAL REPORT 2023-24

Audio recording – 5 minutes 9 seconds

The Senior Fraud Investigator presented the report entitled 'SAFS Annual Report 2023-24' and highlighted that:

- The Shared Anti-Fraud Service (SAFS) had adopted the Fighting Fraud and Corruption Locally Strategy (FFCL) and had adopted the 5 pillars; protect, govern, acknowledge, prevent and pursue.
- The SAFS team were fully accredited and fully staffed.
- In quarter 1 and 2, SAFS informed the Committee that due to a new software package they were unable to confirm the exact number of days spent working on behalf of North Herts Council.
- For the financial year 2023-24 SAFS were able to confirm that 239 days had been recorded on behalf of North Herts against the required 285 days. This discrepancy related to the previously reported software error and assurances were given, based on data, that the full 285 days had been delivered.
- The SAFS service was provided 365 days a year, as opposed to an audit model of purchased days.
- Six training sessions were delivered in 2023-24 including Identity Document fraud, and E-learning was provided on money laundering, anti-fraud and anti-bribery.
- Executive reports were required after any large, new emerging threat or unusual cases of fraud to strengthen controls. Recent reports had been produced on agency staff recruitment and grant application risks.
- Three generic reports were produced these were on; fraud risks within payroll, multiple employment and the issuing of mayoral certificates.
- A fraud risk assessment was produced on undisclosed multiple working and concentrated on agency and short term staff.
- Risk assessments had commenced on procurement recruitment and internal fraud.
- Bi-monthly fraud alerts were provided to North Herts Council as well as urgent reports to aid in fraud prevention with an example on page 26 of the report.
- The categories of reported fraud and who reported the cases was detailed in pages 27 and 28 of the report. There was an even split between staff and public reporting cases.
- There had been 14 cases closed, and 11 of these resulted in £43K of recoverable savings.

- Overall, throughout the year there had been a reduction in reported cases.
- Investigations were ongoing in 37 cases with an estimated value of £243K.
- There had been a review of the Compliance Model and this had since been adopted, resulting in speedier resolutions and investigations. £10K of fraud had already been prevented using this method.
- The cost of housing fraud was estimated at £42K, £36K of this related to the provision of temporary accommodation. SAFS worked with housing providers where allocation rights were given to North Hertfordshire District Council (NHDC) housing waiting list and provided financial savings to the Council.
- There had been a data matching exercise under the National Fraud Initiative, which consisted of 546 matches, 17 errors were discovered for these matches with a value of £69K.
- Using the Hertfordshire FraudHub data matching system, a further 114 match errors were discovered with a value of £17K.
- From investigations of the Council Tax Framework, it was discovered that 616 properties were no longer single occupancies with a potential saving of £246K due to Council Tax rebilling and that 154 previously empty properties were now occupied with a potential saving of £318K through the New Homes Bonus Scheme.

The following Members asked questions:

- Independent Member John Cannon
- Councillor Dominic Griffiths
- Councillor Ruth Brown
- Councillor Paul Ward

In response to questions, the Senior Fraud Investigator advised that:

- The identified £766K was a combination of losses and savings, part of the amount would be recoverable.
- Discussions would commence with SAFS Management regarding a breakdown of the losses and saving, with the potential to report this at later Committee meetings.
- Fraud investigations can take months rather than days with some ongoing for years, data was therefore reviewed on referrals rather than case closures.
- The annual fees were an investment in future fraud savings and losses and included fraud alerts to aid the culture of fraud prevention.
- When possible, losses were recovered by NHDC, and these included rebilling households who had incorrectly claimed the single person Council Tax discount.
- The frauds identified in 2023-24 may also have related to previous financial years, frauds maybe ongoing or applied over a specific period of time.

In response to a question, the Head of Assurance advised that the Shared Internal Audit Service (SIAS) worked closely with SAFS and this had seen controls tightened, most recently with the Executive Report on agency staffing.

Councillor Ruth Brown proposed and Councillor Dominic Griffiths seconded and, following a vote, it was:

RESOLVED: That the Finance, Audit and Risk Committee noted:

- (1) The activity undertaken by the Shared Anti-Fraud Service (SAFS) to deliver the 2023-24 Anti-Fraud Plan.
- (2) All anti-fraud activity undertaken by Council Officers and SAFS to protect the Council and the public fund it administers.

