

# Public Document Pack

## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### CABINET

**TUESDAY, 16TH JUNE, 2026**

### **SUPPLEMENTARY AGENDA**

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

**Agenda No**    **Item**  
6.                **ITEMS REFERRED FROM OTHER COMMITTEES (Pages 3 - 24)**

Any Items referred from other committees will be circulated as soon as they are available.

- A) Overview and Scrutiny Committee – Local Government Reorganisation Funding – **to be considered with Item 12.**
- B) Overview and Scrutiny Committee – Churchgate Regeneration Project Update & Next Steps – Part 2 – **to be considered with Item 20.**
- C) Overview and Scrutiny Committee – Churchgate Regeneration Project Update & Next Steps – Part 1 – **to be considered with Item 21.**
- D) Finance, Audit and Risk Committee – Revenue Budget Outturn 2025-26 – **to be considered with Item 15.**
- E) Finance, Audit and Risk Committee – 2025-26 Year End Report on Risk Management Governance – **to be considered with Item 14.**
- F) Finance, Audit and Risk Committee – Capital End of Year Review 2025-26 – **to be considered with Item 17.**
- G) Finance, Audit and Risk Committee – Treasury Management End of Year Review 2025-26 – **to be considered with Item 16.**

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<b>Item No</b>	<b>Referred from:</b>	<b>Overview and Scrutiny Committee</b>
<b>6A</b>	<b>Date:</b>	<b>9 June 2026</b>
	<b>Title of item:</b>	<b>Local Government Reorganisation Funding</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 12</b>

The report considered by the Overview and Scrutiny Committee at the meeting held on 9 June 2026 can be found here: [Agenda for Overview and Scrutiny Committee on Tuesday, 9th June, 2026, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:**

- (1) That Cabinet approve that up to £1 million of the available funding be allocated to county-wide costs. Any contribution will be based on a fair share from each Council and can be approved by the Chief Executive, in consultation with the Executive Member for Devolution and Local Government Reorganisation and Executive Member for Resources.
- (2) That Cabinet approve that up to £1 million of the available funding be allocated to additional staffing costs, noting that £450k has already been allocated. Any spend can be approved by the Chief Executive in consultation with the Leader of the Council, Executive Member for Resources, Chair of the Overview and Scrutiny Committee and political Group Leaders, except where the Constitution already requires different approval processes.
- (3) That Cabinet approve that up to £200k of the available funding can be spent on additional training costs. Any spend can be approved by the Chief Executive in consultation with the Leader of the Council and Executive Member for Resources.
- (4) That any spend is subject to a cap of £1 million in 2026/27 and £2 million overall.

**REASON FOR RECOMMENDATIONS:** This is intended to provide a practical framework for agreeing LGR costs. It aims to allow timely reactions in what will need to be a fast-moving project.

Audio recording – 01 hours 46 minutes 22 seconds

Councillor Ian Albert, as Executive Member for Resources, presented the report entitled 'Funding for Local Government Reorganisation (LGR)' and advised that:

- This report was seeking agreement on how the LGR reserve for the next two financial years would be allocated, and the decision making and reporting mechanisms for this.
- Spending on LGR could be put into three categories, which were county-wide costs, additional staffing costs arising from LGR related work and staff training costs.
- £1 million would be allocated to county-wide costs, with any contribution to this being a fair share contributed by each council, and this would be approved by the Chief Executive in consultation with executive members.
- Up to £200K would be spent on staff training costs, which would be hugely important in the context of LGR.

- The recent delegated decision allocated £450K of the LGR funding to four full-time, two-year, fixed-term posts in HR and IT to address workload pressures.
- However, recruitment was ongoing for these posts, and they would not necessarily need to spend the full allocation.
- Delegated decisions were likely to be published for spending on staff backfill and county-wide costs, but may not be needed for the learning and development allocations as these transactions would be low value and allocated in tranches, but they would be monitored in the quarterly budget reports.
- Proposals for spending would go the Leadership Team for review and prioritisation in the context of the available budget.
- Significant officer time spent on LGR related work would continue.
- Centralised spending would be easier to compartmentalize through workstream leads and project plans.
- Funding for the LGR Reserve was fixed and they might need to reevaluate the allocation as part of the budget setting next year, but currently it was robust.
- Points raised about managing funds effectively on large projects such as LGR would be taken onboard.
- There would be continued opportunities for the Overview and Scrutiny Committee and Finance, Audit and Risk Committee to review spending on LGR.

