

NORTH HERTFORDSHIRE DISTRICT COUNCIL



9 January 2026

Our Ref Cabinet Tuesday, 20 January 2026
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To: Members of the Cabinet:

Executive Members Councillors: Val Bryant (Chair), Ian Albert, Amy Allen, Daniel Allen, Mick Debenham, Tamsin Thomas, Laura Williams and Donna Wright.

**NOTICE IS HEREBY GIVEN OF A
MEETING OF THE CABINET**

to be held in the

**COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERNON
ROAD, LETCHWORTH GARDEN CITY, SG6 3JF**

on

TUESDAY, 20TH JANUARY, 2026 AT 7.30 PM

Yours sincerely,

Isabelle Alajooz
Director – Governance

****MEMBERS PLEASE ENSURE THAT YOU DOWNLOAD ALL AGENDAS AND REPORTS VIA THE MOD.GOV APPLICATION ON YOUR TABLET BEFORE ATTENDING THE MEETING****

Agenda

Part I

Item		Page
1.	APOLOGIES FOR ABSENCE	
2.	MINUTES - 19 NOVEMBER 2025 To take as read and approve as a true record the minutes of the meeting of the Committee held on the 19 November 2025.	(Pages 7 - 18)
3.	NOTIFICATION OF OTHER BUSINESS Members should notify the Chair of other business which they wish to be discussed at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency. The Chair will decide whether any item(s) raised will be considered.	
4.	CHAIR'S ANNOUNCEMENTS <u>Climate Emergency</u> The Council has declared a climate emergency and is committed to achieving a target of zero carbon emissions by 2030 and helping local people and businesses to reduce their own carbon emissions. A Cabinet Panel on the Environment has been established to engage with local people on matters relating to the climate emergency and advise the council on how to achieve these climate change objectives. A Climate Change Implementation group of councillors and council officers meets regularly to produce plans and monitor progress. Actions taken or currently underway include switching to green energy, incentives for low emission taxis, expanding tree planting and working to cut food waste. In addition the council is a member of the Hertfordshire Climate Change and Sustainability Partnership, working with other councils across Hertfordshire to reduce the county's carbon emissions and climate impact. The Council's dedicated webpage on Climate Change includes details of the council's climate change strategy, the work of the Cabinet Panel on the Environment and a monthly briefing on progress. <u>Ecological Emergency</u> The Council has declared an ecological emergency and is committed to addressing the ecological emergency and nature recovery by identifying appropriate areas for habitat restoration and biodiversity net gain whilst ensuring that development limits impact on existing habitats in its process.	

The Council has set out to do that by a) setting measurable targets and standards for biodiversity increase, in both species and quantities, seeking to increase community engagement, b) to work with our partners to establish a Local Nature Partnership for Hertfordshire and to develop Nature Recovery Networks and Nature Recovery Strategy for Hertfordshire and c) to investigate new approaches to nature recovery such as habitat banking that deliver biodiversity objectives and provide new investment opportunities.

Declarations of Interest

Members are reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a Disclosable Pecuniary Interest or Declarable Interest and are required to notify the Chair of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a Disclosable Pecuniary Interest must withdraw from the meeting for the duration of the item. Members declaring a Declarable Interest, wishing to exercise a 'Councillor Speaking Right', must declare this at the same time as the interest, move to the public area before speaking to the item and then must leave the room before the debate and vote.

5. PUBLIC PARTICIPATION

To receive petitions, comments and questions from the public.

6. ITEMS REFERRED FROM OTHER COMMITTEES

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

7. GARDEN WASTE CHARGE 2026/27

REPORT OF THE DIRECTOR – ENVIRONMENT

(Pages
19 - 24)

To agree the level of garden waste charge for the subscription period 1 April 2026 to 31 March 2027.

8. LOCAL PLAN NEXT STEPS

REPORT OF THE INTERIM STRATEGIC PLANNING MANAGER

(Pages
25 - 42)

This report provides an overview of the new plan-making system and sets out a revised Local Plan programme aligned with the requirements of that system.

9. STRATEGIC PLANNING MATTERS

REPORT OF THE INTERIM STRATEGIC PLANNING MANAGER

(Pages
43 - 58)

This report identifies the latest position on key planning and transport issues affecting the Council.

10. REVOCATION OF AIR QUALITY MANAGEMENT AREAS IN HITCHIN

REPORT OF THE DIRECTOR – REGULATORY

(Pages
59 - 88)

The purpose of the report is to review the status of the Air Quality Management Areas (AQMAs) as declared in the AQMA Orders.

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| 11. | COUNCIL DELIVERY PLAN 2025-26 (QUARTER 2 UPDATE)
REPORT OF THE DIRECTOR – RESOURCES | (Pages
89 - 130) |
| | This report presents progress on delivering the Council Delivery Plan for 2025-26. | |
| 12. | THE COUNCIL TAX REDUCTION SCHEME (EFFECTIVENESS AND PROPOSALS FOR 2026/27)
REPORT OF THE DIRECTOR – RESOURCES | (Pages
131 -
150) |
| | This report sets out minor changes to the Council Tax Reduction Scheme for 2026/27, which should be considered by Cabinet before approval by Full Council. | |
| 13. | SECOND QUARTER CAPITAL BUDGET MONITORING REVIEW 2025/26
REPORT OF THE DIRECTOR – RESOURCES | (Pages
151 -
162) |
| | To update Cabinet on progress with delivering the Capital Programme for 2025/26, as at the end of September 2025. | |
| 14. | SECOND QUARTER REVENUE BUDGET MONITORING 2025/26
REPORT OF THE DIRECTOR - RESOURCES | (Pages
163 -
176) |
| | To inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2025/26, as at the end of the second quarter. | |
| 15. | SECOND QUARTER TREASURY MANAGEMENT REVIEW 2025/26
REPORT OF THE DIRECTOR – RESOURCES | (Pages
177 -
198) |
| | To update Cabinet on progress with delivering the Treasury Strategy for 2025/26, as at the end of September 2025. | |
| 16. | REVENUE AND CAPITAL BUDGETS FOR 2026/27 ONWARDS
REPORT OF THE DIRECTOR – RESOURCES | (Pages
199 -
216) |
| | This report updates on changes to our spend and funding forecasts since the Medium-Term Financial Strategy and seeks approval from Cabinet on the revenue and capital proposals that should be incorporated into the final budget report in February. It also seeks approval for the level of Council Tax increase to be assumed in that report. | |
| 17. | RISK MANAGEMENT GOVERNANCE (MID-YEAR UPDATE)
REPORT OF THE DIRECTOR – RESOURCES | (Pages
217 -
256) |
| | To provide the Committee with an update on the effectiveness of the Risk Management Governance arrangements at the Council. The review is referred on to Cabinet, and the Committee can make recommendations on how we can improve our risk management arrangements. | |

Public Document Pack Agenda Item 2

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERONON ROAD, LETCHWORTH GARDEN CITY, SG6 3JF
ON WEDNESDAY, 19TH NOVEMBER, 2025 AT 7.30 PM

MINUTES

Present: *Councillors: Daniel Allen (Chair), Val Bryant (Vice-Chair), Ian Albert, Amy Allen, Mick Debenham, Laura Williams and Donna Wright.*

In Attendance: *Isabelle Alajooz (Director - Governance and Monitoring Officer), Anne Banner (Benefits Manager), Ian Couper (Director - Resources), Robert Filby (Trainee Committee, Member and Scrutiny Officer), Chris Jeffery (Customer and Digital Services Manager), Martin Lawrence (Strategic Housing Manager), Susan Le Dain (Committee, Member and Scrutiny Officer), Anthony Roche (Chief Executive), Nigel Smith (Director - Place) and Louise Symes (Strategic Planning and Projects Manager).*

Also Present: *At the commencement of the meeting two members of the public were in attendance.*

Councillor Claire Winchester was also in attendance as Chair of the Overview and Scrutiny Committee.

Councillor Sean Nolan was also in attendance as Chair of the Finance, Audit and Risk Committee.

41 APOLOGIES FOR ABSENCE

Audio recording – 1 minute 27 seconds

Apologies for absence were received from Councillor Tamsin Thomas.

42 MINUTES - 23 SEPTEMBER 2025

Audio recording – 1 minute 34 seconds

Councillor Daniel Allen, as Chair proposed and Councillor Val Bryant seconded and, following a vote it was:

RESOLVED: That the Minutes of the Meeting of the Committee held on 23 September 2025 be approved as a true record of the proceedings and be signed by the Chair.

43 NOTIFICATION OF OTHER BUSINESS

Audio recording – 2 minutes 16 seconds

There was no other business notified.

44 CHAIR'S ANNOUNCEMENTS

Audio recording – 2 minutes 18 seconds

- (1) The Chair advised that, in accordance with Council Policy, the meeting would be recorded.
- (2) The Chair reminded Members that the Council had declared both a Climate Emergency and an Ecological Emergency. These are serious decisions, and mean that, as this was an emergency, all of us, Officers and Members had that in mind as we carried out our various roles and tasks for the benefit of our District.
- (3) The Chair drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.
- (4) The Chair advised for the purposes of clarification that 4.8.23(a) of the Constitution did not apply to this meeting.
- (5) The Chair advised of a change in the order of the agenda. Agenda Item 8 would be considered after Agenda Item 11.

45 PUBLIC PARTICIPATION

Audio recording – 3 minute 28 seconds

The Chair advised that there would be a presentation from Councillor Ralph Muncer during Item 8 – Local Government Reorganisation in Hertfordshire – Submission of Final Proposals.

46 ITEMS REFERRED FROM OTHER COMMITTEES

Audio recording – 3 minutes 40 seconds

The Chair advised that items referred from the Overview and Scrutiny Committee and the Finance, Audit and Risk Committee would be taken with their respective items on the agenda.

47 UPDATED 3C's POLICY

Audio recording 4 minutes 7 seconds

Councillor Val Bryant, as Executive Member for Customer Experience, presented the report entitled 'Updated 3C's Policy' and advised that:

- The 3C's Policy approved by Cabinet in November 2022 had been updated to comply with the Local Government Ombudsman's Complaint Handling Code which was introduced in February 2024 and attached at Appendix C.
- The LGO's Complaint Handling Code was issued to provide guidance about good practice to organisations under section 23 (12A) of the Local Government Act 1974.
- Additions that have been made to the 3C's Policy were detailed in Appendix B.
- The Council would not be adopting code 6.13 of the Complaint Handling Code which did not require individuals to explain reasons for escalating to a stage 2 complaint.
- Once adopted, the updated 3C's Policy would be briefed to all staff and published on the Council website.

Councillor Val Bryant proposed and Councillor Mick Debenham seconded and, following a vote, it was:

RESOLVED: That the updates to the policy were approved.

REASON FOR DECISION: It was recommended that Cabinet approve the updated 3Cs Policy, to align with the Local Government Ombudsman's complaint handling code. The revised policy formalises existing good practices, clarifies procedures for staff and customers, and ensures continued compliance with national standards. These updates will support a fair, transparent, and consistent approach to handling feedback and complaints, helping North Herts Council maintain high service standards and a positive complaint-handling culture.

48 **LOCAL GOVERNMENT REORGANISATION IN HERTFORDSHIRE - SUBMISSION OF FINAL PROPOSALS**

Audio recording – 50 minutes 35 seconds

The Chair advised Members that he had received an email from Councillor Tom Tyson and also from the member of public who had made a presentation at Full Council on 13 November.

The Chair invited Councillor Ralph Muncer to provide Cabinet with a verbal presentation. Councillor Muncer thanked the Chair for the opportunity and highlighted the following:

- He thanked Councillor Daniel Allen for his openness and transparency with Members throughout the Local Government Reorganisation (LGR) process.
- At Full Council on 13 November 2025 Members had voted together on the future governments of the district.
- The message had been made clear that most Members did not support the four-unitary option for Hertfordshire.
- He urged Cabinet to choose to listen and to support the wishes expressed at Full Council.

The Chair thanked Councillor Muncer for his presentation. The Chair reminded Members that the formal advice received from Kings Counsel was that Cabinet must consider the vote from Full Council, but that it must not determine their decision. Cabinet must have an open mind as to act with a predetermined mind would be unlawful. The legal duty of Cabinet was to the residents it served and to the integrity of the decision-making process.

The following Members asked points of clarification:

- Councillor Amy Allen
- Councillor Ian Albert

In response to points of clarification, the Monitoring Officer advised that:

- Political pressures were not relevant to the considerations of Cabinet.
- This decision was an executive function and Cabinet was the decision maker.
- The legal duty of Cabinet was to approach this with an open mind and determine it solely on the report, appendices, criteria and following the advice from Kings Counsel.
- Members who were 'dual hatters', who held a seat both at district and county council level, must not commit to a decision made at another committee before this Cabinet meeting.

The Chief Executive presented the report entitled 'Local Government Reorganisation in Hertfordshire – Submission of Final Proposals' and advised that:

- A significant amount of work had already been undertaken to produce this submission and it was recognised that the LGR would continue to have an impact on workloads for the next few years.
- All local authorities in Hertfordshire had worked together to produce a single submission which met all the criteria set by the Government.
- The strength of relationships formed within the local authorities would help transition to the future model.
- The LGR would create lots of opportunities and would bring services together and would also reset relationship with communities.
- All the options had advantages and disadvantages and there was no correct answer, as different people would have different views.
- Shared visions and ambitions that underpinned this submission were set out in paragraph 8.5 of the report.
- The government would judge any submission against the six criteria set out in paragraph 7.3 of report, which are all equally weighted. All options that met the criteria would be put to public statutory consultation next year.
- The reorganisation statutory consultation for all areas on the devolutionary priority programme had commenced today to conclude on 11 January 2026.
- The recent decision on LGR in Surrey had been based on financial matters and this was not an indication of how decisions would be made elsewhere.
- This submission document was as accurate as possible based on the set of assumptions as explained from paragraph 8.8 onwards in the report.
- Community engagement on LGR options in Hertfordshire took place in September which was summarised in paragraphs 8.14 and 8.15 of the report.
- No response had yet been received to the letter sent from all local authorities in Hertfordshire to the Secretary of State a couple of weeks ago, as detailed in paragraph 7.3 of the report.
- Work had already started on the Transition Programme as detailed in paragraph 8.16 of the report and staff and Members would be kept updated with progress.
- Recommendation 2.1 had been amended to refer to Appendices A-E.

The following Members asked questions:

- Councillor Mick Debenham
- Councillor Amy Allen
- Councillor Donna Wright
- Councillor Val Bryant
- Councillor Ian Albert

In response to questions, the Chief Executive advised that:

- It would be for the new unitary authority to decide the frequency of meetings of the Planning Control Committee.
- One disadvantage of the three unitary option was the disparity of size of this option.
- There would be fewer staff redundancies with the four unitary option because of the larger management structure required.
- Staff would be supported through the whole process with a workforce plan.
- The two and three unitary options had been based using county divisions and the four unitary option was based on the district wards.
- The county division was based on a boundary review carried out in 2017 and there were 9 county divisions covering North Hertfordshire.
- The district boundary review was carried out in 2024 with an average ratio of councillors to electors.

- The government would determine the funding allocation for any council.
- It would be set out in the adopted housing policy of the new unitary authority to where residents would be housed.
- There would be a review of boundaries in the first term of the new unitary authority as part of the electoral structure.

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

- The central authority would look at funding and decide how to split this between the different unitary authorities.
- All of the new unitary options were deemed to be long term financially viable.

N.B. There was a break in proceedings during this item and the meeting reconvened at 21:07

The following Members took part in the debate:

- Councillor Mick Debenham
- Councillor Donna Wright
- Councillor Val Bryant
- Councillor Ian Albert
- Councillor Amy Allen
- Councillor Laura Williams
- Councillor Daniel Allen

Points raised during the debate included:

- Residents had voted for the four unitary option whilst Full Council had voted for the two unitary option.
- The two unitary option would be too large and remote for residents who were used to a district approach.
- Staffing should not be overlooked and the financial implications of redundancies needed to be considered.
- The four unitary option kept government local and would minimise any disruption to staff and services.
- Whichever option was chosen it would need to be future proofed.
- Localism was important and a small council could be more responsive.
- The four unitary option offered a balance of accountability and financial sustainability for residents.
- All three models were viable, but Cabinet should listen to the feedback from residents and stakeholders who wanted the four unitary option.
- This was just the beginning of the journey and it would ultimately be the Secretary for State to make the final decision for Hertfordshire.
- Members needed to work together to ensure a successful transition.
- The four unitary option provided a positive vision for Hertfordshire.
- Each option carried opportunities but also carried risks.
- The model must be chosen that would best serve residents for decades to come.
- Cabinet must vote on this without fear or pressure from any political group.

Councillor Laura Williams proposed, with the inclusion of an additional recommendation to send an accompanying side letter to the Ministry of Housing, Communities and Local Government (MHCLG) to outline the position of Full Council and to give consideration to concerns regarding the proposed placement of Arbury ward.

Councillor Mick Debenham seconded and, following a vote (a recorded vote having been requested for recommendation 2.2 only), it was:

RESOLVED: That Cabinet:

- (1) Noted the content of the report, the draft Hertfordshire submission document at Appendices A to E which forms the proposed collective submission to Government on Local Government Reorganisation and the indicative non-binding view of Full Council at its meeting on 13 November 2025.
- (2) Resolved the following option:
 - c) Submit the proposal and identify the modified four unitary option as preferred and request that the Secretary of State formally modify the proposal by agreeing boundary changes, as set out in the proposal.
- (3) Delegated authority to the Chief Executive and Leader of the Council to agree any final minor amendments to the Hertfordshire submission document prior to submission to Government by 28 November 2025.
- (4) That the Chief Executive, in consultation with the Leader of the Council, be authorised to finalise the form of wording for a side letter to be submitted to the Ministry of Housing, Communities and Local Government (MHCLG) to accompany the Council's formal submission.

That the letter shall set out:

- (a) the outcome of the Full Council deliberations; and
- (b) the concerns raised by Members regarding the proposed placement of the Arbury ward within alternative unitary configurations, and the need for MHCLG to give this matter full consideration as part of the reorganisation process.

That the finalised letter be issued by the Leader on behalf of the Council.

REASON FOR DECISIONS: On 5 February 2025, the Minister of State for Local Government and English Devolution wrote to all leaders of two-tier councils to formally invite them to develop proposals for a single tier of local government in their counties. Cabinet is legally required to make the decision as to this Council's response to the Minister's request, but the report to Full Council on the 13 November 2025 allowed all councillors to consider and debate this important issue before an indicative non-binding vote, to be considered by Cabinet as part of its decision making on 19 November 2025.

VOTE TOTALS:

A (preference for two unitary option):	0
B (preference for three unitary option):	0
C (preference for four unitary option):	7
D (no preference):	0

Cllr Ian Albert	C
Cllr Amy Allen	C
Cllr Daniel Allen	C
Cllr Val Bryant	C
Cllr Mick Debenham	C
Cllr Laura Williams	C
Cllr Donna Wright	C

49 DRAFT NORTH HERTFORDSHIRE TOWN CENTRES STRATEGY

Audio recording – 7 minutes 45 seconds

The Chair invited Councillor Claire Winchester, as Chair of the Overview and Scrutiny Committee, to present the referral on this item. Councillor Winchester advised that there had been discussions around:

- This was an in-depth strategy which could be strengthened by making it easier to read for a layperson.
- The introduction of a glossary was an improvement to the strategy.
- Concerns over the need to protect public spaces in all the towns for the wellbeing of the communities.
- Reflections over the importance of the surrounding villages to the town centres and the consideration required for people who needed to drive into town and subsequently be able to park.

Councillor Donna Wright, as Executive Member for Place, presented the report entitled 'Draft North Hertfordshire Town Centres Strategy' and advised that:

- The adopted Local Plan required the Council to have town centre plans to support local strategy.
- Updates to the existing 2008 Town Centre Strategy were necessary.
- An overarching draft strategy had been prepared by Lichfields and was set out in Appendix A.
- Moving to an overarching strategy had saved time and resources which had helped to speed up the process.
- This strategy supported the major objectives of the Local Plan and also linked into relevant key documents and strategies.
- The Town Centre Strategy would help to ensure that North Herts town centres were recognised and that plans were carried forward through Local Government Reorganisation.
- Strengths and weaknesses of the town centres were set out in Part 3 of the strategy, with actions to deliver strategies set out in Part 4.
- Feedback from consultations would help to shape a clear based action plan.
- Suggestions from the Overview and Scrutiny Committee would be taken on board and the final version of the Town Centre Strategy would be adopted in early 2026.

The following Members asked questions:

- Councillor Daniel Allen
- Councillor Ian Albert
- Councillor Mick Debenham

In response to questions Councillor Wright advised that:

- The delay with this strategy had occurred due to lack of resources with a staff position not being filled.
- Currently a lot of work was being carried out by the team on the Transport Strategy which would be included in the final document.

In response to questions the Director – Place advised that:

- Evidence work had commenced in January 2024 and work on the draft Town Centres Strategy had commenced later that year.
- Delay with this strategy were caused by lack of resources as a Town Centre Project Officer post was established but never successfully filled.
- The Transport Strategy flowed from the Local Plan, with the four main town centres, but there was also recognition of the village centres and the formal centres in larger areas of the district.
- The valid points made by the Overview and Scrutiny Committee would be incorporated into the final document.

The following Members took part in the debate:

- Councillor Daniel Allen
- Councillor Ian Albert

Points raised during the debate included:

- This was a welcomed document which would help to promote the town centres with major developments planned.
- This strategy should be made as accessible as possible with public and Community Forum consultations.

Councillor Donna Wright proposed and Councillor Amy Allen seconded and, following a vote, it was:

RESOLVED: That Cabinet:

- (1) Endorsed and approved the draft Town Centres Strategy (attached as Appendix A to this report) and its associated Appendices for public consultation.
- (2) Delegated authority to the Director, Place in consultation with the Executive Member for Place to make any minor non-material corrections, including but not limited to cosmetic additions or presentational alterations, to the draft Town Centres Strategy as considered necessary for the public consultation.

REASONS FOR DECISIONS:

- (1) To allow the draft Town Centres Strategy to be progressed to public consultation so that it may be developed and eventually adopted as a material planning consideration to support developers, landowners and relevant stakeholders when considering developing proposals and to provide policy advice to development management officers when determining planning applications until superseded by any new Local Plan.
- (2) To set key priorities which seek to maintain and enhance the unique character and vitality and viability of the district's four town centres through agreed partnership working.
- (3) To reinforce and deliver the Council's ambitions as set out in the Council Plan (2024 - 2028).

50 PROCUREMENT STRATEGY 2025-2028

Audio recording 26 minutes 45 seconds

The Chair invited Councillor Sean Nolan, as Chair of the Finance, Audit and Risk Committee, to present the referral on this item. Councillor Nolan advised that there had been discussion around:

- Understanding the 'Go Local' elements and how scoring would affect the ability of the Council to look for local procurement within contracts.
- Understanding of metrics and this part of the scoring where contracts were awarded.
- How KPI's were used to measure current procurement and setting focused targets in the future once effects were known.
- Looking at what decisions were made with procurement contracts wider than local areas.

Councillor Ian Albert, Executive Member for Finance and IT, presented the report entitled 'Procurement Strategy 2025-2028' and advised that:

- He acknowledged the important points made by the Finance, Audit and Risk Committee.
- The main aims of the Procurement Strategy were set out in Section 2 of the report, with further goals set out in the remaining sections.
- The 'Go Local' policy which aimed to encourage the flow of money back into North Herts was clarified in Annex A.
- He was requesting an addition to the recommendations by adding a sentence and the end of the introduction in Section 1.

Councillor Ian Albert proposed as amended, and Councillor Val Bryant seconded and, following a vote, it was:

RESOLVED: That the Procurement Strategy attached at Appendix A was approved with the inclusion of the following additional wording, at the end of the Introduction in Section 1:

'Our internal procurement guidance will reflect the contents of this Strategy and our Contract Procurement rules, to give our contract managers a detailed toolkit to be applied to the procurements that they undertake.'

REASON FOR DECISION: Having a Procurement Strategy provides a focus for procurement activity and guidance, so that it can support the delivery of Council priorities.

51 MEDIUM TERM FINANCIAL STRATEGY 2025-2030

Audio recording 33 minutes 17 seconds

The Chair invited Councillor Sean Nolan, as Chair of the Finance, Audit and Risk Committee, to present the referral on this item. Councillor Nolan advised that there had been discussion around:

- Focusing on looking ahead and the uncertainty associated with dealing with the next five years.
- The variances in the future for the Council finances which would influence funding going forward, as detailed in the agenda supplement.
- The forecast budget gap for 2029/30 and the different levels of potential funding.
- The uncertainty around the impact of costs which would be incurred with the Local Government Reorganisation and Churchgate projects.
- It was welcomed that the Council Tax Reduction Scheme was considering a reduction in charges for those with debilitating illnesses.

In response to a question from Councillor Daniel Allen, the Director – Resources advised that Fair Funding 2.0 and the setting of the new three-year funding formula were intertwined and the Council was still waiting for more information on this.

In response to a question from Councillor Amy Allen, Councillor Nolan advised that the criteria for 'debilitating illnesses' had been defined by the Marie Curie Charity as people with terminal illnesses.

Councillor Ian Albert, Executive Member for Finance and IT, presented the report entitled 'Medium Term Financial Strategy 2025-2030' and advised that:

- The Council was expecting to receive details of the three-year settlement before Christmas.
- This Medium-Term Financial Strategy followed the same format as previous strategies and was set out in Appendix A.
- Details of possible scenarios which resulted in a difference of £2.6 million forecast funding were set out in Table 1 of Appendix A.
- The Council was in a good position with strong General Fund reserves and the budget workshops looked at key priorities going forward.
- The comments from the Finance, Audit and Risk Committee regarding additional resources that would be required for the LGR and Churchgate projects would be taken on board.
- The Council needed to have a deliverable budget in line with the Council Delivery Plan.
- The staff pension scheme was in a healthy condition.
- The Council effectively had £19.6 million of reserves which demonstrated well managed Council funds with prudent use of these funds for residents.
- An addendum had been published as a supplementary document to the report.

The following Members asked questions:

- Councillor Daniel Allen
- Councillor Donna Wright

In response to questions, Councillor Albert advised that:

- Budget workshops were a useful tool to look at key priorities and feedback from the residents budget survey was also considered.
- The Medium-Term Financial Strategy was looking at the General Fund Reserves of the Council.

Councillor Ian Albert proposed and Councillor Donna Wright seconded and, following a vote, it was:

RECOMMENDED TO COUNCIL: That it:

(1) Approves the Medium-Term Financial Strategy as attached at Appendix A amended.

REASON FOR RECOMMENDATION: Adoption of a Medium-Term Financial Strategy (MTFS) and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2026/2027 onwards, culminating in the setting of the Council Tax precept for 2026/27 in February 2026. Alongside the Council Plan, this will support the Council in setting a budget that is affordable and aligned to Council priorities.

52 EXCLUSION OF PRESS AND PUBLIC

Audio recording – 2 hours 13 minutes 9 seconds

Councillor Daniel Allen proposed and Councillor Mick Debenham seconded and, following a vote, it was:

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the said Act (as amended).

53 PART 2 MINUTES - 23 SEPTEMBER 2025

N.B. This item was considered in restricted session and therefore no recordings were available.

Councillor Daniel Allen proposed and Councillor Ian Albert seconded and, following a vote, it was:

RESOLVED: That the Part 2 Minutes of the Meetings of the Committee held on 23 September 2025 be approved as a true record of the proceedings and be signed by the Chair.

54 SUPPORTED ACCOMMODATION FOR HOMELESS PEOPLE

N.B. This item was considered in restricted session and therefore no recordings were available.

Details of minutes taken on this item are restricted due to the disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of Section 200A(4) of the Local Government Act 1972.

The meeting closed at 10.18 pm

Chair

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CABINET

20 January 2026

*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: GARDEN WASTE CHARGE 2026/2027

REPORT OF: Director – Environment

EXECUTIVE MEMBER: Environment

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

For Cabinet to agree the level of garden waste charge for the subscription period 1 April 2026 to 31 March 2027. The charge can be considered in relation to charges by other Local Authorities, increases in the cost of providing the service and encouraging home composting.

2. RECOMMENDATIONS

- 2.1. That Cabinet approve the garden waste subscription charge for the period 1 April 2026 – 31 March 2027, at £57.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To ensure the Council's Garden Waste service is financially sustainable, in line with the priorities of the Council and of the Shared waste service.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. To agree an alternative charge for the period, however the increase proposed is broadly in line with inflation.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Executive Member for Environment and Executive Member for Resources have been consulted.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 17 October 2025.

7. BACKGROUND

- 7.1. East Herts Council (EHC) and North Herts Council entered into a Shared Service arrangement in 2017. The current service covers the requirements for the collection of waste and recycling from approximately 124,000 households and over 1,920 commercial customers as well as street cleansing services across East and North Hertfordshire.
- 7.2. North Herts Council introduced a subscription service for collection of garden waste in 2018. Unlike household waste and recycling, there is no legal requirement to collect garden waste unless households opt in to the service and agree to pay. Not all properties in North Herts require a garden waste collection service, as they either do not have a garden, or compost their garden waste. A charge means that only households that choose to use the service will pay. Around two-thirds of local authorities in England and Wales charge for garden waste collection.
- 7.3. Approximately 30,000 households in North Herts are currently signed up to the service. The current charge is £55 for one bin to be collected fortnightly (except for 2 weeks just after Christmas), with the subscription period running from 1 April 2025 to 31 March 2026.
- 7.4. The Council operates a half price concession for its garden waste subscription service to households in receipt of Council Tax Reduction, with the current charge being £27.50.
- 7.5. The new subscription year starts on 1 April 2026 and therefore the level of charge needs to be agreed by Cabinet in advance, (which has responsibility for setting fees and charges) so that households can start to sign up for the new subscription year from February.
- 7.6. Although the dates of the subscription periods are now aligned across North and East Herts Councils, both councils can act independently in setting their own garden waste charges.

8. RELEVANT CONSIDERATIONS

- 8.1. In Hertfordshire, currently only Stevenage does not have a chargeable garden waste service. Stevenage cannot charge for garden waste collections as they currently collect food and garden waste together (although they will be collecting separately from 2026).
- 8.2 The current charges for each Hertfordshire authority can be found below. The North Herts charge is among the lowest in Hertfordshire and is lower than in East Herts. These are charges for 2025/26 and therefore likely to increase in the new financial year.

East Herts	£59
Welwyn Hatfield	£60
Hertsmere	£50
Three Rivers	£70
St Albans	£66
Dacorum	£50
Broxbourne	£49 DD / £53 one off payment
Watford	£60

- 8.3 In July 2024, North and East Herts Councils awarded a new waste, recycling and street cleansing contract to Veolia, which commenced in May 2025. The collection cost is just one component of the total cost of the service. There are also costs of collecting and reconciling payments, managing the collection contract, communications about waste services and the cost of replacement and repairs to bins. The overhead costs linked to all the above should also be considered when setting a charge.
- 8.4 As we will also be providing a concessionary discount, overall the cost of that discount will be contributed to by those that are paying the full cost of the service.
- 8.5 As well as considering costs, the charge can also be set to encourage home composting. This has environmental benefits (e.g. avoiding the transporting of garden waste) over the garden waste collection service.
- 8.6 As per paragraph 2.1, it is recommended to increase the annual subscription charge for 2026/27 to £57 from £55. The concessionary rate would be £28.50.

9. LEGAL IMPLICATIONS

- 9.1 Section 45(1) of the Environmental Protection Act 1990 imposes a duty on councils to arrange for the collection of household waste (save in prescribed circumstances). There is no obligation on councils to collect garden waste.
- 9.2 Section 45(3) of the Environmental Protection Act 1990 states “no charge shall be made for the collection of *household* waste except in cases prescribed in regulations made by the Secretary of State”. However, Section 45(4) of the Environmental Protection Act 1990, allows for councils to charge a reasonable charge for the collection and disposal of non-household waste, which would include garden waste. There is no definition within the Act or associated Regulations as to what amounts to a ‘reasonable charge’ nor how that is to be calculated.
- 9.3 Section 4 of Schedule 1 of the Controlled Waste (England and Wales) Regulations 2012 states that charges may be made for the collection of garden waste.
- 9.4 The Local Authorities (Functions & Responsibilities) Regulations 2000 provides that the setting of fees and charges which relate to approvals, consents, licences, permits and registrations which are not the responsibility of an executive of the authority (e.g. fees under the licensing or planning regimes) cannot be a function of the executive (i.e. Cabinet). Decisions in relation to waste and waste management are executive functions and therefore it is for the Cabinet to make decisions as to any fees/charges that can lawfully be levied.

10. FINANCIAL IMPLICATIONS

- 10.1. Inflation in the waste contract is based on a basket of indicators, made up of pay, fuel and general inflation. This is based on indicator values in December, which are not yet available, but it is estimated that the total could be around 5%. The Council’s costs of administering the service will be mainly linked to pay inflation. The Medium-Term Financial Strategy assumes that these will increase by 3%, although that is dependent on negotiations with the Unions. It seems preferable to have a charge that is a whole number. The increase to £57 is equivalent to 3.6%.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2. Any increase in charges may have an impact on residents' ability or desire to pay for the garden waste service. This will affect the income generated and the contribution that this makes towards the costs of the service. Whilst some costs, (especially the collection costs paid to the contractor) will vary directly with the number of sign-ups, some are more fixed.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. As the garden waste charge relates to a household rather than an individual, the Council has previously agreed to apply a concessionary rate to those households that qualify for the council tax reduction scheme. The concessionary discount will continue to apply, as a 50% reduction on any increase.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and "go local" requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. The collection of garden waste requires the use of non-electric large collection vehicles. The environmental impact of collection is mitigated by using Hydrotreated Vegetable Oil (HVO) to replace all of the diesel usage, reducing emissions by approximately 90%. Charging for garden waste collection may also encourage some residents to compost their garden waste, which then reduces some fuel emissions and has environmental benefits such as those relating to soil health.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. There are no human resource implications as a result of this report.

16. APPENDICES

- 16.1. None

17. CONTACT OFFICERS

- 17.1. Sarah Kingsley, Director - Environment sarah.kingsley@north-herts.gov.uk Ext 4552
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18. BACKGROUND PAPERS

18.1 None

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CABINET
20 January 2026

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: LOCAL PLAN NEXT STEPS

REPORT OF: RACHAEL ROONEY, INTERIM STRATEGIC PLANNING MANAGER: PLACE

EXECUTIVE MEMBER: CLLR DONNA WRIGHT, EXECUTIVE MEMBER FOR PLACE

COUNCIL PRIORITY: THRIVING COMMUNITIES / ACCESSIBLE SERVICES / RESPONSIBLE GROWTH / SUSTAINABILITY

1. EXECUTIVE SUMMARY

- 1.1 This report provides an overview of the new plan-making system and sets out a revised Local Plan programme aligned with the requirements of that system.
- 1.2 It seeks the approval of delegated powers to formally submit notice of the Council's intention to review the Local Plan and to publish a revised programme in line with the new regulations as soon as the new plan-making system is enacted.
- 1.3 Section 15 of the Planning and Compulsory Purchase Act 2004 (as anticipated to be amended) requires Local Planning Authorities to publish and maintain an up-to-date Local Plan timetable. Government have advised that new regulations, due to be laid before Parliament in January 2026, will require Local Planning Authorities to submit formal notice of their intention to review their Local Plan at least four months before commencing the review.

2. RECOMMENDATIONS

- 2.1. That Cabinet approve the broad 'direction of travel' for the Local Plan Review pending formal laying and enactment of the relevant legislation and regulations
- 2.2. That Cabinet delegate authority to the Director: Place, in consultation with the Executive Member for Place to, following the creation of a new planning system
 - a. Publish the formal notice of intention to undertake a review of the Local Plan; and
 - b. Approve and publish a revised Local Plan timetable, attached as Appendix A, subject to any alterations necessary to ensure alignment of timings with the new statutory framework

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure the Council is well-positioned to progress preparation of the Local Plan as quickly as possible once the new plan-making system comes into effect. Cabinet previously first resolved, in principle, that a review of the Local Plan should take place in January 2024. However the Council did not progress on the review which was held back due to the delays in the publication of the regulations and guidance on the new local plan system.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 An alternative option would be to wait for the new regulations to be published, including any amendments arising from stakeholder feedback to MHCLG, before revising the Local Plan timetable. This could minimise the need for further changes and ensure full alignment with the finalised system.
- 4.2 This option is not recommended, as any additional delay poses a significant risk to North Herts Council's ability to submit a draft Local Plan to the Secretary of State before of the start of the pre-election period in March 2028 and the potential dissolution of this authority under proposed Local Government Re-organisation. Early progress would allow the Council to leave a legacy of having prepared a final Local Plan under the current organisational structure and to meet key milestones set in the new system in a manner that is compatible with the civic cycle.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Strategic Planning Project Board were consulted on, and endorsed, the proposed programme in December 2025. They were also advised of the key issues discussed in this report.
- 5.2. The Executive Member has been kept up to date with the development of the Local Plan programme.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 19 September 2025.

7. BACKGROUND

- 7.1 At the [January 2024 Cabinet meeting](#), it was agreed to initiate a review of the Local Plan. Subsequently, a revised Local Development Scheme (LDS) was published in January 2025, setting out the proposed timetable for preparing the Local Plan through to adoption. The key milestones identified were:
- First formal Consultation – targeted for late 2025
 - Consultation on full draft plan – anticipated for late 2026
 - Examination – scheduled for 2027
 - Adoption – expected by the end of 2027
- 7.2 As set out in the [January 2025 Cabinet report](#), this timetable was predicated on the assumption that the requisite legislative changes would be introduced by September

2025. It was acknowledged at the time that the programme may need to be amended if there were any further delays in release of the regulations.

- 7.3 Officers met with MHCLG officers in spring 2025 where it was indicated that the new system was to be delayed until late 2025 or early 2026. MHCLG also advised that detailed guidance on the operation of the new system would not be issued until closer to its commencement and that any preparatory work progressed under the current system would not be able to be carried forward into the new system.
- 7.4 As a result, revisions to the Local Plan timetable could not be progressed until now, pending greater clarity on the requirements and processes to be introduced under the new system.
- 7.5 On 27 November 2025, the Government released new guidance on how councils should prepare Local Plans. This included a [Ministerial Statement](#), supporting information on the [Create or update a local plan](#) page on the MHCLG website, and a [regulations explainer](#). Together, these documents outline the new stages and requirements of the plan-making system.
- 7.6 It is anticipated that secondary legislation to enact the new system will be laid before Parliament in January 2026; with the system coming into effect six weeks later, likely at the beginning of March 2026.
- 7.7 This paper sets out a revised Local Plan timetable based on the new requirements in the proposed regulations.

8. RELEVANT CONSIDERATIONS

- 8.1 The following diagram provides an overview of the stages within the new plan-making system.

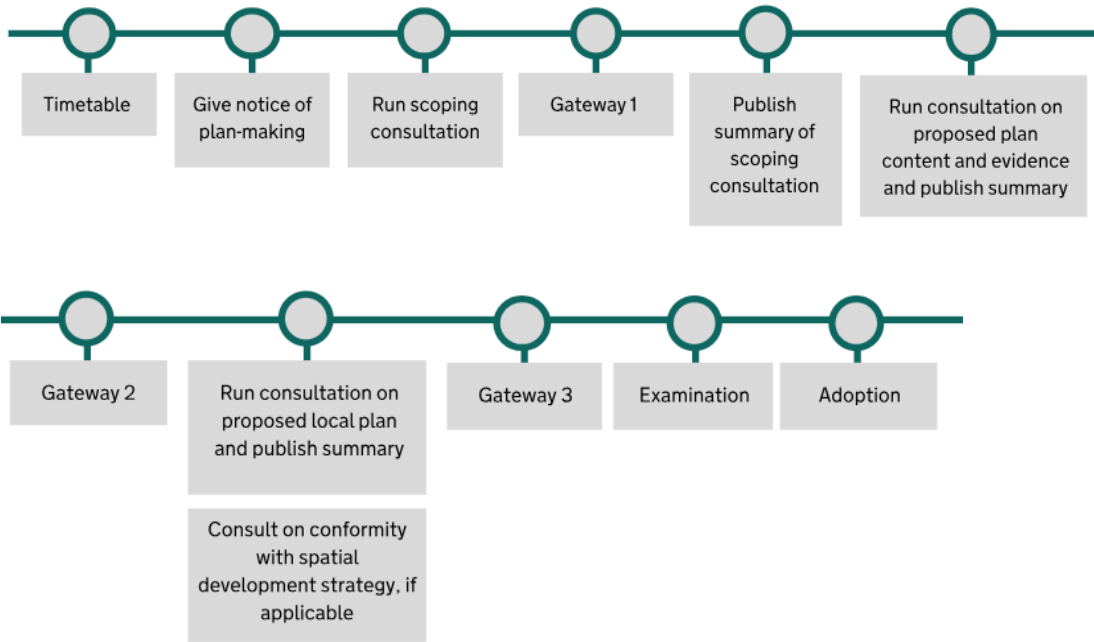


- 8.2 The statutory timetable allows 30 months for the preparation and examination of a Local Plan. Prior to this, there is a mandatory 'Get Ready Period' of at least four months. It should be noted that the 'Get Ready Period' cannot commence until the new system has

been enacted, which is expected in March 2026 (see Appendix 1 – proposed Local Plan timetable).

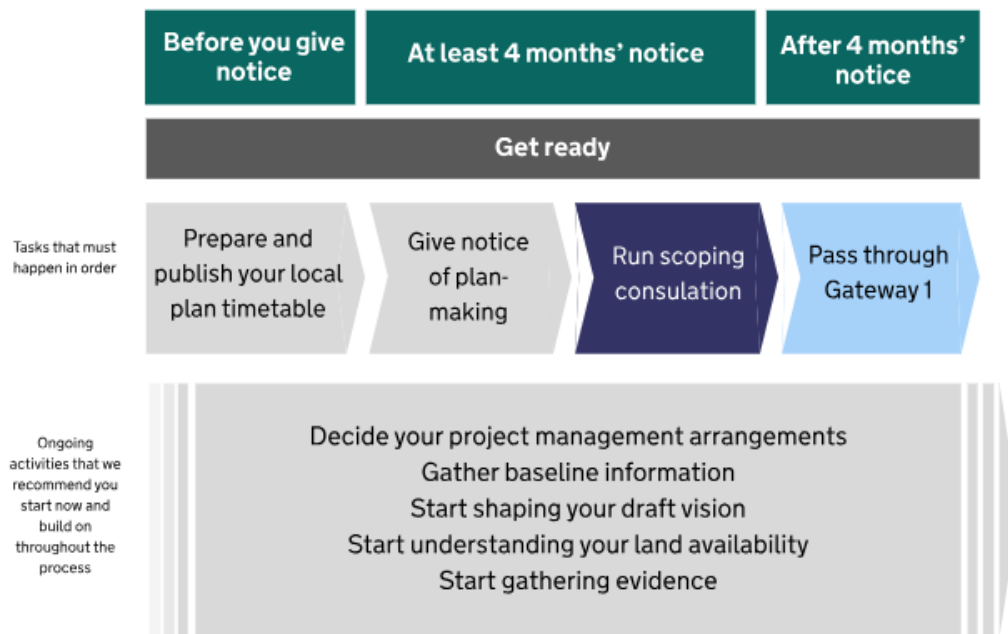
- 8.3 There are also certain tasks within the new system, that must be undertaken in a prescribed sequence, as required by law. These are set out below with further detail contained in relevant sections in the report.

