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NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

TUESDAY, 20TH JANUARY, 2026

SUPPLEMENTARY AGENDA

Please find attached supplementary papers relating to the above meeting, as follows:

Agenda No	Item
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6.	<u>ITEMS REFERRED FROM OTHER COMMITTEES</u> (Pages 3 - 20)
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Any Items referred from other committees will be circulated as soon as they are available.

- 6A) Overview and Scrutiny Committee – Council Delivery Plan 2025-26 Q2 Update - **to be considered with Item 11.**
- 6B) Overview and Scrutiny Committee – The Council Tax Reduction Scheme - **to be considered with Item 12.**
- 6C) Finance, Audit and Risk Committee – Second Quarter Capital Budget Monitoring Review 2025/26 - **to be considered with Item 13.**
- 6D) Finance, Audit and Risk Committee – Second Quarter Revenue Budget Monitoring Review 2025/26 – **to be considered with Item 14.**
- 6E) Finance, Audit and Risk Committee – Second Quarter Treasury Management Review 2025/26 – **to be considered with Item 15.**
- 6F) Finance, Audit and Risk Committee – Revenue and Capital Budgets for 2026/27 Onwards– **to be considered with Item 16.**
- 6G) Finance, Audit and Risk Committee – Risk Management Governance (Mid-Year) Update – **to be considered with Item 17.**

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Item No	Referred from:	OVERVIEW & SCRUTINY COMMITTEE
6A	Date:	6 JANUARY 2026
	Title of item:	COUNCIL DELIVERY PLAN 2025-26 (Q2 UPDATE)
To be considered alongside agenda item:		AGENDA ITEM 11

The report considered by Overview and Scrutiny Committee at the meeting held on 6 January 2026 can be viewed here: [Agenda for Overview and Scrutiny Committee on Tuesday, 6th January, 2026, 7.30 pm | North Herts Council](#)

RESOLVED: That the Overview & Scrutiny Committee:

- (1) Provided comment on the Council Delivery Plan Quarter 2 monitoring report.
- (2) Determined any project they want to receive more detail on, as part of the next monitoring report.

RECOMMENDED TO CABINET: That Cabinet notes progress against Council projects and performance indicators, as set out in the Council Delivery Plan (Appendix A) and approves new milestones and changes to milestones.

REASON FOR RECOMMENDATION: The Council Delivery Plan (CDP) monitoring reports provide the Overview and Scrutiny Committee, and Cabinet, with an opportunity to monitor progress against the key Council projects, and understand any new issues, risks, or opportunities.

Audio recording – 1 hour 52 minutes 6 seconds

Councillor Ian Albert, as Executive Member for Resources presented the report entitled 'Council Delivery Plan 2025-26 (Quarter 2 Update)' and advised that:

- The report outlined the most recent update for the Council Delivery Plan (CDP) including Key Performance Indicators (KPIs) and the associated risks.
- Members could access more detail on the CDP through Ideagen as detailed in paragraph 8.10.
- Two projects had been completed which were the King George V Skate Park in Hitchin and the implementation of the Waste and Street Cleansing Contract.
- Data on the KPI relating to missed bin collections per 100,000 lifts had been explained in paragraph 8.5.
- The five projects with an amber status were outlined in paragraph 8.2.
- Actions to address the KPIs with a red status had been set out in paragraph 8.4, although, the KPI relating to Careline Installations had seen a recent improvement.
- Proposed KPIs that would link more closely to the Council Plan in response to the recommendations from the Corporate Peer Challenge report were detailed in paragraph 8.7.
- There was an error in Appendix A to the report as there had not yet been a further report on Churchgate to Full Council, which had been scheduled to happen on 4 December 2025.

- A full-time Project Manager had been appointed to the Churchgate project and several meetings had taken place before Christmas to explore development options.
- Work would continue to look at the project for housing options and the market, and the Churchgate Project Board had expressed desire to improve parking signage in Hitchin.
- A Member Briefing on Churchgate would take place in late January or early February to ensure transparency and to allow questions to be asked.
- Decisions on the future of Charnwood House would be made in due course once the documents from the Estates Team on an Expression of Interest exercise had been reviewed.