The following Members asked questions:

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

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

- The £200K for additional staff training costs had been set after conversations with the Learning and Development Manager, and most costs had been absorbed within existing budgets so far, meaning it was a realistic figure.
- More spending on new positions would not take place soon as the immediate workload pressures had been addressed.
- Future recruitment would occur as LGR related work grew more intense.
- If additional staff were needed, there would be a need to make timely decisions, and the benefit of wider consultation on spending would have to be considered.
- Risk from potential redundancy costs following LGR due to appointing additional staff was a factor, but the risk of not appointing additional staff was even greater.
- It was speculated that additional staff might be needed beyond LGR.
- The county-wide costs went towards a central pot for the county-wide LGR programme overseen by the Chief Executives Co-ordinating Group, and this appointed additional staff, but also had staff loaned from existing authorities and there were mechanisms in place to ensure the right flows of funding.
- Resources to support mental health and wellbeing in the Council were good, but it was recognised that that the HR Team would need additional staff to help transition existing staff to a new unitary authority and beyond.
- There was no contingency built into the LGR Reserve, but there would be an opportunity to review this when the next budget was set, and it was noted that the reserve could increase next year as LGR progressed.

- It was likely that most staff would be transferred across to the new unitary authorities and any severance costs would be for them to handle after April 2028, which had been factored into the LGR submission documents sent to the Government.
- £900K had been promised for each new unitary authority by the Government to support the LGR process, but there were no expectations of further government funding.

In response to questions, Councillor Ian Albert advised that:

- Transparency on decisions around resourcing and prioritisation would continue to be provided through the Council Delivery Plan.
- Directors would look at lower priority areas in consultation with Executive Members and the importance of transparency and ensuring that Members and residents were aware of decisions taken on these was noted.
- They would consider the suggestion to include the Chair of the Overview and Scrutiny Committee and political Group Leaders in the consultation process when the Chief Executive approved spending on LGR related staffing backfill costs.
- However, it would be important that they worked quickly to recruit, and they had already allocated a significant amount of the £1 million reserved for additional staffing costs.

Councillor Sadie Billing proposed the recommendations as set out in the report and this was seconded by Councillor Nigel Mason.

Councillor Ralph Muncer proposed an amendment to recommendation 2.2 in the report to include that any spend can be approved by the Chief Executive in consultation with the Chair of the Overview and Scrutiny Committee and political Group Leaders, and this was seconded by Councillor Elizabeth Dennis.

There was no debate on the amendment.

Following a vote, the amendment was **CARRIED**.

As part of the debate on the substantive motion, the Chair summarised discussions and outlined that they had talked about training costs, and the need for further consultation on decisions.

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

**RECOMMENDED TO CABINET:**

- (1) That Cabinet approve that up to £1 million of the available funding be allocated to county-wide costs. Any contribution will be based on a fair share from each Council and can be approved by the Chief Executive, in consultation with the Executive Member for Devolution and Local Government Reorganisation and Executive Member for Resources.
- (2) That Cabinet approve that up to £1 million of the available funding be allocated to additional staffing costs, noting that £450k has already been allocated. Any spend can be approved by the Chief Executive in consultation with the Leader of the Council, Executive Member for Resources, Chair of the Overview and Scrutiny Committee and political Group Leaders, except where the Constitution already requires different approval processes.

- (3) That Cabinet approve that up to £200k of the available funding can be spent on additional training costs. Any spend can be approved by the Chief Executive in consultation with the Leader of the Council and Executive Member for Resources.
- (4) That any spend is subject to a cap of £1 million in 2026/27 and £2 million overall.

**REASON FOR RECOMMENDATIONS:** This is intended to provide a practical framework for agreeing LGR costs. It aims to allow timely reactions in what will need to be a fast-moving project.