Tasks in local plan-making where the sequence is required by law



Tasks before the 30-month process

- 8.4 The get ready period is required to be at least 4 months but can be longer depending on circumstances. During this period, a number of procedural steps must be completed.



Local Plan Timetable

- 8.5 This must be made available on the same day as the Notice to Commence is issued, or earlier.

Notice to Commence

- 8.6 A formal Notice to Commence must be published on the council's website to signal the intention to begin plan-making. The purpose of this notice is to provide sufficient time for stakeholders to be made aware that the Local Plan review process is starting, thereby ensuring transparency and enabling early engagement.

Early Engagement: Scoping Consultation

- 8.7 Early engagement with stakeholders to identify key issues to be addressed in the plan as well as identifying how stakeholders want to be engaged throughout the process. The regulations should set out any prescribed requirements for how long or what form this engagement should take.

Other work

- 8.8 It is recommended that a number of preparatory workstreams commence during the Get Ready period to ensure that authorities are able to meet the statutory 30-month timetable once formal plan-making begins. This includes:
- Project Initiation Document - setting out governance arrangements, budget allocations, resourcing requirements, and risk management measures.
 - Collation of baseline information about the area, including to support the SEA (Strategic Environmental Assessment)
 - Developing a draft vision for the area;
 - Undertaking a call for sites;

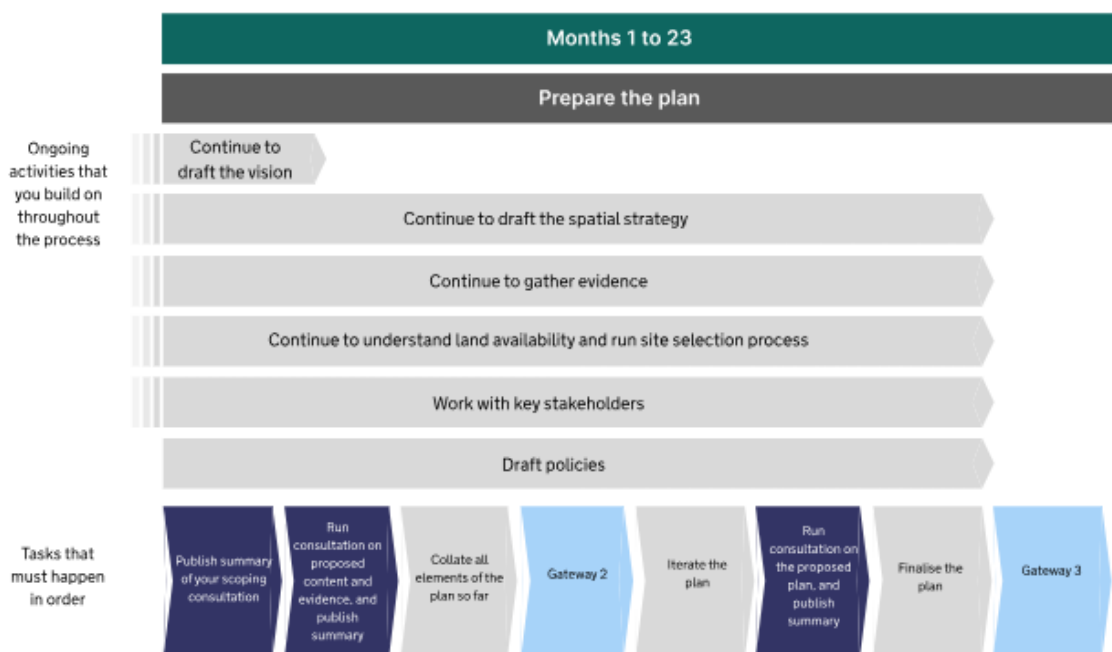
- Initiating procurement and preparation of the evidence base.

Gateway 1

- 8.9 Gateway 1 is a mandatory self-assessment stage. The purpose of Gateway 1 is to confirm that authorities are ready to prepare and adopt a Local Plan within the 30-month timetable.

Months 1 to 23: prepare the plan

- 8.10 Once Gateway 1 has been passed, the official 30-month timeframe begins. At this stage, the Local Plan can be prepared in detail. The process comprises two principal stages:
- Proposed plan content and evidence – preparation and consultation
 - Draft Local Plan – preparation and consultation
- 8.11 After Gateway 1, a summary of the scoping consultation must be published.



Proposed plan content and evidence

- 8.12 Preparation - Work should continue from the 'get ready' stage on developing the vision, refining the spatial strategy, identifying site allocations, and continuing preparing the supporting evidence.
- 8.13 Consultation – The proposed plan content and evidence consultation should include:
- Draft vision, proposed aims, and objectives
 - The proposed spatial strategy
 - A summary of the evidence gathered or planned

- Any other elements, which could include draft policies
- SEA – consult on the level of detail and scope of the environmental report

8.14 The consultation should run for at least six weeks.

8.15 A summary of the consultation must then be published before moving on Gateway 2.

Drafting the Local Plan

- 8.16 Following consultation on the proposed content and evidence, the elements must be collated to begin drafting the Local Plan. Key steps include:
- Deciding on a preferred spatial strategy option;
 - Allocating sites;
 - Continuing to prepare the evidence base to support policy approaches;
 - Mapping policies – creating a map to show where draft Local Plan policies will apply across the district;
 - Further developing the environmental assessment and report.

Gateway 2: Progress check with the Planning Inspectorate

- 8.17 Gateway 2 provides a formal progress check, lasting between four and six weeks. The Planning Inspectorate will appoint a gateway assessor to review the proposed plan and associated documentation, providing observations and advice.
- 8.18 The purpose of Gateway 2 is to:
- Support early resolution of potential soundness issues;
 - Assess progress towards meeting the prescribed requirements necessary for Gateway 3.
- 8.19 Gateway 2 must take place after publication of the consultation summary on proposed plan content and evidence, and before consultation on the proposed Local Plan. Timing is at the discretion of the authority, but sufficient information must be available for meaningful advice.

Draft Local Plan consultation

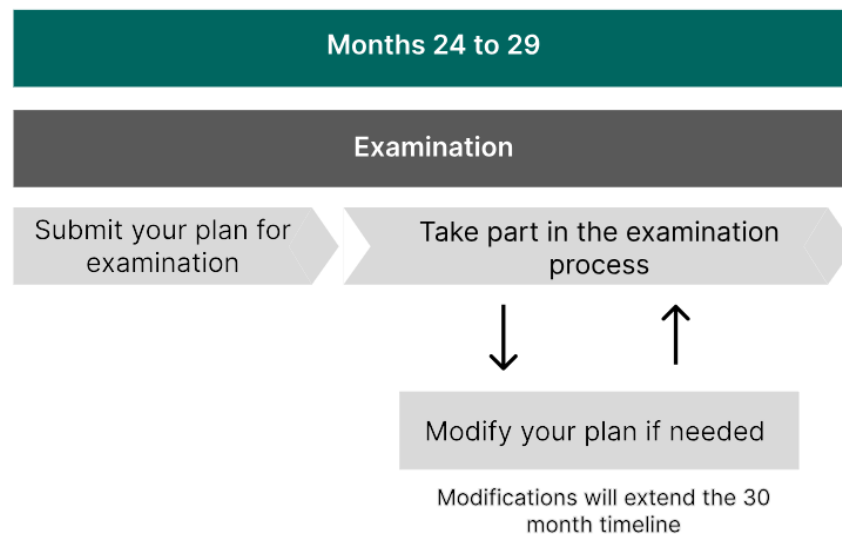
- 8.20 The Draft Local Plan consultation must run for a minimum of eight weeks. It should cover:
- The proposed Local Plan;
 - The map of proposed Local Plan policies;
 - Site allocations and designations;
 - The evidence base;
 - The SEA environmental report.

- 8.21 This consultation must also include engagement with the strategic authority preparing any Spatial Development Strategy, to ensure general conformity.
- 8.22 Following consultation, the authority must make appropriate changes to finalise the Plan based on the consultation; prepare submission material for Gateway 3; and publish a summary of the consultation on the draft Plan, including how issues have been addressed.

Gateway 3 – Ready for Examination

- 8.23 Gateway 3 is a formal check, lasting four to six weeks, to ensure the Plan is ready for examination. The Planning Inspectorate will appoint a gateway assessor to provide observations and advice, and to determine whether the Plan meets the prescribed requirements. If Gateway 3 is not successfully passed, the Plan cannot proceed to examination. The authority must make the necessary changes and re-submit through the gateway process.

Months 24 to 29: submit your plan for examination



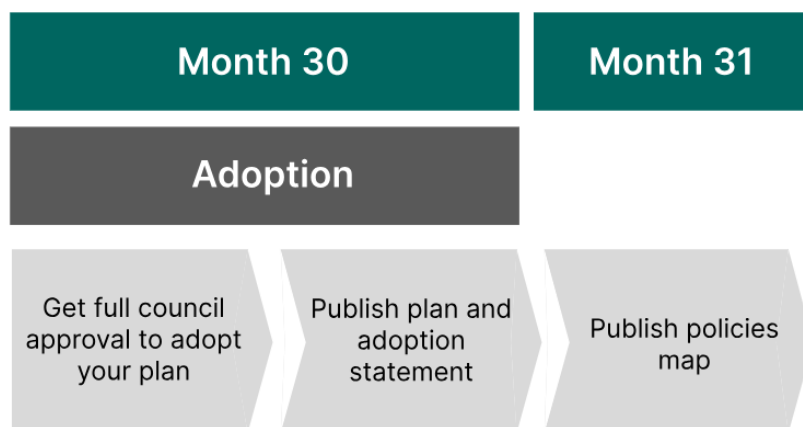
Examination

- 8.24 The examination will assess whether the plan is sound – using the current Tests of Soundness.
- Positively Prepared – the plan provides a strategy which seeks to meet objectively assessed development and infrastructure requirements.
 - Justified – the plan is founded on robust evidence and represents the most appropriate strategy when considered against reasonable alternatives.

- Effective – the plan is deliverable over its period and based on effective joint working on cross-boundary strategic matters.
- Consistent with National Policy – the plan enables the delivery of sustainable development in accordance with national planning policy.

8.25 Where the inspector determines that further work is required, the examination may be paused for a period of up to six months to allow the necessary work to be undertaken. The inspector may also recommend modifications to the plan in order for it to be found sound. In such cases, further consultation with interested parties on the proposed modifications may be required. This process is likely to extend the examination period beyond the initial six-month timeframe.

Month 30 to 31: adopt plan and publish policies map



Adoption

- 8.26 Where the inspector finds the Local Plan to be sound, or capable of being made sound through specified modifications, the expectation is that the authority will adopt the plan, incorporating the required modifications as necessary. In such cases, further consultation on the modifications is not required.
- 8.27 The inspector's report should be published as soon as practicable following receipt. Adoption of the Local Plan must take place within one month of receiving the inspector's report. This requires formal approval by Full Council.
- 8.28 Upon adoption, authorities are required to publish an Adoption Statement and the Final Strategic Environmental Assessment (SEA) – environmental report.
- 8.29 Authorities must also publish and maintain a Policies Map, which consolidates Local Plan policies with all other policies forming part of the wider development plan such as the Hertfordshire Minerals and Waste Plan and all 'made' Neighbourhood Plans. The

Policies Map must be kept up to date and revised in accordance with the timescales set out in regulations.

Month 31 onwards: monitor your plan



Monitoring

- 8.30 The Annual Monitoring Report is required to take place on the same date each year for all Local Planning Authorities.
- 8.31 The monitoring report must include:
- A list of nationally prescribed metrics;
 - Indicators to measure objectives set out in the Local Plan vision;
 - Indicators to monitor the significant environmental effects of implementing the Local Plan, based on the SEA.
 - Plan Evaluation Report - A Plan Evaluation Report must be undertaken in Year 4 following adoption of the Local Plan.

Review

- 8.32 Local Plans must be reviewed at least every 5 years. This means passing through Gateway 1 by Year 5, meaning preparation must begin during the Get Ready stage no later than Year 4. In certain circumstances, a review may be required earlier, for example:
- There has been a significant change in local or national circumstances that shaped the existing plan.
 - Housing requirements have increased significantly following the adoption of a spatial development strategy.
 - No spatial development strategy is in place, but the assessed housing need for the area has changed (for example, through the standard method).
 - An inspector recommends preparing a new plan earlier.

- Planning decisions are being assessed against the presumption in favour of sustainable development.
 - Annual monitoring shows the authority is not able to maintain a 5-year housing land supply through to adoption of the next plan.
- 8.33 Based on current proposed timelines, it is presently anticipated that any subsequent review would be undertaken by a new Unitary authority following Local Government reorganisation.

Revised Local Plan Timetable

- 8.34 The revised Local Plan timetable is presented in Appendix 1, aligned with the requirements of the new plan-making system, as currently understood. The new system is expected to come into force in March 2026.
- 8.35 While the 30-month timeframe provided under the new system would allow completion of the Plan by the end of 2028, it is the Council's intention to submit the Local Plan for examination earlier. This approach ensures planned submission prior to the anticipated Local Government Reorganisation in North Hertfordshire in April 2028. Significant preparatory work has already been undertaken, or is currently in progress. This places the Council in a strong position to commence the formal stages of the Plan at the earliest opportunity.
- 8.36 It should be noted that the Ministry of Housing, Communities and Local Government (MHCLG) is inviting feedback on the new system until 15 March 2026. Guidance may be subject to change following this consultation. Nevertheless, officers advise that the Council should proceed with issuing formal notice as soon as the system is enacted. This will ensure that the milestone of submitting the Local Plan for examination in early 2028 is met, ahead of the Local Government Reorganisation.
- 8.37 In advance of the enactment of the new plan-making system, delegated powers are sought to enable:
- Publication of the formal notice of intention to undertake a review of the Local Plan
 - Approval of the revised Local Plan timetable, attached at Appendix A (subject to any templates required under the new system)

9. LEGAL IMPLICATIONS

- 9.1. The preparation of Local Plans is governed largely by Section 15 of the Planning and Compulsory Purchase Act 2004 (PCPA) (as presently amended).
- 9.2. Under the current legislation, section 15(1) of the PCPA 2004 requires local planning authorities to prepare and maintain their timetable for preparing a local plan, known as a Local Development Scheme (LDS).

- 9.3. The Levelling Up and Regeneration Act (LURA) 2023 paves the way for reforms to the plan-making process through amendments to the PCPA 2004. Regulations to (i) enact the relevant provisions the commence the new plan-making system and (ii) set out the detailed process for the preparation of new-style plans are anticipated in January 2026. Any update will be reported verbally to the meeting or through a written addendum to this report.
- 9.4. These amendments will, in relation to this report, replace the duty to prepare and maintain an LDS with a duty to prepare and maintain a local plan timetable.
- 9.5. Cabinet holds a general power under Section 5.7.18 of the Constitution to exercise the Authority's functions as Local Planning Authority. Certain stages of plan-making, namely submission to the Secretary of State and adoption, are reserved to Full Council.
- 9.6. The detailed provisions of the Constitution will need to be reviewed to assure alignment with the terminology and requirements of the new legislation and associated regulations.

10. FINANCIAL IMPLICATIONS

- 10.1 The Local Plan Review and other planning documents are being produced from existing budgets including reserves that have been earmarked for this purpose. The current budget allocated for Local Plan is £691k. Although as set out below there is some risk as to whether the currently allocated resources will be sufficient.
- 10.2 The Council's Medium Term Financial Strategy (MTFS) in September 2024 set an expectation that the Local Plan Review will be delivered within existing resources. In broad terms, the costs of a Local Plan increase as it makes progress through the stages. The pre-submission plan (or equivalent replacement under the new regime) should be supported by a full evidence base. The examination phase can incur significant costs in legal representation and inspector fees, recognising the Government's proposal to significantly streamline this element.
- 10.3 Spend, and any impacts upon the Local Plan timetable, will be monitored on an on-going basis. This will include reporting to the Strategic Planning Project Board as part of their informal oversight role. There are likely to be requests for any year-on-year underspends to be carried forward into the next financial year. Dependent on progress, it may be necessary to reprofile the approved budget bids. Sensible steps will be taken to minimise external costs including the preparation of evidence studies in-house where this is achievable within the staffing capacity and professional competence of the team. Some specialist areas of evidence necessitate external advice from experts in their field and / or benefit from being independently assessed by third parties. Options for charging regimes for, or cost recovery from, potential beneficiaries of the new plan (i.e. landowners of sites) are currently being explored. However, if the cost exceeds the budget, then this will be reported within the usual budget monitoring processes.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.

- 11.2. In accordance with Section 15(3A) of the Planning and Compulsory Purchase Act 2004, local authorities will, once enacted, be required to prepare and publish a Local Plan programme and keep it up to date at least once a month.
- 11.3. The Local Plan Review is a key project in the Council Delivery Plan. These projects have specific risk entries as part of the Council's corporate risk monitoring approach. This is regularly updated and reported to Overview and Scrutiny Committee. Key risks include:
- Inadequate guidance leads to scheme outcomes that do not appropriately respond to, or contribute towards, corporate objectives and priorities of climate change, environment, economy and place.
 - Poor scheme outcomes that do not appropriately respond to local character and context.
 - Failure to retain/recruit sufficiently experienced officers to implement required programme of work.
 - Failure to secure funding to resource the process.
 - Failure to obtain political and / or Government approval at key stages or gateways
 - Adverse appeal findings on other/non-Local Plan sites if progress on the Local Plan Review is delayed or stalled.
 - Government fails to provide regulations and guidance in a timely fashion
 - Government introduce different or new or substantive reforms to the planning system and / or national policy
 - Government intervention if inadequate progress is made upon Local Plan Review.
- 11.4. In addition, the new regulations require a detailed risk register to be maintained as part of the Project Initiation Document.
- 11.5. Controls and mitigations include reporting to the internal Project Board and ongoing monitoring of workload and service-wide budgets to ensure sufficient resources.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no direct equality, diversity or inclusion implications in this report. An Equalities Impact Assessment will be carried out for the Local Plan Update in accordance with The Equality Act 2010 or any specific requirements laid in relevant legislation and regulations.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and "go local" requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report update.
- 14.2. However, the update of the Local Plan will allow the Council to put climate change mitigation and adaptation at the heart of the Development Plan to contribute to meeting the Councils environmental and sustainability objectives.
- 14.3 The Local Plan Review will be subject to statutory requirements to consider its environmental effects.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 The Local Plan programme is subject to our Strategic Planning Team being fully resourced and staffed.
- 15.2 Currently the Strategic Planning Team is understaffed and whilst efforts have been made to recruit into vacant posts, these have not all been successful. This is a known issue within Planning Departments across Local Authorities, and we are not unique in this sense. Permanent, establishment staff are currently augmented by fixed-term and contract appointments.
- 15.3 The consequence of not being fully staffed may ultimately have an impact on the delivery of the timeline of the Local Plan Update and the meeting of the key milestones set out in the document. The timetable will be kept under review in line with resource availability and updated as appropriate.

16. APPENDICES

Appendix A – Local Plan Programme

17. CONTACT OFFICERS

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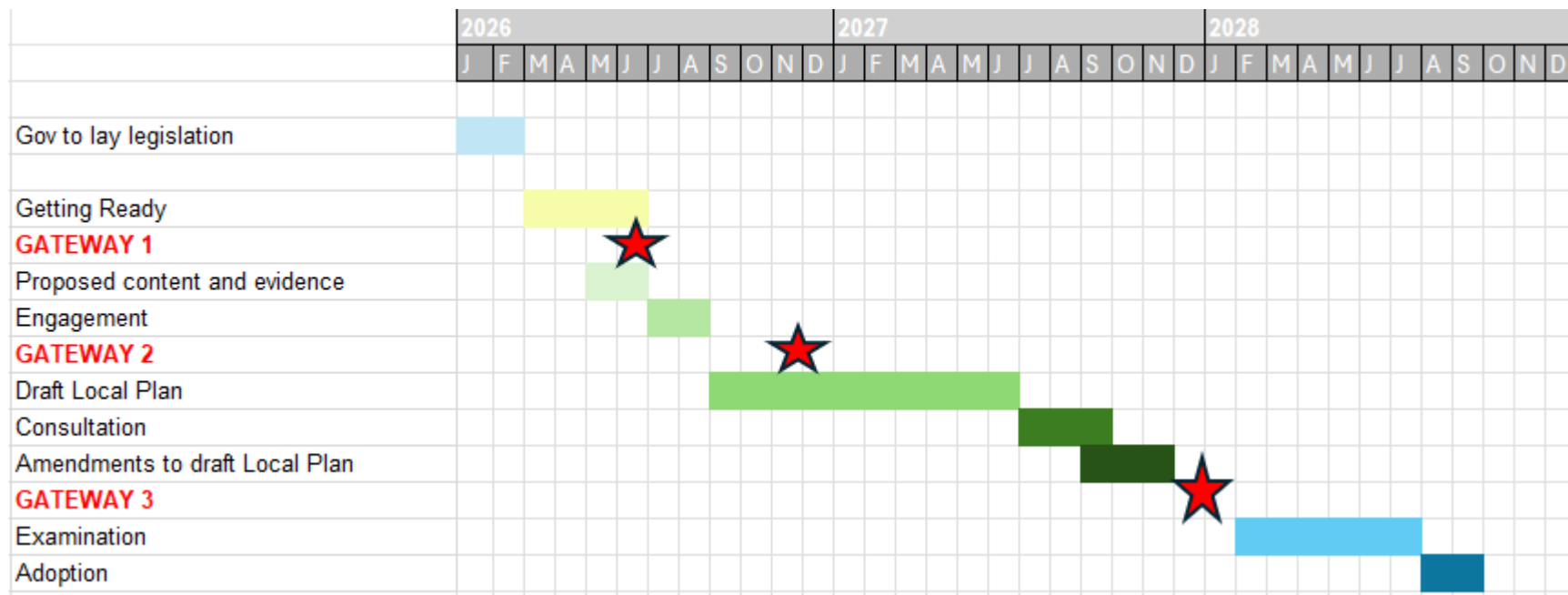
18. BACKGROUND PAPERS

[Report to Cabinet – Local Plan Review, January 2024](#)

[Report to Cabinet – Local Development Scheme, January 2025](#)

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Appendix 1: Local Plan Timetable



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CABINET

20 January 2026

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: STRATEGIC PLANNING MATTERS

REPORT OF: RACHAEL ROONEY, INTERIM STRATEGIC PLANNING MANAGER: PLACE

EXECUTIVE MEMBER: CLLR DONNA WRIGHT, EXECUTIVE MEMBER FOR PLACE

COUNCIL PRIORITY: THRIVING COMMUNITIES / ACCESSIBLE SERVICES / RESPONSIBLE GROWTH / SUSTAINABILITY

1. EXECUTIVE SUMMARY

- 1.1 This report identifies the latest position on key planning and transport issues affecting the Council.

2. RECOMMENDATIONS

- 2.1. That the report on strategic planning matters and appendices be noted.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To keep Cabinet informed of recent developments on strategic planning matters.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Executive Member has been briefed on the relevant matters in this report. Where appropriate these have also been reported to the Council's internal, informal Strategic Planning Project Board. This includes cross-party representation from all political groups. The Project Board is chaired by the Executive Member for Place.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1. Members will be aware of, and familiar with, many of the issues surrounding strategic planning matters. This report is intended to provide Members with the current positions on the following key matters where there has been substantive change since the report in September 2025.

8. RELEVANT CONSIDERATIONS

Government Changes

- 8.1. On 18 November 2025, the government launched a major consultation on [reforming the statutory consultee system](#). The reforms aim to:
- reduce planning delays;
 - streamline the application process; and
 - refocus expert bodies on high-impact projects.
- 8.2. Key proposals include the removal of statutory status from Sport England, The Gardens Trust, and the Theatres Trust; and a refined scope and thresholds for 7 key national consultees (Environment Agency, Natural England, Historic England, National Highways, Health and Safety Executive, Mining Remediation Authority, and Active Travel England) to narrow their involvement. It also proposes a new performance framework as well as new funding proposals – the introduction of a planning fee surcharge and expanding the ability of bodies involved in Nationally Significant Infrastructure Projects to recovery of costs from developers.
- 8.3. On 27 November 2025, the Government released new guidance on how councils should prepare Local Plans. This included a [Ministerial Statement](#), supporting information on the [Create or update a local plan](#) page on the MHCLG website, and a [regulations explainer](#). Together, these documents outline the new stages and requirements of the plan-making system. It is anticipated that secondary legislation to enact the new system will be laid before Parliament in early January 2026; with the system coming into effect six weeks later, likely at the beginning of March 2026.
- 8.4. Key changes include local plans being required to be prepared within a 30 month timeframe, with a get ready period of at least 4 months; new Gateways stages with target support from PINs (Planning Inspectorate) assessors to ensure authorities are meeting requirements at each stage before progressing to the next stage; more emphasis on digitalisation of local plans, the importance of a vision for an area and the use of templates to help standardised processes to ensure consistency across the country. The implications for the review of the Local Plan are set out in a separate report.
- 8.5. Prior to the publication of this guidance, officers had co-ordinated a joint letter to the Secretary of State from five local authorities in Hertfordshire and Bedfordshire. The letter outlined the effects continued delays were having upon plan-making and decision-making. This letter and the Secretary of State's response are attached at Appendices A and B.

- 8.6. On 16 December 2025, the Government consulted on a revised [National Planning Policy Framework \(NPPF\)](#). Consultation closes on 20 March 2026 with a final version expected summer 2026. The new NPPF contains a proposed suite of National Development Management Policies (NDMPs). Authorities have been advised that they must have regard to the draft NDMPs when preparing new Local Plans.
- 8.7. Key changes include:
- Distinct sections for plan-making and decision-taking
 - Requirements around new spatial development strategies – content, how they will be examined, how they fit into the wider system
 - Sets expectations on the 30 month timetable for Local Plans and stronger emphasis on cross -boundary cooperation
 - New National Development Management Policies – these are not statutory but hold a stronger national weight, especially where local development plans conflict with them (unless those plans are examined under the new system. Although the intention is still that local plans should not duplicate, substantively restate or modify them in local plans.
 - Reaffirmation of the standard method for housing targets and a more explicit expectation of meeting strategic housing requirements
 - Refinements of a standardised set of inputs for viability assessments
 - Expanded presumption in favour of sustainable development:
 - The presumption would apply to all development proposals within settlements, unless the “harms would substantially outweigh the benefits
 - Outside settlements, the presumption would apply to a list of development types. These would include the familiar (failure to demonstrate a five-year housing land supply or scores of less than 75% on the latest Housing Delivery Test) and the new (housing and mixed-use sites within reasonable walking distance of railway stations, which are additionally subject to minimum density expectations)
 - Mandatory requirements for swift bricks and protection for chalk streams
 - Measures to support SME developers – a new medium category for 10-49 homes on sites of up to 2.5 hectares – as well as potential exemptions to the Building Safety Levy for SME developers.
 - Changes to the approach to heritage assets - harm is now split into 3 categories (harm, substantial harm, total loss)
 - Biodiversity Net Gain – sites under 0.2ha will be exempt from BNG. This is a lower threshold than the 0.5 ha originally consulted upon. The Government have also indicated they will consult shortly on an “additional targeted exemption for residential brownfield development (on site sizes ranging up to 2.5ha).

- 8.8. Officers will consider a formal response to the consultation with the Executive Member for Place. Any response will be reported to a future meeting of Cabinet.
- 8.9. Further Government announcements on a national scheme of delegation, which would prescribe which matters could be considered by planning committees, and fee-setting are expected in early 2026.

Proposed Expansion of Luton Airport

- 8.10. As previously reported, the Council received a copy of the Notice of the decision by the Secretary of State for Transport on 3 April 2025 to approve Luton Rising's Development Consent Order (DCO) application for the expansion of London Luton Airport to increase passenger numbers from the currently consented 19mpa to 32mpa by 2040s following completion of a lengthy Examination on 10 February 2024. This decision was despite National Planning Inspectors recommending refusal against the proposed development due to its significant environmental harms. The decision was subject to a 6-week High Court Judicial Review Challenge.
- 8.11. The Luton And District Association for the Control of Aircraft Noise (LADACAN) initiated legal proceedings to challenge the Transport SoS (Secretary of State) decision quashed. A hearing took place November 2025 with the High Court ruling in favour of the SoS's (Secretary of State) decision to permit the Luton Rising's DCO application for the expansion of London Luton Airport.
- 8.12. At the time of writing this update, LADACAN are considering a further legal appeal. Any update will be verbally reported at the Cabinet meeting. The full judgement is available to view at:

<https://www.bailii.org/ew/cases/EWHC/Admin/2025/3206.html>
- 8.13. Officers will continue to monitor the legal proceedings and work together with the Hertfordshire Host authorities and will take further advice on these and our role / powers once the legal proceedings are resolved.

Strategic Sites

- 8.14. The Strategic Planning Project Board continues to meet regularly. The status of work on the six, largest Strategic Sites in the Local Plan is summarised below:

Policy SP14: North of Baldock	<p>The masterplan for this site was adopted as a material consideration for any future planning applications by Full Council in June 2025.</p> <p>An outline application was submitted in October 2025 (application reference 25/02571/OP).</p>
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SP15: North of Letchworth	<p>The masterplan for this site was adopted as a material consideration for any future planning applications by Full Council in July 2024.</p> <p>The applicant is currently in the process of procuring a development partner.</p>
SP16: North of Stevenage	<p>The masterplan for this site was adopted as a material consideration for any future planning applications by Full Council in November 2024.</p> <p>Members resolved to approve the outline planning application (23/01935/OP) in March 2025 subject to completion of the s106 agreement. This legal agreement is being prepared</p> <p>A draft design code is being prepared for the site.</p>
SP17: Highover Farm, Hitchin	<p>Outline planning permission for this site was granted in November 2024 on completion of the s106 legal agreement following a resolution to grant permission by the Planning Committee in October 2023.</p> <p>Reserved matters for infrastructure have been approved following committee resolution in October 2025 alongside a number of conditions including a Design Code for the site.</p> <p>The application for the first phases of new homes was received in November 2025 (25/02794/RM).</p> <p>Development expected to commence in early 2026.</p>
SP18: North-east of Great Ashby	<p>The masterplan for this site was adopted as a material consideration for any future planning applications by Full Council in November 2024.</p> <p>An outline application is submitted awaiting validation (25/03080/HYA).</p>
SP19: East of Luton	<p>The masterplan for this site was adopted as a material consideration for any future planning applications by Full Council in January 2025.</p> <p>Amendments to the two, separate outline planning applications were submitted November 2025 and are under consideration (Council application references 17/00830/1 and 16/02014/1). There are separate applications for the main access points into the sites (22/02904/FP, 22/02905/FP)</p>

- 8.15. Other masterplans for significant sites are being progressed through a variety of PPAs, pre-application discussions and current planning applications lodged with the Council ([Masterplans in current applications | North Herts Council \(north-herts.gov.uk\)](https://www.north-herts.gov.uk/masterplans)).

North Herts Local Plan

- 8.16. An update on the Local Plan review, and the impact of the Government reforms outlined above, is subject to a separate report to this meeting. Ongoing updates will be provided through future Strategic Planning Matters reports.

Other Local Authorities' Local Plans

- 8.17. We are neighboured by eight other Local Authorities who are all at differing stages of their Local Plans. We maintain regular contact with regard to the status of their Local Plans and input to consultations as appropriate. Details of the most recent positions of our neighbours is set out below.
- 8.18. The Government reforms outlined above and in the Local Plan report will abolish the current, statutory Duty to Co-operate. This is / was a formal legal test applied to the preparation of local plans. However, there will still be a strong expectation that authorities will continue to collaborate on strategic issues and Inspectors will still consider this as plans are examined.

St. Albans City and District Council

- 8.19. Examination of the St Albans Local Plan – Stage 1 sessions were held in April / May 2025 with Stage 2 hearing held Oct / Nov 25. North Herts did not appear at the hearing sessions. More details can be found on [St Albans City and District Council's website](https://www.stalbans.gov.uk).

Uttlesford District Council

- 8.20. Examination of the Uttlesford Local Plan took place in June 2025. The Inspector published a post-hearing note in July 25 which requested the Council undertake some amendments. Consultation on these amendments closed on 27 October 2025. The Council is currently awaiting the inspector's report. It is expected that the Local Plan will be adopted in Spring 2026. North Herts did not appear at the hearing sessions. More details can be found on [Uttlesford District Council's website](https://www.uttlesford.gov.uk).

Stevenage Borough Council

- 8.21. Stevenage Borough Council are undertaking a partial review of their Local Plan. The Council's examination on the Local Plan was in December 2026.
- 8.22. We have made representations on the Plan and attended the first day of the examination of the Plan. More details can be found on [Stevenage Borough Council's website](https://www.stevenage.gov.uk).

Luton Borough Council

- 8.23. Luton Borough Council are undertaking a review of their Local Plan. The Regulation 18 issues and options consultation closed in February 2025. A further Regulation 18 consultation was planned for March – April 2026. However, the Council are now reconsidering the Local Plan programme in respect of alignment with the new plan-making system timetable. More details can be found on [Luton Borough Council's website](#).

Central Bedfordshire Council

- 8.24. Central Bedfordshire Local Plan was adopted in July 2021. A full review of the Local Plan started in November 2023. A Call for Sites exercise was carried out November 2024 to January 2025. Central Bedfordshire's Local Development Scheme expected that a Regulation 18 consultation would commence in February 2026. However, no proposals have been presented to the Council's Executive and it is expected that the Council will reconsider the Local Plan programme (both Luton and Central Bedfordshire were signatories to the joint letter to MHCLG). More details can be found on [Central Bedfordshire Council's website](#).

East Hertfordshire District Council

- 8.25. East Hertfordshire District Council anticipate beginning the plan making process in once the new regulations and legislation are in force. They will revise the timetable accordingly and expect adoption in 2028.
- 8.26. A Call for Sites exercise was carried out July to September 2024. Results of this exercise are currently being assessed and will be published in due course.
- 8.27. More details can be found on [East Herts Council's website](#).

Welwyn Hatfield District Council

- 8.28. A Call for Sites exercise was carried out recently and closed March 2025. A second Call for Sites has been launched, focusing on brownfield and urban land, which closed on 19 September 2025. Results of this exercise are currently being assessed and will be published in due course. The Council is still expecting to submit the draft Plan to the Secretary of State before the deadline of December 2026 to be considered under the current system rather than the new plan-making system.
- 8.29. More details can be found on [Welwyn Hatfield District Council's website](#).

South Cambridgeshire District Council / Greater Cambridgeshire Shared Planning

- 8.30. The Council are undertaking a Local Plan with Cambridge City Council under the Greater Cambridge Local Plan. They are currently consulting on the draft Local Plan which closed on 30 January 2026. A number of sites close to the administrative / county border were

promoted by landowners. However, there are no significant allocations proposed in areas adjoining North Herts. A response to the consultation will be prepared by officers. A call for sites is published alongside their draft Plan.

- 8.31. More details can be found on [Greater Cambridge Shared Planning's website](#).

Neighbourhood Plans

- 8.32. There are currently no Neighbourhoods Plans in preparation. Under planning reforms, local communities will be able to prepare 'Neighbourhood Priorities Statements' (NPS). These are a lighter-touch alternate to Neighbourhood Plans. The (potential) role of NPS will be explored with parish and town councils as part of the preparatory stages of the new Local Plan.

Other matters

North, East & Central Herts Authorities Strategic Planning

- 8.33. Since 2019 the Council together with East Herts District Council, Stevenage Borough Council, Welwyn Hatfield District Council, Broxbourne Borough Council and Hertfordshire County Council along with the help of consultants, have been working together on the strategic planning of the area. This included establishing a Vision and a Growth Study for North East Central (NEC) Herts. The intention of the Growth Study is to create a key piece of initial evidence to support the preparation of a joint strategic plan for the area and inform the next round of Local Plans from the 2030s to 2050.
- 8.34. The Stage 2 Growth Study is currently being finalised with a final report prepared. Discussions are underway with Heads of Planning as to when the best time for briefing members and publishing the report, noting the changes to strategic planning and local plans regulations.
- 8.35. Under the planning reforms outlined above, Hertfordshire County Council (and any future mayoral authority that replaces it) will become responsible for preparing a Spatial Development Strategy (SDS) for their area. This will be a form of strategic plan to guide growth, housing, infrastructure and economic development. It is likely that some or all of the NEC work will be absorbed into a future SDS. A report is due to be considered by Hertfordshire Chief Executives outlining potential next steps and options.

North Herts Council's Draft Town Centres Strategy

- 8.36. Cabinet approved the draft Town Centres Strategy for public consultation at its meeting on 19 November 2025. The consultation was launched on 3 December 2025 and will run until 30 January 2026. Full details about the consultation and how to submit comments on-line are on the Council Website at the Town Centres Strategy subpage.
- 8.37. Residents, businesses, community groups and partner organisations on our Local Plan database have been invited to participate in the consultation. Officers asked the BID

(Business Improvement District) managers to promote the Strategy consultation to their members to encourage wider business engagement and the Parish Councils to encourage wider local and community engagement recognising the importance of the town centres in supporting local villages. All Local Councillors have been informed and requested that members promote the consultation through your own communication channels.

9. LEGAL IMPLICATIONS

- 9.1. Under (Section 5, paragraph 5.7.18) of the Council's Constitution (the Terms of Reference for Cabinet), the Constitution states that Cabinet may exercise the Council's functions as Local Planning Authority and receive reports on strategic planning matters, applications for, approval/designation, consultation/referendums revocations (or recommend revocation) of neighbourhood plans and orders, (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Place).
- 9.2. The preparation of statutory plans and supporting documents is guided by a range of acts and associated regulations including the Planning and Compulsory Purchase Act 2004 (as amended) and the Localism Act 2011.
- 9.3. Under the Council's Constitution (14.6.10 (b) iv B) all functions relating to National Infrastructure Planning including co-ordination of the Council's response to any consultation, examination or other any other matter concerned with major infrastructure projects, is delegated to the Service Director Place.

10. FINANCIAL IMPLICATIONS

- 10.1. The general costs of activities identified in this report - including the additional, temporary posts identified in Section 15 below - are met through existing revenue budgets, reserves or benefit from external funding or other arrangements to recover costs.
- 10.2. £20k has been set aside in the budget for any additional work associated with the London Luton Airport DCO application following the conclusion of the Examination from the SoS,(Secretary of State) and following the outcome of the Judicial Review and any ongoing work arising from a positive decision, such as implementing monitoring levels and the enforcement of the approved scheme.
- 10.3. In December 2025, the Government announced the continuation of financial support for neighbourhood planning for the 2025/26 financial year. A claim for £20k has been submitted in respect of the Codicote Neighbourhood Plan and associated referendum held earlier this year.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.

- 11.2. Delays to the publishing of secondary legislation relating to Local Plans has meant the Local Plan timetable has needed to be revised to ensure compliance with the new regulations. This is reported on in a separate paper to this Cabinet.
- 11.3. As neighbouring authorities advance their own Local Plans, it is essential to maintain alignment on strategic matters, particularly with those authorities that may be integrated with us through Local Government Reorganisation (LGR). Officers continue to hold regular meetings with neighbouring authorities to support constructive and collaborative working relationships. This includes ongoing work through the NEC group, as well as preparatory work for the future Strategic Development Strategy (SDS) and its relationship with the Local Plan.
- 11.4. A substantial number of Government consultations affecting the planning system—both plan-making and decision-taking—have recently been issued, with more expected. Officers will continue to monitor these developments closely and assess their implications for ongoing and future work at North Herts.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are not considered to be any direct equality issues arising from this report. Future individual schemes or considerations may well be subject to appropriate review to ensure they comply with latest equality legislative need. Any risks and opportunities identified will also be subject to assessment for impact on those that share a protected characteristic.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. Several of the schemes noted at section 8 will have considerable impact on the environment as they come to fruition. Many of these will be subject to their own statutory requirements for environmental assessment such as Sustainability Appraisal or Environmental Impact Assessment. The need for further assessment, for example where there is no statutory requirement, is considered on a case-by-case basis.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. No new implications arising directly from this report. Staffing and capacity within the planning service is monitored and managed on an on-going basis. Several new posts –

approved through revenue budget bids – have now been recruited to, to provide new or additional capacity for transport, tree & landscape and administrative matters.

- 15.2. There are presently two vacancies in the Development Management service, one has been advertised and an appointment made. Additional capacity through fixed-term posts is currently being explored.
- 15.3. Two fixed-term posts within the Strategic Planning Service have been filled. Recruitment to a permanent post was not successful and is currently under advertisement. The strategic planning manager post is currently filled on an interim basis and is expected to be advertised in the spring 2026 following consideration of the 2026/27 budget by Full Council.

16. CONTACT OFFICERS

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Appendices

Appendix A – Joint Signatory letter to MHCLG

Appendix B – response letter from MHCLG

Joanna Averley
Chief Planner
MHCLG

By email only

15 October 2025

Dear Joanna,

We are writing collectively as a group of local authorities in response to the Chief Planner's newsletter dated 19 August 2025, to express our growing concern regarding the continued delays to the implementation of the new Local Plan system, including that authorities will not be able to carry over work between the current and new plan-making systems.

Originally scheduled for introduction in June 2025, the new plan-making system was postponed last year, with still no clear indication of when the necessary legislation, regulations, or accompanying guidance will be brought forward. While we appreciate the complexities involved in delivering such reforms, the prolonged uncertainty is significantly impeding our ability to plan effectively and allocate resources appropriately—particularly in the context of the already challenging environment faced by local authorities.

The newsletter encourages authorities to continue developing their evidence base, while cautioning against undertaking abortive work. This suggests the potential for a standardised list of required studies, which would be welcomed. However, the absence of timely guidance makes it difficult to avoid duplication or misalignment, especially given the ambitious 30-month timeframe and the limited resources currently available to many authorities. The 'guillotine' provisions between the current and new system prevent any meaningful progress, engagement or consultation.

Beyond the operational challenges of preparing new Local Plans, we are particularly concerned by the lack of recognition of the serious implications these delays pose for authorities struggling to maintain a five-year housing land supply. The absence of any proposed transitional protections increases the risk of speculative and potentially unsuitable development, and may hinder the ability to secure infrastructure funding—further exacerbating issues of unsustainable growth.

Those signatory authorities currently affected by Local Government Re-organisation also wish to highlight the intersection of these delays with the Local Government Reorganisation (LGR) process. In cases where plans have not yet reached examination prior to reorganisation, successor authorities may face considerable

difficulties in continuing this work. While we understand MHCLG has indicated that future authorities should allow existing plan-making efforts to proceed, the reality of finalising legacy plans while simultaneously preparing new ones for restructured areas will place significant strain on resources and risk confusion among stakeholders and the wider public.

In light of these concerns, we strongly urge MHCLG to publish detailed guidance on the new Local Plan system as a matter of urgency, including any arrangements for authorities adversely impacted in their plan-making and / or decision-making by the delays. Doing so would enable authorities to plan with greater confidence, allocate resources more effectively, and minimise the risk of abortive work during this transitional period.