24 SAFS ANTI-FRAUD PROGRESS REPORT 2024-25

Audio recording – 20 minutes 41 seconds

The Senior Fraud Investigator presented the report entitled 'SAFS Anti-Fraud Progress Report 2024-25' and highlighted that:

- The report covered the period from April 2024 to August 2024.
- There had been 97 days delivered, and this was on track for the year.
- The software package was still unable to separate out urgent cases, however all cases were being logged within 24 hours of submission which was the standard for urgent cases.
- There had been 20 urgent fraud awareness alerts, these included overpayment fraud, impersonation fraud and payment diversions and were also included in the bi-monthly threat report.
- They had delivered 5 training sessions with a further session scheduled for October.
- Work was ongoing to engage with the public and included library events in conjunction with Hertfordshire County Council, which members of the public could attend. There was an upcoming meeting at Letchworth Library on 23 October 2024.
- There had been 33 allegations received to date with an estimate fraud value of £243K. It was encouraging that this was lower than comparable partners.
- There had been 4 cases closed this year and 15 Council Tax reviews with a value of £20K loss / future savings.
- In October, data matches would be uploaded to the National Fraud Initiative, and the results were expected in January 2025.
- Data matches had been uploaded to the Hertfordshire Fraud Hub ahead of time and they had already detected £17K of fraud loss / savings.
- Work was ongoing to reduce the housing waiting list and 1 property had recently been recovered for a housing provider with nomination rights to NHDC Waiting list and a family rehoused.

The following Members asked questions:

- Councillor Dominic Griffiths
- Councillor Vijaiya Poopalasingham
- Councillor Sean Nolan
- Councillor Paul Ward

In response to questions, the Senior Fraud Investigator advised that:

- A third of the financial year had passed and 97 delivered days was on track.
- The framework data on page 39 of the report would be conducted by a third party, and a decision about joining the pilot would be made shortly by NHDC.
- For future meetings, a more detailed report on savings could be considered, however the Senior SAFS Officer was not available to commit to this..
- The casework system was still unable to separate out urgent cases. However all cases had a response time within 24 hour and work was ongoing with the software provider.

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 progress by Officers and the Shared Anti-Fraud Service to deliver the Anti-Fraud Plan for the Council.

25 SIAS ANNUAL REPORT 2023-24

Audio recording – 29 minutes 54 seconds

The Head of Assurance presented the report entitled 'SIAS Annual Report 2023-24'.

In response to questions from Councillor Vijaiya Poopalasingham, The Head of Assurance advised that:

- The section on Artificial intelligence (AI) related to the processes of auditing and understanding how powerful AI tools could be used and what risks this created.
- SIAS had access to Microsoft Suite and Copilot.
- In terms of SIAS partners using AI, the County Council were already using AI technology in their Adult Care Section, auditors were therefore required to have an understanding of AI tools and technology and be able to assess the risks and controls that were in place,
- Auditors need to have access to AI tools, however at the moment AI in Local Government, including in internal audit, was in its infancy.
- Some aspects of Microsoft Copilot were being incorporated into the SIAS service, but mainly for planning and resourcing documents.
- Humans were still required for analysis of data.
- Larger corporations were known to be using AI tools and AI usage was being monitored across the industry.

Councillor Stewart Willoughby proposed and Councillor Vijaiya Poopalasingham seconded and, following a vote, it was:

RESOLVED: That the Finance, Audit and Risk Committee noted the SIAS Annual Report 2023-24.