By virtue of paragraph(s) 3, 4 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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<b>Item No</b>	<b>Referred from:</b>	<b>Overview and Scrutiny Committee</b>
<b>6C</b>	<b>Date:</b>	<b>9 June 2026</b>
	<b>Title of item:</b>	<b>Churchgate Regeneration Project Update &amp; Next Steps – Part 1</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 21</b>

The report considered by the Overview and Scrutiny Committee at the meeting held on 9 June 2026 can be found here: [Agenda for Overview and Scrutiny Committee on Tuesday, 9th June, 2026, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** That Cabinet recommends that Council approves the allocation of additional funds, referencing the Part 2 report.

**REASON FOR RECOMMENDATION:** To ensure that the Overview & Scrutiny Committee are content with the decisions being put forward to Cabinet on 16 June 2026 and to Full Council on 16 July 2026. This report provides an overview of the recent work completed and details how the project team and Project Board propose to move forward – providing the Committee with an opportunity to ask any further details.

Audio recording – 01 hours 03 minutes 38 seconds

Councillor Val Bryant, as Leader of the Council, presented the report entitled ‘Churchgate Regeneration Project Update & Next Steps – Part 1’ and advised that:

- Since the consideration of the project at a Full Council meeting in July 2025, they had worked to test the most critical issues of the site such as parking, public realm, the future of the market, governance and long-term sustainability of the town centre.
- The Council was in a stronger position than it was 12 months ago as there was a strong technical and financial evidence base, and a clearer understanding of the site constraints, viability and delivery challenges, market appetite and delivery expectations.
- Soft market engagement recently undertaken had confirmed strong confidence in Hitchin as an attractive town centre regeneration opportunity with long-term potential.
- It was a finely balanced scheme, which required detailed feasibility work and delivery planning, and a proportionate approach to risk before any delivery route was chosen.
- The Council was seeking to appoint specialists with regeneration expertise to work alongside the project team and take it from ambition and planning to delivery and implementation.
- A phased approach would ensure that investment, funding and risk remained proportionate to uncertainty at each stage of the project and reflect the scale and complexity of the opportunity and feedback received from the soft market engagement.
- This would ensure that the project would progress in a measured way by maintaining strategic oversight and decision-making control, and reduce uncertainty before any long-term partnership was entered into.
- The recommendations would support the ambition to deliver a viable, high-quality regeneration scheme to support the sustainability and vitality of Hitchin town centre.

The Chair advised that an updated version of this report had been published as a supplementary document.

The following Members asked questions:

- Councillor Claire Winchester
- Councillor Ralph Muncer
- Councillor David Chalmers
- Councillor Daniel Wright-Mason
- Councillor Elizabeth Dennis

In response to questions, the Churchgate Project Manager advised that:

- Viability testing would not decrease the quality or delivery of the project or affordable housing as the regeneration aimed to produce a high-quality mixed-use development that celebrated the market, public realm and heritage of the area.
- The additional funds would allow testing of design quality, viability, and deliverability together rather than separately, while allowing the Council to have strategic oversight over quality control.

In response to questions, the Chief Executive advised that:

- The Secretary of State would place restrictions on the financial decision-making ability of the Council once a shadow authority was created, which would mean signoff from the shadow authority being required for financial decisions over a certain threshold and the potential need for multiple signoffs on this project.
- If they focused on delivering a viable scheme that made sense to the Council, it should also make sense to a shadow authority.
- However, they could not speak on behalf of a shadow authority that did not yet exist and whose purpose would be to oversee the preparation of the unitary authorities.

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

- Funding for this work would not go towards their current consultants, but to a different development partner or similar company.
- Appointing an external partner for this stage would put them in a better position due to the complexity of the project, and the expertise they would provide on appropriate testing before going out to the market.
- Not procuring an external partner would significantly impact both time and costs spent on the project, and using this funding would get them the right advice to proceed correctly.

In response to questions, Councillor Val Bryant advised that:

- There were detailed month by month plans in place for the project and there was no reason why the project should not be in a good position when Local Government Reorganisation (LGR) took place if they followed this.
- It would be an advantage for them to merge with other authorities such as Stevenage Borough Council as part of LGR as they were looking at bigger regeneration projects.