Yours sincerely,



.....
Nigel Smith, Director of Place
North Hertfordshire Council



.....
Ellen Higginson, Place Shaping Lead
Watford Borough Council



.....
Sara Saunders, Director for Place &
Deputy Chief Executive
East Hertfordshire Council

Flo Churchill

.....
Flo Churchill, Interim Director
Sustainable Development
Luton Borough Council



.....
Andrew Davie, Service Director –
Development and Economy
Central Bedfordshire Council



Ministry of Housing,
Communities &
Local Government

**Ministry of Housing, Communities & Local
Government**
2 Marsham Street
London
SW1P 4DF

Our reference: PO2025/31130

Rachael Rooney
Interim Strategic Planning Manager: Place
North Herts Council

Via email: rachael.rooney@north-herts.gov.uk

17 November 2025

Dear Rachael Rooney, Nigel Smith, Ellen Higginson, Sara Saunders, Flo Churchill, Andrew Davie,

Thank you for your letter to Joanna Averley dated 15th October 2025, raising concerns over the delays to the new plan making system and the implications this is having for your councils. I'm replying to the letter as the person in MHCLG responsible for launching the new system.

I am pleased to hear about the combined enthusiasm for preparing your local plans early in the new system. I recognise that moving from the current system to the new system presents some uncertainty for plan makers, and we are trying to minimise these as much as we can. The information in the August edition of the Chief Planner's newsletter was intended to encourage you to undertake early work on your plan, so you are in a good position to progress once the new system is commenced. It is also important, however, that local authorities understand that, as the new system is underpinned by new primary and secondary legislation, plans will need to comply with all of the regulatory requirements.

We want to support councils to get plans in place as soon as possible, to achieve universal coverage of ambitious local plans, and I am grateful for the insights provided by representatives of your planning teams at meetings with officials this year. This has helped us to finalise our proposals for how we rollout the new system and support those authorities bringing a plan forward early.

It remains our intention that a package of plan-making reforms, enabled through the Levelling Up and Regeneration Act 2023, will be brought forward later this year. This will include guidance to support local authorities in the early stages of plan-making which we intend to publish shortly.

All information associated with the upcoming new system will be published on our new website 'Create or Update a Local Plan' (Link: [Create or update a local plan - GOV.UK](#)). Anyone can sign up on the site to be notified when new information is added.

I hope this provides you with some assurance of our commitment to rolling out the new plan-making system as soon as possible.

Yours sincerely,

Arthur Young
Deputy Director - Development Plans

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CABINET MEETING

DATE 20 January 2026

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: REVOCATION OF AIR QUALITY MANAGEMENT AREAS IN HITCHIN

REPORT OF: DIRECTOR – REGULATORY

EXECUTIVE MEMBER: Cllr Mick Debenham – Executive Member for Regulatory

COUNCIL PRIORITY: THRIVING COMMUNITIES / ACCESSIBLE SERVICES / RESPONSIBLE GROWTH / SUSTAINABILITY

1. EXECUTIVE SUMMARY

The purpose of the report is to review the status of the Air Quality Management Areas (AQMA) as declared in the following AQMA Orders.

No1. 2012 [NHDC Air Quality Management Order \(north-herts.gov.uk\)](http://north-herts.gov.uk).

No.2 2016 [Air Quality Management Area Report \(north-herts.gov.uk\)](http://north-herts.gov.uk)

These AQMA were declared following local air quality assessments, which resulted in identifying areas within North Hertfordshire where the statutory air quality objectives were exceeded.

The declaration of the AQMA required the development of an Air Quality Action Plan to put measures in place to reduce air pollution below objective levels.

The impact of a combination of measures introduced at a local level plus measures implemented on a nationwide basis have resulted in the pollution levels in these AQMA falling below objective levels for five years or more.

UK Government policy is that where pollution levels in AQMA remain below objective levels for five years or more, that AQMA must be revoked.

2. RECOMMENDATIONS

It is recommended that Cabinet

2.1. Approve the Revocation Orders (as appended to this report) for the following areas:

- The No1. AQMA Stevenage Road Hitchin,
- The No2. AQMA Payne's Park Hitchin

3. REASONS FOR RECOMMENDATIONS

- 3.1. The reason for recommending the Revocation of the AQMAs is that there is no reasonable justification for retaining AQMAs where the air pollution levels can be shown to have significantly reduced below statutory air quality objectives as defined by HM Government within UK Air Quality Regulations.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The only alternative option would be to maintain the AQMAs when there is no apparent justification for doing so. In keeping the AQMAs, there would be a requirement to produce a further Action Plan, for which there is no justification, as Action Plans are required to address air pollution in areas where there are exceedances of the air quality objectives. As there are no exceedances, there is no requirement for a revised Action Plan, hence this option would have no additional resource implications.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 There is no duty to consult publicly. Internal consultation prior to Cabinet is recommended. This report along with the revocation notices are to be circulated to the consultees below.

Internal consultation commences: 17 November 2026 for a period of 2 weeks.

Consultees:

North Herts DC Leadership Team
Cllr Daniel Allen – Leader of the Council and Labour Lead
Cllr Ruth Brown – Conservative Lead
Cllr Mick Debehham – Executive Member for Regulatory
Cllr Matt Barnes – Shadow Executive for Regulatory
Cllr Ralph Muncer – Conservative Group Leader
Cllr John Clayden – Hitchin Highbury Ward
Cllr Sam Collins – Hitchin Highbury Ward
Cllr Keith Hoskins – Hitchin Priory Ward
Cllr Chris Lucas – Hitchin Priory Ward

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 19 September 2025.

7. BACKGROUND

- 7.1. The report has been written, because following the submission of the Annual Air Quality Status Report to DEFRA in June 2023, North Herts Council have been advised that it is now appropriate to consider revoking both the AQMAs because by the end of 2023, both AQMAs will have met air quality objective levels for the last 6 years (AQMA1 for 7 years).
- 7.2 It is UK Government policy that AQMAs are revoked once pollution levels have remained significantly below objective levels for 5 years or more.

7.3. Both of these AQMAs were declared on the basis of exceedance of the annual mean air quality objective for nitrogen dioxide. This objective is defined as an annual average of 40 microgrammes per cubic metre ($\mu\text{g}/\text{m}^3$).

7.4. In 2005, prior to declaration of the AQMAs annual mean nitrogen dioxide pollution levels were recorded at each AQMA as follows:

AQMA No.1 45.9 $\mu\text{g}/\text{m}^3$

AQMA No.2 46.4 $\mu\text{g}/\text{m}^3$

7.5. When these AQMAs were declared, in 2012 (AQMA No.1) and 2016 (for AQMA No.2), the level of exceedance for each AQMA was recorded as:

AQMA No.1 Stevenage Road, Hitchin 41.8 $\mu\text{g}/\text{m}^3$

(Compared to the Annual Mean of 40 $\mu\text{g}/\text{m}^3$)

AQMA No.2 Payne's Park, Hitchin 44.5 $\mu\text{g}/\text{m}^3$

(Compared to the Annual Mean of 40 $\mu\text{g}/\text{m}^3$)

7.6. By the end of 2025 both AQMAs will have annual mean nitrogen dioxide monitoring results, significantly below the objective level of 40 $\mu\text{g}/\text{m}^3$. This marks the point that each AQMA will have met the objective levels for 7 years continuously.

AQMA	2024	2023	2022	2021	2020	2019	2018
No. 1	32	35	31	31	37	33	35
No. 2	26	27	29	27	24	38	42

7.7. The Guidance for Local Authorities in reviewing the status of AQMAs is contained within LAQM Technical Guidance [LAQM TG22](#).

7.8. The revocation of an AQMA should be considered following three consecutive years of compliance with the relevant objective as evidenced through monitoring. Where there have been no exceedances for the past five years, local authorities must proceed with plans to revoke the AQMA.

7.9. The LAQM Technical Guidance (LAQM TG22) is clear in this respect:

"There should not be any declared AQMAs for which compliance with the relevant objective has been achieved for a consecutive five-year period." (Point 3.57, page 50).

7.10. The Local Air Quality Management (LAQM) helpdesk which acts as a consultation portal for Local Authorities have emphasised the guidance above and made the following comment:

"AQMAs should identify areas where air quality objectives are not being met or are likely to be at risk of not meeting them. Keeping AQMAs in place longer than required risks diluting their meaning and impacting public trust in LAQM."

As the AQMAs have been compliant for over 3 years, the Council should consider reviewing the status of the AQMAs and proceeding with the revocation process".

8. RELEVANT CONSIDERATIONS

- 8.1 The strategy for addressing air quality issues is contained within the latest UK Air Quality Strategy and accompanying Policy Guidance (LAQM PG22) and Technical Guidance (LAQM TG22) as issued by DEFRA.
- 8.2 There are a wide range of terms and concepts in national and international initiatives, for example, standards, objectives, target values and limit values. The two which feature within the UK's air quality strategy are standards and objectives. The Air Quality Standards Regulations 2010 contain Limit Values and Target Values.
- 8.3 The national Air Quality Objectives and Air Quality Standards Regulations limit and target values with which the UK must comply are summarised in the [National air quality objectives](#) (PDF 262 KB) of the Air Quality Strategy.
- 8.4 The national Air Quality Objectives and Air Quality Standards Regulations limit and target values with which the UK must comply are summarised in the National air quality objectives (PDF 262 KB) of the Air Quality Strategy.
- 8.5 Following the introduction of UK Air Quality Strategy in 1997 each local authority in the UK has been carrying out a review and assessment of air quality in their area. The review process involves measuring air pollution and trying to predict how it will change. The aim of the review is to make sure that the national air quality objectives will be achieved throughout the UK by the relevant deadlines. These objectives have been put in place to protect people's health and the environment.
- 8.6 Within North Hertfordshire, Review and Assessment Reports have been carried out annually to monitor the status of air quality since 1999. Following a series of assessments, North Herts Council declared Air Quality Management Areas at Stevenage Road, and Payne's Park in Hitchin in 2012 and 2016. This was because nitrogen dioxide concentrations were detected that were above the air quality standard set to be protective of human health.
- 8.7 A local [Air Quality Action Plan](#) was established by North Herts Council in 2018 to address the exceedances of annual mean air quality objective for Nitrogen Dioxide, which were sites close to busy main roads representative of areas where there may be congested traffic.
- 8.8 The UK Government Department (DEFRA) implemented a programme of measures in conjunction with Local Authorities to tackle air pollution across the UK that has led to significant reductions in air pollution. This has been particularly successful for reducing roadside air pollution, such that for [over 700 AQMAs declared in England](#) for Annual Mean Nitrogen Dioxide, 233 (one third) have already been revoked as pollution levels have fallen significantly below objective levels.
- 8.9 It is UK Government policy that AQMAs are revoked once pollution levels have remained significantly below objective levels for 5 years or more.

- 8.10 The following text is copied from the Annual Air Quality Status Report for 2023, which all Local Authorities are required to submit to DEFRA annually to review the current status of air quality in each Local Authority district.
- 8.11 The two historic sites declared as Air Quality Management Areas (AQMA's), Stevenage Road (AQMA 2012) and Payne's Park Roundabout (AQMA 2017) along the A602, both continue to show improved levels of air quality.
- 8.12 Defra upon revocation of AQMA require the Local Authority to produce a Local Air Quality Strategy. The draft strategy will be brought to Cabinet in due course, an informative report is included in the background papers.
- 8.13 North Herts Council continue to monitor air quality in the district via the Diffusion Tube monitoring program, which measures concentrations of nitrogen dioxide (NO₂) the results are reported in the Annual Air Quality Status Report, which Local Authorities are required to submit to Defra each year.

In summary: results of monitoring data corrected for relevant exposure shows the following:

Stevenage Road, Hitchin AQMA

No results above objectives for 8 years in succession (2017-2024 inclusive).

No results within 10% of objective levels in the last 7 years (2018-2024 inclusive)

Payne's Park, Hitchin AQMA (Incomplete data for 2020)

No results above objective levels for the last 7 years

No results within 10% of objective levels in the last 5 years

Two years with results above objectives in last 8 years (2018, 2017)

3 of last 8 years with results within 10% of objective levels (2019,2018,2017)

Both of these AQMA's can be considered for revocation, based upon these results.

9. LEGAL IMPLICATIONS

- 9.1 Local Air Quality Management (LAQM) is a regulatory function of the Council and is governed by provisions within the Environment Act (EA)1995 (as amended).
- 9.2. Councils have a legal responsibility to carry out various duties, such as making, amending, and revoking AQMAs as directed by DEFRA where our own monitoring and reporting recommends it.
- 9.3. The Council has a statutory duty under section 82 EA 1995 to regularly review and assess local air quality in their area against national air quality targets. The Council can designate by order, an AQMA where there is evidence that national air quality standards are not met.
- 9.4. Under section 83 (1) (b) of the EA 1995 following a review of any designated area, it appears that air quality standards are being met, and compliance is likely to be maintained, the Council is able to revoke the designation order.
- 9.5. Procedural steps are set out in the latest Local Air Quality Management Policy Guidance PG22 August 2022 (Revised May 2025). The council must have the confidence that air quality improvements will be sustained (typically after 3 years of compliance).
- 9.6. Failure to comply with the directions from DEFRA may result in 'enforcement' action by DEFRA which ultimately result in a Ministerial Directive under the Environment Act 1995 if we do not comply.
- 9.7. The decision within this report to revoke the AQMAs listed is in full compliance with our current obligations under LAQM and our current reporting requirements. The revocation and/or amendment of legal orders relating to the designation of AQMAs is pursuant to Part 14.5.2 of the constitution, air quality is a "Local Choice Function."
- 9.8. It is the responsibility of Cabinet and subject to approval of this decision by Cabinet, the Director of Regulatory shall be delegated to carry out the necessary steps to revoke or amend the AQMAs.
- 9.9. A separate Order to Revoke an Air Quality Management Area is required for each AQMA and draft AQMA Orders for AQMA No. 1 and AQMA No.2 are appended to this report.
- 9.10. The legal orders shall be formally executed under the Council Seal and uploaded to the LAQM portal and the Council website on behalf of Defra.

10. FINANCIAL IMPLICATIONS

- 10.1. There are no direct financial implications from revoking the AQMAs.
- 10.2. There will remain a requirement to continue to monitor and assess Local Air Quality, as required by the Environment Act 1995, and complete Annual Status Reports.
- 10.3. However, the revocation of the AQMAs calls into question the need for continuous air quality monitors that are located in the vicinity of the Stevenage Road AQMA.
- 10.4. The monitoring facilities at this site are nearing end of life status, and their continuation will require significant further investment in order to continue.
- 10.5. The review of current air quality monitoring and future options will be the subject of a subsequent report to be presented to the Cabinet Panel on the Environment.

11. RISK IMPLICATIONS

- 11.1. It is not considered that there are any significant risks in taking a decision to revoke the AQMAs.
- 11.2. It is therefore not considered that there is any requirement for a risk assessment.

12. EQUALITIES IMPLICATIONS

- 12.1. There are no equalities implications.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to the recommended actions of this report. The recommendations are based on monthly results of monitoring that has been carried out and continue to be carried out to verify the pollution levels in these and other areas within the district.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. ‘There are no direct human resource implications resulting from this report’

16. APPENDICES

- 16.1. Appendix A: AQMA Revocation Order for AQMA No.1
- 16.2. Appendix B: AQMA Revocation Order for AQMA No.2

16.3. Appendix C Informative Report on Local Air Quality Strategy

16.4. Appendix C1

16.5. Appendix C2

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1. Where possible all background papers have been referenced in the text with links to relevant reports. They are repeated here and listed below.

[UK National Air Quality Strategy](#)

[LAQM Policy Guidance LAQM PG22](#)

[LAQM Technical Guidance LAQM TG22](#)

[UK Air Quality Standards Regulations 2010](#)

[UK National Air Quality Objectives](#)

North Hertfordshire Council Order 2025

Environment Act 1995 Part IV Section 83(2)(b)

Order Revoking an Air Quality Management Area

North Hertfordshire Council, in exercise of the powers conferred on it by Section 83(2)(b) of the Environment Act 1995 HEREBY makes the following order:

1. This Order shall revoke the area known as the **Stevenage Road, Hitchin Air Quality Management Order No.1 2012** (as shown in the attached map) declared for the Nitrogen Dioxide (NO₂) - Annual Mean.
2. This Order shall come into force on the date of sealing.

The Common Seal of North Hertfordshire Council was affixed on theday of

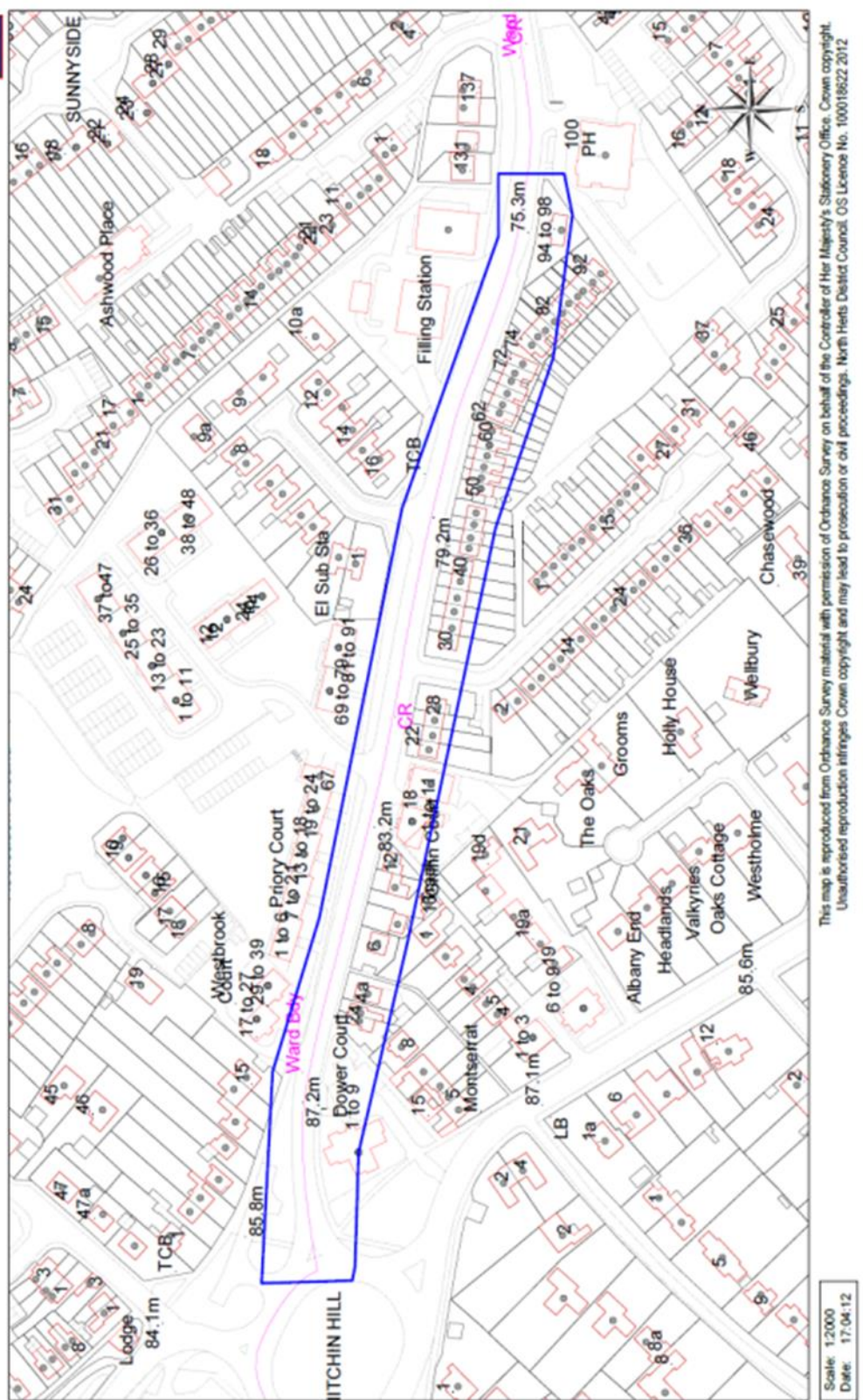
.....2025

In the presence of:

.....

Duly Authorised Officer

NORTH HERTFORDSHIRE DISTRICT COUNCIL
Air Quality Management Area Boundary at Stevenage Road, Hitchin as designated in 2012



North Hertfordshire Council Order 2025
Environment Act 1995 Part IV Section 83(2)(b)
Order Revoking an Air Quality Management Area

North Hertfordshire Council, in exercise of the powers conferred on it by Section 83(2)(b) of the Environment Act 1995 HEREBY makes the following order:

1. This Order shall revoke the area known as the **Payne's Park, Hitchin Air Quality Management Order No.2 2016** (as shown in the attached map) declared for the Nitrogen Dioxide (NO₂) - Annual Mean.
2. This Order shall come into force on the date of sealing.

The Common Seal of North Hertfordshire Council was affixed on theday of

.....2025

In the presence of:

.....

Duly Authorised Officer

NORTH HERTFORDSHIRE DISTRICT COUNCIL
Proposed AQMA Boundary at Payne's Park, Hitchin July 2016



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Scale: 1:1100
 Date: 06.07.16

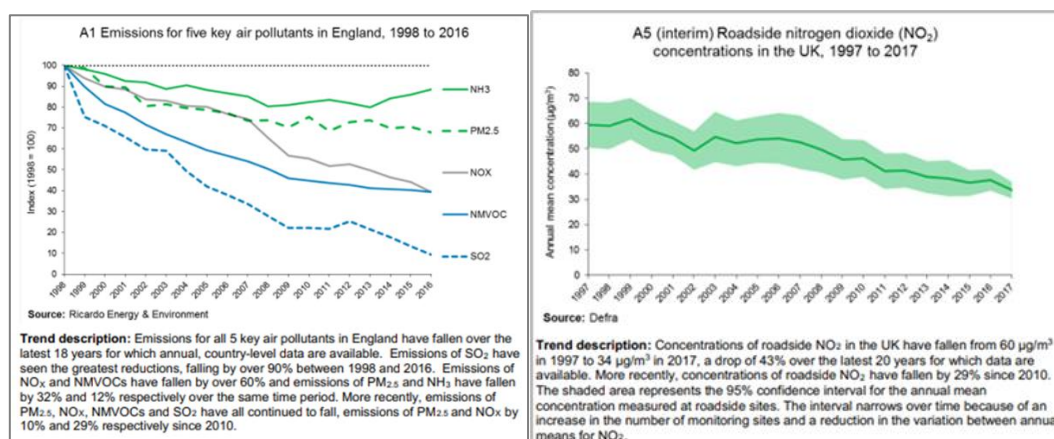
Informative Report on development of a Local Air Quality Strategy

Report Author(s): Frank Harrison

Lucy Tucker

1. Background

- 1.1 This report is provided as an information item, to outline the process required for the development of a Local Air Quality Strategy (LAQS), which will take place following the revocation of the current Air Quality Management Areas (AQMAS) in Hitchin, as detailed in the report to Cabinet.
- 1.2 The statutory basis for our work on Local Air Quality Management (LAQM) comes from the Environment Act 1995, which requires Local Authorities to review and assess local air quality and compare pollutant levels against national standards and implementing action plans if objectives are not being met.
- 1.3 For many years the focus for Local Authorities' work on LAQM has been targeted on roadside exceedances for the objectives of Nitrogen Dioxide (NO₂) and Particulate Matter (PM₁₀) where significant improvements have taken place. (Particulate matter (PM) refers to that solid matter which has a particulate size in micro-millimetres of the number shown, e.g., PM₁₀ refers to particulates of 10 micro-millimetres.)
- 1.4 The figure below highlights how changes introduced both nationally and locally have led to these improvements in the 5 major air pollutants since 1998.



(Source: [Measuring environmental change - outcome indicator framework for the 25 Year Environment Plan](#))

- 1.5 [LAQM Policy Guidance](#) (DEFRA PG22 para 4.12), states: "Following a revocation, the local authority should put in place a local air quality strategy (paragraph 2.15) to

ensure air quality remains a high-profile issue and to ensure it is able to respond quickly should there be any deterioration in condition.”

- 1.6 Once the AQMAs are revoked, the Council is required to focus their activities on air quality management by developing an LAQS. This document will replace the AQMA Action Plan, carry forward any outstanding measures (as Appendix C1 to this report), and provide a framework for defining further actions as they become necessary within future ASR Reports.
- 1.7 The LAQS is expected to develop an enforcement strategy which prioritises reduction of population exposure, including in areas experiencing disproportionately high levels of pollution.
- 1.8 The driving legislation for the development of the UK Air Quality Strategy (UKAQS) is the Environment Act 2021 which identifies the [AQ Strategy](#) as the mechanism to improve Air Quality. [Part 4 of the AQS](#) refers to Air Quality.
- 1.9 A [policy paper providing a framework for local air quality delivery](#) was issued in 2023, highlighting the approach to developing a LAQS.
- 1.10 The UKAQS needs to be seen within the context of the [25 year Environment Plan](#) where Air Quality is considered alongside managing Greenhouse Gas Emissions, as part of a suite of key Environmental Indicators.
- 1.11 DEFRA has also recently set two new targets, and two new interim targets, for PM_{2.5} concentrations in England for achievement nationally. Exposure to this PM can result in serious impacts to health, especially in vulnerable groups of people such as the young, elderly, and those with respiratory problems.
- 1.12 One set of targets focuses on absolute concentrations of this PM. The long-term target is to achieve an annual mean PM_{2.5} concentration of 10 µg/m³ by the end of 2040 (referred to as the annual mean concentration target or AMCT), with the interim target being a value of 12 µg/m³ by the start of 2028. The second set of targets relate to reducing overall population exposure to PM_{2.5}. By the end of 2040, overall population exposure should be reduced by 35% compared with 2018 levels (referred to as the population exposure reduction target or PERT), with the interim target being a reduction of 22% by the start of 2028.
- 1.13 According to [DEFRA Background Pollution maps](#) issued for Local Authorities, background levels of PM_{2.5} in 2018 range between 9.1 & 11.1 µg/m³. The predicted levels for 2025 ranged between 8.0 and 9.85 µg/m³, thus all areas of North Hertfordshire are predicted to be within the 10 µg/m³ target by the end of 2025, which is already below the Government’s 2040 target.
- 1.14 It should be noted that Local Authorities are not under specific regulations for meeting PM_{2.5} targets as part of the statutory LAQM framework, but they are expected to contribute to national PM_{2.5} goals. While there are no regulatory limits for this, the government still expects Local Authorities to use their powers to reduce PM_{2.5} emissions where they have control, and to outline these actions within their LAQS.
- 1.15 The table below shows the key pollutants within current UK Air Quality Regulations, compared to World Health Organisation (WHO) Objectives, highlighting that the new Environmental Targets Regulations only apply to the UK Government and not to Local Authorities. Going forward, a consideration for the Council, is whether to adopt WHO

objectives, in addition to UK LAQM Objectives, as has already been done by some Local Authorities including Greater Cambridge, in their recent [AQS](#).

UK Air Quality Standards Regulations 2010 (Apply to LAQM)					WHO 2021
Pollutant	Averaging Period	Objective $\mu\text{g}/\text{m}^3$	Allowed exceedances	Target Date	Objective $\mu\text{g}/\text{m}^3$
NO ₂	24hr mean	200	18/year	01/01/2010	N/A
	Annual Mean	40		01/01/2010	10
PM10	24hr mean	50	35/year	31/12/2004	45
	Annual Mean	40		31/12/2004	15
Environmental Targets (PM) Regulations 2023 (Only apply to UK Government to be achieved by 2040, not to Local Authorities)					
	Annual Mean	10			5
PM2.5	Exposure Target	35% reduction cw 2018			N/A

- 1.16 WHO targets are clearly more restrictive than those defined within LAQM and are guidelines that are designed to protect against any significant long term health effects.
- 1.17 Hertfordshire County Council (HCC) have a draft AQ Strategy, due to be reviewed in January 2026. The HCC AQ Strategy also includes the WHO AQ Objectives, and proposes the following 5 outcomes:
- Hertfordshire becomes a place where everyone understands the sources and impacts of air pollution.
 - Everyone has opportunity to inform decision making and take action to promote healthier air.
 - Hertfordshire becomes a place known for healthier air innovation by working with a diverse set of partners.
 - A Hertfordshire wide monitoring and modelling network will provide the data required to make local evidence-based decisions.
 - Emissions of and exposure to air pollution will be reduced across Hertfordshire with a particular focus where there are added benefits.

2. Air Quality Strategy Development

- 2.1. It should be noted that the term Local Authority, in the UK Air Quality Strategy Guidance refers both to first tier County Councils & Metropolitan Districts, and second tier District Councils, highlighting the value of joint working.
- 2.2. Key priorities in UKAQS include reducing emissions from key sources like transport, industrial sites, and domestic burning, by implementing measures such as clean air zones, environmental permitting, and promoting active travel. Authorities must also improve local air quality monitoring and data sharing, strengthen planning processes to prevent pollution from new developments, and increase public awareness through education and engagement.

These priorities can be summarised within key areas

1. Planning
2. Road Transport
3. Industry & Agriculture
4. Collaboration between Air Quality & Climate Change

5. Public Awareness
6. Health Inequalities
7. Domestic Burning
8. Indoor Air Quality

2.3. [The LAQS framework](#) focusses on specific areas within a Local Authorities' control as follows (highlighting the division of responsibilities). Local Government Air Quality Responsibilities are summarised in this [Government briefing](#).

2.3.1 Planning - The planning system has an important role to play in improving air quality and reducing exposure to air pollution. Both the development of local planning policies and the determination of individual planning applications are important. Currently, relevant new developments assess air quality at the application stage, with reference to [local air quality planning guidance](#). The new PM_{2.5} targets require a different approach from a requirement to assess solely whether a scheme is likely to lead to an exceedance of a legal limit and instead ensures that appropriate mitigation measures are implemented from the design stage. DEFRA have issued [interim planning guidance](#) on this matter.

Potential measures

- Review the need for further local planning guidance, and review the existing [air quality planning guidance](#). This could include: a Supplementary Planning Document (SPD) on air quality to ensure consistency in assessing planning applications and asking for mitigation; incorporating construction dust and air quality in a Housing SPD; ensuring that any future Design Codes include consideration of Air Quality (for example in orientation and layout of developments to reduce exposure, or by incorporating renewable energy sources to reduce emissions).
- Ensure that any future review of the Local Plan fully considers air quality, incorporating policies on air quality and health inequalities.
- Consider preparing guidance for the introduction of Health Impact Assessments (HIAs) for new developments to address health inequalities in the longer term.

2.3.2 Transport and NRMM (non-road mobile machinery) – Hertfordshire County Council is the Transport Authority. Shared responsibilities between Local Authorities, National Highways, and the Driver and Vehicle Standards Agency (DVSA) for reporting non-road mobile machinery manufacturers. Significant initiatives are already in place to reduce emissions from road transport by encouraging modal shift to active travel and public transport alternatives, and promoting less polluting vehicles, developing EV charging infrastructure, and Local Cycling and Walking Infrastructure Plans (LCWIPs).

Potential measures

- Continue to develop existing measures currently in place between NHC and HCC expressed in LTP4 and the Air Quality Action Plan, by allocation of more funding for public transport and active travel.
- Review taxi licensing policy in North Hertfordshire to promote low emission vehicles
- Liaise with HCC for the enhancement of low emission bus fleets
- Promote further measures for consideration within LTP5, including Clean Air Zones and Low Emission Zones.
- Promote funding for schemes that contribute to the Net Zero targets, increase the value of traffic reduction, active travel and health impacts.
- Incorporation of relevant emission standards for NRMM as part of construction and environment management plans for development in [local planning consents](#)

2.3.3 Industrial Emissions –The regulation of Authorised or Prescribed Processes is a shared responsibility between the Environment Agency and both tiers of local authorities, depending on the type and scale of the installation.

[Register for authorised industrial processes](#)

Potential measures

- When undertaking enforcement activity, focus on areas where exposure is highest, and industrial activities are taking place nearby to, or in, residential areas.
- Consider measures to recover remediation costs where appropriate.
- Where information provided for planning and permitting decisions is similar, it should be aligned

2.3.4 Agriculture – DEFRA is the primary body, with local authorities playing a role where emissions affect specific local areas. The Environment Agency also has a role.

Potential measures

- Publicise UK measures to reduce ammonia emissions
- Respond to consultations on actions to reduce ammonia emissions

2.3.5 Shared Measures between Air Quality and Climate Change - It is now well established that there are undeniable links between emissions that contribute both to poor air quality and impact on climate change. This is well reflected in current UK Environmental Legislation, notably:

The most significant [policies and legislation in recent years](#) include:

- [2021 Net Zero Strategy](#)
- [The Environment Act 2021](#)
- [The Air Quality Strategy 2023](#)

- [2023 UK National Air Pollution Control Programme](#)
- [The 25-year Environment Plan 2023](#)
- [Environmental Targets \(Fine Particulate Matter\) \(England\) Regulations 2023](#)

North Hertfordshire Council have approved a Sustainability Strategy 2025-30 covering a broad range of environmental issues including emissions reduction, climate change adaption and biodiversity. This links with the Council priority of Sustainability outlined in the 2024-2028 Council Plan.

Potential measures

- Full details of the actions the Council has taken to date, and measures it proposes to take are presented in The Sustainability Strategy and its appendices, available on this webpage:

<https://www.north-herts.gov.uk/sustainability-strategy>

2.3.6 Public Awareness and Communication - NHC will continue to raise awareness of air quality issues and impacts on health to encourage behavioural change, particularly in relation to choices for transport and domestic burning. We continue to engage with HCC on shared issues through:

Herts & Bedfordshire Air Quality Forum
 Developing Local Cycling and Walking Plans LCWIP
 Promoting awareness of new EV charging infrastructure
 Participation in National Clean Air Day, and Air Pollution Notification System
 Raise awareness in Schools

Potential measures

- Review and update information on NHC Website
- Develop public consultation for the LAQS

2.3.7 Domestic Burning – shared responsibilities between Local & County Council. District Council for infringements of Smoke Control Area (SCA), including use of authorised (exempt) appliances, and authorised fuels; Under The Clean Air Act 1993 wood cannot be burnt in smoke control areas unless you're using an exempt appliance.

- It is the house owner's responsibility to ensure a [wood burning stove meets current regulations](#). (either by reference to an approved [Heating Equipment Testing and Approval Scheme \(HETAS\)](#) installer, or with reference to a Local Authority Building Control Department).

Potential measures for North Hertfordshire Council

- Keep the boundaries of existing Smoke Control Areas (SCA) under review, especially if development has taken place outside of the boundaries.
- Consider whether it would be beneficial to declare a new Smoke Control Area
- Existing SCAs are shown in Appendix C2 to this Report.

- [Enforce restrictions which apply](#) within those areas. (See [Government Briefing](#) p25)
- Increase public awareness around domestic burning with HCC

Potential measures for County Council:

- Enforce solid fuels regulations by ensuring that fuel being sold for domestic purposes has the “Ready to Burn” logo. Trading Standards should ensure that no retailers are selling coal for indoor domestic burning from 1 May 2023

2.3.8 Indoor Air Quality – dependent upon type of property. Local authorities, as they are responsible for local environmental health and housing standards. Health and Safety Executive playing a role in specific workplace environments.

Damp and mould are key contributors to poor indoor air quality, significantly impacting respiratory health, particularly among vulnerable groups such as children, the elderly, and those with pre-existing conditions. Damp occurs when unwanted moisture enters or remains within a building, often from leaks, condensation, or inadequate ventilation. Mould growth results from sustained damp conditions and releases spores and volatile organic compounds into the indoor environment, exacerbating health risks. Particulate Matter exposures may arise from combustion in open fires and stoves. Chemicals in furniture and upholstery can result in exposures to Non-Methane Volatile Organic Chemicals (NMVOCs).

Potential measures

- Promote increased public education of the significance of indoor air pollution, promoting effective ventilation heating and moisture management.
- Support warm homes initiatives in ventilation improvements
- Promote awareness of health issues around damp and mould

2.4. When considering the specific areas listed above, it is important for the Local Authority to determine an appropriate level of response in proportion to the extent of emissions, their significance in relation to population exposure and subsequent health impacts.

- Consideration should be given to further monitoring for particulate pollution in relation to domestic burning to consider whether further measures are needed.

3. **Local Consultation** – Who should be involved in the development of the LAQS for North Hertfordshire?

3.1. A LAQS in the UK should involve local authorities (including Environmental Health and Public Health teams), the Environment Agency for industrial sites, neighbouring

local authorities, community groups, residents, and the business and transport sectors. Consultation with these stakeholders is crucial to ensure the strategy addresses local needs, promotes collaboration, and achieves clean air for communities.

- Local Authorities: These are responsible for developing the strategy, assessing local air quality, and implementing the necessary measures.
- Environmental Health: Leads the technical work on air quality and public awareness.
- Public Health: Must be consulted as air pollution significantly impacts public health.
- Transport: Collaboration with transport departments is essential, as transport is a major source of pollution.
- The Environment Agency: Should be involved when large industrial sites or medium combustion plants are causing or contributing to air pollution issues requiring an Air Quality Management Area.
- Neighbouring Authorities: Air pollution does not respect boundaries, so working with nearby local authorities is important for a regional approach.
- Community Groups and Residents: local people and community groups helps build trust, increases understanding of air quality issues, and encourages beneficial behavioural changes like avoiding engine idling or improving home heating.
- Businesses and Transport Sectors: These key sectors are major contributors to air pollution and need to be involved to develop feasible and effective solutions and promote compliance with regulations.

3.2. Liaison will be required with the County Council and neighbouring Districts.

3.3. Hertfordshire County Council (HCC) are in the process of finalising a County Air Quality Strategy, which is due to be going to full council in January 2026, with the appropriate panel meetings due towards the end of 2025. The consultation will start around the end of January and continue until mid-April 2026.

3.4. Thus, the development of the NHC AQS will have to take account of the timeline from HCC.

3.5. Neighbouring Local Authorities, all require to be involved in the consultation process whether they have their own LAQS or not:

East Hertfordshire, Dacorum, Broxbourne, Hertsmere, St Albans, Watford, Three Rivers all have no current LAQS

Welwyn-Hatfield – have a recent LAQS

Stevenage – have a LAQS produced 10 yrs ago

Greater Cambridge, including Cambridge City & South Cambridgeshire adopted an LAQS in 2024.

3.6. Internal officer consultations within HCC and NHC:

The relevant teams /departments at the County Council, are:

Public Health, Active and Safe Travel Team, Highways Strategy & Implementation, Environment & Transport, Air Quality, Sustainable Hertfordshire & Healthy Places and Growth & Environment

Relevant teams /departments within NHC, are:

Climate and Sustainability Officer Group (CSOG); Policy & Strategy Team Leader; Strategic Infrastructure & Projects Manager; Senior Transport & Policy Officer

- 3.7. Focus Groups – are likely to be provided for wider engagement with local businesses and members of the local community
- 3.8. Workshops – are a considered option for engagement across NHC including with Elected Members

4 What have other Local Authorities done who have revoked AQMAs in recent years?

The following summary details are for Local Authorities in England that have produced Air Quality Strategies since 2021.

4.1 East Suffolk Council

- East Suffolk Air Quality Strategy (2021)
- District-wide air quality improvement post AQMA revocations
- <https://www.eastsuffolk.gov.uk/assets/Environment/Environmental-Protection/Air-Quality/AQ-Strategy-2021.pdf>
- Aims: Raise Public Awareness/Reduce Emissions of PM_{2.5}/Promote Active Travel/Document measures across Council that improve AQ

4.2 Greater Cambridge (Cambridge City & South Cambs)

- Greater Cambridge Air Quality Strategy 2024–2029 (2024)
- Joint strategy post Cambridge AQMA revocation
- <https://www.cambridge.gov.uk/media/i3eh0kvd/greater-cambridge-air-quality-strategy-2024.pdf>
- Priorities: Meet legislative requirements on AQ/ Improve AQ & Health/ Aim to achieve WHO AQ targets
- 4 Key Priority Areas: Regulatory Policies & Dev Control/ Infrastructure Improvements/Community Engagement / Promotion & Monitoring

4.3 North East Lincolnshire Council

- NELC Air Quality Strategy 2025 (2025)
- Post-2024 AQMA revocations, long-term clean air plan
- <https://www.nelincs.gov.uk/assets/uploads/2025/06/NELC-Air-Quality-Strategy-2025-FINAL.pdf>
- 7 major topics: Transport/Public Health/Planning & Infrastructure/Strategies & Policy Guidance/Air Quality Monitoring/Raise Public Awareness/ Funding Air Quality Improvements

4.4 North Kesteven District Council

- Air Quality Strategy 2024–2029 (2024)
- Strong focus on health and active travel integration
- [Air Quality Strategy 2024 to 2029 | North Kesteven District Council](#)
- 5 Key Areas: Env& Public Health/ Planning & Infrastructure / Transport & Policy Devt / Housing /Climate Action Plan

4.5 North Northamptonshire Council

- Local Air Quality Strategy 2024–2029 (2024)
- Borough-wide plan, climate & planning linkages
- <https://www.northnorthants.gov.uk/environment/air-quality>
- 10 Policies & Actions: EV Charging Network/ Off-street EV charging/ Future on-street EV charging/ EV charging superhubs/ Smart charging technologies/ EV charging for new Devs / Schemes for shared EVs etc / EVC at Council offices / Seek private funding for EVC network / Promotion of EV uptake

4.6 South Derbyshire District Council

- South Derbyshire Air Quality Strategy 2024–28 (2024)
- Includes targets for emissions, monitoring & engagement
- <https://www.southderbyshire.gov.uk/assets/attach/12096/SDDC-Air-Quality-Strategy-2024-28.pdf>
- Priorities: Reduce sources of pollution/ Prioritise Health Benefits / Mitigate impacts of poor AQ on health /Balance bet CC & AQ measures

The following Local Authorities have Draft Air Quality Strategies after AQMA Revocations:

4.7 North Devon Council

- [North Devon Council Air Quality Strategy](#)
- Build on AQ improvements, continue to reduce emissions, raise awareness, integrate AQ into wider policies
- Links to Corp Plan/ 6 main themes: Domestic Burning / Industrial Emissions /Transport / Agriculture /Indoor AQ / Communicating AQ Information

4.8 New Forest Council

- [New Forest Draft Air Quality Strategy](#)
- Areas for Actions: Public Awareness/Reducing Health Inequalities/Improving understanding of particulate pollution/Wood Burning & indoor Air Quality/Road transport Emissions/Impact of new developments

Hertfordshire Local Authorities

4.9 Welwyn Hatfield

- [Air Quality Strategy 2023](#)
- Areas for action: Links to Climate actions; AQAP measures; Domestic Burning & Smoke Control; Agriculture; Indoor Air Quality; Referenced PM_{2.5} emissions reduction targets.

5 Timescales

5.1 The timescales for delivery are highly dependent upon the scale of consultation.

5.2 The County Council Air Quality Strategy is not expected to be adopted before April/May 2026, following public consultation.

5.3 It may be feasible to consider an initial targeted consultation, involving officers within NHC and HCC, and Members within NHC in order to develop a set of measures for wider consultation. This could be considered to take place during the period January – March 2026.

5.4 A final set of measures for wider consultation could be finalised in April 2026, with wider public consultation, & workshops over the summer period May-July.

5.5 Thus, a final set of measures for inclusion within a final draft Air Quality Strategy could be produced for September 2026.

