

MINUTES OF A MEETING OF THE
EXECUTIVE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 6 DECEMBER 2022, AT 5.00 PM

PRESENT: Councillor L Haysey (Leader)
Councillors P Boylan, E Buckmaster,
G Cutting, J Goodeve, J Kaye and
G Williamson.

ALSO PRESENT:

Councillors B Crystall, A Curtis, C Redfern,
P Ruffles and N Symonds.

OFFICERS IN ATTENDANCE:

Richard Cassidy	- Chief Executive
James Ellis	- Head of Legal and Democratic Services and Monitoring Officer
Steven Linnett	- Head of Strategic Finance and Property
Katie Mogan	- Democratic Services Manager
Helen Standen	- Deputy Chief Executive

253 APOLOGIES

An apology for absence was submitted by Councillor

McAndrew.

254 LEADER'S ANNOUNCEMENTS

The Leader welcomed Members, Officers and those watching on the Council's YouTube page to the meeting.

The Leader asked the Executive Member for Communities to give an update on extra government funding. Councillor Kaye said that East Herts had been allocated £213,000 under the UK Shared Prosperity Fund to help fund small organisations across the District for community grants and small projects.

The Leader asked the Executive Member for Planning and Growth to give an update. Councillor Goodeve said that the council had received £34,000 to refurbish two playgrounds in Sacombe Road and Watermill Lane in Bengeo.

255 MINUTES - 22 NOVEMBER 2022

Councillor Goodeve proposed, and Councillor Kaye seconded a motion that the Minutes of the meeting held on 22 November 2022 be approved as a correct record and be signed by the Leader. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 22 November 2022 be approved as a correct record and signed by the Leader.

256 DECLARATIONS OF INTEREST

There were no declarations of interest.

257 BUDGET 2023/24 AND MEDIUM TERM FINANCIAL PLAN
2023/24 - 2027/28

The Executive Member for Financial Sustainability presented the Budget and Medium Term Financial Plan. He said that the Executive were previously asked to endorse recommendations and assumptions to provide a base for Officers to work on the budget. He said that the revised report took into account the revised position on the council's forecasts and implications of the Autumn Statement.

Councillor Williamson said that the Executive had agreed to increase Council Tax to the highest threshold without triggering a referendum which was the highest of £5 or 2%. However, he said the Chancellor had allowed greater flexibility for councils to increase their council tax rates up to 3% which meant an increase of £5.53 on a Band D property raising £33,000 revenue.

Councillor Williamson said that the budget gap had been revised to £822,000 and £866,000 savings had been identified and were listed at paragraph 1.20 which delivered a balanced budget for 2023/24. He said the situation for years past 2024 was extremely difficult with a further £6.4m needing to be saved between 2024 – 2027.

Councillor Williamson said the report proposed using the reserves to fund the largest budget gaps. He said

he was cautious about using the reserves and they would be paid back towards the end of the Medium Term Financial Plan when the savings targets had been eased.

Councillor Williamson said that the capital programme had been looked at and any lower priority capital spending had been moved into approved but not committed category so do not need to allow for the financing of these items in the Medium Term Financial Plan and provided a further saving.

Councillor Buckmaster said that he felt the recommendations were sensible and was pleased to see a judicious use of reserves. He said that many councils would be increasing their Council Tax to the maximum threshold and he was also pleased to see that the council could continue to help its communities through the UK Shared Prosperity Fund.

Councillor Haysey said that the report noted that the council's IT outage had meant the finance team lost six days in producing the budget. She thanked the Head of Strategic Finance and Property and his team for putting the report together. She said that the council had to legally produce a balanced budget or it would be declared bankrupt. She said that the council still had the ability to find savings from within its Transformation Programme and still provide residents with quality services but said that there would be difficult decisions to take in future years.

Councillor Curtis referred to recommendation (D) in the report. He asked for clarification on the term

'smooth the delivery'.

Councillor Williamson said that the Medium Term Financial Plan savings were loaded towards 2024/25/26 so it was proposed that the council use money from reserves so the savings target was reduced. He said that the money would be paid back into reserves so the net position would be unchanged.