Councillor Jon Clayden proposed recommendation 2.1 in the report and the amended recommendation 2.2, and these were seconded by Councillor Claire Winchester, as follows:

- (1) That the recommendation to Full Council and to Cabinet is noted, and that the Overview & Scrutiny Committee also note the provided update/next steps of the project.
- (2) That the Overview and Scrutiny Committee recommend that Cabinet recommend that Council approves the allocation of additional funds, referencing the Part 2 report.

The following Members took part in the debate:

- Councillor Ralph Muncer
- Councillor Elizabeth Dennis
- Councillor Paul Ward
- Councillor Martin Prescott
- Councillor Nigel Mason

The following points were made as part of the debate:

- There was a fear that this project had reached a tipping point whereby the Council would continue to commit funding to it past the point of no return.
- The initial estimates for the project had been inadequate, and with turbulence in both the economy and construction industry, the overspend was unacceptable and the administration should evaluate their projects in a phased approach to focus on what was realistic.
- Additional costs were likely to arise in the future, and it would be useful for Members to be provided with more costing information before they reached the pre-development stage.
- They wanted the project to succeed, but not at any cost, therefore, measures should be taken to prevent it from spiralling.
- From experience with previous Council projects, it was important that this additional funding was allocated so that the Council was in the strongest possible position before the planning phase, and to prevent last minute changes from spiralling the project.
- The Churchgate Project Board had given this considerable thought, and they trusted the approach that was being taken.
- There was no reason not to support the recommendations.
- The project should not be stopped considering it was a multimillion-pound investment.
- The project was complicated and expensive, but they understood that the Project Board were doing their best to deliver this.
- They were not telling the Project Board to stop the project, they were simply telling them to be cautious.
- The Council should always remember that this was taxpayer money being spent, but the proposal was sensible and those living in Hitchin would benefit.

The Chair summarised discussions and outlined that:

- There had been discussion over the risk for them as a Council versus the risk for a developer in being involved in this project and how to balance that.
- Uncertainties would be present at the later stages of the project around financial decisions and upper bands when LGR took place.
- The Committee did not want to see a loss of quality on the final scheme because of challenging market conditions or a stop to the project because of LGR.
- Reasons for involving external parties in the project had been discussed at length.

The Chair thanked Members and officers on the Project Board for their contributions.

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

**RESOLVED:** That the recommendation to Full Council and Cabinet was noted, and that the Overview & Scrutiny Committee also noted the provided update/next steps of the project.

**RECOMMENDED TO CABINET:** That Cabinet recommends that Council approves the allocation of additional funds, referencing the Part 2 report.

**REASON FOR RECOMMENDATION:** To ensure that the Overview & Scrutiny Committee are content with the decisions being put forward to Cabinet on 16 June 2026 and to Full Council on 16 July 2026. This report provides an overview of the recent work completed and details how the project team and Project Board propose to move forward – providing the Committee with an opportunity to ask any further details.

*N.B. Following the conclusion of the item, there was a break in proceedings at 21.08 and the meeting reconvened at 21.17. During the break, Councillor Martin Prescott left the Chamber and did not return.*

<b>Item No</b>	<b>Referred from:</b>	<b>Finance, Audit and Risk Committee</b>
<b>6D</b>	<b>Date:</b>	<b>10 June 2026</b>
	<b>Title of item:</b>	<b>Revenue Budget Outturn 2025-26</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 15</b>

The report considered by the Finance, Audit and Risk Committee at the meeting held on 10 June 2026 can be found here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 10th June, 2026, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** That Finance, Audit and Risk Committee comments on the assumptions and information contained within the report, in the context that Cabinet agrees that:

- (1) That Cabinet note the report.
- (2) That Cabinet approves a decreased of £1.385million in the 2025/26 net General Fund expenditure, as identified in section 8, to a total of £21.400million.
- (3) That Cabinet approves the changes to the 2026/27 General Fund budget, as identified in table 4 and paragraph 8.3, a total £651k increase in net expenditure.

That Cabinet recommend to Full Council:

- (4) That Council approves the net transfer from earmarked reserves, as identified in table 9, of £4.925million.