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Active Measures from NHC Air Quality Action Plan to carry forward with the Air Quality Strategy

Measure No.	Measure Title	Category	Classification	Year Measure Introduced in AQAP	Estimated / Actual Completion Date	Organisations Involved	Funding Source	Funding Status	Estimated Cost of Measure	Measure Status	Reduction in Pollutant / Emission from Measure	Key Performance Indicator	Progress to Date	Comments / Barriers to Implementation
3	Engage with & promote school travel plans in Hitchin schools	Promoting Travel Alternatives	School Travel Plans	2019	2024	Hertfordshire County Council	LA internally financed	NO	Partially Funded	< £10k	Ongoing. Road safety Officers promote Mode shift Stars travel plans and road safety initiatives across the County. Active promotion of: Walk to school week; Park & Stride and anti-idling. Modeshift accreditation take place 3 times a year;	Reduction in private car journeys to school & associated reduction in vehicle emissions	Number of schools with updated Travel Plans & proactively engaging with travel planning	Ashwell – Good Travel Plan accreditation – expires December 2025 Codicote – Good Travel Plan accreditation – resubmitted for Renewal Hillshott Infants – Good Travel Plan accreditation – resubmitted for Renewal Knebworth Primary – Good Travel Plan accreditation – resubmitted for Renewal Offley Primary – Good Travel Plan accreditation – expires December 2025 Pixmore Junior – Approved Travel Plan accreditation – resubmitted for Renewal St Thomas More Primary – Good Travel Plan accreditation – expired December 2024, not renewed by school William Ransom Primary – Good Travel Plan accreditation – expires December 2025 Wymondley JMI – Good Travel Plan accreditation – Expired but reapplied submission for Good Travel Plan Kimpton Primary - applied submission for Good Travel Plan Mary Exton JMI - applied submission for Good Travel Plan Samuel Lucas - applied submission for Approved Travel Plan Purwell Primary - applied submission for Approved Travel Plan Ickleford Primary – Not engaged Icknield Infant – Withdrew
4	Promotion of walking & cycling for commuting in North Hertfordshire	Promoting Travel Alternatives	Promotion of walking and cycling	2019	LCWIP was adopted in 2023.	NHDC & HCC	Active Travel England, developer contributions	NO	Not Funded	£>150m	Awaiting funding for delivery	Reduced emissions due to modal shift	Number and percentage of trips made by active travel	Some work is ongoing to develop LCWIP schemes into detailed plans.
6	Increasing/ improving publicly available re-charging for on-street EV	Promoting Low Emission Transport	Procuring alternative refuelling infrastructure	Planned 2020-21	2032	NHDC & HCC	OZEV (LEVI) and chargepoint operators	NO	Not Funded	~£700k	Procurement	Reductions in emissions due to take up of ULEVs	LEVI grant received. Preparing to procure county-wide suppliers.	Ongoing procurement
7	Increasing private availability of recharging infrastructure for Electric Vehicles	Promoting Low Emission Transport	Procuring alternative refuelling infrastructure	2018 onwards	2032	North Hertfordshire Planning Department	Developers	NO	Active	~£500 per dwelling	Required for all new dwellings	Reductions in emissions due to take up of ULEVs	Number of EV dwellings in NHD with EV chargepoints	Ongoing
8	Dedicated parking bays for EVs at charging points	Promoting Low Emission Transport	Priority parking for LEV's	Ongoing	2032	NHDC	NHDC	NO	See action 5	See action 5	Integral to action 5	Reductions in emissions due to take up of ULEVs	See action 5	See action 5

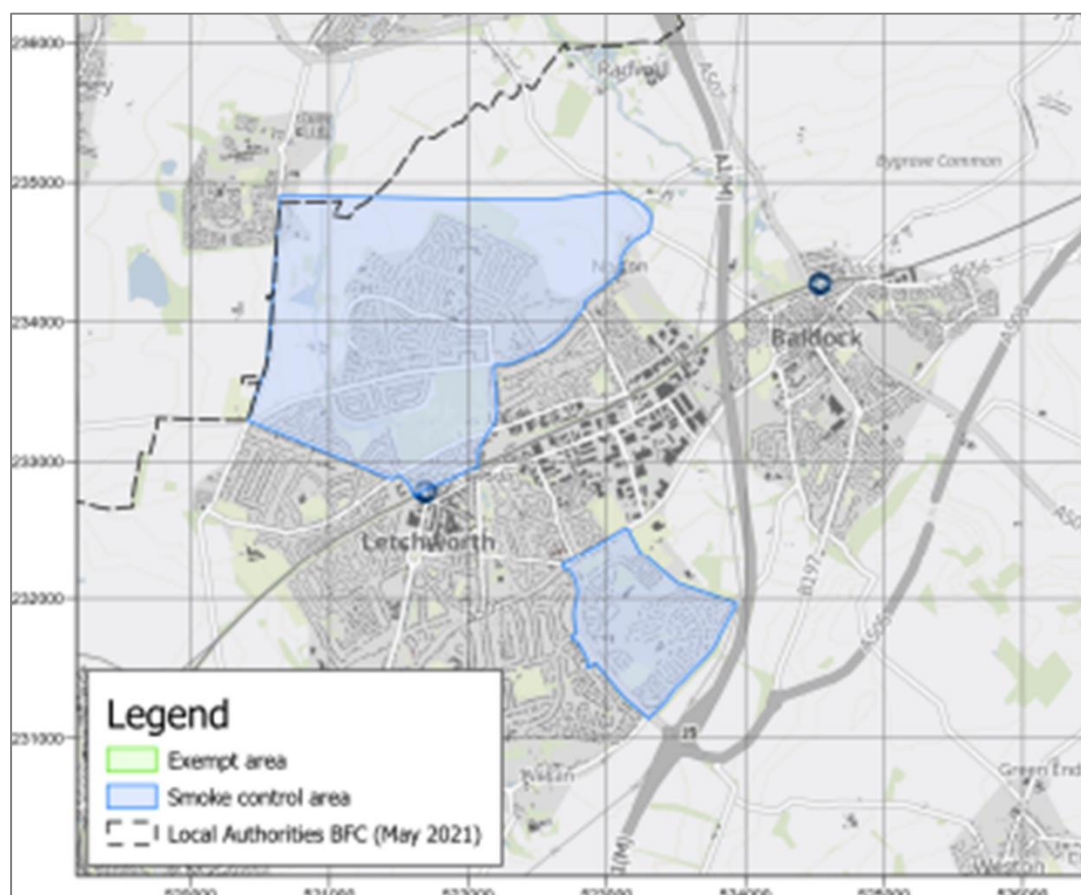
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9	NHDC fleet review diesel to low emission vehicles	Promoting Low Emission Transport	Company Vehicle Procurement - Prioritising uptake of low emission vehicles	2019 and ongoing	2022 (ULEVs)	North Hertfordshire District Council	NHDC	NO	Partially covered by reduced fuel costs, remainder subject to annual budget growth bids	£10-£20K	Implementation	Reductions in emissions due to take up of ULEVs	Numbers of ULEV as part of Council Fleet	In accordance with the Council's 2019 resolution, continue replacing all future operational vehicles leased or purchased by the council with ULEV or zero emission vehicles until the last non-ULEV vehicle leases expire, and encouraging key contractors to adopt similar measures
13	Engage with Herts CC on development of LTP4 & Local Growth & Transport Plan	Traffic Management	Strategic highway improvements, Re-prioritising Road space away from cars, including Access management, Selective vehicle priority, bus priority, high vehicle occupancy lane	2017	2022	North Hertfordshire Environmental Protection Team via Hertfordshire County Council	LTP = 2018/19 & GTP = 2019	No	Via LTP/GTP	Not defined	Fifteen packages of schemes and projects, concerning areas in North Central Hertfordshire, were identified in GTP implementation paper May 2022	Not defined	Not defined	Consultation responses have strengthened presence of Air Quality as an issue and the importance of mitigation and benefits of specific projects including some relevant to Hitchin in the LTP. North Central Hertfordshire area GTP was adopted
15	Workplace & School based car sharing including consideration of preferential parking	Alternatives to private vehicle use	Car & lift sharing schemes	2019	Ongoing	North Hertfordshire Environmental Protection with Hertfordshire County Council Travel Planning Team	Not defined	No	Not defined	Not defined	Informal car share for schools. Workplace and Residential Carshare promoted in Travel Plan Guidance	Not defined	Engagement by schools and businesses	<p>Schools encouraged to consider promotion of car sharing between parents/carers where practicable. Linked directly to Measure 3</p> <p>Car Share data is captured on Modeshift STARS travel plans in the pupil and staff hands up surveys. School Promotes Car Sharing is also Air Quality Initiative on the Modeshift STARS travel plan, Initiative Code AQ1. Although we do not promote any official car sharing, we encourage schools to promote informal arrangements with their staff, parents and carers.</p> <p>Car share figures for the school travel plans:</p> <p>Ashwell Primary – 1 pupil – 1 staff Codicote Primary – 9 pupils Hillshott Infants – 6 pupils Knebworth Primary – 2 pupils Offley Primary – 9 pupils Pixmore Junior – 1 pupil - 1 staff William Ransom Primary – 9 pupils – 1 staff Wymondley JMI – 2 staff</p>
16	Car clubs for new developments	Alternatives to private vehicle use	Car & lift sharing schemes	2018	Not defined	North Hertfordshire Environmental Protection with Hertfordshire County Council Travel Planning Team	Developer contributions from Planning Conditions	No	Not defined	Not defined	Ongoing	Not defined	<p>Prevalence of car clubs in North Herts & number of Travel Plans with Car Clubs specified by condition</p> <p>Provision of a club car now a standard requirement on larger developments.</p>	<p>Standard conditions available & supported by Local Plan Policy & guidance document. Planning permissions being granted with Travel Plans in place</p> <p>No active sites in Hitchin for business and residential travel plans, therefore no data available.</p>
17	Participate in National Clean Air Day	Public Information	Via the Internet	Ongoing annual event	Ongoing	Hertfordshire County Council and North Hertfordshire District Council. In partnership with Schools' Air Quality Monitoring for Health and Education (SAMHE)	Funded by Herts and Beds air Quality Group of Local Authorities	No	Ongoing	Not defined	Focus on public engagement through Lets Clear the Air	Not defined	Schools receive air purifiers and monitors across Herts. Over 8,000 children to benefit from state of the art air purifiers installed in over 30 primary schools	Countywide Let's clear the air campaign

Measure No.	Measure Title	Category	Classification	Year Measure Introduced in AQAP	Estimated / Actual Completion Date	Organisations Involved	Funding Source	Funding Status	Estimated Cost of Measure	Measure Status	Reduction in Pollutant / Emission from Measure	Key Performance Indicator	Progress to Date	Comments / Barriers to Implementation
18	Air Pollution Alert Notification System	Public Information	Air Pollution Alert	2018	Ongoing	North Hertfordshire DC, other Herts local authorities & Herts County Council Public Health	LAs in Herts, HCC, Public Health	No	Ongoing	Set-up cost £1122.73 annual cost £113.64	Ongoing	Not defined	Number of participants in scheme. 116 signed up	AQ alert launched 2019. Consideration of future projects to increase uptake with communications campaign. Local Authority Data - Air Quality monitoring service
19	Reducing emissions from public transport	Vehicle Fleet Efficiency	Enhanced Partnership Plan Objectives: Prioritising bus and coach services in traffic Upgrading Infrastructure Integration of the bus network Smarter use of data and information	No progress	None	North Hertfordshire District Council & Herts CC & bus companies	Not defined	No	Not defined	Not defined	Intalink Partnership adopted in April 2023	NO2 reduction of 0.009g/km per Euro 5 bus	Hertfordshire is introducing low-emission buses through a £198 million grant from the Zero Emission Bus Regional Areas (ZEBRA) scheme , which also funds the new electric buses on the University of Hertfordshire campus operated by Uno . Hertfordshire County Council is partnering with the Department for Transport and Uno to improve air quality and provide a quieter travel experience with these zero-emission vehicles.	Intalink Enhanced Partnership between HCC, Districts and public transport operators, managed by HCC https://www.hertfordshire.gov.uk/media-library/documents/highways/transport-planning/local-transport-plan-live/intalink-enhanced-partnership-plan-and-scheme-feb-2020.pdf
20	Engage with schools to raise awareness of air pollution	Public Information	Other	2020 onwards	Ongoing	North Hertfordshire in liaison with Herts CC Active & Safer Travel Team	Not defined	No	Not defined	Not defined	Ongoing	Not defined	Number of schools in Hitchin utilising the Air Pollution teaching toolkit	3 schools joined Anti – Idling Campaign. 3 schools taken part in Sustrans Big Walk and Wheel. 12 registered for our Walk to School Behaviour Change Campaigns : Anti – Idling Campaign: – no Hitchin or North Herts schools participated Sustrans The Big Walk and Wheel : Codicote Primary - Hitchin Highbury Infants - Hitchin Highover JMI - Hitchin Hillshott Infants Knebworth Primary Offley Primary - Hitchin Our Lady's Catholic Primary - Hitchin St Mary's Junior Mixed, Baldock Studlands Rise First The Grange Academy William Ransom Primary - Hitchin Wymondley JMI - Hitchin Walk to School Week & Clean Air Day: Cockernhoe Primary Codicote Primary - Hitchin Hartsfield JMI Highbury Infant - Hitchin Hillshott Infant Kimpton Primary - Hitchin Mary Exton JMI - Hitchin Northfield Infant Norton St Nicholas Primary Offley Primary - Hitchin Purwell Primary - Hitchin Roman Way Academy Sandon JMI St Pauls Walden Primary - Hitchin St Thomas More Primary Studlands Rise First Tannery Drift Weston Primary - Hitchin Wilbury Junior Wymondley JMI - Hitchin Week and Clean Air Day campaigns,

Measure No.	Measure Title	Category	Classification	Year Measure Introduced in AQAP	Estimated / Actual Completion Date	Organisations Involved	Funding Source	Funding Status	Estimated Cost of Measure	Measure Status	Reduction in Pollutant / Emission from Measure	Key Performance Indicator	Progress to Date	Comments / Barriers to Implementation
21	Local Plan Policy and Air Quality Planning Guidance Document	Policy Guidance and Development Control	Air Quality Planning and Policy Guidance	Delivered 2018	2018	North Hertfordshire's Environmental Protection and Planning Teams	NHDC	No	Completed	Not defined	Completed, in active use	Not defined	Recommendations for developers to include EV charging	Ongoing. It is actively used for all relevant planning applications
22	Herts & Beds Air Quality Forum including Public Health, Transport Planners & Development Control representation	Policy Guidance and Development Control	Regional Groups Co-ordinating programmes to develop Area wide Strategies to reduce emissions and improve air quality	Ongoing	Ongoing	Hertfordshire and Bedfordshire Local Authorities	NHDC	No	Ongoing from local budgets	Not defined	Ongoing	Not defined	County-wide initiatives and joint working on bids and projects	Active & well-established Forum, regular meetings.

Smoke Control Areas in North Hertfordshire 2025

The two figures below highlight locations of current smoke control areas, and concentrations of wood burners in North Hertfordshire,

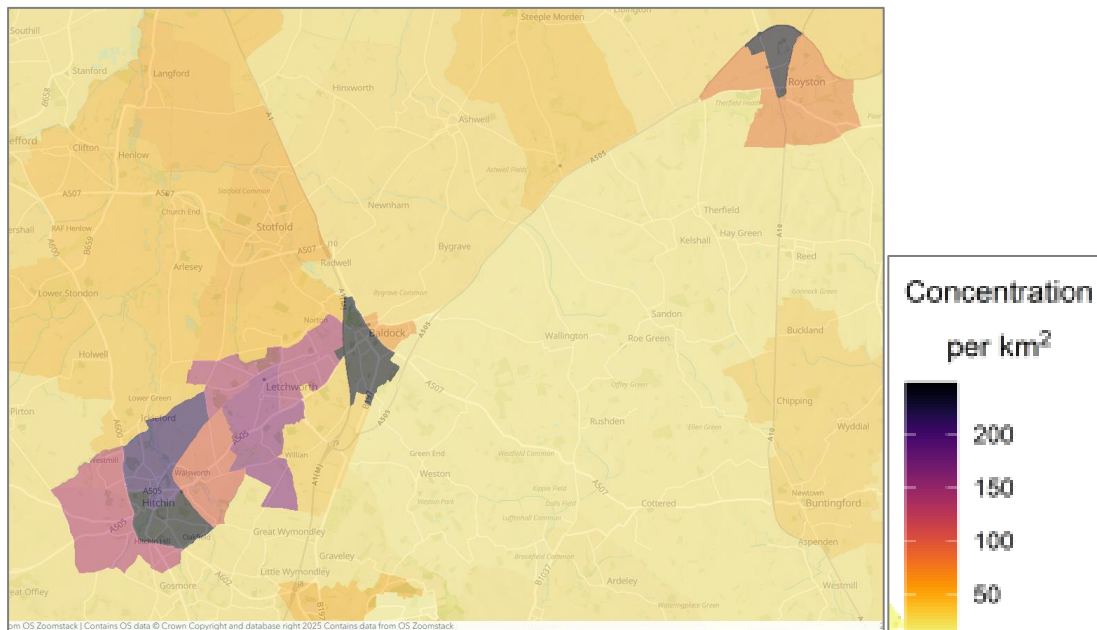


Smoke Control Areas in North Hertfordshire 2025

The Environment Act 2021 allows local authorities to issue financial penalties for emitting smoke from a chimney in a smoke control area in England. It means that in England, emitting smoke from a chimney is no longer a criminal offence, but rather subject to a civil penalty notice (a fine). The aim of this change was to make enforcement “quicker, simpler and more proportionate”. Local authorities in England can impose a financial penalty ranging from a minimum of £175 to a maximum of £300. The civil penalty provisions are set out in a new Schedule 1A to the Clean Air Act.

The Environment Act 2021 has also amended the Environmental Protection Act 1990 so that smoke emitted from a private dwelling in a smoke control area in England could be defined as a statutory nuisance if it were “prejudicial to health or a nuisance”.

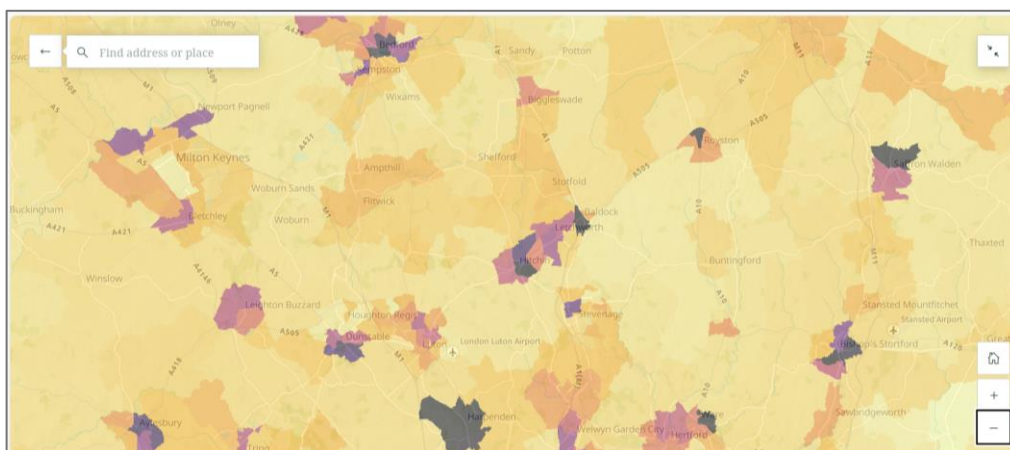
Prevalence of Wood Burners in North Hertfordshire



(Source: [The number of wood burners per km²](#) by electoral ward in North Hertfordshire)

We estimate that there are:

- 196.1 wood burning heat sources per km² in Hitchin Highbury, and 13.9% of houses have a wood burner.
- 116.6 wood burning heat sources per km² in Hitchin Bearton, and 21.1% of houses have a wood burner.
- 131.2 wood burning heat sources per km² in Royston Palace, and 8.7% of houses have a wood burner.
- 146.8 wood burning heat sources per km² in Baldock Town, and 9.5% of houses have a wood burner
- 84.1 wood burning heat sources per km² in Letchworth South West, and 16.1% of houses have a wood burner
- 71.8 wood burning heat sources per km² in Letchworth Wilbury, and 5.8% of houses have a wood burner.



CABINET 20 JANUARY 2026
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: COUNCIL DELIVERY PLAN 2025-26 (QUARTER 2 UPDATE)

REPORT OF: DIRECTOR - RESOURCES

EXECUTIVE MEMBER: RESOURCES

COUNCIL PRIORITY: THRIVING COMMUNITIES / ACCESSIBLE SERVICES / RESPONSIBLE GROWTH / SUSTAINABILITY

1. EXECUTIVE SUMMARY

This report presents progress on delivering the Council Delivery Plan for 2025-26. This is a Quarter 2 update but generally reflects progress up to the point that this report was prepared (late November 2025). The report includes:

- For the projects identified by Cabinet, it details milestones and progress against them.
- The risks in relation to the delivery of those projects, as well as the corporate risks that could impact the delivery of all our projects and services.
- Latest data for the Council's key performance indicators (KPIs).

Two projects have been completed (King George V Skate Park and Waste and Street Cleansing Contract) and associated risks have been managed to the target level. Five projects have an amber delivery status (Decarbonisation of Council Buildings - Phase 2, Digital Transformation, Oughtonhead Common Weir, Pay on Exit Parking, and Resident/Public EV Charging in our Car Parks). Four projects have a red risk status (Churchgate, Decarbonisation of Council Buildings - Phase 2, Leisure Centre Decarbonisation, and Local Plan review). The four over-arching Corporate Risks also have a red status. There are three KPIs that have a red status (two relating to Careline installations and one relating to CSC calls answered in 45 seconds).

This report also sets out plans for developing KPIs that align better to the objectives within our Council Plan.

2. RECOMMENDATIONS

It is recommended that Overview and Scrutiny Committee:

- 2.1 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.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The Council Delivery Plan (CDP) monitoring reports provide 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.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 In developing the CDP, it was agreed that Cabinet would receive quarterly updates. The updates are also provided to Overview and Scrutiny Committee so that they can provide additional oversight and support to Cabinet.
- 4.2 In relation to adding new KPIs to better reflect delivery of the Council Plan, there would be an option to just retain the current KPIs and accept that they are primarily focused on delivery of core services.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Directors and Service Managers have provided updates on progress and will have made Executive Members aware of progress made.
- 5.2 A draft of the Quarter 2 update was provided to the Risk and Performance Management Group (RPMG) in November 2025. The Group has a standing invite to the Executive Member for Resources (has responsibility for performance monitoring), the Chair of Overview and Scrutiny Committee (O&S) and the Chair of Finance, Audit and Risk Committee (FAR). Other members of O&S and FAR are also encouraged to attend when they can. RPMG were asked to comment on the Q2 update. There were no specific issues raised by the Group.
- 5.3 The Overview and Scrutiny Committee are asked to provide comments on the current progress of the CDP, including recommendations to Cabinet.
- 5.4 In August 2025, proposals in relation to adding new KPIs to better reflect the Council Plan were discussed at the internal informal Political Liaison Board of the Executive and Leadership Team. The conclusion was that it would be desirable to have additional KPIs that helped describe the actions in the Council Plan. This was followed by a further discussion at the Political Liaison Board in December.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan dated 21 November 2025.

7. BACKGROUND

- 7.1 The CDP brings together projects, risks, and performance indicators in one document. The projects and performance indicators have been rolled forward from 2024/25 into the current year. There has been one project added (decarbonisation phase 2).

8. RELEVANT CONSIDERATIONS

- 8.1 Appendix A provides an update on the progress made in delivering the Council Delivery Plan 2025-26. Whilst it is labelled as a Quarter 2 update, it generally reflects the latest position at the time the report was written (late-November). Milestones are set as far ahead as possible but are not included where there is too much uncertainty over the scope or timing of the milestone. The Churchgate commentary has been amended since the version that was presented to Overview and Scrutiny Committee.
- 8.2 Five projects have an amber status, with the remaining seven having a green status, two of which have now been completed. Comments on the amber statuses are provided below, and as detailed in Appendix A, some of the projects with a green status also have proposals for changes to (yellow highlights) or new (blue highlights) project milestones.

Decarbonisation of Council Buildings - Phase 2	Amber status reflects that target dates for some milestones will not be confirmed until a quantity surveyor, designer, and architect have been appointed.
Digital Transformation	Amber status reflects a delay in the go live date for the new Safety Advisory Group (SAG) platform, which will now follow a feedback session with SAG scheduled for mid-January 2026.
Oughtonhead Common Weir	Amber status reflects delays to previously reported milestone dates and that we are awaiting a further update from HCC's Countryside Management Service on revised project timings.
Pay on Exit Parking	Amber status reflects a delay confirming requirements for an updated TRO for Hitchin Swimming & Fitness Centre and concerns with the quality of installed parking signage. However, the project is still expected to be completed within the Capital funding period.
Resident/Public EV Charging in our Car Parks	Amber status reflects delays commissioning new charging points due to the need to obtain required third party wayleave agreements and lead in times for required Distribution Network Operator works.

- 8.3 Our performance indicators reflect the overall performance of the Council. Performance levels are rated as either green (achieving or exceeding the target), amber (not achieving the target level and look to take action to get back on track) or red (urgent action needed to get back to target). For this report:
- 5 indicators are rated green.
 - 6 indicators are rated amber.
 - 3 indicators are rated red.
 - 9 indicators do not have a target.
- 8.4 For performance indicators rated red, the following actions are being taken:

Careline Installations: Although year-to-date performance remains below target, we have seen a marked improvement over recent months. In September 2025, Careline achieved 89.2% of installations within 5 working days (only 0.8% below the 90% target) and in October 2025, performance improved to 90.1% (exceeding the target by 0.1%). Key factors behind current performance of both KPIs are workforce constraints (redeployment and recruitment efforts are mitigating this), and training and development of new staff (training programmes are progressing well, and efficiency is improving). Positive indicators are that despite the challenges, the upward trend demonstrates that corrective actions are working and that year-to-date performance against the 10 working days KPI remains high despite performance issues earlier in the year. We are currently ensuring that almost all installations are completed within 10 working days. Next steps will be to continue monitoring client availability issues and explore proactive contact strategies, maintain focus on staff training and onboarding to accelerate productivity, and ongoing recruitment.

Call Answering: There have been several key factors influencing performance during the first half of 2025-26. The Customer Service Centre (CSC) has experienced ongoing staffing challenges, and temporary staff were brought in to help manage contacts. Alongside this, the CSC has had increased call demand due to seasonal peaks and service changes. Notably, the annual Council Tax billing period combined with the garden waste resubscription period in March/April 2025 followed by the introduction of new Waste services in August/September 2025, significantly increased call and email volumes. In terms of mitigation and improvement action, we have had ongoing campaigns to fill vacancies and retain temporary staff in order to stabilise the workforce. Fast track training has been implemented to get any new starters or temporary staff up to speed as soon as possible. The Council's new AI telephony system is helping to promote self-service options on our website, and the chatbot is receiving good usage since its implementation earlier this year. As we moved through the first half of the year, the percentage of calls answered improved, but meeting the 45-second target remains challenging, with continued focus on resourcing, training, and digital channel adoption expected to deliver improvements in the coming months.

- 8.5 As can be seen in Appendix A, there is no 2025-26 data for the previously reported KPI entitled 'Number of collections missed per 100,000 collections of domestic household waste'. Officers are working with Veolia on contract data, but currently the only missed collections data available to us from the start of the new contract relates to the contract as a whole, covering both East and North Herts:

	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25
Missed collections per 100,000 lifts (per month)		40	79	72	317	236

- 8.6 There are 12 risk entries linked to specific projects and four over-arching corporate risks. For this report:

- 4 risks are assessed low risk (green).
- 4 risks are assessed medium risk (amber).
- 8 risks are assessed high risk (red).

- 8.7 As referenced in the 2024-25-year-end CDP report, the Council's Corporate Peer Challenge report included recommendations around better linking KPIs to the Council Plan. An Internal Audit report then provided some benchmarking as to how this could be achieved. A summary was then considered by the informal Political Liaison Board in August, and it was recommended that KPIs be developed that reflect the outcomes achieved by the Council Plan. Following further discussion, the KPIs detailed in Table 1 below are proposed to be added to future monitoring. These were developed by reviewing the Council Plan for specific actions and then considering whether there was something that could be measured. It was also considered whether there was likely to be sufficient variation in that measure, the extent to which Council actions would have a direct impact, and how much work it would be to measure. Most of the results are input or output measures, but over time we will look at how we can develop more outcome-based measures. Initially, there are no targets set, but these will also be reviewed. Some of the measures may be changed slightly if it is found that a similar measure provides a better view of performance or is easier to measure. Some are ones that we measure already (and these ones may have a target), but this confirms the link to the Council Plan action.

Table 1

KPI	Council Plan Priority	Detailed Council Plan Link	Executive Member	Frequency of Measuring
Leisure Centre Visits	Thriving Communities	"we support our communities to improve their health and wellbeing"	Environment	Monthly
Measure linked to Active Communities (number of users)	Thriving Communities	"we support our communities to improve their health and wellbeing"/ "deliver physical activities for beginners, older age groups, and those who are less active"	Environment	Quarterly
Value of community grants awarded (£)	Thriving Communities	"support local groups who provide important services to our residents"/ "Continue to allocate grant funding to local groups who provide important services and activities for our residents and enable our communities to thrive"	Governance	Quarterly
Environmental Health – number of food premises inspected	Thriving Communities	"Protect our communities from environmental and noise hazards and ensure that restaurants and hospitality venues in the district are hygienic and safe"	Regulatory	Quarterly
Environmental Health – number of noise complaints responded to/ number or percentage upheld	Thriving Communities	"Protect our communities from environmental and noise hazards and ensure that restaurants and hospitality venues in the district are hygienic and safe"	Regulatory	Quarterly

KPI	Council Plan Priority	Detailed Council Plan Link	Executive Member	Frequency of Measuring
Number of people responding to consultations	Thriving Communities	"support local people to have a say in the future of where they live and on the issues that matter locally"	Customers	Annually
Landlords signed up to Good Landlords Charter	Thriving Communities	"Develop and launch a Good Landlords Charter to encourage landlords to voluntarily commit to higher standards than are currently required by law"	Regulatory	Quarterly
Percentage of (primary) schools subscribed to the museum loan service	Thriving Communities	"loaning objects and archives to schools and digitising our archives so the wider museum collection is accessible to the community"	Enterprise	Annually
Current CSC measures	Accessible Services	"We want to make sure that our services are accessible to everyone and easy to use"	Customers	Monthly/ Quarterly
Staff Turnover	Accessible Services	"look at ways to improve recruitment and retention, making sure North Herts Council is an excellent place to work"	Resources	Quarterly
Number of new properties built/ growth in properties paying Council Tax/ number of new homes granted planning permission	Responsible Growth	"places that are created here to have the necessary infrastructure to make new development sustainable and to be well-designed, reflecting the local landscape and character of the area"/ "deliver more sustainable growth"	Place	Annually
Section 106 spend – value returned to developers (zero target)	Responsible Growth	"places that are created here to have the necessary infrastructure to make new development sustainable and to be well-designed, reflecting the local landscape and character of the area"/ "deliver more sustainable growth"	Place	Annually
Carbon emissions	Sustainability	"sets out our approach to reducing carbon emissions"/ "Reducing our contribution to climate change"	Environment	Annually
Number (number of BNG units) of Council- approved habitat banks in the district	Sustainability	"supporting the delivery of Biodiversity Net Gain"	Place	Annually
Number of electric vehicle charge points (in Council car parks and through HCC partnership)	Sustainability	"More electric vehicle charge points, making it easier for residents to access chargers in our town centres and to switch to an electric vehicle"	Place	Annually

8.8 The CDP is intended to be a live document. Councillors and Officers can access Ideagen for the latest position. New projects can be added to the Plan if they are a strategic priority and resources are available to deliver them. Projects will be removed when they are completed, or if they are no longer a priority. Cabinet (following prior review by Overview and Scrutiny Committee) will be asked to approve any changes to milestones. An initial meeting of the Project Board for the new museum collection facility project was held in September 2025, and this project will be added to the CDP in time for the next monitoring report.

8.9 Overview and Scrutiny Committee can ask for more detail on any of the CDP projects. This can either be provided as a written update or can be included as part of the next quarterly update, to support discussion in the meeting.

8.10 Access to Ideagen

All the detail behind the projects, risks and performance indicators is available to view in Ideagen, the Council's performance and risk system. A guest login is provided on the intranet for any Member to use, along with a procedure note and short video on how to view the data.

9. LEGAL IMPLICATIONS

- 9.1 The constitution determines the role of Cabinet as including: “To take decisions on resources and priorities, together with other stakeholders and partners in the local community, to deliver and implement the budget and policies decided by the Full Council. To monitor performance and risk in respect of the delivery of those policies and priorities” (paragraph 5.7.3).
- 9.2 The constitution determines the role of Overview and Scrutiny Committee as including: “To review performance against the Council’s agreed objectives/priorities and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or service areas. To consider risk to the achievement of those objectives/priorities. To make recommendations to Cabinet” (paragraph 6.2.7 (s)).
- 9.3 There are no specific legal implications arising from the CDP. However, there may be individual legal implications for some of the projects outlined. Any commissioning of work on new and existing projects will follow the standard legal requirements and those required by the Council’s internal standing orders, contained within the Constitution.
- 9.4 It is worth noting that a robust and measurable delivery plan is an important tool for the Council to fulfil the ‘best value’ requirement set out in Section 3 of the Local Government Act. The Act requires authorities, including the Council, to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.” Monitoring reports to Members and actions arising from those reports will ensure discharge of this statutory responsibility.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications arising from this report. Where projects are linked to efficiencies or investments then these are included in the budget proposals and monitored through the quarterly finance reports.

11. RISK IMPLICATIONS

- 11.1 Good risk management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 The CDP aims to support the risk management process by directly linking the risks to projects being undertaken. The aim of these proposals is to strengthen the link between performance and risk and make risks more current. This should provide an improved perspective of the risks that the Council faces.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no direct equalities implications arising from this report.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The Social Value Act and “go local” requirements do not apply to this report.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There will continue to be a need to align Council and Service objectives with available people resources to be able to achieve them. The CDP helps to make that link clearer.

15. ENVIRONMENTAL IMPLICATIONS

- 15.1 There are no known Environmental impacts or requirements that apply to this report. However, a number of the projects to be monitored throughout the year are related to key environmental issues.

16. APPENDICES

- 16.1 Appendix A – Council Delivery Plan 2025-26 Q2 Monitoring Report

17. CONTACT OFFICERS

















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- 17.3 Natasha Jindal, Deputy Monitoring Officer
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18. BACKGROUND PAPERS

- 18.1 None

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Council Delivery Plan – Status Key

Status	Description
Projects	
	The project (and all recorded milestones) has been completed.
	All ongoing milestones have not reached their due dates (or do not have due dates).
	There is at least one ongoing milestone that has not been completed by the due date, but the overall project due date has not passed. Proposals to change milestone due dates will be made, which may also lead to a proposed change to the overall project due date.
	Overall project due date has passed and there is at least one milestone that has not been completed. Proposals to change project due date and milestone due dates will be made.
Risks	
	Assessed as a low risk.
	Assessed as a medium risk.
	Assessed as a high risk.
KPIs	
	Data value has met or exceeded the target figure. Performance is at an acceptable level.
	Data value has not achieved the target figure. Need to consider appropriate action to return performance to an acceptable level.
	Data value has not achieved the target figure. Urgent action required to return performance to an acceptable level.
	Data value is reported for 'information only' and there is no requirement to set targets for the KPI.
	Ideagen cannot calculate a status, as officers have not entered a target figure for the period.
	Data value has improved compared with the same time last year.
	Data value has deteriorated compared with the same time last year.
	Data value has not changed compared with the same time last year.
	Ideagen cannot calculate a direction of travel, as previous data is not available for comparison.

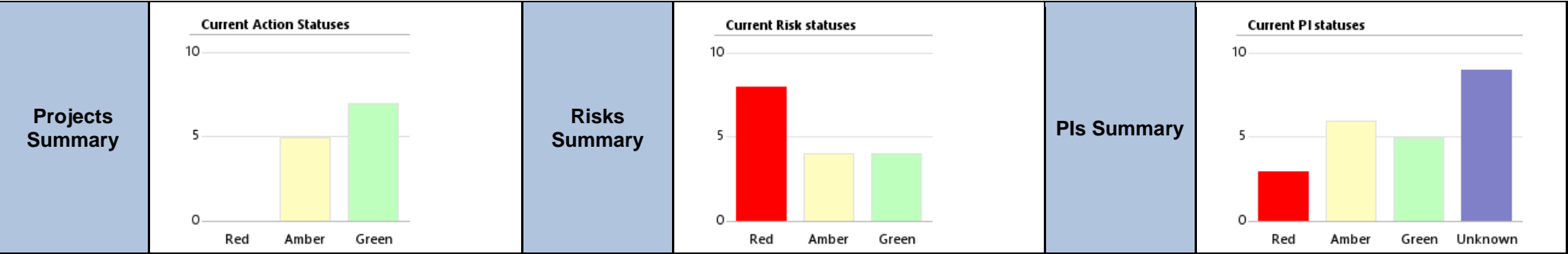
4	7	9
2	5	8
1	3	6

Council Delivery Plan 2025-26 Q2 Monitoring Report – Project Statuses



Project	Status	Risk Level
Decarbonisation of Council Buildings - Phase 2		
Digital Transformation		
Oughtonhead Common Weir		
Pay on Exit Parking		
Resident/Public EV Charging in our Car Parks		
Churchgate		
Engaging the community on our finances		
Leisure Centre Decarbonisation		
Local Plan Review		
Town Centres Strategy		
King George V Skate Park		
Waste and Street Cleansing Contract		





















Council Delivery Plan 2025-26 Q2 Monitoring Report - Status Summaries





















Council Delivery Plan 2025-26 Q2 Monitoring Report - Key Performance Indicators (KPIs)

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	Latest Update	Current Value	Current Target	Status	Trend (Compared with the same time last year)	2025/26 Target
Percentage of council tax collected in year	September 2025	54.26% (year to date)	55%		 (55.33%)	97%
Percentage of NNDR collected in year	September 2025	53.81% (year to date)	54.5%		 (54.95%)	96%
Council's Scope 1-3 emissions (tonnes CO2e)	2023/24	3,197.13	N/A Data Only		 (3,168.30)	N/A Data Only
Number of Stage 1 complaints	Q2 2025/26	125 (year to date)	N/A Data Only		 (106)	N/A Data Only


KPI	Latest Update	Current Value	Current Target	Status	Trend (Compared with the same time last year)	2025/26 Target
Percentage of Stage 1 complaints resolved within 10 working days	Q2 2025/26	72% (year to date)	80%		 (95%)	80%
Percentage of Stage 2 complaints resolved within 20 working days	Q2 2025/26	77% (year to date)	70%		 (71%)	70%
Total number of alarm calls in a given period	October 2025	217,485 (year to date)	N/A Data Only		 (222,670)	N/A Data Only
Rolling number of Careline service users supported under the HCC contract	September 2025	7,110	N/A Data Only		 (6,905)	N/A Data Only
Percentage of Careline installations completed within 5 working days	October 2025	78.9% (year to date)	90%		 (New KPI from January 2025)	90%
Percentage of Careline installations completed within 10 working days	October 2025	97.8% (year to date)	100%		 (New KPI from January 2025)	100%
Percentage of CSC calls answered	Q2 2025/26	84% (year to date)	90%		 (95%)	90%
Percentage of CSC calls answered within 45 seconds	Q2 2025/26	51% (year to date)	80%		 (68%)	80%
Sign-ups to the Digital Budget Hub	Q2 2025/26	688	N/A Data Only		 (235)	N/A Data Only
Average number of penalty points awarded per Grounds Maintenance contract monitoring inspection. (Lower numbers are good.)	September 2025	2.2 (year to date)	N/A Data Only		 (5.71)	N/A Data Only


KPI	Latest Update	Current Value	Current Target	Status	Trend (Compared with the same time last year)	2025/26 Target
Working days lost due to short-term sickness absence in the last 12 months per FTE employee	September 2025	4.29	4.00		 (4.54)	Not Measured for Years
Working days lost due to long-term sickness absence in the last 12 months per FTE employee	September 2025	3.47	N/A Data Only		 (4.73)	N/A Data Only
Staff turnover - rolling 12-month percentage	September 2025	8.64%	15%		 (8.68)	Not Measured for Years
Percentage of advertised vacancies filled in first round	Q2 2025/26	86.4% (year to date)	75%		 (75.8%)	75%
Number of visits to leisure facilities	October 2025	1,018,051 (year to date)	N/A Data Only		 (1,000,591)	N/A Data Only
Percentage of all planning applications determined within the relevant statutory or agreed time periods	Q2 2025/26	83.78% (year to date)	80%		 (87.23%)	80%
Percentage of household waste sent for reuse, recycling and composting	Q2 2025/26	*58.96% (year to date)	60%		 (59.92%)	59%
Number of collections missed per 100,000 collections of domestic household waste	March 2025	47 (year to date)	N/A Data Only		 (60)	N/A Data Only
Performance against revenue budget (projection against original budget)	Q2 2025/26	-1.1% (year to date)	0%		 (-5.9%)	0%


* Data is provisional and may be subject to change when finalised.


Council Delivery Plan 2025-26 Q2 Monitoring Report - Projects / Risks


	Decarbonisation of Council Buildings - Phase 2				
Council Plan Objective	Sustainability (2024-28)	Due Date	31-Mar-2028	Original Date	31-Mar-2028
Project Summary	Finalise plans and complete works to decarbonise a further four Council buildings - Hitchin Town Hall, North Herts Museum, District Council Offices, and the learner pool at North Herts Leisure Centre. 2025/26 is a planning year, with works commencing in 2026/27 and due to complete by 31 March 2028. Current milestones only relate to the planning year 2025/26.				
Latest Update	18-Nov-2025 2025/26 is a planning year, with works commencing in 2026/27 and due to complete by 31 March 2028. Funding for the project has been secured via the Capital Programme 2025-35 and Public Sector Decarbonisation Scheme (Phase 4) funding. A Project Board has been established, and the project is moving forward. In September 2025, Cabinet approved additional funding to appoint a quantity surveyor and principal designer, whose services were not covered by the existing project budget. In early November 2025, CPW (MEP engineers) provided an updated feasibility study and Varsity Consulting (quantity surveyors) provided related costings. On 13 November 2025, these were presented to Project Board, and a decision was made on the preferred delivery route. This includes formally appointing a quantity surveyor, principal designer, and architect for the duration of the project. Precise timings for securing these services are still to be confirmed, although we currently anticipate this being possible by the end of January 2026. Subsequent milestones and timings will be confirmed following the three appointments. We continue to update Salix on progress via quarterly monitoring reports. At this planning stage, there is still a degree of uncertainty associated with many aspects of the project and the overall risk level is assessed as high. However, governance arrangements in place and further activities planned for the remainder of the year aim to mitigate associated risks and reduce the currently assessed risk level.				
Milestone		Due Date	Complete	Note	
Full Council approve NHC capital budget to deliver project.		27-Feb-2025	Yes	On 27 February 2025, Full Council approved a capital budget of £1.98m as part of the Capital Programme 2025-35.	
Salix funding secured.		30-Apr-2025	Yes	In April 2025, Salix awarded the Council £1.17m of Public Sector Decarbonisation Scheme (Phase 4) funding. At this time, the estimated total project cost was £3.15m.	
Commence engagement with officers delivering the Leisure Centre Decarbonisation project.		21-May-2025	Yes	We have commenced discussions with the project team delivering the Leisure Centre Decarbonisation project to share internal lessons learned and help inform our approach to managing this Phase 2 project.	
Submit first Salix monitoring report.		13-Jun-2025	Yes	We have submitted our first monitoring report to Salix and have met our Salix relationship manager.	
Project Board established.		17-Jun-2025	Yes		
Appoint Quantity Surveyor to review initial feasibility study.		15-Jul-2025	Yes	We have appointed Varsity Consulting (who provide QS support to the Leisure Centre Decarbonisation project) to review the initial feasibility study.	
Feasibility study received from Willmott Dixon Construction Ltd.		01-Aug-2025	Yes	We appointed WDC (the contractor who assisted us with our funding application) to conduct a feasibility assessment. The aim was for this to help us validate the original funding submission, revise/update overall costs, update the project programme, revise cash flow in line with total project value and Salix submission, update anticipated running costs, review planning options, and provide options for procurement of solutions.	
Technical presentation of feasibility study by WDC.		13-Aug-2025	Yes		
Initial meeting with Varsity Consulting to discuss options to take forward to Project Board.		15-Aug-2025	Yes	Initial meeting held.	