The following Members asked questions:

- Councillor Ralph Muncer
- Councillor Paul Ward
- Councillor Jon Clayden
- Councillor Claire Winchester

In response to questions, Councillor Ian Albert advised that:

- It was expected that the Churchgate update report, delayed from Full Council in December, would be presented to Full Council on 26 February 2026.
- A Churchgate Project Board meeting would take place on 20 January to finalise the position of the project before the Member Briefing and Full Council meeting.
- Investigation would take place into how Members received information about events in their area, specifically larger events that were supported by the Safety Advisory Group.
- Cabinet were responsible for the risks and mitigations within the Council Delivery Plan, and ultimately, its delivery.

In response to questions, Councillor Tamsin Thomas advised that extra time had been spent on Churchgate to ensure that a robust update would be provided at the Member Briefing and Full Council meeting.

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

- The CDP was not used to performance manage the Senior Leadership Team as some of the KPIs and project deadlines were set to be ambitious rather than easy to achieve. Instead, focus was given to why they were not met and the actions to address these.
- Missed bin collection data was recorded and verified by Veolia, however, this would be checked with the Waste Team to obtain further updates.
- CO₂ figures were produced annually and there was lots of data processing involved to produce these, however, this would be checked with the Climate Change and Sustainability Project Manager when the next set of data was due.
- The Customer Service Centre (CSC) provided a good training ground for new starters, particularly apprentices who were promoted to other internal roles which contributed to staff retention issues, but was positive for the Council.
- Results from the implementation of AI to phone lines to handle basic CSC enquiries had been positive and reduced the need for human intervention.
- An update on staff retention issues and the use of AI for phone lines would be obtained from the Customer and Digital Services Manager in due course.

Councillor Jon Clayden proposed and Councillor David Chalmers seconded and, following a vote, it was:

RESOLVED: That the Overview & Scrutiny Committee:

- (1) Provided comment on the Council Delivery Plan Quarter 2 monitoring report.
- (2) Determined any project they want to receive more detail on, as part of the next monitoring report.

RECOMMENDED TO CABINET: That Cabinet notes progress against Council projects and performance indicators, as set out in the Council Delivery Plan (Appendix A) and approves new milestones and changes to milestones.

REASON FOR RECOMMENDATION: The Council Delivery Plan (CDP) monitoring reports provide the Overview and Scrutiny Committee, and Cabinet, with an opportunity to monitor progress against the key Council projects, and understand any new issues, risks, or opportunities.

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Item No	Referred from:	OVERVIEW & SCRUTINY COMMITTEE
6B	Date:	6 JANUARY 2026
	Title of item:	EFFECTIVENESS OF COUNCIL TAX REDUCTION SCHEME AND PROPOSALS FOR 2026/27
To be considered alongside agenda item:		AGENDA ITEM 12

The report considered by Overview and Scrutiny Committee at the meeting held on 6 January 2026 can be viewed here: [Agenda for Overview and Scrutiny Committee on Tuesday, 6th January, 2026, 7.30 pm | North Herts Council](#)

RESOLVED: That the Overview and Scrutiny Committee:

- (1) Commented on the report and consider any further mechanisms that would provide data on the effectiveness of the Council Tax Reduction Scheme.
- (2) Provided comments on the recommendations to Cabinet.

RECOMMENDED TO CABINET:

- (1) To agree to amend the Council Tax discretionary policy to include the support provided to residents with a terminal illness, with the wording detailed in paragraph 8.7, and
- (2) To approve changes to the Council Tax Reduction Scheme bands to reflect the impact of the inflation.

REASON FOR RECOMMENDATIONS: To respond to the request from the Overview and Scrutiny Committee, and to consider changes for next year.