**REASONS FOR RECOMMENDATIONS:**

- (1) 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.
- (2) Changes to the Council's balances are monitored and approved.

*Audio recording – 1 hour 8 minutes 38 seconds*

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

- Revenue related to day-to-day spending and capital related to improving and purchasing assets.
- This report was an end of year position, with a slightly updated version being presented to Cabinet on 16 June 2026.
- These changes included a reduction to the underspend which related to the Waste and Street Cleansing Contract. The funding of the waste contract mobilisation costs had not been included in this version. These had been funded from the waste reserve, but there had also been a shortfall so it had impacted on the outturn budget position. The budgeted use of a revenue reserve to fund vehicle purchases had also not been included. Therefore, the result was also an impact on the net transfer from earmarked reserves.

- Table 4 of the report detailed the significant in year variances, and the reasons for these.
- The total budget to be carried forward to 2026/27 was £1.844million, as outlined in paragraph 8.3 of the report.
- The previous carry forward amounts were detailed at paragraph 8.5 of the report, which demonstrated whilst plans were in place to spend this allocation, it could not be delivered due to capacity and other limitations.
- All targeted efficiencies have been achieved, as detailed in paragraph 8.4 of the report.
- The performance against financial health indicators was outlined at paragraphs 8.6-8.8 of the report.
- There had been some updates to these, including the final number of car parking tickets sold, the number of Penalty Charge Notices (PCNs) issued and the final position of the General Fund balance.
- The explanation for total variances across the year was included at Appendix 1 of the report. The budget was reset for each in year quarterly review, but this report provided detail of original budget through to year end.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Chris Lucas
- Councillor Elizabeth Dennis
- Councillor Ruth Brown
- Councillor Sarah Lucas
- Independent Member John Cannon

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

- The highlighted numbers included at Table 6 of the report were draft at time of writing, however the final figures had been included in the Cabinet report.
- The number of Garden Waste Collection subscribers had not changed and represented a 4.9% decrease on 2024/25.
- The Car Parking Fees final figures were 1,204,898 tickets sold, with an average price of £1.76. Whilst the average price was down 1.7% on 2024/25, the number of tickets sold had increased by 4.6%. This reflected more people parking in Council car parks for a shorter period of time.
- The final number of Parking PCNs issued was 18,991, which was a 14.4% increase on 2024/25 and was mainly down to the service being better staffed, therefore more Officers were available to issue PCNs.
- Underspend on projects was often due to staffing, which reflected the difficulty in recruiting to some posts. However, work was ongoing to address this and fill the vacancies, which would add resource to deliver on projects.
- Recovery action on debt was now in place.
- There would not normally be any penalties imposed on late payments for sundry debt.
- The cost of chasing debts to the Council was managed within the relevant teams.
- There had been some progress on the Town Centre Strategy project this year. This project was within the Place directorate who had many projects ongoing, and prioritisation of project delivery was needed.
- There were previously discussions around employing an Officer to specifically look at increasing use of the commercial waste collection service. An update would be sought on this from the relevant service area.
- Some of the delivery around the commercial waste collection service had been delayed due to the major in year changes to the waste contract this year, but this was now complete and work could be done to explore these areas more effectively.

- The Business Continuity team had some absences, but Officers were now back and progressing work around this area, including considering which services would be prioritised in the case of a cyber attack.
- The IT team had been actively engaged in work around Local Government Reorganisation, which had meant some internal work had been delayed.
- Overall, the Council was in a good position relating to cyber resilience, but this was an evolving risk and further work would be required as developments occurred.
- There had been an increase in spend on consultants on the Churchgate project for a number of reasons, but mainly focussed on the need to produce a viable scheme to take to the market. The risk of getting the wrong answer initially would cost the Council more in the long term, so it was important this pre-market work was conducted accurately and properly.
- There was a balance in producing the report to highlight key information without it becoming too long. This is why more detail was also provided within the appendix to the report.
- The first quarter update would provide more detail on how much of the carry forwards from 2025/26 had been achieved to date.
- The Asylum Dispersal Grant was given to the Council based on the number of asylum seekers in the district at the time.
- There were some vague conditions on spending of the Grant, but the Council had delivered core services. Therefore, it was decided this should be moved into the General Fund to reflect this.
- The Grant had ended, but there would likely be other grants linked to new burdens. Sometimes these were well signposted, however often they were on an ad-hoc basis.