Project Board to agree a preferred procurement option for delivering the pre-construction phase.	08-Sep-2025	Yes	Project Board meeting took place, but no decision was made on a preferred procurement option. Following advice from Varsity Consulting, an additional feasibility study was requested.			
Cabinet report seeking funding approval for appointing a Principal Designer and a Quantity Surveyor for the full project.	23-Sep-2025	Yes	Services provided by Quantity Surveyor and Principal Designer are not covered by existing project budget. Cabinet approved the additional funding via the first quarter Capital Budget Monitoring Review 2025/26 report.			
Pre-construction Service Agreement signed.	26-Sep-2025	No	Due date to be removed. New target date to be confirmed following the appointment of a quantity surveyor, designer, and architect, and the development of subsequent project plans and timings.			
New Milestone - CPW to provide updated feasibility study and Varsity Consulting to provide related costings.	04-Nov-2025	Yes	New milestone. Requested by Project Board on 8 September 2025.			
New Milestone - Project Board decision on a preferred delivery route.	13-Nov-2025	Yes	New milestone.			
Surveys of the four buildings completed.	04-Dec-2025	No	Due date to be removed. New target date to be confirmed following the appointment of a quantity surveyor, designer, and architect, and the development of subsequent project plans and timings.			
Design phase commences.	05-Dec-2025	No	Due date to be removed. New target date to be confirmed following the appointment of a quantity surveyor, designer, and architect, and the development of subsequent project plans and timings.			
Confirm to Salix that we intend to proceed with the project into the first delivery year, in line with funding conditions.	16-Jan-2026	No	Due date to change to 31 January 2026. Aligns with Salix timetable.			
New Milestone - Appoint quantity surveyor, designer, and architect to help deliver project.	31-Jan-2026	No	New milestone. On 13 November 2025, Project Board approved the project approach and the appointment of a quantity surveyor, designer, and architect to assist with the delivery of the project. Although precise timings for securing these services are still to be confirmed, we currently anticipate this being possible by the end of January 2026.			
Risks			Risk Level	Original Score	Current Score	Target Score
Key Risks: - NHC responsible for funding all project costs beyond agreed grant funding. - Failure to deliver project in line with agreed grant conditions leads to loss of grant funding - grant spend scheduled for 2026/27 and 2027/28. - Delays obtaining required Distribution Network Operator/Planning approvals lead to delays in commissioning/completing project works. - Failure to obtain planning permission - particular risk for Hitchin Town Hall as it is a listed building. - Unforeseen detailed survey findings require changes to project specifications and lead to additional financial costs e.g., identification of asbestos.				7	7	5


	Digital Transformation				
Council Plan Objective	Accessible Services (2024-28)	Due Date	31-Janc-2026	Original Date	31-Mar-2025
Project Summary	Invest in and develop a low code digital platform that can be used to transform our services and applications. Programme to span a number of years, with the Council Delivery Plan project focussing on key activities planned for the short-term.				
Latest Update	08-Dec-2025 The new Grants database is live and was officially launched in November 2025. The Digital Services team delivered a Safety Advisory Group (SAG) platform for testing in early October 2025, which was then subject to wider testing by NHC teams and external partners. Digital Services are currently working through the feedback received and updates will be completed before Christmas 2025. However, due to limited availability over the festive period, a feedback session with SAG is not scheduled until the week commencing 12 January 2026. We do not anticipate many changes after this session, so now expect the new platform to go live by the end of January 2026. We are currently undertaking finance system integrations for both Waste and Grants process automations, which are expected to be completed by the end of 2025. We are also planning CRM/Tascomi integrations for a number of regulatory services, although the timing of these is still to be confirmed. The Oversight Group has decided to place the Burials application project on hold, pending further information on Local Government Reorganisation. This has been communicated to the NHC Burials team who in the meantime will continue to use existing processes and the in-house database. In general, key risks to the programme are the availability of sufficient resources and Local Government Reorganisation creating general uncertainty across the organisation.				
Milestone		Due Date	Complete	Note	
Scope and investigate replacement of Burials system.		30-Jun-2024	Yes	Initial scoping for the replacement of the current in-house database completed. Decision made to provide a replacement system via the new digital platform.	
Integrate Netcall into Microsoft Azure for wider integration capabilities.		30-Sep-2024	Yes	The Azure tenancy is ready to go and can facilitate single sign on for customers to sign in via MyAccount or for staff to sign into any applications created.	
Commence development of waste services processes and preparations for integration with new contractors' software.		01-Oct-2024	Yes	Work commenced, with plans agreed with Veolia.	
Hitchin Town Hall booking system developed.		31-Oct-2024	Yes	The Hitchin Town Hall application has been completed and handed over.	
Waste Services - integrations with contractors' software.		30-Jun-2025	Yes	Completed on 7 August 2025. There was a slight delay fully integrating with Veolia systems, caused by late access to Veolia's ECHO system/data (April 2025) and delays clarifying specific data requirements. This delay did not have any impact from a customer perspective.	
Waste Services - project delivery.		30-Jun-2025	Yes	High priority waste services processes were available for the start of the contract, with lower priority/frequency processes completed and delivered by 7 August 2025. Potentially, there is one additional form, Waste Issues, which may not go live until 14 August 2025. This form is to file a complaint to Veolia e.g., if property is damaged during collection, but there is currently an alternative way for Customer Services to do this so any delay will have no impact on the customer experience. Therefore, the milestone is complete, albeit with the potential for some minor ongoing optimisations.	
Development and delivery of Trade Waste processes.		07-Aug-2025	Yes	This work is outside of the scope of the original Waste Services project. The majority of Trade Waste processes went live on 7 August 2025 when we implemented the weekly system updates. There is a small part still outstanding due to needing process clarity, but the rest are now live. There is minimal impact from this outstanding item and the milestone is considered complete, albeit with some minor ongoing optimisations.	


Safety Advisory Group (SAG) platform.	31-Aug-2025	No	Due date to change to 31 January 2026. The Digital Services team delivered a platform for testing in early October 2025, which was then subject to wider testing by NHC teams and external partners. Digital Services are currently working through the feedback received and updates will be completed before Christmas. However, due to limited availability over the festive period, a feedback session with SAG is not scheduled until the week commencing 12 January 2026. We do not anticipate many changes after this session, so now expect the new platform to go live by the end of January 2026.			
Development and delivery of a Grants database.	28-Nov-2025	Yes	Database is now live, and was officially launched on 24 November 2025.			
Develop and deliver a Burials application.	31-Dec-2025	No	Due date to be removed. Oversight Group decided to place this project on hold, pending further information on Local Government Reorganisation. This has been communicated to the NHC Burials team who in the meantime will continue to use existing processes and the in-house database.			
New Milestone - TechnologyOne integrations: Waste and Grants process automations.	31-Dec-2025	No	New milestone.			
New Milestone - CRM/Tascomi integrations - Regulatory services.		No	New milestone. Timings still to be determined.			
Risks			Risk Level	Original Score	Current Score	Target Score
Risks: 1. Resources within key teams available to deliver. 2. Unexpected limitations within new digital platform. 3. Delays in receiving required responses from the new waste contractor. 4. Amount of data needing to be imported to the burials application and our ability to do this within the constraints of the project schedule (project on hold - risk only relevant if project goes ahead). 5. Local Government Reorganisation creates uncertainty around the delivery of the wider programme.				6	6	3


	Oughtonhead Common Weir				
Council Plan Objective	Sustainability (2024-28)	Due Date	30-Nov-2026	Original Date	30-Sep-2024
Project Summary	Complete works to rectify the collapsed weir.				
<div>Latest Update</div> <div>Page 106</div>	<p>17-Nov-2025 Currently, we are awaiting a further update from HCC's Countryside Management Service (CMS) regarding revised project plans and timings. The start of the procurement process has been delayed due to a need to clarify requirements for a review of revised designs by the Environment Agency's National Fish Pass Advisory Panel. This has also delayed the submitting of designs for Ordinary Watercourse Consent. In addition to our weir project, the Herts and Middlesex Wildlife Trust has also developed a separate project for habitat enhancements along the River Oughton more widely. These designs have been through the consenting process, although funding hasn't been secured yet. NHC/CMS have recently been approached by Affinity Water, who are potentially interested in helping progress this wider work and are looking for projects to support on the River Oughton, as they are about to re-start abstraction from the aquifer. Initial thoughts are that it makes sense to try and combine both projects, which would help deliver the greatest benefits for nature, as well as maximise efficiency in procurement/project management etc. CMS have sent relevant documentation to Affinity Water for review and are currently awaiting a response from them on the best way to proceed. The detailed designs for the weir project included a Buildability Statement, which outlined delivery options. This suggested an optimal timing of late summer/early autumn, when breeding bird season will have finished, ground conditions should be most favourable, and river levels will be at their lowest, all of which should create the best conditions for delivery. Therefore, although precise details are still to be confirmed, we are now looking at late summer/early autumn 2026 for delivery of the project. This should allow sufficient time for designs to be confirmed with the Environment Agency and to explore opportunities for delivering the two River Oughton projects together. All Hitchin Members have been kept up to date on the situation and once project details have been confirmed, public communications throughout the procurement process and delivery phase will be key to managing stakeholder expectations and potential reputational risks associated with delays. The impact of a delay in completing the project is still assessed as low, as any further deterioration of the existing weir is unlikely to result in significant environmental damage, with water quality actually improving since the damage to the existing weir occurred.</p>				
Milestone		Due Date	Complete	Note	
01. Conduct the further modelling requested by the Environment Agency.		31-Aug-2024	Yes	Cost of completing further modelling circa £3k.	
02. Obtain required Environment Agency permits.		31-Dec-2024	Yes	Permits obtained in December 2024.	
03. Commence tender process for undertaking required works.		19-Sep-2025	No	Revised due date to be confirmed. Awaiting update from CMS regarding revised project timings. Following production of revised designs, these were shared with the Environment Agency (EA) who requested the designs be reviewed by their National Fish Pass Advisory Panel. We had not initially anticipated needing to do this, and following discussions with the designers, some additional data collection may now be required to satisfy this review. A meeting is due to be scheduled with the EA and the designers to clarify what may be required. This has delayed the submitting of the designs for Ordinary Watercourse Consent and the start of the procurement process.	
04. Appoint contractor(s) to undertake required works.		14-Nov-2025	No	Revised due date to be confirmed. Awaiting update from CMS regarding revised project timings. CMS have confirmed the details are likely to be complex and so expect a six-week period for the tender to be open to allow sufficient time for contractors to put their returns together, followed by a two-week period for evaluating and scoring returns. Therefore, the procurement process is expected to last for approximately two months.	
05. Successful contractor confirms project plan and timings.			No	Due date to be confirmed. Will be confirmed following contract award.	
06. Undertake further communication with the public regarding plans.			No	Due date to be confirmed. Will take place once contract awarded and plans have been finalised.	


07. Commence work on-site.		No	Due date to be confirmed. Will be confirmed when successful contractor confirms project plan and timings.			
08. Works on-site completed.		No	Due date to be confirmed. Will be confirmed when successful contractor confirms project plan and timings.			
Risks			Risk Level	Original Score	Current Score	Target Score
Risks: - External funding from HCC, EA and residents is not available leading to full allocated Capital budget being used (currently assessed as low risk in view of reduced work now being required and possible new funding stream from Affinity Water). - Existing situation deteriorates prior to any works being undertaken requiring further urgent temporary solutions to manage an immediate changing situation (currently assessed as low risk). - Failure to obtain planning permission (no longer a risk). - Failure to obtain Environment Agency (fish pass approval) and HCC (ordinary watercourse consent) approval/consent (currently assessed as low risk). - Lack of contractor appetite to undertake works prolongs procurement process and delays project delivery (prior to tender process, assessed as relatively low risk). - Without confirmed plans for the procurement process and project delivery, there is a risk that the project will not be completed in line with current stakeholder expectations (currently assessed as low risk, although delivery now likely to be in summer/autumn 2026).				4	2	1


	Pay on Exit Parking				
Council Plan Objective	Accessible Services (2024-28)	Due Date	31-Mar-2026	Original Date	31-Mar-2026
Project Summary	Replace existing parking machines and update tariff boards to implement pay on exit in all our town centre car parks. Capital budget approved to deliver the project over two years - 2024/25 and 2025/26.				
Latest Update	05-Nov-2025 The Norton Common TRO has been updated (delegated decision notified 27 June 2025). However, there has been a delay with Leisure/Everyone Active confirming the requirements for the updated TRO for Hitchin Swimming & Fitness Centre. Therefore, now expect the updated TRO to be effective by the end of March 2026 at the latest, which allows a reasonable amount of time to agree requirements and progress the necessary arrangements. As subsequent works at both car parks are dependent on the completion of both TROs, this is now also expected to be completed by the end of March 2026. From a scheduling and resource perspective, it is preferable for installation works at both car parks to be undertaken at a similar time. The installation of all new tariff boards has also been pushed back to the end of the initial Capital funding period (March 2026). We are currently in discussions with the contractor regarding the quality of installed parking signage and this needs to be resolved before we are happy to proceed with the installation of new tariff boards. However, work has commenced on design and wording. Should a change in tariff board provider be required, there is a risk that tariff boards will not be installed until after the revised target date. However, currently, we anticipate all works relating to this project being completed by the end of March 2026. As with the introduction of any new technology, the Council and users have experienced a number of issues associated with the new machines and payment options, including network connectivity issues at some car parks. These issues have settled down over recent months and we have continued to work with the contractor to address connectivity issues and agree arrangements for monitoring income lost associated with these. Investigations continue at the two Portmill Lane car parks and dependent on the success of potential remedies, there is a risk that the parking machines will need to be moved to fully resolve connectivity issues. The Parking Team continue to work tirelessly to respond to and resolve users' issues, which has been key to managing the possible reputational risks associated with a negative public reaction to the changes. Despite the teething problems experienced, the majority of users have successfully continued to pay for parking.				
Milestone Page 108		Due Date	Complete	Note	
	Procure supplier to replace tariff boards.	30-Aug-2024	Yes	Procurement complete. Supplier appointed on 2 September 2024.	
	Draft implementation programme received from contractor.	30-Nov-2024	Yes		
	Full implementation programme agreed with contractor.	31-Dec-2024	Yes	Full implementation programme agreed in December 2024 with some minor modifications finally agreed early February 2025. Installation of new parking machines scheduled to start mid-February 2025.	
	Commence installation of new parking machines on a town-by-town basis, along with new entrance/information signage.	17-Feb-2025	Yes	Rollout commenced in Hitchin.	
	Update TROs.	18-Feb-2025	Yes	The majority of updated TROs became effective on 18 February 2025. Updated TROs introduced alternative methods of payment, virtual permits and season tickets, and reviewed the definitions and length of stay for electric vehicle parking bays within the Council's car parks.	
	Complete installation of new parking machines and new entrance/information signage.	31-Mar-2025	Yes	Works on site completed. However, as with the introduction of any new technology, the Council and users have experienced a number of issues associated with the new machines and payment options, including network connectivity issues at some car parks. Officers are working hard with the contractor to address these issues.	


Installation of new tariff boards completed.	31-Oct-2025	No	Due date to change to 31 March 2026. This milestone has been pushed back to the end of the Capital funding period. We are currently in discussions with the contractor regarding the quality of installed parking signage and this needs to be resolved before we are happy to proceed with the installation of new tariff boards. However, work has commenced on design and wording. Should a change in tariff board provider be required, this is likely to further impact the due date.			
Complete installation of new parking machines and signage at Norton Common and Hitchin Swimming & Fitness Centre car parks.	28-Nov-2025	No	Due date to change to 31 March 2026. This action is dependent on the completion of the new TRO for Hitchin Swimming & Fitness Centre. From a scheduling and resource perspective, it is preferable for installation works at both car parks to be undertaken at a similar time.			
Norton Common and Hitchin Swimming & Fitness Centre TROs updated.	28-Nov-2025	No	Due date to change to 31 March 2026. The Norton Common TRO has been updated (delegated decision notified 27 June 2025). However, there has been a delay with Leisure/Everyone Active confirming the requirements for the updated TRO for Hitchin Swimming & Fitness Centre. Therefore, now expect the updated TRO to be effective by the end of March 2026 at the latest, which allows a reasonable amount of time to agree requirements and progress the necessary arrangements.			
Risks			Risk Level	Original Score	Current Score	Target Score
Risks: 1. Budget implications of selected scheme (no longer a risk). 2. Inability to procure suppliers within approved budget (no longer a risk, as procured suppliers within budget). 3. Negative public reaction to changes and disruption during works. 4. Loss of income during associated works and immediate post-installation period. 5. Failure to bring together separate project elements to achieve seamless project delivery. 6. Public have issues using the new parking machines or understanding new payment options. 7. Issues with installed signage leads to a change in tariff board provider being required.				1	2	1


	Resident/Public EV Charging in our Car Parks				
Council Plan Objective	Sustainability (2024-28)	Due Date	31-May-2026	Original Date	31-Mar-2025
Project Summary	Finalise contract/leases with private sector partner and subsequently install new EV charging points in six of our outdoor surface car parks. OZEV grant secured to help deliver the project, although availability of funding has only currently been formally extended to September 2025.				
Latest Update	06-Nov-2025 Installation and commissioning of new EV charging points in all six outdoor surface car parks now expected to be completed by the end of March 2026, with all relevant leases being formalised once this has happened. Revised milestone target dates acknowledge continued uncertainty relating to the completion of required wayleave agreements and the timing of subsequent Distribution Network Operator (DNO) tasks. The first phase of installation works has been completed, with all EV charging points now in place at the six outdoor car parks. Three of these are up and running - Civic Centre, Warren, and Woodside. Works at the other three car parks have been held up due to a delay in obtaining required third-party wayleave agreements and the lead in time for the DNO to connect the new charging points to the main power grid. Wayleave agreements have now either been or will soon be obtained, and DNO tasks are expected to take place in November 2025 for Hillshott and January 2026 for Twitchell, with works at Bancroft possibly not taking place until February 2026. All relevant leases will be formalised once all EV charging points have been installed and commissioned, and necessary details have been discussed and agreed with the contractor to allow this to happen. Leases have been drafted but will require site plans reflecting the actual location of installed items prior to completion. We have contacted the Department for Transport requesting a further extension to the current grant funding deadline, moving it from December 2025 to March 2026. We are also due to issue a progress report to the Department for Transport in December 2025 in line with grant funding conditions. Outside of the scope of this Council Delivery Plan OZEV ORCS funded project, new EV charging points are also due to be installed in our multi-storey car parks, although the schedule for these works is still to be finalised. Although there remain risks associated with completing remaining tasks and the formal extension of the grant funding deadline, overall project risks are reducing but are still currently assessed as 'medium'.				
Milestone		Due Date	Complete	Note	
NHC to start promoting project.		31-Oct-2024	Yes	Our investment in EV charging infrastructure was included in the Winter 2024 edition of Outlook magazine, which was published in early December 2024.	
Contract finalised with private sector partner.		31-Dec-2024	Yes	Contract finalised 7 January 2025. Contract amended to enable the OZEV ORCS funded project (installation of new EV charging points in our outdoor surface car parks) to progress in advance of the further project to replace existing charging points in our multi-storey car parks, which was delayed by the need to satisfy the Council's property insurer regarding potential fire risks.	
Contractor to commence works.		03-Mar-2025	Yes	Having issued authority-to-proceed letters to the contractor, works commenced at the Civic Centre car park in Royston on 22 April 2025.	
Complete relevant leases with contractor for the length of the contract.		31-Oct-2025	No	Due date to change to 31 May 2026. The intention remains that all relevant leases will be formalised once all EV charging points have been installed and commissioned, and necessary details have been discussed and agreed with the contractor to allow this to happen. Leases have been drafted but will require site plans reflecting the actual location of installed items prior to completion. The installation and commissioning of new EV charging points in the remaining three car parks is now expected to be completed by the end of March 2026, although this is dependent on the timings of required UKPN connections.	


Installation and commissioning of all new EV charging points completed.	31-Oct-2025	No	Due date to change to 31 March 2026. The first phase of installation works has been completed, with all EV charging points now in place at the six outdoor car parks. Three of these are up and running - Civic Centre, Warren, and Woodside. We have contacted the DfT requesting a further extension to the current grant funding deadline, moving it from December 2025 to March 2026. This has been caused by a delay in obtaining required third-party wayleave agreements. These have either been or will soon be obtained, but the project schedule has been further impacted by the lead in time for the Distribution Network Operator to connect the new charging points to the main power grid in the remaining three car parks. These are expected to take place in November 2025 for Hillshott and January 2026 for Twitchell, with works at Bancroft possibly not taking place until February 2026.			
New Milestone - Issue progress report to the Department for Transport in line with grant funding conditions.	31-Dec-2025	No	New milestone.			
Risks			Risk Level	Original Score	Current Score	Target Score
Risks: 1. Not successful in obtaining grant funding (no longer a risk). 2. Unable to identify/procure a private sector partner (no longer a risk). 3. Unable to agree contract conditions/relevant lease arrangements with contractor. 4. Unable to deliver project in accordance with OZEV requirements. 5. Unable to schedule required DNO upgrades in line with implementation programme. 6. Insurance requirements lead to changes to installation plans (no longer a risk). 7. Unable to reach agreement with Garden Square Shopping Centre regarding the replacement of existing charging points in Letchworth multi-storey car park (outside scope of OZEV funding and no longer a risk for this specific Council Delivery Plan project).				5	5	1

	Churchgate				
Council Plan Objective	Responsible Growth (2024-28)	Due Date	31-Mar-2026	Original Date	
Project Summary	Progress the long-term regeneration of the shopping centre and surrounding areas. Project will span a number of years. Currently, recorded action relates to key milestones up to the end of 2025/26.				
Latest Update	<p>19-Nov-2025 A Churchgate Project Manager, who has a high level of related experience, has now commenced working for NHC. The Project Team is busy progressing a number of work packages to support fully informed decision making on options/viability for example, car park survey analysis. We continue to engage with stakeholders to discuss progress and possible concerns. Two workshops are planned for late November/early December 2025, where Project Board will assess possible options and preferred routes to delivery based on two scenarios and with access to the findings from all completed work streams.</p> <p>January 2026: The Project Board is continuing to work towards making a decision on a recommended option. The plan is that a report will be presented to Full Council on 26 February 2026 (revised date) taking Members through findings to date and future plans. There is also planned to be an all-member workshop in advance of the Council meeting. Should the project proceed with a procurement exercise for a development partner, the aim is to work in partnership with them to prepare a masterplan application for the Churchgate Regeneration Zone. Further milestones and related timings for the Council Delivery Plan will be confirmed following a decision on a recommended option. Due to the number of variables associated with the project and the uncertainty this creates, the overall risk level remains high. However, current project management arrangements and controls enable us to manage these risks as well as we can, albeit that certain external factors are out of our control.</p>				
Milestone		Due Date	Complete	Note	
Start of engagement.		02-Sep-2024	Yes		
Run workshops.		16-Sep-2024	Yes	Hitchin Market Board workshop held 9 September 2024. Hitchin Forum workshop held 9 September 2024 (in the evening). Tenants workshop held 12 September 2024.	
Start public consultation.		17-Sep-2024	Yes		
Public consultation ends.		01-Oct-2024	Yes	The consultation period was extended to 3 November 2024 to take into account the leaflet drop to all North Hertfordshire households.	
Open 'in-person' Churchgate Regeneration Hub on market days, up to the end of the consultation period.		17-Oct-2024	Yes	Churchgate Regeneration Hub opened in an unused Churchgate unit.	
Feedback to Project Board.		29-Oct-2024	Yes	October 2024 Project Board meeting re-scheduled. Update on progress presented to Project Board on 14 October 2024.	
Feedback to Project Board.		26-Nov-2024	Yes	Project Board meeting re-scheduled to 4 December 2024. Consultation findings were presented to Project Board at this meeting.	
Publish second stage public consultation feedback report.		28-Feb-2025	Yes	Consultation results published in February 2025 and communicated throughout March 2025.	
Complete detailed evaluation of consultation findings and financial options appraisal.		16-May-2025	Yes		
Project Board decision on overarching direction and preferred pathway.		16-May-2025	Yes		
Attend UKREiIF 2025.		22-May-	Yes	Anthony Roche, Steve Crowley and Chloe Gray attended UKREiIF - 20-22 May 2025.	


	2025					
Report to Council and formal decision on overarching direction and preferred pathway.	10-Jul-2025	Yes	At Full Council on 10 July 2025, councillors voted to progress with their preferred approach to regenerate the Churchgate area, following extensive public consultation and technical feasibility work.			
New Milestone - Churchgate Project Board Workshop 1	28-Nov-2025	No	New milestone.			
Further report to Full Council.	04-Dec-2025	No	Due date change to 26 February 2026. This change reflects the additional work to review priorities and scheme viability.			
1. Start procurement process for development partner.		No	Milestone and due date to be confirmed. Dependent on Project Board's recommended option for moving the project forward. Project Board workshop scheduled for 8 December 2025.			
2. Procurement process for development partner ends and contract awarded.		No	Milestone and due date to be confirmed. See note for above milestone.			
Risks			Risk Level	Original Score	Current Score	Target Score
Risks: 1. The regeneration will not meet expectations of stakeholders. 2. Regeneration of the Centre and surrounding area is not cost effective/not affordable. Including impacts of possible high inflation and increasing cost of building materials. 3. Unavailability of specific funding for consultants beyond previously agreed timeframe. 4. Overspends against agreed project budgets.				9	8	6


	Engaging the community on our finances				
Council Plan Objective	Sustainability (2024-28)	Due Date	28-Feb-2026	Original Date	28-Feb-2026
Project Summary	To help the community understand how we set our budget, what affects the funding that we receive, why we have less funding than we used to and the implications of that. To engage the community on the choices that we will need to make to ensure that our spend matches our funding, so that we are financially sustainable, and to enable our community to be part of future budget conversations.				
Latest Update	29-Oct-2025 As previously reported, adoption of a new MTFS has been delayed to early December 2025. This was due to uncertainty over new fair funding formula. Provisional finance settlement will be used to determine scale of funding gap by the end of December 2025. Budget proposals for 2026/27 will consider consultation feedback and the budget is scheduled to be approved by Council on 26 February 2026. Overall risk level remains medium, as there is still uncertainty relating to future funding, the scale of any budget gap and our options for addressing this, and the impacts of local government reorganisation.				
Milestone		Due Date	Complete	Note	
Update the Digital Budget Hub content to highlight the funding pressures we face and likely implications.		31-Aug-2024	Yes	Updates: - Homepage copy amended to reflect current situation. - 'How we set our budget' graphic created and added (to show residents the process we go through). - 'Did you know' film created and promoted, showing what services residents' council tax helps to provide. Above promoted across our social media channels and ENewsletters.	
Approve our Medium Term Financial Strategy.		30-Sep-2024	Yes	Council agreed adoption of the MTFS 2025-30 on 19 September 2024.	
Update content (Digital Budget Hub and other communications) through process for setting the 2025/26 budget.		28-Feb-2025	Yes	The content update on the Hub was not completed due to it moving from the Zencity platform to the NHC website. However, we did communicate budget information via other channels, with 2025/26 budget and Council Tax communications being promoted via PR to local media, on our website, across our social media channels and via our ENewsletter.	
Further update of Digital Budget Hub content to align with the start of the 2025/26 financial year.		31-May-2025	Yes	Content updated to include the following: 2025/26 Council Tax pie chart graphic; budget consultation mention (and link to survey) included in homepage copy; timeline updated with the 2025/26 Council budget PR and Waste Service change PR; and finally, timeline order changed so that the newest news date is first.	
Carry out detailed consultation on spend priorities and savings options for 2026/27 onwards.		31-Jul-2025	Yes	Budget consultation (across both digital and non-digital channels) ran for eight weeks. Budget consultation launched on 6 June 2025, and it was open until 1 August 2025.	
Consider feedback in setting the revised Medium Term Financial Strategy and approve the Strategy.		04-Dec-2025	No	Delayed the MTFS until early December 2025 due to uncertainty over new fair funding formula and hoping for greater certainty.	
New Milestone - Provisional finance settlement used to determine scale of funding gap.		22-Dec-2025	No	New milestone.	
Consider consultation feedback in forming budget proposals for the 2026/27 budget and approve the 2026/27 budget.		28-Feb-2026	No	Council to approve budget at the meeting scheduled for 26 February 2026.	


Risks	Risk Level	Original Score	Current Score	Target Score
Risks: 1. Timing of Government announcements over future funding makes it difficult to engage residents in the scale of the budget gap and the savings that will be required. 2. Lack of engagement means that the consultation doesn't reflect a wide range of views. 3. The scale of the budget gap makes it feel like there are no choices. When making choices it then feels like not taking on board feedback. 4. Local government reorganisation adds uncertainty to medium-term planning.		8	5	2


	Leisure Centre Decarbonisation				
Council Plan Objective	Sustainability (2024-28)	Due Date	22-Jul-2026	Original Date	02-Feb-2026
Project Summary	Using a combination of external funding and NHC capital funding, deliver a project to decarbonise our three leisure centres. The main activities are replacing end of life gas boilers with Air Source Heat Pumps and installing Solar PV panels to enable on-site generation of electricity. Replacing gas heating for our leisure centres with low carbon alternatives is the single most effective action we can take towards meeting our target of being carbon neutral by 2030.				
Latest Update	30-Oct-2025 Following agreement on how practical completion would be agreed in a way that complies with the new Building Safety Act and the completion of subsequent Legal work, we formally entered into a construction contract with Willmott Dixon Construction in September 2025. Works commenced at Hitchin Swimming and Fitness Centre in October 2025. This was slightly later than initially planned due to a delay with Natural England issuing the required Bat Licence. As a result, the expected completion date of works has changed from the 7th to the 22nd of July 2026. However, the previously advised completion dates for works at North Herts Leisure Centre and Royston Leisure Centre (both 26th May 2026) remain the same. There is still uncertainty regarding our ability to agree required landowner easements for new power cables to power the ASHPs and to do so in line with the current project plan (despite planning 12 weeks into the programme for this). Therefore, there is a risk of related unbudgeted costs and of works having to stop/be delayed, especially at North Herts Leisure Centre. We continue to communicate with relevant landowners (LGCHF and Hitchin Cow Commoners Trust) to progress these matters in a timely manner to help manage these risks. There also remain key risks relating to unknown issues presenting themselves when existing infrastructure is being removed, the scheduling of UKPN works, and possible extensions to planned closure periods. Although some of these can be managed, some are out of our control for example, UKPN scheduling. Taking everything into account, the overall project is still currently assessed as high risk. We continue regular communication with Salix relating to the grant funding, including the completion of Monthly Monitoring Reports (MMRs).				
<div> <div>Project Milestones</div> <div> <div>Project Milestones</div> <div>Project Milestones</div> </div> </div>	Milestone	Due Date	Complete	Note	
	Council approves an increase in capital expenditure for the decarbonisation work and revenue expenditure for the termination and removal fees of gas CHPs.	11-Jul-2024	Yes		
	Proc-Construction Services Agreement with Willmott Dixon signed.	29-Jul-2024	Yes	Agreed and signed on 2 August 2024.	
	Appoint external Quantity Surveyor to oversee NHC's interests.	30-Aug-2024	Yes	Appointed Varsity Consulting to act as the Employers Agent for North Herts Council on the leisure decarbonisation project. This includes carrying out tasks of Quantity Surveyor, Cost Consultant and Contract Administrator. Decision taken 24 September 2024. Decision notified 27 September 2024.	
	Project Board - hold point to decide whether to continue the project.	04-Nov-2024	Yes	Project Board approved a number of recommendations allowing the project to move into the next phase.	
	Complete Stage 3 design phases.	11-Nov-2024	Yes	Stage 3 completed.	
	Council decision on preferred option.	15-Jan-2025	Yes		
	Willmott Dixon Construction submit contract offer.	20-Mar-2025	Yes	Contract offer received from Willmott Dixon. This is now being reviewed by our Quantity Surveyor, prior to the final agreement of costs.	
	Provide Salix with required project updates.	01-Apr-2025	Yes	All grant conditions and updates for the 2024/25 financial year have been issued and reviewed. Conditions 2-4 have been approved by Salix consultants and are with Salix to approve. Condition 1 will need to be reviewed, amended, and resubmitted later.	


Further report to Cabinet to approve contract award and additional budget.	20-May-2025	Yes	Cabinet agreed to increase the project capital budget, approved the extension of lido seasons at both outdoor pools, approved changes to the 2025/26 General Fund budget as a result of the increase in net expenditure caused by planned closures and extended lido seasons, and awarded the contract to WDC.
Salix confirm acceptance of our 2024/25 updates.	31-May-2025	Yes	Salix have approved and paid the Council the 2024/25 grant amount in full.
Commence de-carb works at Royston Leisure Centre.	17-Jun-2025	Yes	Willmott Dixon started setting up on site in the week commencing 14 July 2025 and started to shutdown areas of the building to prepare for works in the week commencing 21 July 2025.
Planning permissions obtained.	19-Jun-2025	Yes	Planning permission received for Royston and Letchworth on 19 June 2025, with Hitchin granted on 11 July 2025.
Commence de-carb works at North Herts Leisure Centre.	23-Jun-2025	Yes	Willmott Dixon started setting up on site in the week commencing 14 July 2025 and started to shutdown areas of the building to prepare for works in the week commencing 21 July 2025.
Commence de-carb works at Hitchin Swimming and Fitness Centre.	01-Sep-2025	Yes	The start date for commencing works was pushed back due to a delay with Natural England issuing the required Bat Licence.
Enter into construction contract with Willmott Dixon.	07-Sep-2025	Yes	There was a slight delay completing this milestone, as it took longer than expected to reach agreement on how practical completion would be agreed in a way that complies with the new Building Safety Act and to undertake the subsequent Legal work prior to signing.
Provide Salix with finalised project data (including costs and energy values) and details of carbon savings monitoring and reporting arrangements.	02-Feb-2026	No	
Complete de-carb works at North Herts Leisure Centre.	26-May-2026	No	Due date reflects the need to get Building Safety Act sign off before works can be handed over. However, this date is dependent on obtaining an easement over LGCHF land to enable UKPN to install required cabling in line with current plans.
Complete de-carb works at Royston Leisure Centre.	26-May-2026	No	Due date reflects the need to get Building Safety Act sign off before works can be handed over.
Complete de-carb works at Hitchin Swimming and Fitness Centre.	07-Jul-2026	No	Due date to change to 22 July 2026. This change to the project schedule is due to commencing works later than initially planned, which was caused by Natural England delays in issuing the required Bat Licence. The due date reflects the need to get Building Safety Act sign off before works can be handed over. However, this date is dependent on obtaining an easement over Hitchin Cow Commoners Trust land to enable UKPN to install required cabling in line with current plans.



Risks	Risk Level	Original Score	Current Score	Target Score
Risks: <ul style="list-style-type: none"> - NHC responsible for funding all project costs beyond agreed grant funding. - NHC paying up front for the larger Air Source Heat Pumps. - Unforeseen detailed survey findings require changes to project specifications and lead to additional financial costs. - Failure to obtain required planning permissions (no longer a risk). - Delays obtaining required Distribution Network Operator approvals lead to delays in commissioning/completing project works. - Delays obtaining required easements lead to delays in commissioning/completing project works. - Failure to deliver project in line with agreed grant conditions leads to loss of grant funding. - Short programme delivery timeframes impact the ability to drawdown Year 1 2024/25 Salix grant funding within the agreed financial year leading to loss of funding (no longer a risk). - Disruption to day-to-day operations during works leads to customer dissatisfaction. - Demand on existing officer resources to cover the loss of the dedicated Project Manager. 		8	8	6


	Local Plan Review				
Council Plan Objective	Responsible Growth (2024-28)	Due Date	31-Dec-2027	Original Date	31-Dec-2027
Project Summary	To undertake an update of the Council's statutory Local Plan as agreed in principle by Cabinet in January 2024.				
Latest Update	08-Dec-2025 Guidance on the new plan making system was released on 27 November 2025. The Government has indicated that secondary legislation will be laid in January 2026, with the new system expected to come into effect six weeks later. However, the Government are also inviting feedback (not formal consultation) on the new system until 15 March 2026. Therefore, there is the possibility that revised guidance will be issued after the feedback has been analysed. Officers are currently reviewing the overall programme, taking into account requirements as currently set out in the guidance to the regulations, while noting some areas remain unclear. A revised Local Plan programme will be presented to Cabinet in January 2026 with a request for delegated powers to enable officers to submit the required documentation once the new system is operational. The guidance specifies a minimum four-month notice period once the system is formally enacted. This means that formal external stages of the plan are unlikely to commence until mid to late June 2026. This requirement is to allow for preparatory work in line with new obligations and ensures stakeholders have sufficient notice of the Council's intention to begin work on the new Plan. The Strategic Planning Manager role is currently occupied on an interim basis and will be advertised in early 2026. Two senior planner roles were advertised to assist in the capacity of the wider team. Only one role has been successfully recruited to with the remainder unoccupied. A contract role is being filled for six months to cover capacity gaps within the wider team. The consultation and site analysis digital platform has started to be implemented, and evidence and scoping work is ongoing. The initial Call for Sites ran from June to mid-September 2025 with further analysis currently ongoing. This work will inform the site allocations work to support the Local Plan. As reported in the Q1 monitoring report, previously recorded milestone due dates have been removed until there is greater certainty around required activities and related timings.				
Milestone		Due Date	Complete	Note	
01. In principle approval that Local Plan review is undertaken.		16-Jan-2024	Yes	Approved by Cabinet in January 2024.	
02. Approval of Local Development Scheme.		14-Jan-2025	Yes	Approved by Cabinet in January 2025.	
03. Notice of start of plan-making given to Secretary of State.			No	Milestone in line with approved LDS, subject to commentary dated 8 December 2025.	
04. Complete 'Gateway 1' advisory assessment.			No	Milestone in line with approved LDS, subject to commentary dated 8 December 2025.	
05. Complete first mandatory public consultation.			No	Milestone in line with approved LDS, subject to commentary dated 8 December 2025.	
06. Complete 'Gateway 2' advisory assessment.			No	Milestone in line with approved LDS, subject to commentary dated 8 December 2025.	
07. Complete second mandatory public consultation.			No	Milestone in line with approved LDS, subject to commentary dated 8 December 2025.	
08. Complete 'Gateway 3' assessment and submit for examination.			No	Milestone in line with approved LDS, subject to commentary dated 8 December 2025.	
09. Receipt of examination outcome.			No	Milestone in line with approved LDS, subject to commentary dated 8 December 2025.	
10. Finalisation and adoption of digital plan.			No	Milestone in line with approved LDS, subject to commentary dated 8 December 2025.	

Risks	Risk Level	Original Score	Current Score	Target Score
<p>Risks:</p> <ul style="list-style-type: none"> - Government fails to provide regulations and guidance in a timely fashion. - Government introduces different or new or substantive reforms to the planning system and/or national policy. - Failure to retain/recruit sufficiently experienced officers to implement required programme of work. We have been unsuccessful with previous recruitment exercises, with limited interest in roles due to salary vs experience expectations not being in line with other local authorities in the area. - Internal complexities that delay putting necessary resources in place in a timely fashion. - Lack of general resource to accomplish the Local Plan update. - Lack/conflict of direction and vision from Council. - Failure to secure funding to resource the process. - Failure to obtain political and/or Government approval at key stages or gateways. - Government intervention if inadequate progress is made upon Local Plan Review. - Inadequate guidance leads to scheme outcomes that do not appropriately respond to, or contribute towards, corporate objectives and priorities of climate change, environment, economy, and place. - Poor scheme outcomes that do not appropriately respond to local character and context. - Adverse appeal findings on other/non-Local Plan sites if progress on the Local Plan Review is delayed or stalled. - Local Government reorganisation proposals divert resources, impact upon the timetable or approach, or result in new workstreams. 		5	7	3


	Town Centres Strategy				
Council Plan Objective	Responsible Growth (2024-28)	Due Date	30-Jun-2026	Original Date	31-Mar-2025
Project Summary	Progress development of an overarching Town Centres Strategy, including guidance on developing strategic plans for individual town centres.				
Latest Update	20-Nov-2025 Political Liaison Board reviewed the draft Town Centres Strategy on 7 October 2025 and were happy with it on the basis that Section 4 (Delivery) was developed further. In view of comments received, working with stakeholders to develop an action plan will now form part of the consultation process. On 21 October 2025, Project Board approved the draft Strategy and revised consultation approach. The draft Strategy was presented to O&S on 11 November 2025, and Cabinet endorsed and approved the Strategy for public consultation on 19 November 2025. This extended eight-week public consultation is scheduled to take place over December 2025 and January 2026. During this time, the intention is to also present the draft Strategy to Community Forums. Dependent on the analysis of consultation responses, the draft Strategy will then go back to Cabinet for formal adoption. Although the timing of this is still to be confirmed, it is unlikely to happen until April 2026 at the very earliest. However, we currently expect the final Strategy to be presented to Cabinet during the first half of 2026. Although things are moving along, there remains uncertainty regarding the outcomes from the consultation process and subsequent committee meetings. Also, the new approved Strategy will not yet be a material consideration in a planning context as it does not form part of the currently adopted Local Plan. Therefore, the overall project risk level continues to be assessed as 'medium'.				
Milestone		Due Date	Complete	Note	
1. Undertake work to complete evidence base.		31-Jul-2024	Yes	Consultants presented initial report on evidence base and stakeholder workshop held to review findings.	
2. Further review/refinement of evidence base and final sign-off.		20-Dec-2024	Yes	Finalised retail evidence base in December 2024. Consultants to review wider evidence base for draft Strategy. To be published as supporting evidence base when consulting on the draft Town Centres Strategy.	
3. Project Board review draft Town Centres Strategy.		20-May-2025	Yes	Project Board members requested further work to be undertaken and to see the revised version prior to submitting the Strategy to Cabinet. There was not enough time to do this in time for Cabinet in June 2025, so we are now aiming for Cabinet in September 2025.	
4. Project Board review and approval of draft Town Centres Strategy.		15-Jul-2025	Yes	Presented the detailed overview and priorities for each of the town centres at the Project Board meeting on 15 July 2025. At this meeting, Project Board suggested the draft Strategy should be presented to PLB prior to the September 2025 Cabinet meeting.	
5. Development and finalisation of draft Strategy.		15-Aug-2025	Yes	Consultants provided a first full draft of the Town Centres Strategy on 3 September 2025 for officer review and comment. Over the subsequent four weeks, further tweaks were made, and Section 4 (Delivery) was further developed.	
6. Present draft Strategy to Political Liaison Board (PLB).		02-Sep-2025	Yes	Presented on 7 October 2025. PLB were happy with the draft Strategy on the basis that Section 4 (Delivery) was developed further. Working with stakeholders to develop an action plan will now form part of the consultation process.	
7. Present draft Strategy to Overview & Scrutiny Committee.		09-Sep-2025	Yes	Following Project Board approval of the draft Strategy and consultation approach, the draft Strategy was presented to O&S on 11 November 2025.	
8. Present details of draft Strategy, including guidance sections for each town, to Cabinet.		23-Sep-2025	Yes	Draft Strategy presented to Cabinet on 19 November 2025. Cabinet endorsed and approved the Strategy for public consultation.	
9. Consultation on draft Town Centres Strategy.		31-Jan-2026	No	Due date added. Following the November 2025 Cabinet decision, an extended eight-week consultation is scheduled to take place over December 2025 and January 2026. During this time, the intention is to also present the draft Strategy to Community Forums.	

