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## 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, 10TH SEPTEMBER, 2025 AT 7.30 PM

#### MINUTES

**Present:** *Councillors: Sean Nolan (Chair), Vijaiya Poopalasingham (Vice-Chair), Ruth Brown, Sarah Lucas, Ralph Muncer and Paul Ward.*

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

**In Attendance:** *Darren Bowler (Counter-Fraud Manager, Shared Anti Fraud Service), Amy Cantrill (Trainee Committee, Member and Scrutiny Officer), Ian Couper (Director - Resources) and Susan Le Dain (Committee, Member and Scrutiny Officer).*

**Other Presenters** *Darren Bowler (Counter-Fraud Manager, Shared Anti Fraud Service), Chris Wood (Head of Assurance Services (HCC) & Client Audit Manager (NHDC)).*

**Also Present:** *There were no members of the public present for the duration of the meeting.*

*Councillor Ian Albert was in attendance as Executive Member for Resources.*

#### 14 APOLOGIES FOR ABSENCE

*Audio recording – 1 minute 30 seconds*

Apologies for absence were received from Councillors Steven Patmore, Stewart Willoughby and Dominic Griffiths.

Having given due notice Councillor Ralph Muncer substituted for Councillor Patmore.

#### 15 MINUTES - 11 JUNE 2025

*Audio Recording – 1 minute 52 seconds*

Councillor Sean Nolan, as Chair, proposed and Councillor Vijaiya Poopalasingham seconded.

The Independent Member John Cannon commented that Minutes need proof reading as there were two errors - the word 'poignant' should be replaced with 'pertinent' and the 'ails' should have been 'details'.

Having been proposed and seconded and, following a vote, it was:

**RESOLVED:** That the Minutes of the Meeting of the Committee held on 11 June 2025 be approved as a true record of the proceedings and be signed by the Chair.

#### 16 NOTIFICATION OF OTHER BUSINESS

*Audio recording – 3 minutes 35 seconds*

There was no other business notified.

## **17 CHAIR'S ANNOUNCEMENTS**

*Audio recording – 3 minutes 42 seconds*

- (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.

## **18 PUBLIC PARTICIPATION**

*Audio recording – 4 minutes 28 seconds*

There was no public participation at this meeting.

## **19 SAFS ANNUAL REPORT 2024/25**

*Audio recording - 4 minutes 36 seconds*

The Counter Fraud Manager Presented the Report Entitled 'SAFS Annual Report 2024/25':

- That since publication a correction had been made, where case study 3 referenced an overpayment, it should read sums due for payment.
- The volume of referrals were mainly regarding Council tax and Housing benefits, this was expected.
- Not all referrals were made to a case, where risk was low the Shared Anti Fraud Service (SAFS) used a compliance method an example was shown in case study 3.
- Of the 19 cases closed in the year 2024/25 10 identified recoverable losses to the sum of £43,000.
- Housing allocation was an area of concern both nationally and regionally and of 79 applications 12 were removed from the list following a review of data from the National Fraud Initiative (NFI), this had a potential fraud value of £51,000.
- In the year 2024/25 3 houses were reclaimed and given back to families in genuine need of social housing, by moving these families out of temporary accommodation a saving of £84,000 was made.
- Case study 2 was an example of where a resident who falsely made a housing application pleaded guilty at court following an investigation., In the year 2024/25 SAFS found 24 cases of false claims for housing.
- SAFS revealed evidence that a business had made false claims for Grants as well as a reduction in its business rates liability. The Grant application had not been successful, but the business was found to have avoided paying the correct business rates between 2021 and 2024 totalling £16k and has been invoiced for this sum.
- SAFS also managed the Council Tax framework and showed 686 accounts falsely claiming single person discount and identified £263k liability.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Ralph Muncer

- Councillor Paul Ward
- Councillor Vijaiya Poopalasingham
- Independent Member John Cannon

In response to questions, the Counter Fraud Manager advised that:

- Table 4 shows, that the volume of fraud referrals, or allegations of fraud, had fluctuated during the last decade, but remained within a bracket of between 100 and 140 per annum which was comparable to other SAFS Partners of a similar size/geography/demographic.
- North Herts Council had a different demographic to the rest of Hertfordshire, so it was not easy to compare locally but the report outlined the benefits of SAFS.
- The Council took part in the International Fraud Awareness Week in November 2024 along with other Council's across the region.
- SAFS tried to avoid prosecution where possible due to the cost to the Council as this was deemed not in the public interest.
- Private prosecution was not an issue for SAFS as it was not common practice but it did maintain as relationship with the Crown Prosecution Service from a case in 2015.
- SAFS used its LinkedIn to promote cases won and shared these with the Councils Communication team to further promote.
- SAFS did promotion work with Colleges and Universities to raise awareness of Anti-Fraud work.