In response to questions, the Executive Member - Resources advised that:

- Following discussions at the Overview and Scrutiny Committee on IT resourcing, further posts were referenced in the LGR funding report that would be considered at Cabinet on 16 June 2026.
- The Shared Internal Audit Service considered North Herts Council as one of the lead authorities in terms of cyber security and resilience, but the Council should not be complacent and should always be looking at what more can be done in these areas.
- At the last two budget meetings of Council, it was noted that additional funding would likely be needed from reserves to support the Churchgate project. This was as it was not possible at budget setting stage to predict all the amounts required initially. However, any further decision on spend would be brought to Cabinet and referred onto Full Council, to ensure funding was in place to get the project right.
- The Churchgate project required additional, specific expertise, which did not already exist within the Council.

*N.B. Councillor Chris Lucas left the Chamber during this item and returned at 21.19.*

Councillor Vijaiya Poopalasingham, as Chair, proposed and Councillor Alistair Willoughby seconded the recommendations.

The following Members took part in the debate:

- Councillor Chris Lucas
- Councillor Vijaiya Poopalasingham
- Councillor Alistair Willoughby
- Councillor Paul Ward

Points raised in the debate included that:

- The explanation around Churchgate spending was noted, including that it was not possible to accurately predict spend at budget setting stage and that it was prudent for changes to be made during the project duration to answer ongoing issues.
- The amount of change, in year, was a large amount at £169k, mainly to fund consultants. Whilst it was important to get the project right, it should be done in a financially prudent way.
- The variance on the Churchgate project was large, given the Council has known that it would be a timely and costly project from commencement.
- The roles of the Overview and Scrutiny Committee and the Finance, Audit and Risk Committee were different, with this Committee having a view of whether the right processes were in place and effectively monitored, rather than consideration of the policy or project.
- Some of the shortfall in funding for the Churchgate project had come from an earmarked reserve for Churchgate and had been part funded by the excess income generated by the asset.
- The initial investment purchase was around £4million and it was important that the project was delivered successfully to ensure public money was protected.

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

**RECOMMENDED TO CABINET:** That Finance, Audit and Risk Committee comments on the assumptions and information contained within the report, in the context that Cabinet agrees that:

- (1) That Cabinet note the report.
- (2) That Cabinet approves a decreased of £1.385million in the 2025/26 net General Fund expenditure, as identified in section 8, to a total of £21.400million.
- (3) That Cabinet approves the changes to the 2026/27 General Fund budget, as identified in table 4 and paragraph 8.3, a total £651k increase in net expenditure.

That Cabinet recommend to Full Council:

- (4) That Council approves the net transfer from earmarked reserves, as identified in table 9, of £4.925million.

**REASONS FOR RECOMMENDATIONS:**

- (1) 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.
- (2) Changes to the Council's balances are monitored and approved.

<b>Item No</b>	<b>Referred from:</b>	<b>Finance, Audit and Risk Committee</b>
<b>6E</b>	<b>Date:</b>	<b>10 June 2026</b>
	<b>Title of item:</b>	<b>2025-26 Year End Report on Risk Management Governance</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 14</b>

The report considered by the Finance, Audit and Risk Committee at the meeting held on 10 June 2026 can be found here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 10th June, 2026, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** That Cabinet refer the Risk Management Governance update to Full Council.

**REASON FOR RECOMMENDATION:** To provide assurance that the Council is effectively managing risk. The Council’s Risk Management Strategy details that this annual review should be presented to Council. Cabinet have responsibility for the management of risk.