Councillor Curtis asked if the Executive Member could be confident that this money could be repaid and not be needed for future expenditure.

Councillor Williamson said that the council could only work on what information they have at the time and it was difficult to anticipate unknowns but he believed it was a prudent use of the reserves.

Councillor Curtis referred to recommendation (E) and asked if the Executive Member was confident that the £400,000 from the New Homes Priority Spend Reserve could be repaid.

Councillor Williamson referred to his response to the previous question. He said this was a further example of using reserves to smooth the delivery of future savings. He said the council could only plan for the years that the Medium Term Financial Plan covered.

Councillor Curtis asked where the £400,000 would come from to repay the reserve fund.

Councillor Buckmaster said that the Transformation Programme would further reduce costs and increase

revenue. He said that it was not possible to be exact from where the money would come but it was being worked towards.

Councillor Haysey said that the savings and opportunities were listed in the budget report.

Councillor Curtis referred to recommendation (I) which said powers would be delegated to the Head of Strategic Finance and Property in consultation with the Executive Member for Financial Sustainability. He asked for confirmation that the Executive Member would be making the decision.

Councillor Williamson said that he could confirm that he would be making the decisions. He said that the council should receive further information later in the month about its settlement payment and Officers will then amend the report as necessary for consideration by the Audit and Governance Committee.

Councillor Williamson proposed, and Councillor Buckmaster seconded a motion supporting the recommendations in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the proposed budget should make use of the flexibility from Government to increase Council Tax by 3%, which will increase Council Tax revenue by £33,813 a year and will result in a Band D Council Tax increase of £5.53 which is 53 pence a year more than the planned £5 increase

included in the Medium Term Financial Plan;

(B) Leadership Team proceed with the savings plan for 2023/24 for changes under delegated authority and that do not directly impact residents or all of local businesses;

(C) Request Audit and Governance Committee consider the savings items reserved for Member decision and to advise Executive of any significant adverse impact on the district of recommending to Council these savings are implemented;

(D) In order to smooth the delivery of the substantial savings targets over the Medium Term Financial Plan that the General Reserve and the Interest Equalisation Reserve are used as reported;

(E) A temporary use of £400k of the New Homes Priority Spend Reserve, repayable in 2027/28 and 2028/29, may be used to assist with smoothing the delivery of savings as reported;

(F) The pausing of non-essential capital schemes to prioritise completion of the major projects be agreed; provide essential capital financing for the purchase of food waste caddies and changes to Buntingford Depot as part of the new contract fuel and energy strategy;

(G) The pausing of the £9.6 million of capital

spend will
reduce revenue costs of Minimum Revenue
Provision and
interest by £719k per annum on rebased capital
financing
charges using current interest rates be noted;

(H) Note that the savings requirements, that
will need to be delivered to balance the budget
in the Medium Term, the delivery profile of
which has been smoothed using earmarked
reserves, are:

2023/24 £822k
2024/25 £2,170k
2025/26 £2,192k
2026/27 £2,053k
2027/28 £567k.

(I) Delegate to the Head of Strategic Finance
and Property, in consultation with the Deputy
Leader and Executive Member for Financial
Sustainability, the ability to amend the budget
and Medium-Term Financial Plan to reflect the
Local Government Finance Settlement and other
emerging information, so that Audit and
Governance Committee can consider the most
complete and up to date information when they
scrutinise the budget at their meeting on 24
January 2023; and

(J) Note that the level of budget reductions
required to balance the budget in the medium
term is beyond further efficiency measures

alone and instructs Leadership Team to commence preparations for the Reconciling Policy, Performance and Resources exercise that the new Council, elected in May 2023, will need to undertake alongside the new Corporate Plan, to balance the budget over the medium term.