In response to questions, the Director - Resources advised that over time SAFS paid for itself not only through money saved and reclaimed but through the social benefit of the right family being in social housing.

Councillor Vijaiya Poopalasingham proposed and Councillor Paul Ward seconded.

As part of the debate Councillor Ralph Muncer thanked the Counter Fraud Manager for SAFS work in preventing fraud as well as the quality of the report.

Having been proposed and seconded and, following a vote, it was:

**RESOLVED:** That the Committee noted:

- (1) The activity undertaken by the Shared Anti-Fraud Service to deliver the 2024/2025 Anti-Fraud Plan for the Council.
- (2) All Anti-fraud activity undertaken by Officers and SAFS to protect the Council against fraud in 2024/25.

**REASON FOR DECISION:** To provide details of the work undertaken by the Council and the Shared Anti-Fraud Service (SAFS) to protect the Council against the risk of fraud and delivery of the Council's Anti-Fraud Plan for 2024/2025.

## 20 SAFS PROGRESS REPORT 2025/26

*Audio recording - 39 minutes 30 seconds*

The Counter Fraud Manager Presented the Report Entitled 'SAFS Progress Report 2025/26':

- There is an It was noted that there was an error in the report in paragraph 15 - the word 'Borough' should be 'District'.

- In the year 2025/26, between April – June, there had been 26 allegations of fraud, however only 2 were referred from North Herts Council colleagues, with an estimated loss of £129k.
- Shared Anti Fraud Service (SAFS) Accredited Financial Investigator has been assisting with an investigation conducted jointly by the Councils Enforcement Team and the County Councils Trading Standards service regarding the illegal sale of vapes from a business premise in Royston.
- A new 'Tenancy Fraud Investigation' contract had been signed with Settle (Housing Association) for 2025/26 which had resulted in the recovery of 3 properties that had been re-let to residents from the Councils Housing Register, which had already saved the Council in the region of £126k this year.
- The Council is part of Herts Fraudhub where data was submitted along with the other SAFS partners to help identify fraud through data-analysis/matching, dealing with this data on a local level helped with the National Fraud Initiative .
- The table on paragraph 18 showed the progress on Key Performance Indicators, all were either completed, part completed, or on target.

The following Members asked questions:

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

In response to questions, the Counter Fraud Manager advised that:

- The Council had Anti-Fraud, Bribery and Corruption Policies that were kept under constant review to ensure compliance with current best practice and the impact of any changes required by legislation.
- Once there was more guidance as to how legislation will impact Local Authorities, SAFS would advise the Council of any amendments required to the Anti-Fraud Policies.

In response to questions, the Director - Resources advised that the Finance, Audit and Risk Committee was responsible for these policies.

Councillor Vijaiya Poopalasingham proposed and Councillor Paul Ward seconded and, following a vote, it was:

**RESOLVED:** That the Committee noted the progress by officers and the Shared Anti-Fraud Service to deliver the Anti-Fraud Plan for the Council.

**REASON FOR DECISION:** To provide details of the work undertaken by the Shared Anti-Fraud Service (SAFS) and Council Officers to protect the Council against the threat of fraud and the delivery of the Council's Anti-Fraud Action Plan for 2025/26.

## 21 **SIAS PROGRESS REPORT 2025/26**

*Audio recording – 54 minutes 39 seconds*

The SIAS Head of Assurance presented the report entitled 'SIAS Progress Report 2025/26' and highlighted that:

- Member engagement was appreciated on final internal audit reports issued to FAR Committee members. Questions prior to the meeting were encouraged and would get a more detailed response.