Audio recording – 2 hours 37 minutes 32 seconds

Councillor Ian Albert, as Executive Member for Resources presented the report entitled 'The Council Tax Reduction Scheme (Effectiveness and Proposals for 2026/27)' and advised that:

- The history of Council Tax support offered to working age residents, including the introduction of a banded scheme in April 2023, was detailed in section 7.
- Regulations for Council Tax support relating to pension age residents were set by the Government rather than the Council.
- More detail on the current scheme, including an assessment of its effectiveness and affordability, had been provided at the beginning of section 8.
- An ideal Council Tax Reduction Scheme (CTRS) would provide support to those that needed it most, however, the report highlighted the difficulties in measuring its effectiveness.
- Disregards incorporated into the scheme were set out in paragraph in 8.2.
- The campaign by Marie Curie to prevent residents from dying in poverty and the actions that local authorities could take to address this through Council Tax reductions were described in paragraph 8.14.

- The differences between North Herts Council CTRS and the scheme offered by Manchester City Council as the exemplar authority for the campaign were described in paragraph 8.16.
- Marie Curie acknowledged that changes to the CTRS policy would take time to achieve due to the consultation required, however, they were yet to provide a response to the Council on their CTRS which provided up to a 100% Council Tax reduction for residents.
- Each threshold band would be uplifted by inflation as detailed in paragraph 8.19.
- The Council should be proud of their CTRS and the work of Officers.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Claire Winchester
- Councillor Elizabeth Dennis
- Councillor Ralph Muncer
- Councillor Jon Clayden

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

- It was hoped that all residents who needed support were captured by the CTRS and that the proposed changes to the discretionary scheme would provide further stop gaps to ensure this.
- It was anticipated that changes to the discretionary scheme would have a negligible cost to the Council.
- Those that were in poverty due to income would qualify for the main scheme, and the discretionary scheme would provide support to those that were facing additional costs outside of their income.
- It was difficult to predict the financial impact to the Council of uplifting the bands versus keeping them the same, however, it was estimated that approximately the same number of residents would be eligible after the bands were uplifted without accounting for wider economic conditions.
- Keeping the Council Tax bands the same could mean that residents would receive less support with their Council Tax, however, this may also cause difficulties with collecting payments and result in more bad debts.
- The banded CTRS created less of an admin burden than the previous scheme as a change in circumstances was less likely to trigger a review.

In response to questions, the Benefits Manager advised that:

- Increased publicity of CTRS would be done through their website and engaging with customers to encourage promotion through word of mouth.
- The reduction in pension age residents using the CTRS when compared to working age residents was likely due to an increase in pensioner wealth in the district.
- Universal Credit payment data was received to calculate the claims of working age residents which made the process less onerous than before.

In response to questions, Councillor Ian Albert advised that:

- The Council worked with Age UK and other external organisations to publicise several initiatives including CTRS.
- Conversations would be held with officers to ensure that residents who contacted them about the CTRS were sufficiently signposted to all support provided by the Council and external organisations.

- Residents that were in low paying jobs were supported by the CTRS scheme.
- Recording the number of calls where residents reported that they could not afford their Council Tax would be investigated, in addition to the average level of CTRS discount from movement between bands.

Councillor Vijaiya Poopalasingham proposed and Councillor Sadie Billing seconded and, following a vote, it was:

RESOLVED: That the Overview and Scrutiny Committee:

- (1) Commented on the report and consider any further mechanisms that would provide data on the effectiveness of the Council Tax Reduction Scheme.
- (2) Provided comments on the recommendations to Cabinet.

RECOMMENDED TO CABINET:

- (1) To agree to amend the Council Tax discretionary policy to include the support provided to residents with a terminal illness, with the wording detailed in paragraph 8.7, and
- (2) To approve changes to the Council Tax Reduction Scheme bands to reflect the impact of the inflation.

REASON FOR RECOMMENDATIONS: To respond to the request from the Overview and Scrutiny Committee, and to consider changes for next year.