*Audio recording – 1 hour 54 minutes 55 seconds*

The Director – Resources presented the report entitled ‘2025-26 Year End Report on Risk Management Governance’ and advised that:

- Appendix A to the report contained the full detail on Risk Management Governance processes.
- The Council Delivery Plan was the primary risk monitoring method, which was presented to Cabinet quarterly and to Overview and Scrutiny Committee as requested.
- A quarterly update on the Council Delivery Plan would be provided to all Members through the Members Information Bulletin (MIB).
- There were no changes to the Risk Management framework.
- Details on how risks were mapped were outlined in paragraph 6.4 of the Appendix, with the current corporate projects and corporate risks outlined at paragraph 7.1 of the Appendix.
- There were currently 2 projects in the top red risk category, with a further 5 projects with a lower red risk rating.
- There had been limited movement of risks in year, but actions had been taken and these were outlined in bold in the table in paragraph 7.2 of the Appendix.
- The report did not just consider corporate risks, but monitoring of service risks was also considered, as outlined in paragraphs 10 and 11 of the report.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Ruth Brown
- Councillor Chris Lucas

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

- This report provided an end of year position, as at 31 March 2026, and there had been further reviews since this date which had resulted in a reduction in some risk scores.

- Regarding Financial Sustainability, this risk would reduce due to the improved financial settlement and decrease in pension contributions. However, there was potential for a new risk of high inflation, owing to ongoing global factors.
- Three projects – the King George V Skate Park, the Waste and Street Cleansing Contract and Engaging the Community on our Finances – had been completed since the end of year position and would be removed in the 2026/27 quarterly updates.
- The Museum Collection Facility project was adopted as a key project by Cabinet and therefore had been included as a corporate risk, but it was expected this risk would reduce as the project progressed.
- The Churchgate project was the biggest conducted by this Council and whilst the project was moving forward with ongoing engagement and work, at this stage it still needed to have a higher level of risk attached.

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

**RESOLVED:** That the Committee commented on the Risk Management Governance update, as attached at Appendix A.

**RECOMMENDED TO CABINET:** That Cabinet refer the Risk Management Governance update to Full Council.

**REASON FOR RECOMMENDATION:** To provide assurance that the Council is effectively managing risk. The Council's Risk Management Strategy details that this annual review should be presented to Council. Cabinet have responsibility for the management of risk.

<b>Item No</b>	<b>Referred from:</b>	<b>Finance, Audit and Risk Committee</b>
<b>6F</b>	<b>Date:</b>	<b>10 June 2026</b>
	<b>Title of item:</b>	<b>Capital End of Year Review 2025-26</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 17</b>

The report considered by the Finance, Audit and Risk Committee at the meeting held on 10 June 2026 can be found here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 10th June, 2026, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** That Finance, Audit and Risk Committee comments on the assumptions and information within this report, in the context that Cabinet agrees that:

- (1) Cabinet notes expenditure of £22.002million in 2025/26 on the capital programme, paragraph 8.3 refers.
- (2) Cabinet approves the adjustments to the capital programme for 2026/27 as a result of the revised timetable of schemes and other adjustments detailed in table 2, increasing the estimated spend by £1.950million.
- (3) Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.7 and the requirement to keep the capital programme under review for affordability.
- (4) Cabinet approves the application of £1.057million of capital receipts/set aside towards the 2025/26 capital programme, paragraph 8.7 refers.

**REASONS FOR RECOMMENDATIONS:** Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.

*Audio recording – 2 hours 7 minutes 42 seconds*

The Director – Resources presented the report entitled ‘Capital End of Year Review 2025-26’ and advised that:

- Table 1 of the report provided detail of total spend against capital budgets for 2025/26.
- Table 2 of the report provided detail of the slippage occurring within schemes. Within this the Leisure Centre Decarbonisation Project reflected the combined impact of slippage and the need to increase the budget for this project, owing to delays with getting legal agreements caused by the third party legal teams. The delay meant a requirement for further spending on temporary boilers and contractor payments.
- Table 3 of the report provided detail on the in-year variances on capital projects.
- Paragraph 8.6 of the report detailed all the projects completed in the 2025/26 year.
- Table 8.7 of the report detailed how capital projects had been funded. Borrowing was now taking place against reserves and other balances, and it was expected that this could continue, as the largest capital expenditures items had been made in 2025/26.
- The Council could borrow externally, but interest rates remained high.