258 DRAFT CAPITAL STRATEGY AND MINIMUM REVENUE PROVISION POLICY 2023/24 ONWARDS AND DRAFT STRATEGIC ASSET MANAGEMENT PLAN

The Executive Member for Financial Sustainability presented the report. He said that this was the fifth edition of the report attached at Appendix A. He said that changes in the economic climate and the increase in interest rates need to ensure that the capital programme remained affordable. He said that lower priority capital spending would be moved to the not committed category which means that the delivery of those items would be paused until the finance becomes available.

Councillor Williamson said that the Draft Asset Management Plan looked at the council's operational and non-operational property assets. He said that the strategy would propose an evaluation of all the council's assets to determine whether it was in the council's interest to retain or dispose of it. The capital receipts from any such disposals would support the capital programme or offset borrowing requirements. He said the strategy was not available for this meeting and would be presented at the January meeting so proposed an amendment to recommendation (A) in the report to remove the words "Draft Asset

Management Plan”.

Councillor Boylan seconded the amendment to the recommendation. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – To amend recommendation (A) as follows: That the Draft Capital Strategy and Minimum Revenue Provision policy 2023/24 onwards for scrutiny by Audit and Governance Committee be approved.

Councillor Curtis asked if the Executive Member could confirm if the evaluation would include revenue generating assets or future generating assets.

Councillor Williamson said it could include revenue generating assets but only where the revenue return was below an acceptable threshold.

Councillor Curtis asked if there would be an opportunity to increase the return on some of these assets.

Councillor Williamson said that it would be looked at as part of the evaluation.

Councillor Curtis asked for confirmation that each asset would be looked at for revenue potential before a decision was made to sell it.

Councillor Williamson confirmed that this would be part of the process.

Councillor Curtis referred to the savings within the Transformation Programme and said it would be better to increase the revenue on the council's assets instead of selling them off to raise money.

Councillor Buckmaster said that many the council's assets were not capable of generating further income and so should be considered for disposal.

Councillor Haysey said the requirements were laid out in detail on page 21.

The Head of Strategic Finance and Property said the evaluation would look at assets for disposals. He said that any assets that did not contribute to the Corporate Plan or would not appreciate in capital or generate income should not be held onto by the council. He said there was potentially £2.4million value in the surplus assets. He said many of the assets were surplus to requirements and it would be a Member decision as to what assets were disposed of.

Councillor Curtis asked how the council kept track of its assets and asked when the last review was taken place.

Councillor Williamson said property assets were valued every year for the Statement of Accounts.

Councillor Curtis asked if costs for capital projects could be reduced instead of sacrificing savings in other services.

Councillor Haysey said that all the capital projects have

been reviewed frequently and some had been moved from approved but not committed.

Councillor Williamson proposed and Councillor Cutting seconded a motion supporting the amended recommendations. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – That (A) the Draft Capital Strategy and Minimum Revenue Provision policy 2023/24 onwards for scrutiny by Audit and Governance Committee be approved;

(B) The principle of selling assets to raise capital receipts to reduce the revenue costs of the capital and authorise officers to prepare an initial list and marketing strategy for assets for sale for approval by Executive be endorsed; and

(C) The Head of Strategic Finance and Property, in consultation with the Executive Member for Financial Sustainability, be authorised to make any changes to these documents as are necessary to reflect the impact of the local government finance settlement and other emerging information, such as the impact of the business rates revaluation, so that Audit and Governance Committee can scrutinise the most up to date financial position.

259 TEMPLATE TO CALCULATE FULL COST RECOVERY UNDER THE FEES AND CHARGES POLICY

The Executive Member for Financial Sustainability

presented the report. He said this was a technical piece of work that had been developed to enable calculations to be made easily and more consistent.

Councillor Haysey said this was a good piece of work and thanked Officers for the report.

Councillor Williamson proposed and Councillor Kaye seconded a motion supporting the recommendations in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – That (A) The template and methodology to calculate full cost recovery under the Fees and Charges Policy be approved; and

(B) When charges are calculated using the template, then a copy of the calculation should be made available as part of the budget papers for the 2023/24 financial year.

260 URGENT BUSINESS

There was no urgent business.

The meeting closed at 5.35 pm

Chairman
Date