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Item No	Referred from:	Finance, Audit and Risk Committee
6C	Date:	7 January 2026
	Title of item:	Second Quarter Capital Monitoring Review 2025/26
To be considered alongside agenda item:		Agenda Item 13

The report considered by Finance, Audit and Risk Committee at the meeting held on 7 January 2026 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 7th January, 2026, 7.30 pm | North Herts Council](#)

RECOMMENDATION TO CABINET: That Finance, Audit and Risk Committee comment on the recommendations to Cabinet which are:

- (1) That Cabinet notes the forecast expenditure of £26.366M in 2025/26 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approves the adjustments to the capital programme for 2026/27, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the estimated spend by £1.773M.
- (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.

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

Audio recording – 32 minutes 43 seconds

The Director – Resources presented the report entitled ‘Second Quarter Capital Monitoring Review 2025/26’ and highlighted that:

- Following discussion at Overview and Scrutiny Committee on 6 January 2026, it was confirmed that the budget for the Museum and Commercial Storage project could be reduced from £4 million to £3 million, with a hope to achieve further reduction in budgets.
- The report to Cabinet would also feature an additional change in relation to the purchase of bins, both due to demand and the price increase of domestic bins and considering the budget had not increased for this in recent years. Therefore, another £50,000 would be requested to be added to the Capital Budget.
- Investigations were taking place in relation to resurfacing of the Lairage car park, which had been held back due to an access issue. It would be explored how access could be gained and the works completed as soon as possible.
- There was a forecasted overspend in relation to the Decarbonisation Project, as outlined at Table 3 of the report. However, the overspend was within the 5% tolerance set in the budget. Overall, the projected would cost around £17million.
- The Capital finance requirements had turned position in this financial year, and therefore the Council would need to borrow for the 2026/27 Capital Programme.

The following Members asked questions:

- Independent Member John Cannon
- Councillor Vijaya Poopalasingham
- Councillor Ruth Brown

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

- There was a lag between information being gathered in September and the reports being presented to the Committee, due to the timing of meetings. However, in most instances, the information provided was relevant and up to date when reported, with any significant changes highlighted.
- There was not a date set for the Home Repair Assistance money to be fully spent, but the Director would get an update and provide this to the Committee.
- The Museum Storage project budget was proposed to be reduced to £3 million.
- The access issue to the Lairage car park was that the road leading up to it was too narrow and winding to allow the trucks needed to resurface.
- The financial tolerance for a project was 5% which for the Leisure Decarbonisation project was roughly £700K and, at the time of the meeting, it was £500K over budget.
- The completion date for the Leisure Decarbonisation project was expected to be between April and June 2026. There would likely be some slippage into the 2026/27 Financial Year, however it would be minimal and expected to comply with the requirements of the Salix grant received.
- There had been £1.7 million worth of projected slippage from 2025/26 to 2026/27.

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

RECOMMENDATION TO CABINET: That Finance, Audit and Risk Committee comment on the recommendations to Cabinet which are:

- (1) That Cabinet notes the forecast expenditure of £26.366M in 2025/26 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approves the adjustments to the capital programme for 2026/27, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the estimated spend by £1.773M.
- (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.

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

Item No	Referred from:	Finance, Audit and Risk Committee
6D	Date:	7 January 2026
	Title of item:	Second Quarter Treasury Management Review 2025/26
To be considered alongside agenda item:		Agenda Item 15

The report considered by Finance, Audit and Risk Committee at the meeting held on 7 January 2026 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 7th January, 2026, 7.30 pm | North Herts Council](#)

RECOMMENDATION TO CABINET: That Finance, Audit and Risk Committee comment on the recommendations to Cabinet which are:

(1) That Cabinet recommends to Council that it notes the position of Treasury Management activity as at the end of September 2025.

REASON FOR RECOMMENDATION: That Cabinet recommends to Council that it notes the position of Treasury Management activity as at the end of September 2025.

