

Cabinet Lead for Finance –

Councillor Neil Bowdell

1. Finance & Treasury

1.1 Treasury Management:

Havant's treasury investment portfolio remains in an increasingly strong position. With our minimal borrowing, but high levels of investment, the increase in interest rate rises has positively impacted HBC treasury investments.

The council has had a reasonably consistent £35m-£40m out in active investment loans across the year. In this past quarter, the Council has managed to also improve the returns received on its daily cash balances (the fluctuating amount we cannot commit to any fixed-term investments). We are currently locked in to generate £2.25m in interest, whilst new investments being are offer at ~5.7%. We are currently forecasting an overall return for the 2023/24 financial year of between £2.35m and £2.45m.

1.2 2021/22 Financial Statements:

All adjustments from the 2021/22 audit have been completed. The Council are now waiting for Ernst & Young LLP are able to issue their audit opinion and an update on this is expected by the forthcoming Audit and Finance Committee on 25th March 2024.

1.3 2022/23 Financial Statements:

The draft 2022/23 financial statements were made public during September. With the prior year audit now almost complete, plans and dates are being put into place to start work on the 2023/23 audit. However, these are pending the Government Department's review of outstanding audits and are subject to change. A further update on this is expected at the Audit and Finance Committee on 25th March 2024.

1.4 2023/24 Budget monitoring:

The current year budget is monitored throughout the year and report on to cabinet each quarter. The quarter three (month 9) report forecast a potential operational overspend of up to £1.5m and an overall overspend (once in-year adjustments and contingencies are included) of £0.8m. This is a slight downturn in position from the quarte two forecast and has been driven by increased demand from homelessness and temporary accommodation costs, reduced uncontrollable income from planning fee and off-street parking, and some one-off costs from 2019 being transferred from a historic liability to a cost in the current year.

1.5 2024/25 Budget:

The 2024/25 budget was agreed at the Full Council meeting on 28th February 2023 with 28 Councillors voting for, 0 against and 1 abstaining.

The £18.1 m net revenue budget, £69m capital programme and Council tax resolution were all approved as part of the process.

The Medium-Term Financial Strategy (MTFS) presents a challenging but affordable forecast for the next five years. The Council will be swiftly working on addressing the financial challenges identified in the MTFS processes and exploring all reasonable options to close the future funding gap presented.

2. Council Tax

2.1 In the budget agreed in February 2024, the Council:

- a. Council Tax levels for all bands, for 24/25.
- b. Agreed to extend its Council Tax Support Scheme, which provides vital financial assistance to many residents, for a further year.
- c. Gave notice of the intention to apply Council Tax premium of 100% for all dwellings which are unoccupied but substantially furnished (second homes), with effect from 1st April 2025.

3. Mayoralty and Health, Safety and Risk

3.1 The team continue to support the office of the Mayor, both with official engagements, and with matters relating to national or civic events.

3.2 The Council also held its annual Holocaust event at Havant Cemetery on 26 January 2024. This was very well attended by residents, schools and other visiting Mayors and Chairmen from Hampshire. We were also lucky to have a 2nd generation speaker from the 45 Aid Society, Bryan Huberman. The council appreciates the ongoing support given to us by Cllr Leah Turner, who leads the annual service to commemorate Holocaust Memorial Day. The theme for this years' service was 'Fragility of Freedom,' which encourages people to reflect on their own freedom and remember those who risked their lives and lost their freedom.

- 3.3 We held our second Civic Board Meeting with Councillors and Officers in late January to bring together the Borough's first Honorary Citizen Award(s) that will be presented at the Annual Mayor Making Ceremony in May this year. Applications were received from various Councillors and reviewed for consideration by the Board and will be taken forward.
- 3.4 In early February 2024 Council Officers held a 'Community Resilience Flood' event specifically for Hayling Island residents, the event was held at Hayling Island Community Centre. Agencies such as Hampshire County Council, The Environment Agency, British Red Cross, HBC Coastal Partners and the National Flood Forum gave informative presentations, talks and discussions on how residents could prepare and protect their homes from the threat of flooding. The residents also received a copy of the Environment Flood Action Plan handbook and for further assistance/queries information of the agencies email contacts. The event was well attended and received by the residents, who were given the skills and knowledge of support available to them, to enable them to not only set up a Flood Community Group, but also on remaining vigilant for weather warnings and flood alerts, to empower them to be proactive in protecting the safety of their family, homes, and personal assets.

4. Corporate Governance

- 4.1 Over the last municipal year, the Council has undertaken a comprehensive programme of work to ensure that the Council's governance procedures and decision-making processes continue to be in line with best practice and reflect Havant as a Council. Notably, the Council reviewed and adopted a revised Constitution in January 2024. The Council recognises that the Constitution is a living document and one which should be continuously refined and improved. As such, the Council has also committed to looking at further areas for development next year.
- 4.2 The Council has also adopted the LGA (Local Government Association) Model Code of Conduct. The Model Code was designed to protect the democratic role, encourage good conduct and safeguard the public's trust in

local government. The adoption of the Model Code ensures good governance and public confidence in the Council's decision making practices and procedures through which the Council agrees and delivers its Corporate Strategy.

Following the adoption of the above members have attended training sessions.

- 4.3 The Council has spent the last municipal year refining processes to ensure that they are easily accessible and understood by all. Members will have noticed these changes, such as the revised report template, Notice of Motion template and procedural guidance together with declaration of interests and amendment flowcharts.

5. HR

- 5.1 The HR team has been liaising with subject matter experts within the Council, such as the Health and Safety, Safeguarding and Information Governance leads, and Virtual College, our eLearning platform, to create a suite of baseline training for all colleagues in 2024/25. Following feedback from colleagues, this package has been greatly reduced since moving to a new standalone platform in 2023, but ensures we continue to offer the basic training required in key areas. The team has also negotiated an expanded number of licences to enable access for Members in the near future too.
- 5.2 Having initiated a recruitment campaign through Tile Hill in December 2023, two rounds of interviews were held in February 2024 for the Executive Head of Commercial. The HR Committee has selected a candidate to appoint, and they have agreed to join us, starting in May 2024.
- 5.3 The HR team are supporting Economic Development colleagues in piloting a scheme called the Youth Employment Scheme. This involves trying to get 16-24 year olds into employment and, together, we will be modelling this within the Council, so looking to support placements using a streamlined version of our internal recruitment process.