- Page 40 showed the high priority recommendation, however since publication the Churchgate variation agreement had been signed off, so this should be considered implemented not partially implemented.
- Since publication the LGA Corporate Peer Review draft was issued so the draft reports performance indicator was now 9%.
- The UK Shared Prosperity Fund audit was inadvertently missing from Appendix B but will be included in future.
- The Digital Transformation Programme is part of the Council's Delivery Plan however it was suggested that conducting this audit should be reviewed in light of service capacity and the impact of LGR more broadly on the Programme. A Cyber Risk audit was proposed as a swap, still permitting coverage of a key risk within the Delivery Plan.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Paul Ward
- Councillor Vijaiya Poopalasingham
- Independent Member John Cannon

In response to questions, the SIAS Head of Assurance stated that:

- Cyber Security is audited regularly but this audit would be cyber security risk in the context of LGR.
- Cyber security issues and challenges were common in Local Authorities that had already gone through reorganisation and / or devolution, so an audit would help support management of the relevant risks.

In response to questions, the Director - Resources stated that:

- Both digital transformation and cyber security have risks that should be audited.
- The decision around swapping the audit needed to be made as soon as possible.
- Nothing was settled in regards to LGR however there were advantages of both SIAS and SAFS, therefore it would be a benefit to keeping them in any local government new arrangements.

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

**RESOLVED:** That the Committee noted:

- (1) The SIAS Progress Report for the period to 15 August 2025.
- (2) The implementation status of the reported high priority recommendations.
- (3) The plan amendments to the 2025/26 Annual Audit Plan.

**REASON FOR DECISION:** To report progress made by the SIAS in delivering the Council's Annual Internal Audit Plan for 2025/26 as at 15 August 2025.

## 22 FIRST QUARTER REVENUE BUDGET MONITORING 2025/26

*Audio recording – 1 hour 39 minutes 1 second*

The Director – Resources presented the report entitled 'First Quarter Revenue Budget Monitoring 2025/26' and highlighted that:

- Paragraph 8.3 should read overachievement £59,000 to reflect what is in Table 3.
- There was a request for a right off a debt for over £11K since the publication of the Agenda so this was added to the report going to Cabinet.
- The Royston Leisure Centre Learner Pool and the Leisure Centres Decarbonisation changes in Table 3 needed tidying up to reflect decisions that had already been made in relation to capital projects.
- The 2024/25 year end position for Parking Penalty Charge Notices (PCNs) had been shown as TBC so there was addition information added to this report about those.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Ralph Muncer
- Independent Member John Cannon

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

- There was a real risk that the Princes Mews Car Park would not reopen. It was possible that parking use would shift to other car parks. Overall income usage and income levels would be kept under review.
- The Commercial Refuse & Recycling Service was under the same contract as Garden Waste Collection Service, Table 4 shows that the income is still projected to be on budget, despite Table 5 showing the number of customers decreasing. This would be kept under review.
- There was a net increase in expenditure, this was manageable but would affect future savings targets.
- The information missing from Table 5 about Garden Waste Collection Service is expected to be available in the quarter 2 report.
- Table 5 showed the trends and although this was drastically up for PCNs Table 4 showed this was predicted to be a stable income for the year and not increase significantly.
- Improvements in back rent collection meant getting the money into the Council quicker which reduced the risk of bad debt.
- The investment income forecast in Table 3 was much higher figures due slippage from the 2024/25 capital budget and interest rates being higher than predicted on the Councils investments.

Councillor Vijaiya Poopalasingham proposed and Councillor Paul Ward seconded and, following a vote, it was:

**RESOLVED:** That Committee noted and considered any governance and risk issues in relation to the Cabinet recommendations.

**RECOMMENDED TO CABINET:**

- (1) That Cabinet note this report.
- (2) That Cabinet approves the changes to the 2025/26 General Fund budget, as identified in table 3 and paragraph 8.2, a £453k increase in net expenditure.
- (3) That Cabinet notes the changes to the 2026/27 General Fund budget, as identified in table 3 and paragraph 8.2, a total £689k increase in net expenditure. These will be incorporated in the draft revenue budget for 2026/27.
- (4) That Cabinet delegates to the Director-Resources (in consultation with the Executive Member for Resources) 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 RECOMMENDATION:** 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.