26 SIAS PROGRESS REPORT 2024-25

Audio recording – 36 minutes 27 seconds

The Head of Assurance presented the report entitled 'SIAS Progress Report 2024-25' and highlighted that:

- Members had received two limited assurance reports, on Houses in Multiple Occupation and Estates.
- There had been planned changes to the audit plan as agreed by the Service Director – Resources relating to the reallocation of days over three audits.
- The report included four high priority recommendations relating to Houses in Multiple Occupancy. Three of these recommendations had been implemented with the remaining recommendation having been extended with the implementation due at the end September 2024.
- A high priority recommendation regarding agency staff was partially implemented.
- The report only showed information on high priority recommendations that had fallen due. The report did not show any future high priority recommendations.
- The Global Institute of Internal Auditors (GIIA) had published new Global Audit Standards (GIAS) to come into effect in April 2025 for the UK public section. A summary briefing was contained in Appendix E.
- The GIAS succeeded the Public Sector Internal Audit Standards (PSIAS), and some work was ongoing to ensure compliance with the new standards. Those internal audit services deemed to be 'generally conforming' with the PSIAS would not find the transition to the new standards to be overly onerous.
- There would be training on the specific standard mentioned in Domain III, Governing the Internal Audit Function later in the financial year.

The following Members asked questions:

- Councillor Dominic Griffiths
- Councillor Stewart Willoughby

N.B. Councillor Paul Ward left the Chamber at 20:11 and returned at 20:15.

In response to questions, the Head of Assurance advised that:

- Although it would be ideal to evenly spread the delivery of Planned Days across the year, this was difficult where audits get pushed back due to resourcing and capacity challenges, whether at SIAS or at North Herts Council.
- Some audit work was also subject to the timing, pace and progress of each Council project.
- There had been a Churchgate meeting today and SIAS would not be involved again on this project until the end of its current phase, currently expected to be in November.
- There would be mandatory Training Audit starting in September.
- The work that SIAS produced was based on the value of their output, not just inputs such as delivery of the planned days. These were presented as a guideline for completion of the Audit Plan.
- The audits for 2024-25 would follow the current PSIAS, although SIAS were phasing in the new standards over the course of the year.
- Progress on all audits would be presented regularly to this Committee, and any slippage changes into the following year would then be reported in March.
- An external quality assessment was due in 2026.

Councillor Vijaiya Poopalasingham proposed and Councillor Tina Bhartwas seconded and, following a vote, it was:

RESOLVED: That the Finance, Audit and Risk Committee noted:

- (1) The SIAS Progress Report for the period to 16 August 2024.
- (2) The implementation status of the reported high priority recommendations.
- (3) The plan amendments to the 2024/25 Annual Audit Plan.

27 UPDATED CONTRACT PROCUREMENT RULES FOR 2024-25

Audio recording – 50 minutes 14 seconds

The Service Director – Resources presented the report entitled ‘Updated Contract Procurement Rules for 2024-2025’ and highlighted that:

- The Contract Procurement Rules (CPRs) had been rewritten in line with the new Procurement Act 2023.
- The CPRs would aid compliance of the Act and paragraph 8.1 of the report contained a summary of the changes.
- The changes to the CPRs were detailed in paragraphs 8.3 to 8.9 of the report with further details in the Appendix.
- There was a typographical error in paragraph 8.6 of the report, and it should read as section 22.2 and not section 2.2.
- There would be an increased use of pre-market engagement to gather information at an earlier stage of procurement.

- There would be a move away from Most Economically Advantageous Tender (MEAT) to Most Advantageous Tender (MAT) looking to reduce the reliance on price, whilst keeping other factor such as environmental and social values. This may not feature in all procurements.
- There would be more transparency in relation to notices that had to be issued, both at the start of procurement and during the procurement stages. This was a requirement of the Act and would create more work for Officers, however work would commence to improve processes to reduce this burden.
- Above Threshold amounts were those items above the value set out by the Procurement Act as mentioned in paragraph 8.6 of the report and would be relevant to large contracts such as waste and leisure.
- Procurements below the threshold could be more flexible but still have controls in place to ensure that value for money was delivered.
- The majority of procurements would be below threshold.
- It was noted that construction costs had been significantly affected by inflation and the proposal was to increase some of the limits in relation to works procurement.
- Key Performance Indicators (KPIs) for contract over £5 Million would be introduced and it would be a requirement to publish these details. The public would then be able to monitor and review a contractor as detailed in paragraph 8.9 of the report.
- The new legislation comes into force on 28 October 2024 and there would be a period of time when both rules applied. The Legal team were assisting Officers to ensure the correct version of the procurement rules were in use.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Paul Ward
- Councillor Stewart Willoughby
- Councillor Tina Bhartwas
- Councillor Sean Nolan
- Independent Member John Cannon