Audio recording – 45 minutes 24 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 ‘Second Quarter Treasury Management Review 2025/26’ and highlighted that:

- There had been over-investment of £1M in this period, which related to a £4M investment in Blackpool Council, against the limit of £3M, and this was outlined at paragraph 8.2 of the report. A further step had been added to the process to ensure this over-investment did not happen again.
- The total interest earned to date, as well as the forecast to year end, was outlined in paragraph 8.3 of the report.
- The mix of investments was outlined a paragraph 8.4 of the report, with most of these being with other Local Authorities, although there were now some monies invested in Building Societies.
- Full details of investments were shown in paragraph 8.5 of the report, which included the risk of default and credit rating details.

In response to questions from Councillor Ruth Brown, the Director – Resources stated that:

- The point of the counterparty limit was to diversify the portfolio and therefore reduce the risk.
- The over-investment in Blackpool Council was for the period from August 2025 to December 2025. However, the money had now been returned in full and the overinvestment risk was over.
- If a Local Authority issued a Section 114 Notice, any investments with that Council would be repaid.

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

RECOMMENDATION TO CABINET: That Finance, Audit and Risk Committee comment on the recommendations to Cabinet which are:

- (1) That Cabinet recommends to Council that it notes the position of Treasury Management activity as at the end of September 2025.

REASON FOR RECOMMENDATION: That Cabinet recommends to Council that it notes the position of Treasury Management activity as at the end of September 2025.

N.B. Cllr Paul Ward returned to the Chamber at 20:32.

Item No	Referred from:	Finance, Audit and Risk Committee
6E	Date:	7 January 2026
	Title of item:	Second Quarter Revenue Budget Monitoring 2025/26
To be considered alongside agenda item:		Agenda Item 14

The report considered by Finance, Audit and Risk Committee at the meeting held on 7 January 2026 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 7th January, 2026, 7.30 pm | North Herts Council](#)

RECOMMENDATION TO CABINET: That Finance, Audit and Risk Committee comment on the recommendations to Cabinet which are:

- (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, an £846k decrease 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 £555k increase in net expenditure. These will be incorporated in the draft revenue budget for 2026/27.

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.

Audio recording – 52 minutes 50 seconds

The Director – Resources presented the report entitled ‘Second Quarter Revenue Budget Monitoring 2025/26’ and highlighted that:

- A summary of significant variances, which included overspend, underspend and carry forward was outlined in Table 3 of the report.
- Paragraph 8.4 looked at carry forwards from last year and whether they were spent in this financial year. There were some examples where money was still reserved for a specific purpose but had not been spent in this financial year.
- Corporate Health Indicators were outlined at Table 4 in the report, which looked at the major income streams for the Council.
- The leisure centre management fee income was flagged as red due to the ongoing work related to the Leisure Decarbonisation Project.
- There had been a slight reduction in Garden Waste subscribers and the commercial refuse collections.
- Parking income was increasing.
- The general funding position and the allocation going forward was outlined at paragraph 8.8 of the report.
- A minimum General Fund Balance was set at the start of the year, which accounted for specific and unknown risks. Specific risks were monitored throughout the year and the allowance on this had turned negative, which indicated that the Council had underestimated this risk.

The following Members asked questions:

- Independent Member John Cannon
- Councillor Vijaya Poopalasingham
- Councillor Ruth Brown

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

- Ordinarily, the Council would not make predictions on Treasury Investment income for future years, as decisions taken in setting the budget would impact on the figure received.
- The spend on postage was going down, but there was a requirement for certain documents to be sent via post, such as Council Tax summons, and some residents required paper copies, as they could not or chose not to communicate via email.
- The Community Wellbeing team was funded partially by Hertfordshire County Council (HCC) and therefore this Council has had to readjust the structure now this funding was not in place.
- The leisure centre statistics compared the quarter two performance in 2024/25 and 2025/26 and demonstrated an upward trend. This was partly due to Everyone Active being relatively new in 2024 and only some of the closures being in quarter 2 of 2025/26. There was likely to be some drop off in quarter 3 due to further closures to complete the decarbonisation works in 2025/26.
- The forecast already considered the payment needed to cover the loss of income to Everyone Active during the decarbonisation works and work had been conducted to minimise the loss of income.
- The reduction in spend on Waste Service staff was likely due to a decision not to use agency staff to fill vacancies, which would have been a higher cost. The contract had now been delivered successfully, with some minor issues experienced, but the team had coped with the staffing levels.
- It was expected that the one business who had not renewed their parking season tickets was an outlier, and there were not a large number of businesses who paid for permits, therefore the Council was not anticipating a significant drop off from season ticket income.