10. Cabinet adopt Town Centres Strategy.	30-Jun-2026	No	Due date added. Actual Cabinet meeting still to be confirmed, as dependent on the analysis of and findings from consultation responses. Draft Strategy will not go to Cabinet until April 2026 at the earliest but is expected to be presented to the Committee during the first half of 2026.			
Risks			Risk Level	Original Score	Current Score	Target Score
1. Lack of available resource to produce and deliver identified strategies. 2. Lack of strategic direction leads to speculative development that undermines function of town centres.				5	5	1




	King George V Skate Park									
Council Plan Objective	Accessible Services (2024-28)				Due Date	31-Oct-2025	Original Date	31-Mar-2025		
Project Summary	Following complications with the initial procurement exercise in 2023/24, complete a procurement exercise to appoint a contractor to replace the existing King George V skate park and oversee delivery of the completed project.									
Latest Update	04-Nov-2025 The new skate park opened for use on 27 October 2025. Therefore, the project to deliver a much-improved facility that meets the needs and expectations of stakeholders has been completed. Following discussions with relevant parties, we are also planning to hold a ceremonial opening event, but this will not take place until next Spring. Currently, the provisional date for the event is 29 May 2026. All previously identified risks to the successful delivery of the project are no longer applicable.									
Milestone					Due Date	Complete	Note			
Finalise formal SLA with Groundwork relating to the management of procurement processes.					12-Jul-2024	Yes				
NHC Legal to review relevant procurement documentation prior to Groundwork commencing tender process.					18-Aug-2024	Yes	Legal review of procurement documentation undertaken. This took slightly longer than originally envisaged and was completed in September 2024 rather than August 2024.			
Groundwork confirms procurement timetable.					11-Oct-2024	Yes	Timetable confirmed following Legal review of relevant procurement documentation.			
Commence tender process.					14-Oct-2024	Yes	ITT published on 14 October 2024.			
Award contract following evaluation of tender responses.					17-Dec-2024	Yes	Following evaluation of tenders in November 2024, the contract was awarded mid-December 2024.			
Contractor to conduct further communication/consultation during the early stages of the project prior to project delivery.					30-May-2025	Yes	This was completed in May 2025 prior to commencement of works on-site.			
Contractor confirms project plan and timings.					31-May-2025	Yes	Contract signed on 22 April 2025. Further consultation on the final design held in May 2025. Works commenced on 14 July 2025, with an anticipated 12-week delivery window.			
Contractor to commence on-site project delivery.					14-Jul-2025	Yes	Work started on Monday 14 July 2025 to revamp the skatepark.			
Contractor completes on-site works.					05-Oct-2025	Yes	Works on-site have been completed and have been signed off. The new facility opened to the public on 27 October 2025.			
New skate park officially opened to the public.					31-Oct-2025	Yes	The new skate park opened for use on 27 October 2025 and so the project is now considered complete. However, following discussions with relevant parties, we are also planning to hold a ceremonial opening event next Spring, with a provisional date of 29 May 2026.			
Risks							Risk Level	Original Score	Current Score	Target Score
Risks: - Until precise timings are confirmed, there is a risk that the project will not be completed in line with stakeholder expectations (no longer a risk). - As with all procurement processes, there is a risk that the outcome will be challenged (no longer a risk, as the outcome was not challenged). - Possible reputational risk due to the park being closed during the construction period (no longer a risk).								2	1	1


	Waste and Street Cleansing Contract				
Council Plan Objective	Accessible Services (2024-28)	Due Date	30-Nov-2025	Original Date	31-Aug-2025
Project Summary	Complete procurement and mobilisation of a new Waste and Street Cleansing contract. Plan for and implement agreed service changes included in the contract.				
Latest Update	20-Nov-2025 Rollout of new services commenced on 4 August 2025. As with all significant service changes, some issues did arise. However, these were managed on a case-by-case basis, helped by the mitigating measures we had put in place prior to rollout for example, having additional vehicles available to respond to initial teething problems. The final Project Board (Mobilisation) meeting was held on 23 October 2025. The specific project to mobilise the new waste and street cleansing contract and implement the agreed service changes included in the contract is now considered complete for Council Delivery Plan purposes. An update on delivery of the new contract and services was presented to Overview & Scrutiny Committee on 11 November 2025. The remaining activity is to undertake a lessons learned exercise in early 2026, which will be reviewed by members of the Project Board. All project specific risks are no longer applicable, although there remain some residual operational risks for example, staff resources, public confusion and issues with service delivery, and maintaining an acceptable level of missed collections. These risks will continue to be managed as business-as-usual activities, with the introduction of the new Waste app being an example of initiatives being implemented to enhance management of operational and reputational risks, by providing residents with an easily accessible option for obtaining information on available services and related requirements.				
Milestone		Due Date	Complete	Note	
Evaluation of final tenders and production of Evaluation Report.		17-Jun-2024	Yes		
Project Board sign off of Evaluation Report and award recommendation.		21-Jun-2024	Yes		
Executive and Cabinet approval to award the contract to the preferred bidder.		09-Jul-2024	Yes	Cabinet agreed to award the contract to the preferred bidder, contingent upon the completion of the Letchworth depots lease assignment from the incumbent provider to the Council. The assignment of the Letchworth depots lease was subsequently completed.	
End of contract award standstill period.		12-Aug-2024	Yes		
First meetings held with preferred bidder.		15-Aug-2024	Yes		
Intention to award contract phase completed.		31-Aug-2024	Yes	Milestone completed and communicated in September 2024 that we will be re-establishing a partnership with Veolia.	
Press communication.		10-Sep-2024	Yes		
Commence procurement of new fleet vehicles.		15-Nov-2024	Yes	We approved capital funding of £5.285 million (excluding VAT) for the purchase of waste and street cleansing vehicles for the new contract. This allowed the procurement process for NHC vehicles to commence. This process has now completed.	
Develop IT specifications.		30-Nov-2024	Yes	Full specifications for the garden waste platform and additional forms developed. Relevant build processes commenced. From a technical standpoint, we have the information we needed to scope and plan the project.	
Finalisation and signing of contract (formal contract award).		28-Feb-2025	Yes	Delay did not impact our ability to prepare for contract mobilisation.	

Confirmation of final delivery plans and H&S arrangements.	04-Mar-2025	Yes	Delivery plans finalised and H&S risk assessments completed and received. Delivery plans were revisited in advance of service change.
Member briefing session (March 2025).	31-Mar-2025	Yes	Member briefing session held on 27 March 2025.
Condition surveys and demobilisation of depots.	03-May-2025	Yes	Completed. Property Services managed dilapidations with the outgoing tenant (FCC).
Commence mobilisation of new contract.	04-May-2025	Yes	Veolia undertook street cleansing from 4 May 2025 and waste collection operations began on 6 May 2025 following the bank holiday.
New bin and caddy deliveries start.	06-May-2025	Yes	Bin and caddy deliveries commenced. Expected to continue prior to and up to commencement of the new services.
Finalise new service collection rounds.	30-Jun-2025	Yes	We have finalised collection rounds for the agreed service changes included in the contract.
Member briefing session (July 2025).	14-Jul-2025	Yes	Member briefing session held on 14 July 2025. Approximately 15 Members attended.
New bin and caddy deliveries completed.	04-Aug-2025	Yes	Programme of bin and caddy deliveries has now been completed. However, we continue work to rectify identified issues with some deliveries.
New services to commence.	04-Aug-2025	Yes	New services commenced on 4 August 2025.
Update report on service delivery to Overview & Scrutiny Committee.	11-Nov-2025	Yes	Presented on 11 November 2025.

Risks			Risk Level	Original Score	Current Score	Target Score
<p>Risks:</p> <ul style="list-style-type: none"> - Delay in completing the assignment of Letchworth depot lease delays contract award (no longer a risk, as lease assignment completed). - Insufficient resources/capacity to deliver mobilisation and new service provision work (no longer a risk for this specific project, although still a risk relating to the delivery of business-as-usual services). - Final Government Resources & Waste Strategy differs from contract specification (no longer a risk, as contract specification aligns with new Simpler Recycling policy published late 2024). - Uncertainty over certain cost elements (no longer a risk, as costs finalised with inflationary uplift). - Any delays cause mobilisation challenges (no longer a risk, as any challenges were addressed during project delivery and the project is now completed). - Capability to develop online forms and integrate these with new systems (NHC income management system and preferred supplier systems). This has been completed for North Herts. - EV charging infrastructure is not in place for start of contract (no longer a risk, as EV charging points installed). - Public confusion around contract mobilisation and service changes (residual operational risk remains, with management of the risk being improved with the introduction of the new Waste app). - Discover new collection rounds are not optimal once operational (no longer a risk, as did not materialise for North Herts). - Increased missed collections during the initial rollout period of new collection services (risk materialised and although things have now settled down, an associated residual operational risk remains). 				9	3	3

Council Delivery Plan 2025-26 Q2 Monitoring Report - Corporate Risks

Risks	Risk Level	Original Score	Current Score	Target Score
Resourcing Risks: Ability to recruit and retain staff, as well as supporting new priorities and external pressures, affects delivery of the projects and actions in the Council Delivery Plan and service plans. This is particularly relevant for certain service areas where it is especially difficult to recruit and retain staff. Also, impacts of emergency planning events on staff resources. Local Government Reorganisation (LGR) increases work pressures and also may affect staff recruitment and retention.		8	9	8
Cyber Risks Risks: Prolonged widespread disruption to/failure of IT infrastructure/systems. Possible causes: - Deliberate and unauthorised breaches of security e.g., ransomware, denial of service. - Unintentional/accidental breaches of security e.g., action of individual staff/Members. - Weakness/failure of essential IT infrastructure e.g., loss of internet access. - Evolving risk appetite/profile associated with IT systems, as we pursue increased use of hosted systems and associated risks to individual systems are transferred to suppliers. Leading to: - Inability to deliver services/projects. - Unbudgeted costs to enable recovery. - Reputational damage.		8	8	8
Financial Sustainability Risks: 1. Funding reductions as a result of new funding formula. 2. Sales, fees, and charges income shortfalls, either due to rates not tracking inflation and/or reductions in demand. 3. Not able to make the required decisions to deliver budget savings required. 4. Increases in costs (reductions in income) as a result of inflationary increases. 5. Uncertainty over levels of pay inflation required. 6. Local government reorganisation adds uncertainty to medium-term financial planning.		9	9	5

Risks	Risk Level	Original Score	Current Score	Target Score
<p><u>Local Government Reorganisation and Devolution</u></p> <p>Risks:</p> <p>The Government have published a White Paper and written to all Local Authorities. This requires Local Authorities to work together to come up with a proposal that results in unitary rather than 2-tier Councils. It also seeks a Strategic Authority structure that allows devolution of powers to a Mayor. Those powers include "housing, planning, transport, energy, skills, employment support and more." The risks relate to this being a very substantial project requiring significant change. Specific risks include:</p> <ul style="list-style-type: none"> - The work to get to a proposal on a unitary structure (noting that proposal needs to be agreed across 11 Councils, although can include multiple options) is significant in terms of the negotiations needed. High additional workload for the collation of information and analysis to support that decision making process, across multiple workstreams with input from Chief Executive (workstream co-lead and co-ordination group), Directors (one as workstream lead) and others. - If there is an inability to agree proposals, it may prolong the period above, or lead to a structure being imposed upon Hertfordshire. - After a new structure is agreed, there would be even more significant work to move towards the implementation of that new structure. - Efficiency is mentioned as one of the reasons for moving to a unitary structure. This may lead staff to believe that their job may be at risk. Alternatively, the additional work of moving to unitary status may be seen as too much. - Focusing on a new structure may lead to decision making that is too short-term (getting things done before they can be de-prioritised by a new larger Council with wider priorities) or too long-term (avoid making decisions and leave them to the new unitary Council). The Government have provided guidance that Councils should not make decisions that have negative consequences for new Unitary Councils, but unclear how this would work in practice until Government publishes further details as part of a Structural Changes Order. - Under the new Unitary Council(s), some current district services may have to be curtailed e.g., in order to help fund social care. - Ensuring that the views of stakeholders continue to be heard during the transition process and within the new structure. 		9	9	5

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CABINET

20 JANUARY 2026

*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: THE COUNCIL TAX REDUCTION SCHEME (EFFECTIVENESS AND PROPOSALS FOR 2026/27)

REPORT OF: *Director- Resources*

EXECUTIVE MEMBER: *Resources*

COUNCIL PRIORITY: THRIVING COMMUNITIES / ACCESSIBLE SERVICES / SUSTAINABILITY

1. EXECUTIVE SUMMARY

The Overview and Scrutiny Committee asked for a report on the effectiveness of our Council Tax Reduction Scheme (CTRS). This report therefore sets out the context of Council Tax support, including the introduction of local schemes for working aged people from 2013. Initially the Council followed the broad structure of the previous central scheme. However, in 2024 the Council moved to a banded scheme.

It is difficult to precisely answer how effective a CTRS scheme is, as there will always be a balance between cost and level of support. The implementation of a banded scheme went well in terms of the support provided, although the Council has seen a slight increase in the cost of the scheme.

The report recommends that the Council make a change to our discretionary policy to help avoid people dying in poverty. This is based on the campaign by Marie Curie.

Finally, the report sets out minor changes to the CTRS for 2026/27, which should be considered by Cabinet before approval by Full Council.

2. RECOMMENDATIONS

That Cabinet recommends to Council to:

- 2.1. Amend the Council Tax discretionary policy to include the support provided to residents with a terminal illness, with the wording detailed in paragraph 8.17.
- 2.2. Approve changes to the Council Tax Reduction Scheme bands to reflect the impact of inflation.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To respond to the request from Overview and Scrutiny Committee, and to consider changes for next year.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Not take any action – The Council could choose to retain the scheme exactly as it is and not apply any inflationary increases.
- 4.2. Similarly the Council could choose to make no change to the scheme to reflect the Marie Curie report on 'Dying in Poverty'. That would reflect that the CTRS already provides up to 100% for working aged people. The Council cannot go much further than the proposals set out in this report for the period 2026/27, as more significant changes would require a full consultation to be undertaken as required by the legislation.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Our major preceptors will be notified of the planned changes to the changes to thresholds.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1 Council Tax Reduction (CTR) was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of the Department for Work and Pensions (DWP). As part of the introduction, the Government;
- placed the duty to create a local scheme for working age applicants with billing authorities.
 - reduced initial funding by the equivalent of ten per cent from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
 - prescribed that anyone of pension age would be dealt with under regulations set by Central Government and not the authorities' local scheme
- 7.2 Since that time, funding for the Council Tax Reduction Scheme (CTRS) has been amalgamated into other Central Government grants paid to Local Authorities (where in receipt of Revenue Support Grant) and within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding provided from Central Government sources
- 7.3 The current CTRS administered by the Council is divided into two schemes, with pension age applicants receiving support under the rules prescribed by Central Government, and the scheme for working age applicants being determined solely by the local authority.

- 7.4 Pensioners, subject to their income, can receive up to 100 per cent support towards their Council Tax. The Council has no power to change the level of support provided to pensioners and therefore any changes to the level of Council Tax Reduction can only be made to the working age scheme.
- 7.5 When Council Tax Reduction was introduced in 2013, for working age applicants, the Council broadly adopted the previous means tested Council Tax Benefit scheme as the basis of awarding support. Due to the reduction in funding from Central Government, the Council also required all working age applicants, even those on the lowest income, to pay a contribution towards their Council Tax. This was achieved by applying a standard deduction from any award granted. This standard deduction was 25% until the banded scheme was introduced.
- 7.6 Up until being replaced by a banded scheme in 2023(see following paragraphs), the working age scheme had only been amended in a minor way, primarily to adjust the standard deduction, to introduce a tolerance and to align it with Housing Benefit and Universal Credit payments where possible.
- 7.7 During 2022 the Council carried out a full review of the previous scheme and implemented a new banded scheme (for working age applicants). This was approved at the Full Council meeting in January 2023, and applied from April 2023 onwards. Further details can be found in that report (see background papers). At the time the reasons for implementing the new scheme were to:
- enable us to increase the overall level of support for the lowest income households
 - reduce the administrative burden placed on the Council following the introduction of Universal Credit, and
 - make the scheme easier for our customers to understand and calculate entitlement.
- 7.8 It was expected that the cost of the scheme would increase slightly, but not significantly. The North Herts share of the additional cost was estimated at £15k. A discretionary scheme was put in place to support the transition.
- 7.9 In January 2024, Council considered the CTRS for April 2024 onwards. That report identified that the scheme had achieved the outcomes set out in paragraph 7.7. There had been very little demand for the discretionary scheme that was put in place to support the transition. In that first year the Council had 6 applicants who were awarded a discretionary transition amount which reflected the amount that they lost under the new scheme. The fund was discontinued as the scheme was generally more generous. Although the specific fund was discontinued, the Council still have a discretionary scheme. In 2024/25, due to the uprating of benefits being so much higher, there were more requests for assistance as some claimants had to pay towards their Council tax where they had not been previously required, but they were in an improved financial position overall, so these cases were refused.
- 7.10 The January 2024 report, identified that the scheme was costing the Council more than had been estimated. It was agreed that the discretionary scheme budget would be used to help off-set some of that increased cost. No changes were made to the banded working age scheme for 2024/25.

- 7.11 In January 2025, Council considered the CTRS for April 2025. This proposed that only minor changes were made to the scheme. The changes proposed increased the thresholds for each of the bands in line with inflation. This was to prevent households being pushed in to higher bands (i.e. paying more Council Tax) just through the impact of inflation on their income. There were higher than inflation increases (2.7% rather than 1.7%) applied to some thresholds where the inflationary uplift on their benefits would push them in to a higher band, and they would end up being worse off in terms of total income. The report at that time noted that the scheme was still costing a bit more than originally estimated.
- 7.12 The Council continues to have no control over the pension age CTRS. This is administered in line with Government regulations.

8. RELEVANT CONSIDERATIONS

Current working age scheme

- 8.1. The current scheme is based on an income grid model. The income bands are based on a weekly net income as detailed in the table below:

Band	Discount	Single person	Single Person 1 child	Single person 2 children	Single person 3 children	Couple No children	Couple 1 child	Couple 2 children	Couple 3 children
1	100%	£0 to £103.00	£0 to £169.00	£0 to £224.00	£0 to £336.00	£0 to £144.00	£0 to £208.00	£0 to £264.00	£0 to £346.00
2	75%	£103.01 to £185.00	£169.01 to £252.00	£224.01 to £305.00	£336.01 to £391.00	£144.01 to £226.00	£208.01 to £290.00	£264.01 to £346.00	£346.01 to £402.00
3	45%	£185.01 to £246.00	£252.01 to £313.00	£305.01 to £366.00	£391.01 to £452.00	£226.01 to £288.00	£290.01 to £351.00	£346.01 to £407.00	£402.01 to £463.00
4	25%	£246.01 to £308.00	£313.01 to £375.00	£366.01 to £427.00	£452.01 to £513.00	£288.01 to £349.00	£351.01 to £412.00	£407.01 to £468.00	£463.01 to £524.00
5	0%	Over £308.01	Over £375.01	Over £427.01	Over £513.01	Over £349.01	Over £412.01	Over £468.01	Over £524.01

Table 1: Income bands for the 2025/26 working age scheme

- 8.2. The following are currently incorporated into the scheme:
- To encourage work, a standard £50 per week disregard will be provided against all earnings.
 - Disability benefits such as Disability Living Allowance and Personal Independence Payments will be disregarded.
 - Where any applicant, their partner or dependent child(ren) are in receipt of a disability benefits such as Personal Independence Payments or Disability Living Allowance, a further disregard of £50 per week will be given, thereby supporting those with disabilities.
 - Carer's Allowance and the Support Component of Employment and Support Allowance will be disregarded.
 - Child benefit and Child Maintenance will be disregarded.

- The amount in respect of the housing element, within Universal credit will be disregarded.
- The total disregard on war pensions and war disablement pensions.

8.3. The full current working age CTRS is included as a background paper.

Assessing the effectiveness of the Council Tax Reduction Scheme

8.4 Any scheme will be a balance between cost and level of support provided. The intention of the new banded scheme (when it was agreed in January 2023) was that it would better provide support to those most in need, with the costs of the scheme being broadly in line with the previous scheme. The report to Council in January 2024 highlighted some issues that either could not be modelled in advance or were missed. These were:

- Disregard of limited capability to work. This could not be modelled in advance, but it was included in the scheme as those in this category are some of the most vulnerable.
- Previous administration of the rent element within universal credit claims had not been disregarded. This was not identifiable during the initial modelling.
- During 2023/24 the council distributed support payments of up to £25 to a number of claimants. This figure was not included in the modelling; however, it has reduced our collectable amount of council tax.

8.5 In addition to the above impacts, it is not possible to isolate the effect of general economic conditions on levels of Council Tax support. Whilst inflation was dropping from its peak by the time the new scheme was implemented, it was still at a very high level, and residents were (and still are) feeling the impact of that.

8.6 The introduction of a new finance system has had an impact on our processes and the usefulness of the data that the Council can currently provide. During the implementation of the new system, a lot of payments went into a suspense account. This, combined with getting used to the new system, has meant that recovery action was suspended for a period. Recovery action has now recommenced, but this has affected the accuracy of the Council's collection rate data. A more generous CTRS would reduce the amount of Council Tax that can be collected, so represents a cost to the Council (and other preceptors). However, a well targeted scheme (and all other things being equal) may see a reduction in that cost if the Council can then collect more of the income that is due. That means less debt is written off and less resources are expended in chasing the debt. However, the Council cannot currently show whether this is the case.

Cost of our Council Tax Reduction Schemes

8.7 Table 2 below shows the cost of our CTRS up until 2021 (data produced for the Council report in January 2023). This includes the value of the CTRS as a percentage of the Gross Council Tax liability. By showing it as a percentage of total Council Tax it helps to strip out the effect of inflation. This shows a steady decline in the percentage cost up until 2019, and then an increase from 2020. This is likely to the impact of the Coronavirus pandemic.

Financial Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross CT Liability £	83,774,520	84,591,594	86,434,938	89,845,133	94,684,222	100,685,225	105,302,251	110,123,753	115,611,353
CTR £	6,998,498	6,902,064	6,693,360	6,761,037	6,770,869	6,863,664	6,771,613	7,208,969	8,218,400
%	8.35%	8.16%	7.74%	7.53%	7.15%	6.82%	6.43%	6.55%	7.11%

Table 2: Cost of CTRS over time, up to Financial Year 2021/22.

- 8.8 The above table includes both working age and pension age claimants. Table 3 below shows the caseload split between working age and pension age claimants. This shows a continuing steady reduction in pension age claimants, but a spike upwards for working age claimants in 2020 and 2021, with a slight decline in 2022. In more recent years the number of working-age claimants in April each year has been: 4,575 in 2023, 4,652 in 2024 and 4,794 in 2025. The equivalent pension age claimants have been: 2,529 in 2023, 2,457 in 2024 and 2,474 in 2025.

Financial Year Commencing	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Working Age	4797	4718	4537	4327	4187	4058	3980	4355	5151	4823
Pension Age	4214	4065	3831	3608	3404	3120	2981	2874	2746	2636
Total	9011	8783	8368	7935	7591	7178	6961	7229	7897	7459

Table 3: Claimant numbers by year, split between working age and pension age.

- 8.9 The latest data (estimates for 2025/26 as at November 2025) is that the cost of the scheme will be £9.6 million. That is against a Gross Council Tax amount of £130.6 million, which equates to 7.39%. That is made up of 2,427 pension age cases (estimated cost of £3.4 million) and 5,109 working age cases (estimate cost of £6.2 million). The detailed split is shown in Table 4 below:

Scheme Category	No. of households claiming	Estimated cost of CTRS support
Couple with one child	190	£194,095.99
Couple with two children	199	£192,322.13
Couple with three children	170	£192,223.35
Couple	306	£396,725.13
Passported	77	£287,417.62
Single with one child	891	£959,531.31
Single with two children	707	£733,678.32
Single with three children	376	£502,566.39
Single	2,193	£2,717,118.18
Total working age	5,109	£6,175,678.42
Pensioner	2,427	£3,482,447.30
Overall Total	7,536	£9,658,125.72

Table 4: Detailed CTRS cases (November 2025)

- 8.10 This data can also be split by Council Tax band, as shown in Table 5 below. All households who are liable to pay Council Tax, can apply and an assessment is performed against our scheme criteria. This also applies to occupants who are jointly liable who are not part of the same household. In these circumstances, each joint person can make a CTRS claim in their own right. This accounts for a difference in the number of households (7,536) and the number of properties by council tax band (7,522).

Council Tax Band	No. of properties with Council Tax support
A	993
B	2470
C	3204
D	614
E	172
F	52
G	16
H	1
Total	7,522

Table 5: Number of properties with Council Tax support by property band

- 8.11 All Councils complete an annual Council Tax return, which includes data on Council Tax Reduction Schemes. This can be used as a way of comparing data between Councils. The table below looks at the value of CTRS support as a percentage of the total Council Tax that would be payable before the impact of CTRS. It provides a comparison of North Herts with all of Hertfordshire, all East areas and all of England. These totals will be affected by relative demographics and deprivation.

District/ Area	Cost of Working Age CTRS as a % of Total Council Tax	Cost of Pension Age CTRS as a % of Total Council Tax	Cost of Total CTRS as a % of Total Council Tax
North Herts	4.75%	2.70%	7.45%
Hertfordshire	4.53%	2.64%	7.17%
East of England	4.28%	3.06%	7.34%
All England	5.06%	3.67%	8.73%

Table 6: Costs of CTRS as a percentage of Total Council Tax

- 8.12 The data for North Herts in the table above is different to the data in paragraph 8.9 because of the timing of when the data was taken. Overall North Herts is probably slightly above (i.e. more generous) than where you would expect. This will be due to the scheme design and thresholds that have been agreed.
- 8.13 As part of the consultation on the Fair Funding formula over the Summer, there was a proposal that the impact of CTRS should be reflected through modelled data, rather than actual scheme costs. The consultants who advised us on our consultation response found that our scheme costs were about £100k above the modelled costs.

Dying in poverty

- 8.14 Marie Curie have published a report on dying in poverty (<https://www.mariecurie.org.uk/document/dying-in-poverty-report-2025>). This raises awareness around those with terminal illnesses, and that over 100,000 die in poverty each year. Having a terminal illness can affect someone's earnings and also lead to them facing increased costs. The report highlights a number of actions that they would like to see. Most of these are targeted at Government, but there is an action related to Council Tax support.
- 8.15 The specific recommendation that Marie Curie make is: "The UK government, as well as devolved administrations, should ensure that people living with terminal illness are guaranteed support for council tax. Until that point, individual councils in England should consider how they can provide similar support in their area". They reference that Manchester City Council became the first council in the country to implement specific, additional support for households in which someone has a terminal illness.
- 8.16 The support that Manchester City Council (MCC) provide is that any household that has someone living there with a terminal illness will pay zero Council Tax. This will apply from the date of diagnosis, until up to a year after the date of death. Whilst the Council are very sympathetic to those with a terminal illness it is not felt that this level of support can be replicated at this Council. The reasons for this are as follows:
- MCCs standard CTRS provides support up to maximum of 85%. Our CTRS provides up to 100%, so the poorest residents already pay no Council Tax.
 - The Council cannot see how MCC costed the potential impact of this, and North Herts Council calculations show that the costs could run into millions.
 - MCC are a Unitary Authority. If the Council made a change through our CTRS then residents would be required to be consulted with and alongside preceptors (Herts County Council and Police and Crime Commissioner). This would take time which would mean that it would take until 2027/28 to implement this proposal. There may also not be support for the proposal. Further if the Council fully provided this level of support through our discretionary scheme then it would pay the full cost, which could be a disproportionate amount to be met by the Council alone.
 - The cost of providing support would either need to come from reducing other levels of CTR support, or through reductions in service levels.
 - The support does not seem to be well targeted, for North Herts in comparison to Manchester. According to Loughborough University data that previously accompanied the Marie Curie report, there were estimated to be 166 people per year aged 20+ dying in poverty in North Herts. However, that was estimated to be only 13.3% of those that were dying from a terminal illness in North Herts. That means that there would be over one thousand people per year dying from a terminal illness who are not in poverty. Whilst the poverty level is a low threshold, and the Council would aspire for residents to be well above poverty levels, it is very likely that a high number of those affected by a terminal illness are very significantly above those poverty levels. The equivalent estimated percentage for Manchester City Council was 32.6%.

- 8.17 For 2026/27 the suggestion is that the primary focus is on our CTRS providing support to all those on the lowest incomes, to reduce the overall numbers of those in poverty. This reflects that the CTRS already provides up to 100% support. The Council would look to supplement this with a change to the discretionary policy to ensure that those with a terminal illness do not fall through any gaps in the main CTRS scheme. For example, it may not be immediately obvious that someone's income has dropped, or they may be incurring increased costs as a direct result of a terminal illness. If something like that took them below the CTRS thresholds then the Council would ensure that the discretionary support was implemented. A copy of our current discretionary scheme is attached at Appendix A. The proposal is that paragraph 4.1 is amended to add a second sentence that would read: *"That would include households where a member of the household has been diagnosed with a terminal illness and this has resulted in a significant impact on the net income of the household to an extent that it makes their Council Tax unaffordable"*.
- 8.18 We have made contact with Marie Curie to understand their thoughts on the balance between specific support and the general support we provide to our residents. They acknowledged that changes to the CTRS policy take time to achieve, due to the consultation required. They have not yet provided a specific view on the fact that we already provide up to 100% support.

Proposals for 2026/27

- 8.19 In addition to the proposed change to our discretionary scheme (as per paragraph 8.17), The Council also intend to uplift each of the threshold bands by inflation (expected to be 3.8%). Reflecting inflation ensures that that eligibility continues at the same affordability thresholds. The Council consider these to be minor changes and therefore not subject to full consultation. We will make our major preceptors (Hertfordshire County Council and Police and Crime Commissioner) aware of the proposed changes.

Local Government Reorganisation and CTRS

- 8.20 Under Local Government Reorganisation there will be a need for each new Council to have a CTRS for working aged people (assuming that the national scheme for pension aged people continues). Any significant changes made to the scheme for 2026/27 or 2027/28 should ideally consider the schemes in relevant other Councils.

9. LEGAL IMPLICATIONS

- 9.1. Under Section 13A of the Local Government Finance Act 1992 a local authority is permitted reduce its council tax. Accordingly Schedule 1A of the Local Government Finance Act requires a local authority to have in place a Local Council Tax Reduction Scheme.
- 9.2. The Council is required to maintain and annually review its Council Tax Reduction Scheme in accordance with Section 13A and Schedule 1A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).
- 9.3. Schedule 1A to the Local Government Finance Act 1992 requires the Council to make any revision to its scheme or any replace scheme no later than 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect.

- 9.4. Section 3(1) of Schedule 4 of the Local Government Finance Act 2012, which inserts Schedule 1A to the Local Government Finance Act 1992 requires the Council to consult on any changes to its scheme as follows:
- Consult any Major Precepting Authority which has power to issue a precept to it,
 - Publish a draft scheme in such manner as it thinks fit, and
 - Consult such other persons as it considers are likely to have an interest in the operation of the scheme.
- 9.5 Full Council's terms of reference include at 4.4.1 (z) "approving the Council Tax Reduction Scheme". In considering the CTRS, Cabinet is acting in accordance with statutory provisions and in accordance with its obligations under the Council's constitution.

10. FINANCIAL IMPLICATIONS

- 10.1. The Council Tax Reduction Scheme in this year is estimated to cost approximately £9.7m which is borne by the Council's Collection Fund. Costs are shared between the Council and the Major Precepting Authorities which is in approximately the following proportions:
- County Council (including Fire and Rescue Service) (around 76%)
 - Police and Crime Commissioner (around 12%)
 - District Council (around 12%)

These proportions are based on the overall share of Council Tax income and will change over time in line with decisions made by each Authority on levels of Council Tax increase. Recently, these have mainly been affected by the levels of increase (without a local referendum) that have been allowed by Government. The costs of Council Tax Reduction are not funded by the Precepting Authorities directly. Instead, the estimated level of eligibility is converted into a number of band D equivalent properties. That then reduces the overall tax base (i.e., the number of properties expected to pay Council Tax), and therefore the amount of income that each Precepting Authority should expect to receive. Differences between what was expected, and the amount collected are managed through a Collection Fund. The precepting Authorities will share any surpluses or shortfalls in the following year.

- 10.2 Increasing the threshold bands by inflation aims to ensure that households with a similar level of income in real terms will continue to be eligible for the same level (as a percentage) of Council Tax support. All other things being equal, this would mean that the band D equivalent eligibility for Council Tax support would remain consistent.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.

- 11.2. General economic factors can have an impact on the number of people that claim CTRS and therefore it is difficult to predict the number of households that will be eligible in the future and the extent of that entitlement and impact on the cost of the scheme. The only way to mitigate the risk of increasing spend is to make the scheme less generous. This in turn will mean increases in the amount of Council Tax to be collected, which may prove counter-productive and move the problem into increased bad debts.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. An equalities impact assessment (EIA) was completed for the current scheme in December 2022 before it was implemented. As no major changes are being made, another assessment is not required.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. There are no direct HR implications arising from this report.

16. APPENDICES

- 16.2. Appendix A: Current Discretionary Scheme

17. CONTACT OFFICERS

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- 17.5. Ellie Hollingsworth, Policy and Strategy Officer, ellie.hollingsworth@north-herts.gov.uk

18. BACKGROUND PAPERS

- 18.1. *New banded Council Tax Reduction Scheme implemented in April 2023* [Agenda for Council on Thursday, 19th January, 2023, 7.30 pm | North Herts Council](#), see minute 171

- 18.2 Review of the Scheme in January 2024 <https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=136&MId=3400&Ver=4> see minute 259
- 18.3 Current Council Tax Reduction Scheme <https://www.north-herts.gov.uk/sites/default/files/2025-11/North%20Herts%20S13A%20202526%20Scheme%20FINAL.pdf>



North Hertfordshire District Council Council Tax Discretionary Reduction in Liability S13A (1)(c) Policy

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1 Introduction and Legislation

- 1.1 Section 13A (1)(c) of the Local Government Finance Act 1992, provides the Council with additional discretionary powers to enable it to reduce the council tax liability where statutory discounts, exemptions and reductions do not apply.
- 1.2 These discretionary awards can be given to:
- Individual Council Taxpayers;
 - Groups of Council Taxpayers defined by a common set of circumstances;
 - Council Taxpayers within a defined area: or
 - To all Council Taxpayers within the Council's area.
- 1.3 This policy is basically divided into the following areas namely:
- (a) **The Flood Recovery Framework** – this part of the policy covers situations outlined by Central Government where any parts of the Council's area were to be designated as a designated flood area;
 - (b) **Crisis** – this part of the policy deals with all cases where a reduction in liability is claimed where there the taxpayer experiences a crisis (other than mentioned in (a) to (c); and
 - (c) **Other circumstances** – this part applies where the application is made other than for (a) to (d) above.
- 1.4 The relevant legislation (S13 (1) (c) of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012), states the following:

Reductions by billing authority

- (1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13);
- (a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme;
 - (b) (not applicable)
 - (c) **in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.**
- 1.5 The provisions stated in (c) above, allows the Council to reduce the Council Tax liability for any taxpayer in addition to any application for Council Tax Reduction under the Council's scheme. This is a general power that has always been available to the Council.
- 1.6 When deciding on whether to grant a reduction in liability, the Council will consider each application on its merits. Principles of reasonableness will apply in all cases with the authority deciding each case on relevant merits.

- 1.7 Any decision made will be without reference to any budgetary considerations notwithstanding the fact that any awards must be balanced against the needs of local taxpayers who will ultimately pay for any reduction in Council Tax income. However, where Central Government provides funding directly to the Council to compensate for specific events, the Council will look to use **all** funding provided.
- 1.8 The period of any reduced liability will be considered in conjunction with the circumstances of the Council Taxpayer except where specified by Central Government.

2. The Flood Recovery Framework

- 2.1 In a severe weather event with significant wide area impacts, local authorities may need central support to help their communities and businesses return to normal. Building on these principles, a core package of business and community recovery support has been developed by Central Government to serve as a framework for flood recovery funding when needed.
- 2.2 It will be for Government Ministers to determine when this support will be made available. Weather incidents with localised impacts will not usually trigger a recovery support package.
- 2.3 In relation to Council Tax, Central Government have developed a Council Tax discount package that is available under S13A (1) (c).

Who is eligible for a council tax discount?

- 2.4 Where the Council Tax Discount Scheme is activated following severe weather, MHCLG will refund eligible local authorities for granting discounts in the following circumstances:
- (a) 100% discount for a minimum of 3 months, or while anyone is unable to return home if longer, for **primary residences** whereas a result of the relevant weather event:
- Flood water entered into the habitable areas; or,
 - Flood water did not enter into the habitable areas, but the local authority regards that the residence was otherwise considered **unliveable** for any period of time.
- AND**
- (b) 100% council tax discount on temporary accommodation for anyone unable to return to their home, in parallel with the discount on their primary residence where applicable.
- 2.5 Second homes and empty homes will **not** be eligible.
- 2.6 Instances where households might be considered **unliveable** could include:
- where access to the property is severely restricted (e.g. upper floor flats with no access);
 - key services such as sewerage, draining, and electricity are severely affected;

- the adverse weather has resulted in other significant damage to the property such that it would be, or would have been, advisable for residents to vacate the premises for any period of time, regardless of whether they do vacate or not;
- flooded gardens or garages will **not** usually render a household eligible but there may be exceptions where it could be demonstrated that such instances mean effectively that the property is unliveable.

2.7 It will be for the Council to determine eligibility under the scheme.

Properties affected by multiple instances of flooding

- 2.8 Residences impacted in multiple flood events will not be precluded from repeat support where this is made available by Government in respect of separate weather events.
- 2.9 Where the scheme is activated for two separate instances of flooding within 3 months of each other, the two discount periods will run concurrently. For example, if the second flood event occurred after 2 months, flooded properties already receiving support could be eligible for another 3 months' discount, making the total period of reimbursement 5 months.

Funding

- 2.10 In such cases, Central Government will make payment to the Council via a Section 31 grant.

The Council's Policy in respect of the Flood Recovery Framework

- 2.11 The Council shall operate the scheme strictly in accordance with Central Government guidelines.

3 Crisis

- 3.1 The Council will consider requests for assistance from Council Taxpayers who, through no fault of their own, have experienced a crisis or event that has made their property uninhabitable, where they remain liable to pay council tax and for which they have no recourse for compensation nor have recourse to any statutory exemptions or discounts.
- 3.2 All such requests must be made in writing detailing the **exact** circumstances of why reduction in the liability is required and specifying when the situation is expected to be resolved.
- 3.3 The Council will consider applications on a case-by-case basis in consultation with other organisations as appropriate. Any reduction will be applied where they remain liable to pay council tax and for which they have no recourse for compensation nor to any statutory exemptions or discounts or where the crisis or event is not covered by any insurance policy.

4 Other Circumstances

- 4.1 The Council will consider requests from Council Taxpayers for a reduction in their liability based on other circumstances, not specifically mentioned within this document. However, the Council must be of the opinion that the circumstances relating to the application warrant further reduction in their liability for Council Tax having regard to the effect on other Council Taxpayers.
- 4.2 No reduction in liability will be granted where any statutory exemption or discount could be granted.
- 4.3 No reduction in liability will be granted where it would conflict with any resolution, core priority or objective of the Council.

5 Changes in circumstances

- 5.1 The Council may revise any discretionary reduction in liability where the applicant's circumstances or situation has changed.
- 5.2 The taxpayer agrees that he/she must inform the Council immediately either by phone or in writing about any changes in their circumstances which might affect the claim for under this policy. Failure to do so may result in the withdrawal of the reduction granted for the year and the requirement to repay any outstanding amount to the Council.

6 Duties of the applicant and the applicant's household

- 6.1 A person claiming any reduction in liability must:
- Provide the Council with such information as it may require to make a decision;
 - Tell the Council of any changes in circumstances that may be relevant to their ongoing claim; and
 - Provide the Council with such other information as it may require in connection with their claim.

7 The award and duration of a reduction in liability

- 7.1 Both the amount and the duration of the award are determined at the discretion of the Council and will be done so on the basis of the evidence supplied and the circumstances of the claim.
- 7.2 The start date of such a payment and the duration of any payment will be determined by the Council. In any event, the maximum length of the award will not exceed the end of the financial year in which the award is given.
- 7.3 The application and any supporting documentation will be submitted to the Service Director - Customers for a decision.

8 Payment

- 8.1 In line with legislation, any award shall be granted as a reduction in the liability of the Council Taxpayer thereby reducing the amount of Council Tax payable

9 Reductions in Council Tax liability granted in error or incorrectly

- 9.1 Where a reduction in liability has been granted incorrectly or in error either due to a failure to provide the correct or accurate information to the Council or some other circumstances, the Council Taxpayers account will be adjusted and billed in the normal way.

10 Notification of a reduction in liability

- 10.1 The Council will notify the outcome of each application in writing. The notification will include the reason for the decision and advise the applicant of their appeal rights.
- 10.2 If a Council Taxpayer is aggrieved by the council's decision a written request for a review of its decision can be submitted if it is made within 2 months of the original decision. If the original decision is upheld and the council taxpayer remains aggrieved, there is a further right of appeal to the valuation tribunal.

11 Delegated Powers

- 11.1 This S13A (1) (c) policy has been approved by the Council. However, the Service Director - Customers is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, for certain defined schemes, Central Government guidance.

12 Appeals

- 12.1 Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.
- 12.2 The Council Taxpayer must in the first instance write to the Council outlining the reason for their appeal. Once received the council will then consider whether any additional information has been received which would justify a change to the original decision and notify the Council Taxpayer accordingly.**
- 12.3 Where the Council Taxpayer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reductions. Full details can be obtained from the Councils website or from the Valuation Tribunal www.valuationtribunal.gov.uk

13 Fraud

- 13.1 The Council is committed to protecting public funds and ensuring funds are awarded to the people who are rightfully eligible to them.