## 23 FIRST QUARTER TREASURY MANAGEMENT REVIEW 2025/26

*Audio recording – 1 hour 52 minutes 55 seconds*

*N.B. Cllr Paul Ward declared an interest in this item due to his employment and left the chamber.*

The Director – Resources presented the report entitled 'First Quarter Treasury Management Review 2025/26' and highlighted that:

- There was an additional income of £1million due to higher interest rate, it was at 5.1% at the start of quarter and reduced to 4.51% at the end both of which were above the Councils forecast. Balances available for investment were also higher than budgeted.
- There was more investment going to banks than last year, but the majority of investment was still in Local Authorities this was shown in paragraph 8.11.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Ralph Muncer
- Independent Member John Cannon

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

- All borrowing done by all other Local Authorities would be transferred to the new Local Authorities during Local Government Reorganisation. As those successor bodies would have tax raising powers, the investment risk remained the same.
- Building Societies had recently paid lower interest rates which is why the Council had not invested in them.
- Paragraph 6.1 was in reference to Cabinet decisions and not for this Committee.
- The treasury investment strategy set out that investments with Government and then Local Authorities were the lowest risk. Investments with banks and building societies were slightly higher risk, and dependent on credit ratings.
- The investment strategy set out maximum limits for various investment types. The 16% invested in banks was within the limits in the investment strategy and could go higher.
- The Councils Treasury strategy lists the level of risk that and maximum levels of investment in each area.

Councillor Ruth Brown proposed and Councillor Sarah Lucas seconded and, following a vote, it was:

**RECOMMENDED TO CABINET:** That Finance, Audit and Risk Committee provided comments to Cabinet on the position of Treasury Management activity as at the end of June 2025.

**REASON FOR RECOMMENDATION:** 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.

*N.B. Cllr Paul Ward returned to the Chamber at 21:32.*

## 24 FIRST QUARTER CAPITAL PROGRAMME MONITORING 2025/26

*Audio recording – 2 hours 1 minute 25 seconds*

The Director – Resources presented the report entitled 'First Quarter Treasury Management Review 2025/26' and highlighted that:

- Table 2 listed the schemes in the 2025/26 Capital Programme that would be deferred and now start in or continue into future budgets.
- Table 3 showed changes for total projected spend which total a net decrease of £0.281million.
- The council was now in a position where it did not have sufficient funding to finance the Capital programme meaning the Council would have to borrow to fund the programme in this year. This would initially be internal borrowing.

In response to a question from Councillor Ruth Brown, the Director – Resources stated that there was a push to get local businesses to have solar panels installed that it was hoped would have created a small return for the Council. As solar panels were a long-term investment there had to also be protections in place. Ultimately, the Council had not been able to reach final agreements with any of the businesses that had shown an initial interest. The Council also needed to consider the resource implications, and opportunities to focus on other sustainability projects.

Councillor proposed Vijaiya Poopalasingham and Councillor Sarah Lucas seconded and, following a vote, it was:

**RESOLVED:** That Finance, Audit and Risk Committee considered any governance and risk issues in relation to the Cabinet recommendations.

### **RECOMMENDED TO CABINET:**

- (1) That Cabinet notes the forecast expenditure of £27.624M in 2025/26 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approves the adjustments to the capital programme for 2026/27 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the estimated spend in 2026/27 by £0.838M and £0.608M in 2027/28.
- (3) That Cabinet notes 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.
- (4) That Cabinet recommends to Council that they approve a capital budget of £1.275M (£0.319M in 25/26, £0.478 in 26/27 and £0.478M in 27/28) for the Government's new energy efficiency Warm Homes Scheme. This will be fully funded from Government grants, paragraph 8.5 refers

**REASON FOR RECOMMENDATION:** Cabinet was required to approve adjustments to the capital programme and ensure the capital programme is fully funded.

## 25 POSSIBLE AGENDA ITEMS FOR FUTURE MEETINGS

*Audio recording –*

The Chair led a discussion regarding possible agenda items for future meetings .....



**Wednesday, 10th September, 2025**

The meeting closed at 9.39 pm

Chair

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