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

RECOMMENDATION TO CABINET: That Finance, Audit and Risk Committee comment on the recommendations to Cabinet which are:

- (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, an £846k decrease 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 £555k increase in net expenditure. These will be incorporated in the draft revenue budget for 2026/27.

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.

Item No	Referred from:	Finance, Audit and Risk Committee
6F	Date:	7 January 2026
	Title of item:	Risk Management Mid-Year Update
To be considered alongside agenda item:		Agenda Item 17

The report considered by Finance, Audit and Risk Committee at the meeting held on 7 January 2026 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 7th January, 2026, 7.30 pm | North Herts Council](#)

RECOMMENDATION TO CABINET:

- (1) That Finance, Audit and Risk Committee note and provide recommendations to Cabinet on this mid-year Risk Management Governance update.
- (2) That Finance, Audit and Risk Committee comment on the proposed changes to the Risk Management Framework and recommend these changes for approval to Cabinet.

REASON FOR RECOMMENDATION: Cabinet has overall responsibility for ensuring the management of risk.

Audio recording – 1hour 10 minutes 43 seconds

The Director – Resources presented the report entitled ‘Risk Management Mid-Year Update’ and highlighted that:

- Minor changes to the Risk Management Framework were highlighted in paragraph 8.1.2.
- Risks during the first half of the year 2025/26, until September, were detailed in paragraphs 8.2.4 and 8.2.5.
- There was potential for the Financial Stability risk to reduce, as would have a 3-year settlement and not forecasting significant savings needed.
- There remained high risks in relation to Local Government Reorganisation (LGR), Resourcing and Cyber risks.
- Completed and proposed mitigating actions for each of the Council Delivery Plan high-level risks were shown in paragraph 8.2.6. Although some risk scores did not change, there was ongoing work to address these.
- Risk reviews mainly happened on time, or within the parameters of acceptable, as outlined in section 8.3.
- Items that have been added to or removed from the risk register were outlined in section 8.4.
- The Health and Safety Officer retired in September and to mitigate risk in that area Herts County Council were providing some of the professional work and administrative tasks had generally been reallocated.
- Review of the actions from the previous report and the progress in 2025/26 was outlined in section 12.

The following Members asked questions:

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

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

- At the time of producing the report for the agenda, it was too early to consider reducing the risk around Financial Stability. However, this could be addressed and considered in future reviews, as the situation became clearer.
- The Council Delivery Plan included the Corporate Risks, and this was presented, as required, to the Overview and Scrutiny Committee.
- The Local Plan Review had gone from a risk score of 5 to a 7, which was likely due to awaiting a government clarity on the process.
- The Cyber Security risk training did not happen due to sickness and was planned to happen as soon as possible. This session would cover the plan for a cyber-attack, and which services were required to be addressed as priority.
- Business Continuity Plans existed in all service areas and were reviewed annually.

Councillor Stewart Willoughby proposed and Councillor Paul Ward seconded and, following a vote, it was:

RECOMMENDATION TO CABINET:

- (1) That Finance, Audit and Risk Committee note and provide recommendations to Cabinet on this mid-year Risk Management Governance update.
- (2) That Finance, Audit and Risk Committee comment on the proposed changes to the Risk Management Framework and recommend these changes for approval to Cabinet.

RESON FOR RECOMMENDATION: Cabinet has overall responsibility for ensuring the management of risk.