13.2 An applicant who tries to fraudulently claim a reduction in liability by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

13.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

14 Complaints

14.1 The Council's Complaints Procedure (available on the Councils website) will be applied in the event of any complaint received about this policy.

15 Policy Review

15.1 This policy will be reviewed annually and updated as appropriate to ensure it remains fit for purpose. However, a review may take place sooner should there be any significant changes in legislation.

CABINET 20 January 2026
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*PART 1 – PUBLIC DOCUMENT

**TITLE OF REPORT: SECOND QUARTER CAPITAL BUDGET MONITORING REVIEW
2025/26**

REPORT OF: DIRECTOR - RESOURCES

EXECUTIVE MEMBER: RESOURCES

COUNCIL PRIORITY: SUSTAINABILITY

1 EXECUTIVE SUMMARY

- 1.1 To update Cabinet on progress with delivering the capital programme for 2025/26, as at the end of September 2025.
- 1.2 To update Cabinet on the impact upon the approved capital programme for 2025/26 – 2034/35. The current estimate is a decrease in spend in 2025/26 of £1.298M and an increase in spend in 2026/27 £1.773M. The most significant individual changes to the forecast spend in 2025/26 for reprofiling into 2026/27: £0.600M The Museum and Commercial Storage project, £0.346M Resurface Lairage Car Park, £0.300M Charnwood House, £0.235M Parking Charging Payments Management System and £0.201M Home Repair Assistance Grants.

2 RECOMMENDATIONS

- 2.1 That Cabinet notes the forecast expenditure of £26.416M in 2025/26 on the capital programme, paragraph 8.3 refers.
- 2.2 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.
- 2.3 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.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Options for capital investment are considered as part of the Corporate Business Planning process.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation on the capital expenditure report is not required. Members will be aware that consultation is incorporated into project plans of individual capital schemes as they are progressed.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 21st November 2025.

7. BACKGROUND

- 7.1 In February 2025, Council approved the Integrated Capital and Treasury Strategy for 2025/26 to 2034/35. The reports for Capital and Treasury have been split for the quarterly monitoring updates.

8. RELEVANT CONSIDERATIONS

- 8.1 The Council has £127.0M of capital assets that it currently owns. The Investment Strategy set out the reasons for owning assets that are not for service delivery, including an assessment of Security, Liquidity, Yield and Fair Value. There have been no significant changes in relation to these since the last quarter.

Capital Programme 2025/26

- 8.2 The full capital programme is detailed in Appendix A and shows the revised costs to date, together with the expected spend from 2025/26 to 2035/36 and the funding source for each capital scheme.
- 8.3 Capital expenditure for 2025/26 is estimated to be **£26.416M**. This is a decrease of **£1.298M** on the forecast in the 1st quarter report (reported to Cabinet on 23rd September 2025). Table 1 below details changes to capital programme.

Table 1- Current Capital Estimates

	2025/26 £M	2026/27 £M	2027/28 to 2035/36 £M
Original Estimates approved by Full Council February 2025	21.063	5.147	18.413
Changes approved by Cabinet in 3rd Qrt 2024/25	0.627		
Public Sector Decarbonisation project	1.143		

	2025/26 £M	2026/27 £M	2027/28 to 2035/36 £M
Changes approved by Cabinet in 2024/25 Capital Outturn report	5.203		
Executive Member – Finance and I.T. approved additional Expenditure	0.040		
Changes at Q1	-0.452	0.838	0.608
Shared Prosperity Grant Funding	0.090		
Changes at Q2	-1.298	1.773	
Current Capital Estimates	26.416	7.758	19.021

- 8.4 Table 2 lists the schemes in the 2025/26 Capital Programme that will now start or have an impact on the budget in 2026/27 and onwards:

Table 2: Scheme Timetable Revision:

(Key: - = reduction in capital expenditure, + = increase in capital expenditure)

Scheme	2025/26 Working Budget £'000	2025/26 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2026/27 onwards £'000
Museum and Commercial Storage	2,000	1,400	-600	2 Year project with £2m originally profiled to be spent in each year. Now the site has been acquired better understanding of how the profiling will sit.	600
Resurface Lairage Car Park	346	0	-346	Complications with appointing contractors due to poor access.	346
Lairage Stairwells Windows and Doors	69	0	-69	Anticipated the work would be tied in with resurfacing of Lairage car park top deck.	69

Scheme	2025/26 Working Budget £'000	2025/26 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2026/27 onwards £'000
Charnwood House	371	71	-300	The Council remain committed to delivering its ambition to revitalise Charnwood House for the benefit of Hitchin and the wider district. Estates continue to undertake a review of the work done to date and the reports on the building, and will be bringing forward options for Executive Members to confirm the next steps. This is likely to recommend a new marketing of the property to let on a long lease with the Council and tenant undertaking works as part of the terms. £300k of the budget has been re profiled to 26/27 to align with the timing	300
Parking Charging Payments Management System	235	0	-235	Review of parking systems provider and current contracts have been reviewed and extended this year which has resulted in a delay in looking at a single provider.	235
Home Repair Assistance	227	26	-201	Strict eligibility criteria and the £5,000 cap per grant have made it difficult for Environmental Health to fully allocate the budget. Environmental Health intends to review eligibility criteria and the £5,000 limit to allow the Home Repair Assistance budget to be fully paid out in 2026/27.	201
WiFi Upgrade	40	0	-40	This will not be done this year due to officers working on other projects.	40
Wilbury Hills Cemetery Paths	0	30	30	Budget originally profile in 26/27 but an opportunity arose to complete the works in 25/26.	-30
Other minor changes			-12		12
Total Revision to Budget Profile			-1,773		1,773

- 8.5 There are also changes to the overall costs of schemes in 2025/26. These changes total a net increase of £0.475million and are detailed in Table 3

Table 3: Changes to Capital Schemes Commencing in 2025/26:

(Key: - = reduction in capital expenditure, + = increase in capital expenditure)

Scheme	2025/26 Working Budget £'000	2025/26 Forecast Spend £'000	Difference £'000	Comments
Decarbonisation Project	9,829	10,303	474	The latest project cost report details the current forecast as £16.758M. The increase in costs relate to unforeseen construction variations and increased direct project costs.
Refuse and Recycling Bins	90	140	50	The request for an increase to the container's capital budget is due to higher than expected demand for bins, the introduction of an additional bin type in the new 3 weekly service design (previously not provided for within the capital budget), and rising unit costs linked to manufacturing and inflation. Without this uplift, we will not be able to meet statutory service requirements or support the upcoming changes required for Simpler Recycling.
Roston Leisure Centre Members Changing Refurbishment	73	13	-60	Unspent budget from 24/25 was slipped into 25/26, to complete the works on the accessible changing rooms. These were completed resulting in an underspend.
Other minor changes			11	
Total revision to scheme spend			475	

- 8.6 Table 4 below shows how the Council will fund the 2025/26 capital programme.

Table 4: Funding the Capital Programme:

	2025/26 Balance at start of year £M	2025/26 Forecast Additions £M	2025/26 Forecast Funding Used £M	2025/26 Balance at end of year £M
Useable Capital Receipts and Set-aside Receipts	1.273	0.0	(1.273)	0.000
S106 receipts			(0.360)	
Other third party grants and contributions			(2.793)	
Revenue Contribution			(3.230)	

	2025/26 Balance at start of year £M	2025/26 Forecast Additions £M	2025/26 Forecast Funding Used £M	2025/26 Balance at end of year £M
Borrowing			(18.760)	
Total			(26.416)	

- 8.7 The availability of third-party contributions and grants to fund capital investment is continuously sought in order to reduce pressure on the Council's available capital receipts and allow for further investment. Additional capital receipts are dependent on selling surplus land and buildings. Ensuring that the Council gets best value from the disposal of land and buildings can take a long time and therefore the amounts that might be received could be subject to change.
- 8.8 The Council's Capital Financing Requirement (CFR) at 31st March 2025 was negative £0.59M. It has become positive during 2025/26 as the Council does not have sufficient funding (e.g. Capital Receipts) to finance the Capital programme. This means the Council will have to borrow to fund the programme in this year, with MRP (Minimum Revenue Provision) charged to the General Fund in 2026/27.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference under 5.6.7 specifically includes "to monitor expenditure on the capital programme and agree adjustments within the overall budgetary framework". The Cabinet also has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. Asset disposals must be handled in accordance with the Council's Contract Procurement Rules within the Constitution.
- 9.2 Paragraph 4.4.1 c) of the constitution details that Council will approve the budget. Therefore any significant additions to the budget should be approved by Council.
- 9.3 The Council is under a duty to maintain a balanced budget as set out in Section 151 of the Local Government Act 1972 which states:
"every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs."
- 9.4 Further, Section 28 of the Local Government Act 2003 requires to Council to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. There is no statutory requirement of the regularity of such reviews, but quarterly seems to be entirely appropriate. By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such remedial action as it considers necessary to deal with any projected overspends. This report allows for the periodic monitoring of the budget thereby discharging the Council's statutory obligations.

10. FINANCIAL IMPLICATIONS

- 10.1 The main financial implications are covered in section 8 of the report.
- 10.2 The Council operates a tolerance limit on capital projects that depends on the value of the scheme and on this basis over the next ten-year programme it should be anticipated that the total spend over the period could be around £4.2M higher than the budgeted £53.195M.
- 10.3 The capital programme will need to remain under close review due to the limited availability of capital resources and the affordability in the general fund of the cost of using the Council's capital receipts. When capital receipts are used and not replaced the availability of cash for investment reduces. Consequently interest income from investments reduces. £1.0M currently earns the Authority approximately £40k per year in interest. The general fund estimates are routinely updated to reflect changes in income from investments. In the year after the Capital Financing Requirement (CFR) reaching zero (i.e. from 2026/27) the Council will need to start charging a minimum revenue provision to the general fund for the cost of capital and will need to consider external borrowing for further capital spend. The current strategy is that the Council will borrow against internal funds for its capital programme. The CFR at the 31 March 2025 was negative £0.59M but is now positive.
- 10.4 The Council also aims to ensure that the level of planned capital spending in any one year matches the capacity of the organisation to deliver the schemes to ensure that the impact on the revenue budget of loss of cash-flow investment income is minimised.

11. RISK IMPLICATIONS

- 11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 The inherent risks in undertaking a capital project are managed by the project manager of each individual scheme. These are recorded on a project risk log which will be considered by the Project Oversight Group (if applicable). The key risks arising from the project may be recorded on IdeaGen (the Council's Performance & Risk management software).

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

- 12.2 There are no direct equalities implications directly arising from the adoption of the Capital Programme for 2025/26 onwards. For any individual new capital investment proposal of £50k or more, or affecting more than two wards, an equality analysis is required to be carried out. This will take place following agreement of the investment proposal.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1 There are no known Environmental impacts or requirements that apply to recommendations of this report. The projects at section 8.4 may have impacts that contribute to an adverse impact. As these projects go forward, an assessment will be made where necessary.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct human resource implications.

16. APPENDICES

- 16.1 Appendix A, Capital Programme Detail including Funding 2025/26 onwards.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

- 18.1 Investment Strategy (Integrated Capital and Treasury Strategy)

<https://srvmodgov01.north-herts.gov.uk/mgChooseDocPack.aspx?ID=3597&SID=12127>

Project	Service Directorate							Funding				
		2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 Funding £	2029/30 Funding £	2030/31 - 2034/35 Funding £	Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
40 KVA UPS Device or Battery Replacement	Customers	12,000	0	0	0	0	0	0	0	0	0	12,000
Air conditioning at Hitchin Town Hall	Enterprise	100,000	0	0	0	0	0	0	0	0	0	100,000
Air Handling Humidification	Enterprise	15,000	0	0	0	0	0	0	0	0	0	15,000
Alternative to safeword tokens for staff/members working remotely	Customers	9,900	0	0	0	0	0	0	0	0	0	9,900
An alternative set of 25 machines that are outside of the Windows Environment for Disaster Recovery	Customers	15,000	0	0	15,000	0	30,000	0	0	0	0	60,000
Audio Improvements to Mountford Hall	Enterprise	15,000	0	0	0	0	0	0	0	0	0	15,000
Avenue Park Splash Park	Environment	70,000	0	0	0	0	0	0	0	0	0	70,000
Baldock Road Recreation Ground Letchworth	Environment	0	0	30,000	0	0	0	0	0	0	0	30,000
Bancroft Lighting	Environment	0	0	45,000	0	0	0	0	0	0	0	45,000
Broadway Gardens Resurfacing	Environment	0	250,000	0	0	0	0	0	0	0	0	250,000
Burymead Road Transfer Facility	Environment	30,000	0	0	0	0	0	0	0	0	30,000	0
Cadcorp Local Knowledge & Notice Board Software	Customers	5,400	0	0	0	0	0	0	0	0	200	5,200
CCTV at DCO & Hitchin Town Hall	Customers	700	11,800	0	0	0	0	0	0	0	0	12,500
CCTV Control Room Upgrade	Resources	40,000	0	0	0	0	45,000	0	0	0	0	85,000
Charnwood House	Enterprise	70,800	300,000	0	0	0	0	0	0	0	0	370,800
Community Centres Flat Roof Safety Barriers	Enterprise	43,000	0	0	0	0	0	0	0	0	0	43,000
Conference Calling Solutions in Large Meeting Rooms at District Council Offices	Customers	6,000	0	0	0	0	0	0	0	0	0	6,000
Council property improvements following condition survey	Enterprise	176,300	50,000	50,000	50,000	50,000	250,000	0	0	0	0	626,300
Cyber Attacks - Events Monitoring Software Solution	Customers	2,000	0	0	0	0	0	0	0	0	0	2,000
Cycle Strategy implementation (GAF)	Growth	278,000	0	0	0	0	0	0	278,000	0	0	0
DR Hardware Refresh Inc UPS Battery Pk (unit 3)	Customers	65,000	0	0	16,000	0	32,000	0	0	0	0	113,000
Email Encryption Software Solution	Customers	17,700	0	0	0	0	0	0	0	0	0	17,700
EV Charging at the existing Letchworth Depot	Environment	100,000	0	0	0	0	0	0	0	0	0	100,000
Fibre Waste Bins	Environment	1,170,000	0	0	0	0	0	0	0	0	0	1,170,000
Green Infrastructure implementation (GAF)	Growth	185,000	0	0	0	0	0	0	185,000	0	0	0
Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors	Enterprise	0	69,100	0	0	0	0	0	0	0	0	69,100
Hitchin Swim Centre: Archers Member Change and Relaxation Area Refurbishment	Environment	300,000	0	0	0	0	0	0	0	0	0	300,000
Hitchin Swim Centre: Changing Village Refurbishment	Environment	0	225,000	0	0	0	0	0	0	0	0	225,000
Hitchin Town Hall Kitchen Enhancement	Enterprise	0	25,000	0	0	0	0	0	0	0	0	25,000
Howard Park Letchworth Path Resurfacing	Environment	13,800	10,000	10,000	0	0	0	0	0	0	0	33,800
Infrastructure Hardware	Customers	410,800	18,000	18,000	190,000	0	0	0	20,000	0	0	616,800
Installation of trial on-street charging (GAF)	Growth	0	50,000	0	0	0	0	0	50,000	0	0	0
King George V Muga Hitchin	Environment	0	0	55,000	0	0	0	0	0	55,000	0	0
Laptops - Refresh Programme	Customers	339,100	49,000	35,000	40,000	349,000	234,000	0	0	0	0	1,046,100
Match funding for Electric Vehicle charging	Growth	100,000	0	0	0	0	0	0	0	0	0	100,000
Mel Tax Offices, Royston	Enterprise	25,000	0	0	0	0	0	0	0	0	0	25,000
Members Laptops Refresh Programme	Customers	0	30,000	0	0	0	0	0	0	0	0	30,000
Microsoft Enterprise Software Assurance	Customers	679,000	0	0	747,000	0	1,494,000	0	0	0	0	2,920,000

Project	Service Directorate							Funding				
		2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 Funding £	2029/30 Funding £	2030/31 - 2034/35 Funding £	Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
Museum Storage Facility	Enterprise	1,400,000	2,600,000	0	0	0	0	0	0	0	0	4,000,000
NH Museum & Community Facility	Enterprise	48,300	0	0	0	0	0	48,300	0	0	0	0
NH Museum Chiller	Enterprise	80,000	0	0	0	0	0	0	0	0	0	80,000
NHLC Lift Replacement	Environment	90,000	0	0	0	0	0	0	0	0	0	90,000
NHLC Pool Flume Replacement	Environment	300,000	0	0	0	0	0	0	0	0	0	300,000
Northern Transfer Station	Environment	0	0	0	3,000,000	3,000,000	0	0	0	0	0	6,000,000
Norton Common Bowls Pavilion	Environment	55,000	0	0	0	0	0	0	0	28,000	0	27,000
Norton Common Footpaths	Environment	10,000	0	0	0	0	0	0	0	0	0	10,000
Norton Common Letchworth Tennis Courts	Environment	48,700	0	0	0	0	0	0	0	0	0	48,700
Off Street Car Parks resurfacing and enhancement	Enterprise	36,000	43,000	77,000	0	0	0	0	0	0	0	156,000
Oughtonhead Common Hitchin Weir	Environment	323,400	0	0	0	0	0	0	0	0	0	323,400
Oughtonhead Common Signage and Interpretation	Environment	0	10,000	0	0	0	0	0	0	0	0	10,000
Parking Charging, Payments & Management	Growth	0	235,000	0	0	0	0	0	0	0	0	235,000
Parking Machines Replacement	Growth	151,100	0	0	0	0	0	0	0	0	0	151,100
Parking Machines Upgrade - Contactless Payment Facility Installation	Growth	38,000	0	0	0	0	0	0	24,200	0	0	13,800
PC's Refresh Programme	Customers	11,000	8,000	5,000	8,000	5,000	8,000	0	0	0	0	45,000
Playground Renovation District Wide	Environment	343,400	180,000	180,000	180,000	180,000	900,000	0	0	0	0	1,963,400
Prior Memorial Gardens Bandstand	Environment	50,000	0	0	0	0	0	0	0	0	0	50,000
Prior Memorial Gardens MUGA Royston	Environment	55,000	0	0	0	0	0	0	0	0	0	55,000
Prior Memorial Gardens MUGA Fencing Royston	Environment	40,000	0	0	0	0	0	0	0	0	0	40,000
Private Sector Grants	Regulatory	26,400	260,600	60,000	60,000	60,000	300,000	0	0	0	0	767,000
Public Sector Decarbonisation Fund	Environment	10,303,100	0	0	0	0	0	0	1,578,000	0	0	8,725,100
Public Sector Decarbonisation Fund Phase 2	Environment	852,000	2,001,000	423,000	0	0	0	0	1,172,000	0	0	2,104,000
Ransoms Rec Footpaths, Gates and Railing	Environment	0	20,000	0	0	0	0	0	0	0	0	20,000
Refurbishment and improvement of community facilities	Governance	5,000	0	0	0	0	0	0	0	0	0	5,000
Refuse and Recycling Bins	Environment	140,000	90,000	90,000	90,000	90,000	450,000	0	0	0	0	950,000
Remote testing equipment - Emergency Lights and Water Temperature Monitoring	Enterprise	13,000	0	0	0	0	0	0	0	0	0	13,000
Renovate skate park at KGV Hitchin	Environment	228,700	0	0	0	0	0	0	0	0	0	228,700
Replacement of Newark Close, Royston	Enterprise	65,000	0	0	0	0	0	0	0	0	0	65,000
Replacement of the timber access bridge at Norton Common	Environment	1,600	0	0	0	0	0	0	0	0	0	1,600
Resurface Lairage Car Park	Enterprise	0	346,300	0	0	0	0	0	0	0	0	346,300
Riverside walkway, Biggin Lane	Environment	53,000	0	0	0	0	0	0	0	0	0	53,000
RLC change village refurbishment – replacement of cubicles, lockers, vanity area and group change.	Environment	150,000	0	0	0	0	0	0	0	0	0	150,000
RLC Café	Environment	20,000	0	0	0	0	0	0	0	0	0	20,000
Royston Leisure Centre Dry Side Toilet Refurbishment	Environment	30,000	0	0	0	0	0	0	0	0	0	30,000
RLC Gym Equipment	Environment	349,800	0	0	0	0	0	0	0	0	0	349,800
RLC Gym Refurbishment	Environment	452,000	0	0	0	0	0	0	0	0	0	452,000
Royston Leisure Centre Members Changing Refurbishment	Environment	12,800	0	0	0	0	0	0	0	0	0	12,800
S106 Projects	Various	140,000	0	0	0	0	0	0	0	140,000	0	0

Project	Service Directorate							Funding				
		2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 Funding £	2029/30 Funding £	2030/31 - 2034/35 Funding £	Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
S016 Funding for additional social housing	Growth	192,500	0	0	0	0	0	0	0	192,500	0	0
Security - Firewalls	Customers	23,600	18,000	0	18,000	0	54,000	0	0	0	0	113,600
SPF Digital Inclusion Scheme		10,000	0	0	0	0	0	0	10,000	0	0	0
SPF Revevation of Estates Buildings		30,000	0	0	0	0	0	0	30,000	0	0	0
SPF Sustainable Communities Grants		50,600	0	0	0	0	0	0	50,600	0	0	0
Swinburne Recreation Ground Hitchin	Environment	0	30,000	0	0	0	0	0	0	0	0	30,000
Tablets - Android Devices	Customers	18,000	10,000	4,000	4,000	4,000	8,000	0	0	0	0	48,000
Thomas Bellamy House, Hitchin	Enterprise	6,000	0	0	0	0	0	0	0	0	0	6,000
Transport Plans implementation (GAF)	Growth	250,000	0	0	0	0	0	0	250,000	0	0	0
Walsworth Common Pavilion - contribution to scheme	Environment	0	300,000	0	0	0	0	250,000	0	37,000	0	13,000
Warm Homes	Environment	318,800	478,100	478,100	0	0	0	0	1,275,000	0	0	0
Waste and Street Cleansing Data Mgmt	Environment	470,000	0	0	0	0	0	0	0	0	0	470,000
Waste and Street Cleansing Vehicles	Environment	4,800,000	0	0	0	0	5,500,000	0	0	0	3,200,000	7,100,000
WiFi Upgrade	Customers		40,000	0	0	0	0	0	0	0	0	40,000
Wilbury Hills Cemetery Footpaths	Environment	30,000	0	0	0	0	0	0	0	0	0	30,000
		26,416,300	7,757,900	1,560,100	4,418,000	3,738,000	9,305,000	298,300	4,922,800	452,500	3,230,200	44,291,500

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CABINET 20 January 2026
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PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: SECOND QUARTER REVENUE BUDGET MONITORING 2025/26

REPORT OF: THE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: RESOURCES

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2025/26, as at the end of the second quarter. The forecast variance is an £846k decrease in the net working budget of £24.496million, of which £408k is requested to be carried forward to fund specific activities in the next financial year, with an ongoing impact in future years of a £147k increase. Explanations for all the significant variances are provided in table 3.

2. RECOMMENDATIONS

- 2.1. That Cabinet note this report.
- 2.2. 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.
- 2.3. 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.

3. REASONS FOR RECOMMENDATIONS

- 3.1. 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.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Budget holders have considered the options to manage within the existing budget but consider the variances reported here necessary and appropriate.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Consultation on the budget monitoring report is not required. Members will be aware that there is wider consultation on budget estimates during the corporate business planning process each year.

6. FORWARD PLAN

- 6.1. The report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 21st November 2025.

7. BACKGROUND

- 7.1. Council approved the revenue budget for 2025/26 of £22.914million in February 2025. As at the end of Quarter Two, the working budget has increased to £24.496million. Table 1 below details the approved changes to this budget to get to the current working budget:

Table 1 - Current Working Budget

	£k
Original Revenue Budget for 2025/26 approved by Full Council	22,914
Quarter 3 2024/25 Revenue Budget Monitoring report – 2025/26 budget changes approved by Cabinet (March 2025)	807
2024/25 Revenue Budget Outturn report – 2025/26 budget changes approved by Cabinet (June 2025)	202
Churchgate Viability and Next Steps report – additional funding for a specialist Project Manager approved by Council (July 2025)	120
First Quarter Revenue Budget Monitoring 2025/26 – working budget changes approved by Cabinet (September 2025)	453
Current Working Budget	24,496

- 7.2. The Council is managed under Service Directorates. Table 2 below confirms the current net direct resource allocation of each Service Directorate and how this has changed from the budget allocations published in the Quarter Two revenue monitoring report. The other budget transfers during the quarter primarily relate to the allocation of the Corporate Apprenticeship Scheme and Graduate Trainee scheme resource to the relevant service areas.

Table 2 – Service Directorate Budget Allocations

	Net Direct Working Budget at Quarter One	Changes approved at Quarter One	Other Budget Transfers	Current Net Direct Working Budget
Service Directorate	£k	£k	£k	£k
Chief Executive	1,125	(369)	(434)	322
Customers	3,955	(8)	186	4,133
Enterprise	1,402	(73)	36	1,365
Environment	7,821	892	30	8,743
Governance	2,412	43	81	2,536
Place	1,494	(140)	(3)	1,351
Regulatory Services	2,837	(74)	44	2,807
Resources	2,997	182	60	3,239
TOTAL	24,043	453	0	24,496

8. RELEVANT CONSIDERATIONS

- 8.1. Service Managers are responsible for monitoring their expenditure and income against their working budget. Table 3 below highlights those areas where there are forecast to be differences. An explanation is provided for each of the most significant variances, which are generally more than £25k. The final columns detail if there is expected to be an impact on next year's (2026/27) budget.

Table 3 - Summary of significant variances

Budget Area	Working Budget	Forecast Outturn	Variance	Reason for difference	Carry Forward Request	Estimated Impact on 2026/27
£k	£k	£k	£k		£k	£k
Chief Executive Credit & Debit Card Payments Processing Fees	59	95	+36	Following the installation of the new finance system in 2024/25, North Herts transitioned to a new payment processing provider. While the new provider charges a higher fee per transaction, there is a faster transfer of funds than with the previous arrangement, which therefore allows the Council to earn interest on the funds received over a longer period. In addition, there has been a significant increase in the number of card transactions since the administration of garden waste charging was moved back in-house.	0	36
Chief Executive Treasury Investments Interest Income	(1,825)	(1,980)	(155)	Increase in estimated interest income receivable is a combination of both interest rate returns achieved and cash balances available for investment being slightly higher than estimated in the forecast prepared at Quarter One. Estimates for future years will be updated when the next Investment Strategy is finalised in January 2026.	0	0
Customers Expenditure on postage	196	250	+54	Forecast overspend on postage costs is mainly due to increases in prices charged for items sent first class from April 2025 significantly exceeding the inflation assumption included in the budget for this year. The cost of sending an item first class under the hybrid mail contract increased by more than 40% from the prior year, while the charge for franked first class post rose by 58%. Notification of these changes to prices was received in March 2025, after the original budget was approved, which had assumed 5% inflation for postage. In addition, there has been an increase in general postage activity this year with communications sent out to support the transition to the new waste services provision. An exercise is underway to see if more post can be sent digitally.	0	42
Customers IT Services staffing expenditure	872	850	(22)	Forecast underspend is due to the vacant Application Support and Development Officer post. It is requested that the unspent budget is carried forward in order to fund the extension of the fixed term contract of a temporary help desk post for a further 10 months. The post will be critical in maintaining service stability and supporting strategic priorities during a period of significant organisational change.	22	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2026/27 £k
Customers District Wide Survey	18	0	(18)	The adoption of the free Microsoft Forms web-based software tool to conduct online surveys has removed the need to separately procure a digital survey platform from which to run the survey. As the District Wide Survey is a biannual exercise there is no budget allocation earmarked in 2026/27, the impact in future years will instead be captured in the proposed efficiencies presented with the Budget report in February.	0	0
Environment Directorate Staffing Expenditure	1,480	1,403	(77)	It is requested that part of the forecast underspend on staffing for the Directorate, resulting mainly from turnover in staff in Waste Services in this year being greater than anticipated, is carried forward to fund the retention of the current Leisure and Active Communities apprentice for a further six months into the next financial year. This will be crucial to the Community Wellbeing team, who are unlikely to receive confirmation of their 2026/27 grant funding before the summer of 2026. Half of the current team are expected to leave at the end of March 2026 and so, for basic service delivery to continue through April to August, the support of the apprentice role will be crucial. It will ensure that current initiatives such as strength and balance classes, the social hub for older people and food education for targeted groups can continue.	13	0
Environment Leisure Consultants	31	6	(25)	Provision of £25k was carried forward from the prior financial year for specialist consultants to develop a 'Long Term Built Leisure Strategy', with the view to ensuring NHC deliver sufficient leisure provision to meet demand arising over the period of the next Local Plan review. The development of the strategy has however been delayed whilst the facility modelling for the Indoor Sports Facility Strategy is carried out by Sport England. It is therefore requested that the budget unspent in this year is carried forward to finance the strategy work in the next financial year.	25	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2026/27 £k
Governance Directorate Staffing Expenditure	1,679	1,735	+56	Recruitment to certain posts within the Legal Services team has proved challenging, resulting in the need to employ agency staff. In addition, the Director of Governance is currently transitioning back to full-time work following maternity leave. During this period, an agency employee has been providing support by covering aspects of the Director of Governance role, as well as responsibilities associated with the Deputy Monitoring Officer and Legal Manager positions.	0	0
Place Directorate Staffing Expenditure	3,634	3,455	(179)	Forecast underspend is due to various vacancies within the Place Directorate. Recruitment to a number of posts is currently ongoing. It is requested that £34k is carried forward to fund an additional apprentice position starting in April. This will provide additional capacity and ensure that the apprenticeships can complete before Local Government Reorganisation.	34	0
Place Income from the sale of car park season tickets	(187)	(143)	+44	Projected income shortfall follows the decision by a local employer to not renew their car park season tickets.	0	44
Place Electric Vehicle (EV) Charging Points	60	0	(60)	£60k was approved to be carried forward from 2024/25 to fund consultants to assist with phase 2 of the project: to identify and evaluate potential locations for EV charging points across the district in consultation with Hertfordshire County Council. Phase 1 has however been delayed due to on-going discussions regarding the contract and lease agreements with the contractor. These are now near completion, with installation of EV charging points to be delivered in the new year. This means however that Phase 2 will not happen now until the next financial year and so it is requested that the forecast unspent budget is carried forward.	60	0
Place Town Centres Strategy	119	49	(70)	The public consultation on the draft Town Centres Strategy is not scheduled to finish until January 2026, with possible adoption in Spring 2026. This means that work on implementing the Strategy will not commence until the next financial year, hence the projected unspent budget is requested to be carried forward to finance this work.	70	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2026/27 £k
Place Local Plan Review and Development	207	142	(65)	Forecast outturn follows a review and reprofiling of the timescales of procurements and delivery of the various evidence-based projects within the Local Plan. Further expenditure of £251k is anticipated in 2026/27, therefore the carry forward of the remaining unspent budget into the next financial year is requested to meet the cost of those activities anticipated in the next financial year.	65	0
Place Supplementary Planning Documents (SPDs)	94	11	(83)	Work is progressing on the Design Code SPD. Additional staffing resource is being provided through a 1-year fixed term contract post that will extend into the new financial year. The carry forward of the forecast unspent budget is therefore requested for the costs of this post falling in the next financial year and to fund the work associated with the finalisation of this project as a web-based resource (anticipated in Summer 2026).	83	0
Place Planning Control Legal and Consultants Expenditure	98	145	+47	Forecast overspend outturn is due to the appointment of viability consultants for a public inquiry relating to residential development on land east of Rhee Spring Baldock. While officers had recommended that planning permission be granted, the application was refused as the Planning Control Committee did not accept reduced affordable housing on viability grounds. The applicant subsequently appealed against the decision and a public inquiry was held that required further viability appraisals to be undertaken.	0	0

Budget Area	Working Budget	Forecast Outturn	Variance	Reason for difference	Carry Forward Request	Estimated Impact on 2026/27
	£k	£k	£k		£k	£k
Place Planning Control Pre-Application Planning Advice Fees Income	(73)	(143)	(70)	Forecast overachievement of income follows a combination of changes made to the Planning fees structure to both facilitate the effective recovery of costs and encourage pre-application engagement. Additional fee categories have been introduced so that the fee charged for pre-application advice better reflects the scale of development, complexity of case and the officer time involved. The planning application fee structure has also been changed to no longer allow free subsequent applications following the withdrawal or refusal of an application, while amendments after validation are not sought or accepted where there have not been pre-application negotiations. The ongoing estimated income impact from these changes is included as an efficiency proposal within the draft budget estimates for 2026/27 and beyond.	0	0
Place Planning Control Planning Applications Fees Income	(1,115)	(1,315)	(200)	The government increased statutory planning fees from the 1st April 2025. The majority were increased in line with general inflation (1.7% as measured by the Consumer Price Index at September 2024), however some householder application fees were doubled. Based on the number of applications in 2024/25 the estimated impact is a £200k increase in income. It is requested that half of the additional income raised is transferred to the Planning earmarked reserve to fund further investment in the service, as the letter from the Ministry for Housing, Communities and Local Government states that the fee increase should be used to both alleviate revenue pressures and invest in the planning service. The ongoing impact from the increase to fees is included within the budget proposals for 2026/27.	0	0
Transfer to Earmarked Reserve	0	100	+100		0	0
Regulatory Environmental Health Apprentice	18	0	(18)	Due to staffing pressures in the first half of the year, the recruitment to the four-year Environmental Health Apprenticeship post will now take place in 2026/27, in time to start the dedicated course from September 2026. It is therefore requested that the remaining unspent budget is carried forward.	18	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2026/27 £k
Resources Directorate Staffing Costs	2,916	2,839	(77)	Forecast variance relates primarily to the Revenues and Benefits service, where vacancies held and flexible working requests have reduced staffing expenditure. The carry forward amount requested relates to the £37k budget carried forward at Outturn 2024/25 for additional one-off temporary staffing resource to help ensure payments were correctly allocated to support recovery of debts and create capacity for further process improvements from the new finance system. The temporary Officer has been recruited on a part-time basis for a period of 18 months, so it is requested that the unspent amount of the carry forward budget is carried forward again to cover those salary costs falling in the next financial year.	17	0
Resources Court Summons Fees Income	(85)	(145)	(60)	The working budget for summons fees income was reduced at Quarter One, with income recovery in the first half of the year affected by the transition to the new finance system. A court hearing that took place in September subsequently resulted in summons fee income raised of £110k. With another court hearing scheduled in January, it is anticipated that the working budget will be overachieved, with the forecast outturn of £145k representing a shortfall of £33k on the original budget estimate.	0	0
Total of explained variances	8,196	7,354	(842)		407	122
Other minor balances	16,300	16,296	(4)		1	25
Overall Total	24,496	23,650	(846)		408	147

- 8.2. Cabinet are asked to approve the differences highlighted in the table above (a £846k decrease in spend), as an adjustment to the working budget (recommendation 2.2). Cabinet are also asked to note the estimated impact on the 2026/27 budget, a £555k increase in budget, which includes the request to carry forward £408k of unspent budget for specific purposes next year, which will be incorporated in to the 2026/27 budget setting process (recommendation 2.3).
- 8.3. The original approved budget for 2025/26 (and therefore working budget) included efficiencies totalling £1.341million, which were agreed by Council in February 2025. Any under or over delivery of efficiencies will be picked up by any budget variances (table 3 above). However, there can be off-setting variances which mean that it is unclear whether the efficiency has been delivered. Where this is the case, this will be highlighted. The forecast at the end of Quarter One was a net overachievement of £59k and this remains unchanged at the end of Quarter Two.






- 8.4. The working budget for 2025/26 includes budgets totalling £1.682million that were carried forward from the previous year. These are generally carried forward so that they can be spent for a particular purpose that had been due to happen in 2024/25 but was delayed into 2025/26. At Quarter One, it was forecast that £199k of the budget carried forward will not be spent in this year. At the end of Quarter Two it is forecast that £526k of the budget carried forward will not be spent. The increase of £327k, all of which is requested to be carried forward again into 2026/27, relates to:
- Leisure consultancy. £25k is forecast not to be spent in this year, as highlighted in table three above.
 - Electric vehicle charging points. The £60k carry forward budget will not be spent in this year, as explained in table three above.
 - Supplementary Planning documents. £83k of the £135k budget carried forward is forecast to be unspent at the end of the year, as highlighted in table three above.
 - Local Plan review. £54k of the £186k carried forward is forecast not to be spent in this year, as highlighted in table three above.
 - Town centres strategy. £70k of the £119k carry forward budget will not be spent in this year, as explained in table three above.
 - Environmental Health four-year apprenticeship. The remaining £18k (£82k requested to be carried forward at Quarter One) of the £100k budget carried forward is forecast to be unspent this year, as noted in table three above.
 - Resources staffing. £17k of the £37k carry forward budget is forecast to be unspent at the end of this year, as explained in table three above.
- 8.5. Six corporate 'financial health' indicators have been identified in relation to key sources of income for the Council in 2025/26. Table 4 below shows the performance for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber, or green. A green indicator means that they are forecast to match or exceed the budgeted level of income. An amber indicator means that there is a risk that they will not meet the budgeted level of income. A red indicator means that they will not meet the budgeted level of income.
- 8.6. At the end of Quarter One, four of the indicators were green, one was amber and one of the indicators was red. These indicators are unchanged at the end of Quarter Two. The high actual to date total relative to the annual budget for Planning Fees is due to the reversal in the current year of the accounting adjustment posted at the end of the prior financial year to ensure the income total recorded for 2024/25 only related to activity in 2024/25 (i.e. planning applications resolved between 1st April 2024 and 31st March 2025), and therefore is not necessarily indicative of the achievement of surplus income in this financial year.

Table 4 - Corporate financial health indicators

Indicator	Status	Original Budget £k	Actual to Date £k	Projected Outturn £k	Variance £k
Leisure Centres Management Fee Income	Red	(714)	(169)	(220)	+494
Garden Waste Collection Service Subscriptions	Green	(1,622)	(1,635)	(1,622)	0
Commercial Refuse & Recycling Service Income	Green	(1,267)	(709)	(1,267)	0
Planning Application Fees (including fees for pre-application advice)	Green	(1,188)	(1,570)	(1,188)	0
Car Parking Fees	Amber	(1,978)	(1,086)	(1,926)	+52
Parking Penalty Charge Notices (PCNs)	Green	(573)	(279)	(573)	0

- 8.7. Table 5 below indicates current activity levels, where these drive financial performance, and how these compare to the prior year to indicate the direction of current trends. As performance against the planning applications fee income budget is generally determined by the number of large applications resolved in the year (rather than the total number of applications received), and this distinction is not captured in the data available, this indicator is omitted from table 5.

Table 5 - Corporate financial health indicators – activity drivers

Indicator	Activity Measure	Performance to end of Q2 2025/26	Performance to end of Q2 2024/25	Percentage Movement	Direction of Trend
Leisure Centres Management Fee	Number of Leisure Centre visits in quarter	906,535	860,742	+5.3%	
Garden Waste Collection Service	Number of bin subscriptions at end of quarter	31,594	33,602	-6.0%	
Commercial Refuse & Recycling Service	Number of customers at end of quarter	938	976	-3.9%	
Car Parking Fees	Car park tickets sold / average ticket price sold during quarter	614,377 / £1.71	578,764 / £1.77	+6.2% / -3.4%	
Parking Penalty Charge Notices	Number of PCNs issued during quarter	10,254	7,864	+30.4%	

FUNDING, RISK AND GENERAL FUND BALANCE

- 8.8. The Council's revenue budget is funded primarily from Council Tax and Retained Business Rates income. In November 2024, central government guaranteed an amount of Extended Producer Responsibility (EPR) funding in 2025/26. The Council was subsequently notified by Central Government in February 2025 of the amount of New Homes Bonus, Employer National Insurance Contributions Grant and Funding Guarantee Grant it could expect to receive in 2025/26 and planned accordingly.

- 8.9. Council Tax and Business Rates are accounted for in the Collection Fund rather than directly in our accounts, as we also collect them on behalf of other bodies. Each organisation has a share of the balance on the Collection Fund account. The Council must repay in this year its share of the Council Tax deficit for the prior year and will receive in this year its share of the Business Rates Collection Fund surplus for the prior year, as estimated in January 2025. As reported previously, this means a contribution from the Council Tax Collection Fund to the General Fund of £144k and a contribution to the General Fund of £98k from the Business Rates Collection Fund. While the transfer of the Council Tax surplus amount of £144k is included in the funding total in table 7 below, the business rates surplus will be transferred to reserve and used to mitigate the impact of deficits recorded, and/or changes to the rates retention scheme, in future years. It is also reviewed as part of the Medium-Term Financial Strategy (MTFS) and budget process to assess whether it can be used to support the General Fund budget.
- 8.10. At Quarter Two an overall surplus position of around £250k on the Council Tax Collection Fund is projected at the end of this financial year, which includes the £12k deterioration in the position for the prior year, compared to the January 2025 estimate, during the final quarter of 2024/25. The current forecast will be updated again in January with information available as at the end of December and this will inform the total Council Tax funding amount available for 2026/27.
- 8.11. The forecast at Quarter Two for the Council's share of the Business Rates Collection Fund at the end of this year is an overall surplus position of around £2.9m. The size of the surplus is primarily due to the £2.3million increase in surplus between the January 2025 estimate and the final position recorded for 2024/25, which followed the release of provisions at the end of the financial year for the estimated cost of Business Rate appeals as detailed and explained in the Revenue Budget Outturn 2024/25 report. The impact on resources of the surplus position was considered in the latest MTFS (2026-2030) approved by Council in December 2025.
- 8.12. The Council is also subject to a business rates levy from Central Government where it collects more in business rates than the baseline determined by Central Government. The current forecast for 2025/26 is a business rates levy liability of around £1.2million at the end of the financial year. The final amount payable will however depend on the actual level of business rates income collected during the year. In any case, the business rates levy payable will be funded from the grant held in reserve and as such will have a net zero impact on the General Fund balance at the end of the year.
- 8.13. The Council receives compensation in the form of a grant from Central Government for business rate reliefs introduced, which goes into our funds rather than the Collection Fund. The final amount of grant the Council can retain depends on the actual level of reliefs applied during the year. The Council currently expects to receive a total grant allocation of £4.445m for reliefs in 2025/26, which includes an amount of £620k received as compensation for the Government's previous decisions to cap the increases in the business rates multiplier. The multiplier compensation is included in the funding total in table 7 below. The rest of the grant received is held in reserve. Some of the amount held in reserve will be used to fund the business rates levy payable for this year, while a further £1.3million will be used to top up the business rates income charged to the General Fund in 2025/26 to the baseline funding amount anticipated when the budget was set. In addition, as shown in table 7 below, there will be the planned release of £2.861million from the reserve to the General Fund in 2024/25 to bridge the funding gap anticipated when the budget was set.

- 8.14. Table 7 below summarises the impact on the General Fund balance of the position at Quarter Two detailed in this report.