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

- The regulated thresholds were set Government, and they did change over time to reflect inflation.
- There were very few current contracts over £5M and the majority of these had been awarded recently under the old rules, e.g. waste and leisure agreements.
- There was the potential to contact suppliers with pre-market questions, this would then help shape the specification for the contract before formal tendering.
- Using the e-tendering system could help to identify companies in the market and relevant companies could sign up to the system gaining a wider contact pool.
- There was no financial impact on updating these rules, however there may be more work for Officers at the start of the process, but this would then lead to a smoother procurement process. The impact was not quantifiable.
- There would be the scope for penalty clauses (e.g. for poor performance) under the new rules, however this was not a change, and current contracts have such clauses.
- The procurement team had commenced their training with the Contract and Procurement Group, and this would be continued with other relevant Officers. There would be a guidance to support the rules.
- There was a contract register on the website and contractors could review and monitor when a contract was likely to be put out to tender.
- The Procurement Bill encouraged procurements to be split into smaller lots to support small businesses. Procurement rules would still be in place for lower valued contracts.
- The new financial system CiA would make it easier to track suppliers and monitor them at a global level.

Councillor Ruth Brown proposed and Councillor Dominic Griffiths seconded and, following a vote, it was:

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

RECOMMENDATION TO COUNCIL: The adoption of the updated Contract Procurement Rules for 2024-25.

REASONS FOR RECOMMENDATION:

- (1) The Contract Procurement Rules (CPRs) are part of the Council Constitution (under Section 20) and must be regularly reviewed and updated as part of the Council's governance and procurement review processes. This contributes to the Council's system of effective internal control.
- (2) The new CPRs reflect a significant update in line with the requirements of the Procurement Act 2023, incorporating detailed procedural guidance, and enhanced compliance and transparency measures. These changes aim to improve the efficiency, accountability, and effectiveness of the Council's procurement activities.

28 MEDIUM TERM FINANCIAL STRATEGY 2025-30

Audio recording – 1 hour, 11 minutes 16 seconds

The Service Director – Resources presented the report entitled 'Medium Term Financial Strategy 2025-30' and highlighted that:

- The Strategy was detailed in Appendix A of the report and set out the 5 year financial vision for funding, income and spending.
- The Strategy sat alongside the Council Plan 2024-2028 which was presented to the Overview and Scrutiny Committee, both items were recommended to Cabinet and Council. Joining the two reports together would enable the Council to prioritise its spending.
- Ideally this would have been a 10 year strategy however, there were uncertainties regarding future funding and assumptions had to be made. The strategy therefore focuses on the next 5 years.
- The current government had made some commitments to the direction that future funding may take.
- The future of inflation was unknown, and the report made assumptions on this matter. There was however some certainty on the inflation of current contracts.
- There was still an outstanding pay claim for 2024-25 causing uncertainty for this financial year and therefore assumptions had been made for future years.
- Comparison work was ongoing regarding salaries and the struggle to recruit to key roles.
- Increased staffing costs could make the budget gap worse, and a careful balance was required between people and money.
- The strategy set out the current assumptions on fees and charges for garden waste and parking from April 2025 but that there would need to be separate decisions on the detail of any changes. Any changes would have a financial impact on the budget.
- The costs for the Council Tax Reduction Scheme had been higher than anticipated and had coincided with a rise in the cost of living. The scheme would therefore be closely monitored and reviewed.
- Benefits were still being seen from the current interest rates and the fact that capital spending was slower than anticipated meaning cash balances were higher, however this was a short term benefit.
- At some point in the future significant savings would be required.
- A budget consultation with residents was planned for summer 2025.