Item No	Referred from:	Finance, Audit and Risk Committee
6G	Date:	7 January 2026
	Title of item:	Revenue and Capital Budgets for 2026/27 Onwards
To be considered alongside agenda item:		Agenda Item 16

The report considered by Finance, Audit and Risk Committee at the meeting held on 7 January 2026 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 7th January, 2026, 7.30 pm | North Herts Council](#)

RECOMMENDATION TO CABINET: That Finance, Audit and Risk Committee comment on the recommendations to Cabinet which are:

- (1) That Cabinet notes the Council's expected funding for 2026/27.
- (2) That Cabinet confirms (in line with the Medium-Term Financial Strategy) that budget forecasts should be based on increasing Council Tax by 2.99% (the maximum amount allowable without a local referendum). Noting that Government have assumed Council Tax will increase by the maximum allowed in calculating Core Spending Power.
- (3) That Cabinet agree which proposals (revenue and capital) should be taken forward as part of the budget-setting process for 2026/27

REASON FOR RECOMMENDATION: To ensure that all relevant factors are considered in arriving at a proposed budget and level of Council Tax for 2026/27, to be considered by Full Council on 26 February 2026.

Audio recording – 1hour 52 minutes 52 seconds

The Director – Resources presented the report entitled 'Revenue and Capital Budgets For 2026/27 Onwards' and highlighted that:

- At the setting of the Medium Term Financial Strategy (MTFS), there was still a high level of uncertainty regarding future funding.
- There were no targets set for savings in 2026/27 in the MTFS, but Members were made aware that there may be a need to make big savings and that potentially the reserves would be used to fill the funding gap.
- The Council conducted a Budget Survey, with the aims of this and the results provided at Section 8 of the report.
- The Funding Policy Statement had now been received from government, which outlined how Fair Funding 2 would work, and provided a range of amounts.
- On 4 November 2025, the estimated payments for Extended Producer Responsibility were provided and these were proposed to increase from previously.
- On 7 December 2025, the provisional settlement was provided by government, which was a complicated document and work was ongoing to ensure that grants were accounted for properly.
- The amount outlined in the provisional settlement was higher than expected.
- The amounts for the second and third year were estimates and the actual amounts could vary.

- The pension fund was performing well and therefore the amount the Council paid in could be reduced, which would mean that an annual saving of £1.28million could be achieved.
- Budget Workshops were held in November, and the proposals that were considered, with some changes since, were outlined in Appendix B and C of the report.
- There would be a slight increase in the amount included in the Cabinet papers to ensure capital expenditure was available to cover the purchase of new bins.
- There was money set aside to support the Local Government Reorganisation (LGR) process.
- Taking on the proposed investments, and savings, as well as the funding provision and changes to pensions, it was likely that a balanced budget could be achieved by 2028/29 without any significant savings.
- All assumptions were based on the increase of Council Tax by 2.99%.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Paul Ward

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

- The Fair Funding Review looked at what funding was required and then removed the amount which could be raised from Council Tax, with an assumption that over the period Council Tax would increase by the maximum allowed.
- The Council would expect around £2.4million in General Fund Reserves to support the budget, most of which was an allocation for LGR costs.
- Previously where marketing spends had been increased for Careline, this had seen an increase in income. It was therefore a reasonable assumption to make, and the estimated returns were realistic.
- The funding for an additional post in IT was to replace funding previously brought forward and would then be a cost on an annual ongoing basis.
- The Churchgate Project Manager role funding was for this year but going forward it was expected that there would be a capital budget in place.

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

RECOMMENDATION TO CABINET: That Finance, Audit and Risk Committee comment on the recommendations to Cabinet which are:

- (1) That Cabinet notes the Council's expected funding for 2026/27.
- (2) That Cabinet confirms (in line with the Medium-Term Financial Strategy) that budget forecasts should be based on increasing Council Tax by 2.99% (the maximum amount allowable without a local referendum). Noting that Government have assumed Council Tax will increase by the maximum allowed in calculating Core Spending Power.
- (3) That Cabinet agree which proposals (revenue and capital) should be taken forward as part of the budget-setting process for 2026/27

REASON FOR RECOMMENDATION: To ensure that all relevant factors are considered in arriving at a proposed budget and level of Council Tax for 2026/27, to be considered by Full Council on 26 February 2026.