The following Members asked questions:

- Councillor Vijaiya Poopalasingham
- Councillor Ruth Brown

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

- The issues with cables relating to the Public Sector Decarbonisation Project was partly foreseen, but the exact route of these cables was unknown until after the project commenced, and the length of the legal delays had not been anticipated.
- The estimated Minimum Revenue Position (MRP) charge was included in the budget each year. There was a need to make an MRP charge the year after the Council had a need to borrow. There would be an MRP change in 2026/27, but there was not one required for 2025/26.
- The MRP was likely to be in the low hundreds of thousands of pounds for 2026/27.

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

**RECOMMENDED TO CABINET:** That Finance, Audit and Risk Committee comments on the assumptions and information within this report, in the context that Cabinet agrees that:

- (1) Cabinet notes expenditure of £22.002million in 2025/26 on the capital programme, paragraph 8.3 refers.
- (2) Cabinet approves the adjustments to the capital programme for 2026/27 as a result of the revised timetable of schemes and other adjustments detailed in table 2, increasing the estimated spend by £1.950million.
- (3) Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.7 and the requirement to keep the capital programme under review for affordability.
- (4) Cabinet approves the application of £1.057million of capital receipts/set aside towards the 2025/26 capital programme, paragraph 8.7 refers.

**REASONS FOR RECOMMENDATIONS:** Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.

<b>Item No</b>	<b>Referred from:</b>	<b>Finance, Audit and Risk Committee</b>
<b>6G</b>	<b>Date:</b>	<b>10 June 2026</b>
	<b>Title of item:</b>	<b>Treasury Management End of Year Review 2025-26</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 16</b>

The report considered by the Finance, Audit and Risk Committee at the meeting held on 10 June 2026 can be found here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 10th June, 2026, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** That Finance, Audit and Risk Committee comments on the assumptions and information within this report, in the context that Cabinet agrees that:

- (1) Cabinet is asked to note the position of Treasury Management activity as at the end of March 2026.
- (2) Cabinet is asked to recommend this report to Council and ask Council to:
  - a. Approve the actual 2025/26 prudential and treasury indicators as detailed in Appendix B.
  - b. Note the annual Treasury Management Review for 2025/26 (Appendix B).

**REASONS FOR RECOMMENDATIONS:** 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.

Audio recording – 2 hours 16 minutes 13 seconds

*N.B. Councillor Paul Ward declared an interest in this item due to his employment and left the Chamber and did not return.*

The Director – Resources presented the report entitled 'Treasury Management End of Year Review 2025-26' and advised that:

- This report detailed how the Council invested any surplus cash and provided an end of year picture. Overall, the balances were declining due to the planned capital spend and therefore there was less available to invest, but interest rates had stayed higher than expected.
- However, inflation was not coming down as quickly, therefore there were likely to be increased costs in some areas.
- The report detailed how investments were identified, including considering the security, liquidity (linked to cashflow) and yield of the investment.
- The detail of investments was included in the Appendix to the report.

*N.B. Councillor Elizabeth Dennis returned to the Chamber at 21.49.*

The following Members asked questions:

- Councillor Ruth Brown
- Independent Member John Cannon

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

- The short term, high interest investments from other authorities were offered to the Council as it was the best way for Council to get the funds they needed to balance their cash requirements.
- Investments can still be made in other authorities despite potential changes through Local Government Reorganisation. Any investments would be transferred to the new authority and it would be for the legacy authorities to decide how this repayment should be split.
- The referenced DMO investments were government investments.

Councillor Ruth Brown noted that it was positive to see investments moving away from organisations which did not meet the Environmental, Social and Governance requirements of the Council, following a motion passed at Full Council.

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

**RECOMMENDED TO CABINET:** That Finance, Audit and Risk Committee comments on the assumptions and information within this report, in the context that Cabinet agrees that:

- (1) Cabinet is asked to note the position of Treasury Management activity as at the end of March 2026.
- (2) Cabinet is asked to recommend this report to Council and ask Council to:
  - a. Approve the actual 2025/26 prudential and treasury indicators as detailed in Appendix B.
  - b. Note the annual Treasury Management Review for 2025/26 (Appendix B).

**REASONS FOR RECOMMENDATIONS:** 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.