- With the new government it was hoped that there would be some funding certainties in the near future, instead of estimates.
- There were still uncertainties in relation to the waste contract and the waste legislation changes especially with the deliverability of funding for these changes.
- The projects currently on the Council Delivery Plan were highlighted in the table on page 137 of the report.
- The current spend for 2024-25 was forecasted at £20.1M with funding of £18.2M, specific and general fund reserves would be used for the funding gap in the short term. Even if funding was to increase by inflation there would still be a funding gap.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Ruth Brown
- Councillor Dominic Griffiths

In response to questions, the Executive Member for Finance and IT advised that:

- There would be some challenging decisions ahead to meet the priorities set out in the Council Plan.
- The spend on discretionary services whilst not huge would be reviewed.
- The cost for staffing was large but was also the most valued resource.
- The benefits from the housing stock sale were now diminished.
- New capital projects would need to meet the priorities set in the Council Plan as these would have a revenue impact.
- The work on parking charges that the previous portfolio holder for Planning and Transport commenced would be completed and residents would then be consulted.
- Sharing of services with other Local Authorities would be investigated.
- Investigations were ongoing regarding sharing museum storage space with other Local Authorities, and other work sharing areas would be considered.

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

- The figures presented were net spend, and therefore the savings target could be met from reduced spend and increased income.
- Modelling of 2% had been used to set the parking charges.
- There may be some parking structural changes, for example charging for evenings, Sundays and bank holidays were being considered and may have an impact as soon as the 2025-26 budget.
- Parking fees used to rise by 2% plus consumer price inflation (CPI), however since inflation increased this has been held back.

Councillor Tina Bhartwas proposed and Councillor Stewart Willoughby 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.

29 **FIRST QUARTER REVENUE BUDGET MONITORING 2024/25**

Audio recording – 1 hour 37 minutes 58 seconds

The Service Director – Resources presented the report entitled 'First Quarter Revenue Budget Monitoring 2024-25' and highlighted that:

- The report highlighted the forecast spend on revenue against the budget for the year 2024-25.
- The significant changes from the budget were highlighted in table 3 of the report and it was noted that the treasury management income was higher than expected.
- The changes to the leisure contract related to the increase to the national living wage from April 2024, in future years it was expected that this would be offset against any energy price savings.
- There was a £850K reduction in total spend compared to the original forecast.
- The business rate pooling scheme was highlighted in paragraph 8.11 of the report, an invite to join this scheme was expected.
- There were advantages to being part of a business rate pool and in previous years these had included that the business rate collection was higher than the baseline level.
- The Corporate Financial Health Indicators were shown in table 5 of the report.
- The General Fund balance was expected to be £13.85M at the end of the year, it was recommended that a minimum level of £2.5M - £3M was kept in the General Fund balance.

N.B. Councillor Dominic Griffiths left the Chamber at 21:11 and was not present for the vote.

Councillor Ruth Brown proposed and Councillor Paul Ward seconded and, following a vote, it was:

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

RECOMMENDATIONS TO CABINET:

- (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 £858k 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 £244k increase in net expenditure. These will be incorporated in the draft revenue budget for 2025/26.
- (4) That Cabinet delegates to the Service Director: Resources (in consultation with the Executive Member for Finance and IT) authority to enter in to a Business Rate Pooling arrangement (if available) if it is estimated that it will be in the financial interests of the Council.

REASON FOR RECOMMENDATIONS: 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.

30 **FIRST QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2024/25**

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 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.

RECOMMENDATIONS TO CABINET:

- (1) That Cabinet notes the forecast expenditure of £30.415M in 2024/25 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet notes 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) Cabinet is asked to note the position of Treasury Management activity as at the end of June 2024.
- (4) Cabinet is asked to approve that we should proceed with the Local Authority Housing Fund round 3 and submit the Memorandum of Understanding so that we can receive the initial allocation of funds.

That Cabinet recommends to Council

- (5) That Council approves a capital budget of £0.080M to fund the purchase and installation of a new chiller at the museum, paragraph 8.4 refers.
- (6) That Council 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.
- (7) That Council 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.

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.

31 POSSIBLE AGENDA ITEMS FOR FUTURE MEETINGS

Audio recording – 1 hour 59 minutes 15 seconds

N.B. Councillor Paul Ward returned to the Chamber at 21:29.

The Chair advised that an introduction to risk training session had been scheduled prior to the November Committee meeting.

The Service Director – Resources confirm that the training would commence at 18:45 and would focus on risk scoring and would include practical examples. Members could advise of any further requests prior to the meeting.

The meeting closed at 9.31 pm

Chair