

<b>Item No</b>	<b>Referred from:</b>	<b>Cabinet</b>
<b>8b</b>	<b>Date:</b>	<b>14 January 2025</b>
	<b>Title of item:</b>	<b>Second Quarter Investment Strategy (Capital and Treasury) Review 2024/25</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 12</b>

The report considered by Cabinet at the meeting held on 14 January 2025 can be viewed here: [Agenda for Cabinet on Tuesday, 14th January, 2025, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO COUNCIL:** That it:

- (1) Notes the position of Treasury Management activity as at the end of September 2024.
- (2) Approves capital budget in 2025/26 for a new flume (£300k) and a refurbishment of the pool changing rooms (£330k) 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 RECOMMENDATION:**

- (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.

*Audio recording 2 hours 2 minutes 8 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 around:

- Linking the moving of funding for the upgrade to the North Herts Leisure Centre to take part at the same time as the Decarbonisation of the Leisure Centre works.
- The importance of the museum storage item as this was a major facility that the Council required not only for its own items, but to be able to assist other areas and Councils with storage of their items.
- Looking at funds in the future and the risks around ensuring resources were in the right place.

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

- The focus of the capital review at Quarter 2 had been challenging what was expected to be spent this year.
- This review provided the Council with more certainty over balances available for investment at the end of the financial year.
- There had been a slippage and changes to the capital programme of £14 million.
- Details of further budgets had changes required or could be removed from the capital programme were set out in Table 3.
- An alternative site had been identified for the museum storage option and was being investigated. A reduction in the slippage to £650K from the budget was recommended to allow funds to be available to purchase this property before the end of March if required.
- The approval of funds was required from the capital budget to enable works at the North Herts Leisure Centre to happen at the same time as the decarbonisation works.
- The previous estimate for the refurbishment of the changing rooms at North Herts Leisure Centre of £250k was too low and the recommendation needed be changed to £330K.

The following Members asked questions:

- Councillor Daniel Allen
- Councillor Mick Debenham

In response to questions, the Service Director – Place advised a timescale for works to commence at the Norton Common Bowls Pavilion was not yet possible, but now that staffing was at fully capacity, it would be attempted to move this project forward in the next financial year.

In response to questions, the Service Director – Resources advised that slippage referred to when a capital scheme was not delivered in the current year and the funds were deferred to another year.

Councillor Ian Albert proposed as amended and Councillor Amy Allen seconded and, following a vote, it was:

**RESOLVED:** That Cabinet:

- (1) Noted the forecast expenditure of £16.999M in 2024/25 on the capital programme, paragraph 8.3 refers as amended by the decision to reduce the slippage on museum storage.
- (2) Noted 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.

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