Table 7 – General Fund impact

	Working Budget	Projected Outturn	Difference
	£k	£k	£k
Brought Forward balance (1st April 2024)	(16,067)	(16,067)	-
Net Expenditure	24,496	23,650	(846)
Funding (Council Tax, Business Rates, EPR, NHB, ENIC, Funding Guarantee)	(20,365)	(20,365)	0
Funding from Reserves (including Business Rate Relief Grant)	(2,861)	(2,861)	0
Carried Forward balance (31st March 2025)	(14,797)	(15,643)	(846)

- 8.15. The minimum level of General Fund balance is determined based on known and unknown risks. Known risks are those things that we think could happen and we can forecast both a potential cost if they happen, and percentage likelihood. The notional amount is based on multiplying the cost by the potential likelihood. The notional amount for unknown risks is based on 5% of net expenditure. There is not an actual budget set aside for either of these risk types so, when they occur, they are reflected as budget variances (see table 3). We monitor the level of known risks that actually happen, as it highlights whether there might be further variances. This would be likely if a number of risks come to fruition during the early part of the year. We also use this monitoring to inform the assessment of risks in future years. The notional amount calculated at the start of the year for known risks was £1,077k, and at the end of the second quarter a total of £1,365k has come to fruition. The identified risks realised in the second quarter relate to:

- Costs associated with a challenge to a decision of the Council. Consultants' fees incurred from a public inquiry held following an appeal against a Planning Committee decision, as highlighted in table 3 above - £47k.
- Failure to meet projected Careline sales income as a result of the loss of a corporate client, included within the 'other minor variances' total in table 3 above - £20k.

Table 8 – Known financial risks

	£'000
Original allowance for known financial risks	1,077
Known financial risks realised in Quarter 1	(1,298)
Known financial risks realised in Quarter 2	(67)
Remaining allowance for known financial risks	(288)

9. LEGAL IMPLICATIONS

- 9.1. The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. Specifically, 5.7.8 of Cabinet's terms of reference state that it has remit "*to monitor quarterly revenue expenditure and agree adjustments within the overall budgetary framework*". By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget and to maintain a prudent balance of reserves.

- 9.2. The recommendations contained within this report are to comply with the council's financial regulations with attention drawn to significant budget variances as part of good financial planning to ensure the council remains financially viable over the current fiscal year and into the future. Local authorities are required by law to set a balanced budget for each financial year. During the year, there is an ongoing responsibility to monitor spending and ensure the finances continue to be sound. This means there must be frequent reviews of spending and obligation trends so that timely intervention can be made ensuring the annual budgeting targets are met.

10. FINANCIAL IMPLICATIONS

- 10.1. Members have been advised of any variations from the budgets in the body of this report and of any action taken by officers.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2. As outlined in the body of the report. The process of quarterly monitoring to Cabinet is a control mechanism to help to mitigate the risk of unplanned overspending of the overall Council budget.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. For any individual new revenue investment proposal of £50k or more, or affecting more than two wards, a brief equality analysis is required to be carried out to demonstrate that the authority has taken full account of any negative, or positive, equalities implications; this will take place following agreement of the investment.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and "go local" policy do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. Although there are no direct human resource implications at this stage, care is taken to ensure that where efficiency proposals or service reviews may affect staff, appropriate communication and consultation is provided in line with HR policy.

16. APPENDICES

- 16.1. None.

17. CONTACT OFFICERS

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17.2. Ian Couper, Director – Resources
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18. BACKGROUND PAPERS

18.1. None.

CABINET
20 January 2026

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: SECOND QUARTER TREASURY MANAGEMENT REVIEW 2025/26

REPORT OF: DIRECTOR - RESOURCES

EXECUTIVE MEMBER: RESOURCES

COUNCIL PRIORITY: SUSTAINABILITY

1 EXECUTIVE SUMMARY

- 1.1 To update Cabinet on progress with delivering the treasury strategy for 2025/26, as at the end of September 2025.
- 1.2 To inform Cabinet of the Treasury Management activities in the first six months of 2025/26. The current forecast is that the amount of investment interest expected to be generated during the year is £1.980M. This is an increase of £0.155M on the estimate reported in the 1st quarter report.

2 RECOMMENDATIONS

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

3. REASONS FOR RECOMMENDATIONS

- 3.1 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.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The primary principles governing the Council's investment criteria are the security of its investments (ensuring that it gets the capital invested back) and liquidity of investments (being able to get the funds back when needed). After this the return (or yield) is then considered, which provides an income source for the Council. In relation to this the Council could take a different view on its appetite for risk, which would be reflected in the Investment Strategy. In general, greater returns can be achieved by taking on greater risk. Once the Strategy has been set for the year, there is limited scope for alternative options as Officers will seek the best return that is in accordance with the Investment Strategy

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 There are regular updates and meetings with Treasury advisors (MUFG, previously known as Link).

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 21st November 2025.

7. BACKGROUND

- 7.1 In February 2025, Council approved a Revenue Budget and Investment Strategy for 2025/26 to 2034/35. The reports for Capital and Treasury have been split for the quarterly monitoring updates.

- 7.2 MUFG are contracted to provide Treasury advice. The service includes:
- Regular updates on economic and political changes which may impact on the Council's borrowing and investment strategies
 - Information on investment counterparty creditworthiness
 - Technical updates
 - Access to a Technical Advisory Group.

8. RELEVANT CONSIDERATIONS

- 8.1 The Council has £122.0M of capital assets that it currently owns. The Investment Strategy set out the reasons for owning assets that are not for service delivery, including an assessment of Security, Liquidity, Yield and Fair Value. There have been no significant changes in relation to these since the last quarter.

- 8.2 The Council invests its surplus cash in accordance with the Investment Strategy (see paragraph 4.1). This surplus cash is made up of capital funding balances, general fund balance, other revenue reserves and provision balances and variations in cash due to the timing of receipts and payments. During the first six months of 2025/26, the Council had an average investment balance of £52.7M and invested this in accordance with the treasury and prudential indicators as set out in the Integrated Capital and Treasury Management Strategy. However, during the period ended 30 September 2025 there was an over investment with one counterparty. £4M was invested with Blackpool Council against a limit of £3M. This over-investment was for the period from 22/08/25 to 15/12/25. This was due to a mistake in recording and checking against previous deals that had already been made. This process can be difficult as there are more instances of other Councils looking for forward dated deals. A further checking process (with another Officer involved) has been put in place to help ensure this does not happen again.

8.3 The Council has generated £1.605M of interest in 2025/26 from investments already made during the first six months of the year (and accrued interest from deals made in 2024/25). This includes the interest that will be earned during the remaining six months of the year on investments that have already been made. The average interest rate on all outstanding investments at the 30th September was 4.25%. (30th June was 4.51%). Based on current investments and forecasts of interest rates and cash balances for the remainder of the year, it is forecast that the Council will generate £1.980M of interest over the whole of 2025/26.

8.4 As at 30th September 2025, the split of investments was as shown in the table below.

Banks	13%
Building Societies	4%
Government	17%
Local Authorities	66%

8.5 The level of risk of any investment will be affected by the riskiness of the institution where it is invested and the period that it is invested for. Where an institution has a credit rating this can be used to measure its riskiness. This can be combined with the period remaining on the investment to give a historic risk of default percentage measure. The table below shows the Historic Risk of Default for outstanding investments at 30th September 2025. The most risky investment has a historic risk of default of 0.022%. It should also be noted that in general the interest rate received is correlated to the risk, so the interest income received would be less if the Council took on less risk.

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 30 Sept	Historic Risk of Default %
Lloyds Bank	2.0	3.77	AA-	1	0.000
DMO	2.0	4.13	AA-	1	0.000
DMO	1.0	4.11	AA-	1	0.000
DMO	1.0	3.95	AA-	2	0.000
DMO	2.0	4.055	AA-	16	0.001
Medway Council	2.0	4.1	AA-	20	0.001
DMO	1.0	3.965	AA-	23	0.001
DMO	1.0	3.97	AA-	30	0.002
Nat West	2.0	4.22	AA-	32	0.004
Australia & New Zealand Bank	2.0	4.29	AA-	45	0.003
Perth & Kinross Council	2.0	4.05	AA-	45	0.003
Perth & Kinross Council	1.0	4.00	AA-	48	0.003
Eastbourne Borough Council	2.0	4.25	AA-	55	0.003
Blackpool Council	1.0	4.3	AA-	57	0.003
Uttlesford District Council	2.0	4.25	AA-	58	0.004
West Berkshire District Council	2.0	4.28	AA-	62	0.004
Aberdeen City Council	1.0	5.5	AA-	71	0.004
Skipton Bldg Soc	1.0	4.11	A-	76	0.010
Blackpool Council	1.0	4.2	AA-	76	0.005
Suffolk County Council	2.0	4.0	AA-	80	0.005

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 30 Sept	Historic Risk of Default %
Skipton Bldg Soc	1.0	4.09	A-	91	0.012
Nat West	1.0	4.15	AA-	94	0.012
LB of Barking & Dagenham	2.0	4.05	AA-	106	0.006
Blackpool Council	2.0	4.2	AA-	111	0.007
Lancashire County Council	1.0	4.3	AA-	139	0.008
Cheshire East Council	2.0	4.2	AA-	196	0.012
Lancashire County Council	1.0	4.3	AA-	196	0.012
Australia & New Zealand Bank	1.0	4.19	AA-	212	0.013
Leeds City Council	2.0	4.22	AA-	226	0.014
Cheshire East Council	1.0	4.1	AA-	261	0.016
Walsall Council	2.0	4.25	AA-	357	0.022
	47.0	4.25			

DMO credit rating is the UK credit rating.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget. The Chartered Institute of Public Finance and Accountancy's (CIPFA's) 'Code of Practice on Treasury Management 2021' requires that committee to which some treasury management responsibilities are delegated, will receive regular monitoring reports on treasury management activities and risks. This report discharges the Councils statutory and regulatory responsibilities for both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003

10. FINANCIAL IMPLICATIONS

- 10.1 The main financial implications are covered in section 8 of the report.

11. RISK IMPLICATIONS

- 11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 Risks associated with treasury management and procedures to minimise risk are outlined in the Treasury Management Practices document, TMP1, which is revisited annually as part of the Treasury Strategy review. The risk on the General Fund of a fall

of investment interest below the budgeted level is dependent on banks and building societies need for borrowing.

12. EQUALITIES IMPLICATIONS

12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2 There are no direct equalities implications directly arising from this report.

13. SOCIAL VALUE IMPLICATIONS

13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

14.1. There are no known Environmental impacts or requirements that apply to recommendations of this report.

15. HUMAN RESOURCE IMPLICATIONS

15.1 There are no direct human resource implications.

16. APPENDICES

16.1 Appendix A, Treasury Management Update.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1 Investment Strategy (Integrated Capital and Treasury Strategy)

<https://srvmodgov01.north-herts.gov.uk/documents/s24164/INVESTMENT%20STRATEGY%20INTEGRATED%20CAPITAL%20AND%20TREASURY.pdf>
<https://srvmodgov01.north-herts.gov.uk/documents/s24165/FAR%20Appendix%20A-%20Integrated%20Capital%20and%20Treasury%20Strategy.docx.pdf>

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Classification: Confidential

2nd Quarter Treasury Management Review

Mid-Year Review Report 2025/26

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1 Background

1.1 Treasury Management

The Authority operates a balanced revenue budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning to ensure the Authority can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Authority risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.2 CIPFA Consultation on Treasury Management and Prudential Codes of Practice

The Chartered Institute of Public Finance and Accountancy is currently consulting local authorities in respect of potential changes to the Codes. At this juncture, the focus seems to primarily be on the Non-Treasury investment aspects of local authority activity. Officers will provide an update on any material developments/changes in due course.

2 Introduction

This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021).

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Authority's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Authority will seek to achieve those policies and objectives.
3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year. (Quarterly reports are also required for the periods ending April to June and October to December but may be assigned to a designated committee or panel as deemed appropriate to meet the Treasury Management governance and scrutiny aspects of the Authority.)
4. Delegation by the Authority of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Authority of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Authority, the delegated body is Finance, Audit and Risk Committee.

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first half of the 2025/26 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Authority's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Authority's investment portfolio for 2025/26;
- A review of the Authority's borrowing strategy for 2025/26;
- A review of any debt rescheduling undertaken during 2025/26;
- A review of compliance with Treasury and Prudential Limits for 2025/26.

3 Economics and Interest Rates

3.1 Economics Update

- The first half of 2025/26 saw:
 - A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth.
 - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.8% in July.
 - CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.6%.
 - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August.
 - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70%.
- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q. Nonetheless, the 0.0% m/m change in real GDP in July will have caused some concern, with the hikes in taxes for businesses that took place in April this year undoubtedly playing a part in restraining growth. The weak overseas environment is also likely to have contributed to the 1.3% m/m fall in manufacturing output in July. That was the second large fall in three months and left the 3m/3m rate at a 20-month low of -1.1%. The 0.1% m/m rise in services output kept its 3m/3m rate at 0.4%, supported by stronger output in the health and arts/entertainment sectors. Looking ahead, ongoing speculation about further tax rises in the Autumn Budget on 26 November will remain a drag on GDP growth for a while yet. GDP growth for 2025 is forecast by Capital Economics to be 1.3%.
- Sticking with future economic sentiment, the composite Purchasing Manager Index for the UK fell from 53.5 in August to 51.0 in September. The decline was mostly driven by a fall in the services PMI, which declined from 54.2 to 51.9. The manufacturing PMI output balance also fell, from 49.3 to 45.4. That was due to both weak overseas demand (the new exports orders balance fell for the fourth month in a row) and the cyber-attack-induced shutdown at Jaguar Land Rover since 1 September reducing car production across the automotive supply chain. The PMIs suggest tepid growth is the best that can be expected when the Q3 GDP numbers are released.
- Turning to retail sales, and the 0.5% m/m rise in volumes in August was the third such rise in a row and was driven by gains in all the major categories except fuel sales, which fell by 2.0% m/m. Sales may have been supported by the warmer-than-usual weather. If sales were just flat in September, then in Q3 sales volumes would be up 0.7% q/q compared to the 0.2% q/q gain in Q2.
- With the November Budget edging nearer, the public finances position looks weak. Public net sector borrowing of £18.0bn in August means that after five months of the financial year, borrowing is already £11.4bn higher than the OBR forecast at the Spring Statement in March. The overshoot in the Chancellor's chosen fiscal mandate of the current budget is even greater with a cumulative deficit of £15.3bn. All this was due to both current receipts in August being lower than the OBR forecast (by £1.8bn) and current expenditure being higher (by £1.0bn). Over the first five months of the financial year, current receipts have fallen short by a total of £6.1bn (partly due to lower-than-expected self-assessment income tax) and current expenditure has overshot by a total of £3.7bn (partly due to social benefits and departmental spending). Furthermore, what very much matters now is the OBR forecasts and their impact on the current budget in 2029/30, which is when the Chancellor's fiscal mandate bites. As a general guide, Capital Economics forecasts a deficit of about £18bn, meaning the Chancellor will have to raise £28bn, mostly through higher taxes, if she wants to keep her buffer against her rule of £10bn.

- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nine of the ten months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October Budget. The number of job vacancies in the three months to August stood at 728,000. Vacancies have now fallen by approximately 47% since its peak in April 2022. All this suggests the labour market continues to loosen, albeit at a declining pace.
- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.8% in July. The rate for the private sector slipped from 5.5% to 4.7%, putting it on track to be in line with the Bank of England's Q3 forecast (4.6% for September).
- CPI inflation fell slightly from 3.5% in April to 3.4% in May, and services inflation dropped from 5.4% to 4.7%, whilst core inflation also softened from 3.8% to 3.5%. More recently, though, inflation pressures have resurfaced, although the recent upward march in CPI inflation did pause for breath in August, with CPI inflation staying at 3.8%. Core inflation eased once more too, from 3.8% to 3.6%, and services inflation dipped from 5.0% to 4.7%. So, we finish the half year in a similar position to where we started, although with food inflation rising to an 18-month high of 5.1% and households' expectations for inflation standing at a six year high, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.
- An ever-present issue throughout the past six months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended Q2 at 4.50%.
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England have kept yields elevated over 4.70%.
- The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 closed Q2 at 8,761, around 2% higher than its value at the end of Q1 and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed Q3 at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors' global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings.

MPC meetings: 8 May, 19 June, 7 August, 18 September 2025

- There were four Monetary Policy Committee (MPC) meetings in the first half of the financial year. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.
- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC will be wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- The Bank of England does not anticipate CPI getting to 2% until early 2027, and with wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction).
- The Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggests the Bank still thinks interest rates will fall further but possibly not until February, which aligns with both our own view and that of the prevailing market sentiment.

3.2 Interest Rate Forecasts

The Authority has appointed MUFG Corporate Markets as its treasury advisors and part of their service is to assist the Authority to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20bps) which has been accessible to most authorities since 1 November 2012.

MUFG Corporate Markets' latest forecast on 11 August sets out a view that short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance.

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00

4 Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement, (TMSS), for 2025/26 was approved by this Authority on 27/02/2025

- There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

5 The Authority's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Authority's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

5.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the current spend as at 30 September.

Capital Expenditure by Service	2025/26 Working Estimate £'000	Current Position £'000	2025/26 Revised Estimate £'000
Asset Management	1,591	42	1,291
CCTV	45	0	40
Community Services	5	0	5
Computer Software and Equipment	1,651	808	1,615
Corporate Items	91	8	91
Growth Fund Projects	713	0	713
Leisure Facilities	12,847	1,948	13,291
Museum & Arts	2,258	1,100	1,658
Parking	976	-127	325
Renovation & Reinstatement Grant Expenditure	546	4	345
S106 projects	332	161	332
Waste	6,660	4,028	6,710
Total capital expenditure	27,624	7,972	26,416

5.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Authority by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2025/26 Original Estimate £m	Current Position £m	2025/26 Revised Estimate £m
Total capital expenditure	27,624	7,972	26,416
Financed by:			
Capital receipts and Set Aside Receipts	1,236	-245	1,273
Other third party grants and contributions	2,702	2,007	2,793
S106	360	161	360
Revenue	3,230	2,980	3,230
Total financing	7,528	4,903	7,656
Borrowing requirement	20,069	3,069	18,760

5.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

Prudential Indicator – the Operational Boundary for external debt

	2025/26 Original Estimate £m	Current Position £m	2025/26 Revised Estimate £m
Prudential Indicator – Capital Financing Requirement			
Total CFR	20.585	2.002	18.705
Prudential Indicator – the Operational Boundary for external debt			
Internal Borrowing	20.586	2.594	18.824
Other long-term liabilities	0.100	0.100	0.100
Total External Debt (year end position)	6.289	0.305	6.289

5.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. **Gross external borrowing** should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Authority has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

A further prudential indicator controls the overall level of borrowing. This is **the Authorised Limit** which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003 (England & Wales).

Limits for external debt	2025/26 Original Indicator £m	Current Position	2025/26 Revised Indicator £m
Authorised Limit	13.0	0.315	13.0
Operational Boundry	8.0	0.315	8.0

6 Borrowing

The Authority's revised capital financing requirement (CFR) for 2025/26 is £18.231M. The CFR denotes the Authority's underlying need to borrow for capital purposes. If the CFR is positive the Authority may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The table under paragraph 5.4 above shows the Authority has borrowings of £0.315m and has utilised £9.665m of cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring if gilt yields remain elevated, particularly at the longer-end of the yield curve (25 to 50 years).

No borrowing was undertaken during the quarter ended 30 September 2025 and it is anticipated that further external borrowing will not be undertaken during this financial year. If the Capital Programme is fully spent in 25/26 then internal borrowing will be required.

7 Debt Rescheduling

No debt rescheduling was undertaken during the quarter.

8 Compliance with Treasury and Prudential Limits

It is a statutory duty for the Authority to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2025, the Authority has operated within the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2025/26. The Director of Resources reports that no difficulties are envisaged for the current or future years in complying with these indicators.

However, during the period ended 30 September 2025 there was an over investment with one counterparty. £4M was invested with Blackpool Council against a limit of £3M. This over-investment was for the period from 22/08/25 to 15/12/25. This was due to a mistake in recording and checking against previous deals that had already been made. This process can be difficult as there are more instances of other Councils looking for forward dated deals. A further checking process (with another Officer involved) has been put in place to help ensure this does not happen again.

9 Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2025/26, which includes the Annual Investment Strategy, was approved by the Authority on 27/02/2025. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Authority's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Authority's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months.

Creditworthiness

The UK's sovereign rating has proven robust through the first half of 2025/26. The Government is expected to outline in detail its future fiscal proposals in the Budget scheduled for 26 November 2025.

Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

CDS prices

It is noted that sentiment in the current economic climate can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

Investment balances

The average level of funds available for investment purposes during the first half of the financial year was **£52.7m**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

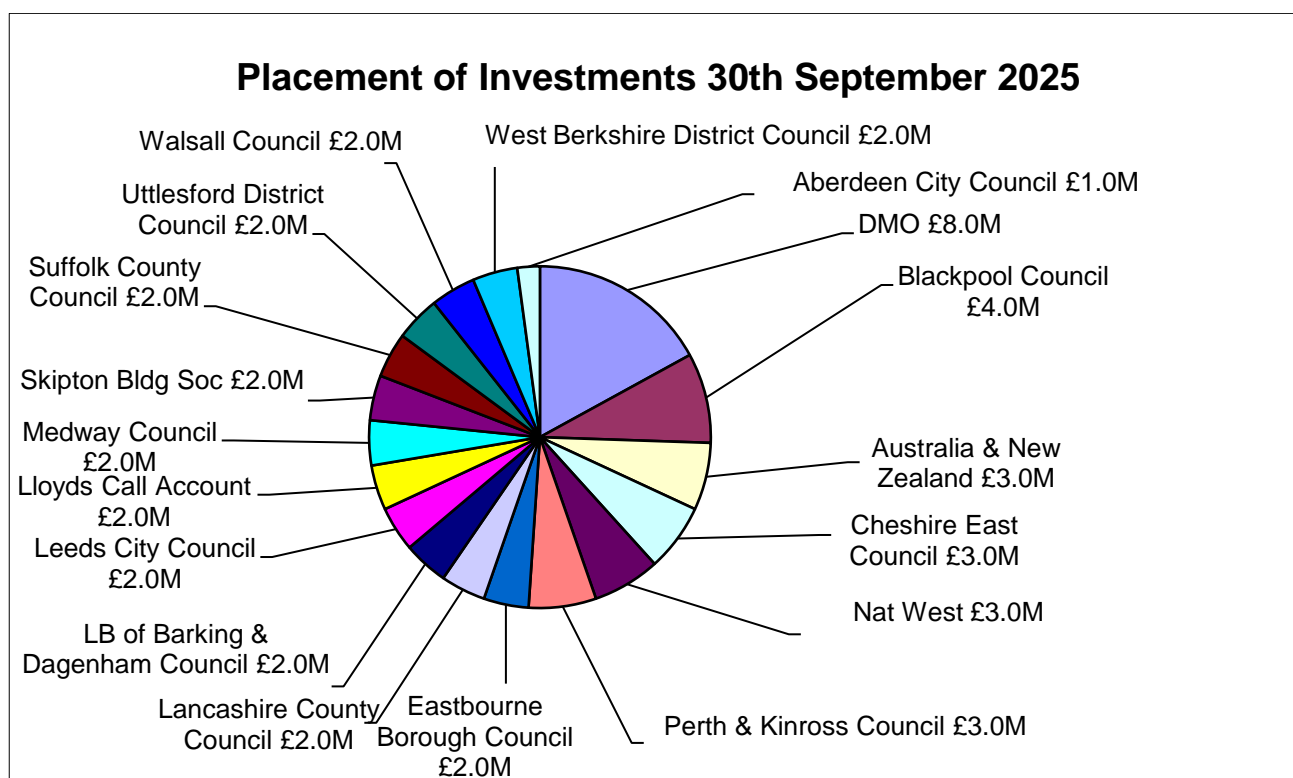
	Amount 30/09/25	Average
	£	Interest Rate %
Managed By NHC		
Banks	8,000,000	4.21
Building Societies	2,000,000	4.10
Local Authorities	29,000,000	4.28
Government	8,000,000	4.07
Total	47,000,000	4.25

In percentage terms, this equates to:

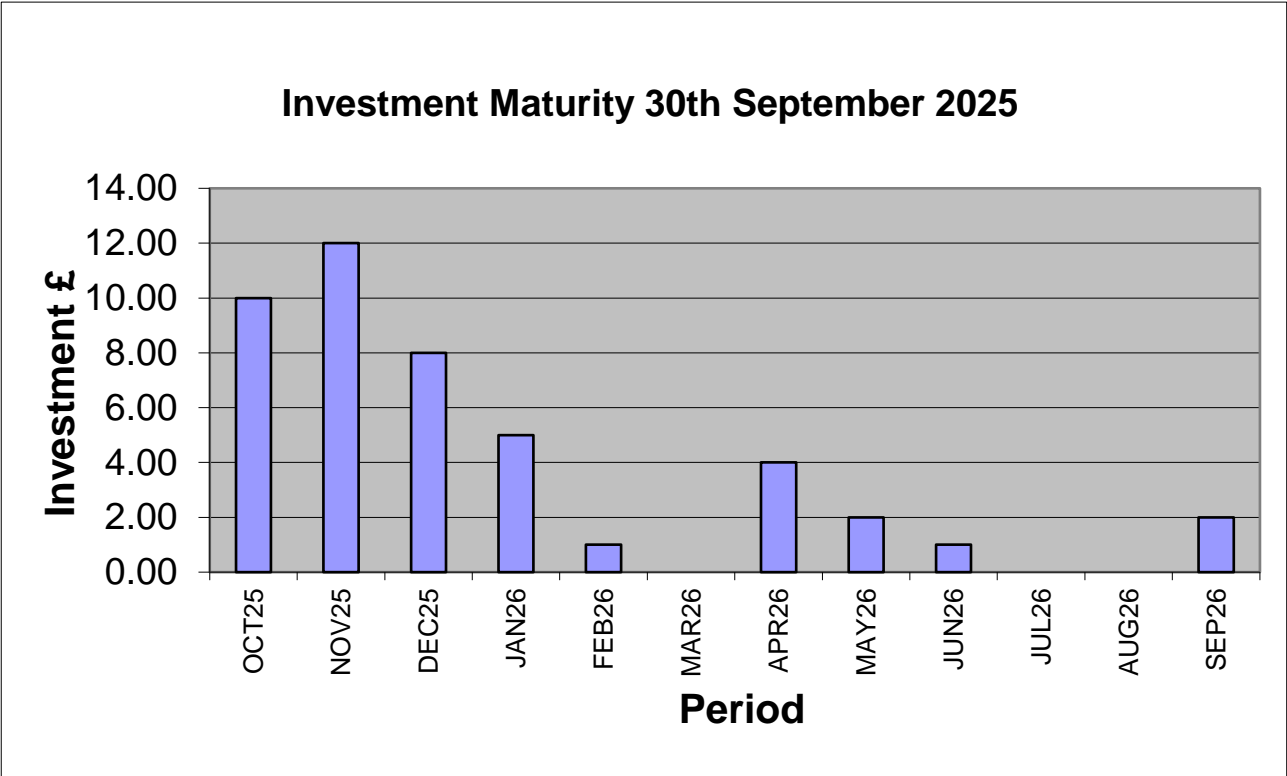
	Percentage
Government	17
Banks	17
Local Authorities	62
Building Societies	4

The approved 25/26 strategy is that no more than 50% of investments should be placed with Building Societies and Property Funds with a maximum value of £11M. The value at 30 September was 4%.

The pie chart below shows the spread of investment balances as at 30 September 2025. This is a snapshot in time that demonstrates the diversification of investments.

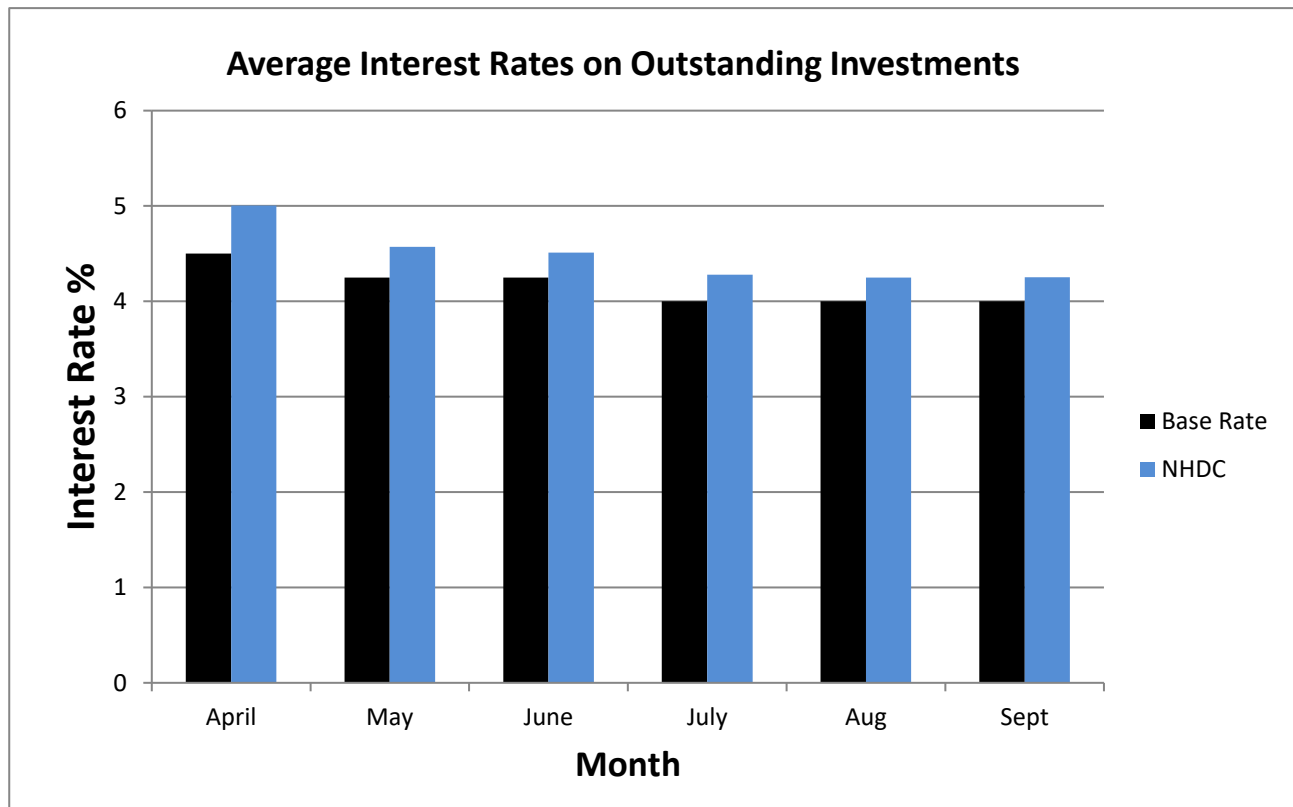


The chart below shows the Council's investment maturity profile.



At the 30 September there was also £2M placed on Lloyds Call account.

The graph below shows the average rate of interest on outstanding investments at 30 September.



Approved limits

Officers can confirm that there was an over investment with one counterparty (Blackpool Council £4M invested with them with a limit of £3M) during the period ended 30 September 2025. Procedures have been put in place to ensure this does not happen again.

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CABINET

20 JANUARY 2026

*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: REVENUE AND CAPITAL BUDGETS FOR 2026/27 ONWARDS

REPORT OF: *SERVICE DIRECTOR: RESOURCES*

EXECUTIVE MEMBER: *RESOURCES*

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

Government have committed to a new funding formula (known as Far Funding 2) and providing a 3-year funding settlement to Councils. When Council considered the Medium-Term Financial Strategy in December, a verbal update was provided on the expected funding position following a policy statement from Government in November. On 17 December 2025 the provisional Local Government settlement was released by Government. This provides much greater certainty over our funding for the next 3 years.

The budget workshops at the start of November considered:

- resident feedback from the budget consultation that we carried over the summer,
- budget proposals for 2026/27 onwards,
- setting our budget priorities, and how we would make substantial savings if they were needed to balance our budget.

This report updates on changes to our spend and funding forecasts since the Medium-Term Financial Strategy, and seeks approval from Cabinet on the revenue and capital proposals that should be incorporated into the final budget report in February. It also seeks approval for the level of Council Tax increase to be assumed in that report.

2. RECOMMENDATIONS

- 2.1. That Cabinet notes the Council's expected funding for 2026/27.
- 2.2. 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.
- 2.3. That Cabinet agree which proposals (revenue and capital) should be taken forward as part of the budget-setting process for 2026/27

3. REASONS FOR RECOMMENDATIONS

- 3.1 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.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Medium-Term Financial Strategy (2026-30) set out a range of options that were dependent on the Council's ongoing funding position following the provisional funding settlement.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Councillors were given an opportunity to comment on specific and general budget proposals at the budget workshops. However, it was agreed that (to facilitate open discussion) any comments would not be fed back to Cabinet.
- 5.2. This report is the first draft of the budget and a further report to Cabinet will follow in February. Both reports will also be considered by the Finance, Audit and Risk (FAR) Committee. The final budget reports will be approved by Council.
- 5.3. Residents were consulted over the summer on our general approach to budget setting and priorities. See paragraph 8.1.
- 5.4. Business Ratepayers will be consulted on the proposals within the February report. This is the only statutory consultation that is required. This consultation will be via the website/ e-mail.
- 5.5. If any saving proposal is anticipated to have a particular impact on a specific area (or areas) then it can be considered by the relevant Community Forum(s). Any comments could be referred to Cabinet when they are considering the budget to be referred on to Full Council.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1. The Medium-Term Financial Strategy (MTFS), which provides the financial background for the Corporate Business Planning Process, was approved by Full Council in November following recommendation by Cabinet. The budget estimates within the MTFS included several assumptions. These will be updated as better information becomes available and further updates will be made prior to the presentation of the budget to Cabinet in February. The final budget recommended to Council in February will still contain some assumptions, hence monitoring reports are provided to Cabinet on a quarterly basis.

- 7.2. The MTFS did not set a savings target due to the uncertainty over future funding. However, the broad strategy was that no significant savings would be delivered during 2026/27, and (to the extent necessary) reserves would be used to balance the budget. There would need to be a plan to deliver a balanced budget in the medium-term, although not all savings would need to have been delivered before April 2028 (current timetable for vesting to new Unitary Council arrangements).

8. RELEVANT CONSIDERATIONS

Resident Budget Survey

- 8.1 The Council ran a budget survey over the summer (6 June to 1 August) which had the following aims:
- To find out more about which services residents value the most.
 - To gauge resident views on increasing fees and charges, implementing new fees and charges and reducing services in the future.
 - To use the findings to inform our approach to meeting our savings targets and achieving a balanced budget.
- 8.2 Appendix A details the questions that were asked and the responses to those questions. The services included were just those that were a net cost to the Council.
- 8.3 The responses show a correlation between awareness/ use of our services with the importance that is attached to them. There is also some correlation between cost and the importance that is attached to services. The exceptions to this were Community Safety and Environmental Crime (high importance compared with budget and familiarity with the service) and North Herts Museum and Hitchin Town Hall (low importance relative to the usage and awareness). The result for the Museum and Town Hall is likely to reflect that it is more accessible to those in and around Hitchin, compared with those in the rest of the district. This was reflected in some of the comments in the final question which asked for any other thoughts.
- 8.4 The preference was to use reserves as the first step towards balancing the Council's budget (35% of responses). As this can only be a short-term solution, the next preferences were for increasing current charges (25%) or introducing new charges (22%). The two least popular options were reducing the frequency of services (15%) and reducing the quality of services (3%).
- 8.5 The final question was for any final thoughts. The areas that received multiple responses (that have not been covered above) were:
- Community Safety and Environmental crime should be a police responsibility.
 - Reduce pay, pension and Councillor allowance costs.
 - Look at differential pricing at peak times (e.g. charge more for parking on Saturdays).
 - Go back to more frequent bin collections.
- 8.6 There were also questions as to what our reserves were for. The Council's General Fund reserves, when they are at the minimum level, are to provide a buffer for unexpected costs and risks. When they are above the minimum level, they give time to react to any longer-term reductions in funding, increases in costs or falls in income (fees and charges). If a medium-term balanced budget can be achieved, then some of the excess reserves could be available for investment in the district.

Government funding announcements

- 8.7 Government published their funding policy statement on 20 November 2025. This included several updates on how Fair Funding 2 would be calculated. This has given enough information for LG Futures, an expert in Local Government funding that we use, to refresh their forecasts. There appeared to be fewer unknowns so the estimates seemed more certain. Those estimates put the Council's funding from Government at around £6-£6.5m, compared to the previous range of £5-7.5m that was included in the MTFS.
- 8.8 On 4 November 2025, the estimated amount of Extended Producer Responsibility (EPR) payments that the Council would receive in 2026/27 was provided. This was £1.787m, which is higher than the 2025/26 amount of £1.435m. In the MTFS the assumption was that the income from EPR would drop by 20% per year to try and reflect the impact of producers reducing the amount and costs of collection and disposal of packaging. It still seems prudent to assume a drop-off in future years, which will be retained at 20%. For 2025/26 the EPR payments were guaranteed, but this is not the case for 2026/27 onwards.
- 8.8 On 17 December, Government released the Local Government provisional settlement. As was promised, this covers the period from 2026/27 through to 2028/29. Although the amounts for 2027/28 and 2028/29 are indicative. The results of this for 2026/27 (compared with 2025/26 and previous forecasts) are:

Funding source (£000)	Comparative Totals 25/26	Provisional Settlement 26/27		Provisional Settlement (Council latest estimates) 26/27	MTFS (Council Estimates) 26/27
Council Tax	13,613	14,122		14,150	14,150
General Funding	6,241	6,728		6,728	5,640 to 6,510
Grants rolled in to CSP*	446	0		0	0
Homelessness, Rough Sleeping and Domestic Abuse Grants	593	871		0	0
Total (CSP)	20,893	21,721		20,878	19,790 to 20,660
Other- Parish support for CTRS	(37)	(37)		(37)	(37)
EPR	1,435	1,787		1,787	1,150
Total (after other items)	22,291	23,471		22,628	20,903 to 21,773
Change	+1,180 (+5.3%)			Compared to highest MTFS estimate +855 (+3.9%)	

Notes:

- (1) General Funding for 2025/26 includes Business Rate growth above baseline, which has not previously been part of our base funding.
- (2) Homelessness, Rough Sleeping and Domestic Abuse grants shown as zero in Council estimates as will be allocated to specific service areas rather than used to fund general spending.

8.9 The funding estimates for 2027/28 and 2028/29 are:

Funding source (£000)	Provisional Settlement (CSP) 27/28	Provisional Settlement (CSP) 28/29		Council estimated funding 27/28	Council estimated funding 28/29
Council Tax	14,650	15,199		14,650	15,160
General Grant	6,689	6,622		6,689	6,682
Total	21,339	21,821		21,339	21,842
Other- Parish support for CTRS				(37)	(37)
EPR				1,429	1,143
Total (after other items)				22,731	22,948

Changes to cost estimates

8.10 On 24 November 2025 the Council received notification of provisional pension contribution rates for the next 3 years (2026/27 to 2028/29). This was from the latest triennial valuation and reflected the strong performance of the pension fund over the last period. The rates that the Council will need to pay have dropped significantly from 19.5% of pay + a lump sum of £1.03m, to 16.9% of pay and no lump sum. This is estimated to be an annual saving of £1.28 million.

8.11 The Quarter 2 budget monitoring report is also being presented to this meeting. That report identifies ongoing additional costs of £147k, which would need to be reflected in budget estimates.

Budget proposals

8.12 There have been some minor changes to the budget proposals that were presented to the budget workshops. The budget workshops were not asked to provide any formal comments on the proposals. The current revenue and capital budget proposals are attached at Appendix A and B.

8.13 The proposal in relation to Local Government Reorganisation (LGR) is for a transfer to a specific reserve. Funds from the reserve will be spent during 2026/27 and 2027/28, but the exact amounts and timings are uncertain. The intention is that would be used for the following:

- A proportionate contribution towards County-wide set-up and transition costs.
- Additional resource so that the Council has capacity to contribute towards workstreams or specific North Herts preparations for LGR.
- HR and training budgets to support staff through change and provide training to help them through the process.

Current summary and Council Tax proposals

- 8.14 The table below details the current forecasts of funding and spend. This incorporates all the information above and the previous MTFS estimates. These amounts will be subject to change as Officers go through the detailed budget work.

£000	2026/27	2027/28	2028/29
Estimated spend from MTFS	23,300	24,110	24,100
Savings from pensions	(1,280)	(1,280)	(1,280)
Additional costs from Q2 monitoring	147	147	147
Impact of revenue budget proposals	1,498	1,172	(107)
Revised spend (General Fund impact) estimate	23,665	24,149	22,860
Estimated funding	22,628	22,731	22,948
Surplus/ (deficit)	(1,037)	(1,418)	88

- 8.15 The table above shows that on current assumptions, the Council can achieve a balanced budget without needing to make any substantial savings. The use of General Fund reserves in 2026/27 and 2027/28 is affordable (total £2.455 million) and most of this (£2 million) relates to allocations for Local Government Reorganisation. Cabinet still needs to indicate whether all the budget proposals should be taken forward to be incorporated into the next stage of the budget process.
- 8.16 The table above is based on Council Tax being increased in line with Government funding assumptions, i.e. at the maximum increase allowed without a local referendum. That is an annual increase of 2.99%. This is also in line with the assumptions in the agreed MTFS.

9. LEGAL IMPLICATIONS

- 9.1 The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council.
- 9.2 Cabinet's terms of reference include recommending to Council the annual budget, including the capital and revenue budgets and the level of council tax and the council tax base. Council's terms of reference include approving or adopting the budget.
- 9.3 Members are reminded of the duty to set a balanced budget and to maintain a prudent general fund and reserve balances.
- 9.4 Finance, Audit and Risk Committee's Terms of Reference include to "[a]ssist the Council and the Cabinet in the development of its Budget and Policy Framework process by in-depth analysis of policy issues pertaining to finance, audit and risk" (Constitution section 10, paragraph 10.1.5 (d)).

10. FINANCIAL IMPLICATIONS

- 10.1 These are mainly covered in the body of the report.
- 10.2 The Council is now in a position where its available and forecast capital reserves will not be sufficient to fund the capital programme, so it will need to borrow to fund its capital spend. Guidance from CIPFA (the Chartered Institute of Public Finance and Accountancy) strongly encourages Councils to borrow internally where possible. This involves using the available cash from revenue reserves and provisions to fund the capital spend, rather than bringing in additional cash from external borrowing. The cost of this will be made up of the lost interest from investing that cash and a charge known as a Minimum Revenue Provision (MRP).
- 10.3 Where a Council is in a position where it needs to borrow (technically known as having a positive Capital Financing Requirement) then it must include a MRP charge to its revenue budget. In simple terms this creates an amount over the life of the asset being borrowed for to repay the borrowing.
- 10.4 When Government provides details of funding to Local Government it uses Core Spending Power (CSP). This is a measure of the total resources available to the Council and includes Council Tax, Business Rates and other general Government funding. There are assumptions made in calculating CSP (e.g. Council Tax base) so the actual funding available to the Council is likely to be different.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 The Council's MTFS set out several risks that will need to be considered when setting a budget for 2026/27 and beyond. The next iteration of this report will be presented to Cabinet in early February, and this version will include a full review of the adequacy of estimates that have been made and of reserve balances. This includes a view from the Director- Resources (as the Council's Chief Finance Officer) of the minimum level of General Fund reserves. This is a section 25 report in accordance with the Local Government Act 2003. The margin between actual and the minimum General Fund reserve levels provides a proxy for the level of financial risk that the Council faces, and its ability to deal with changes.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 For any individual proposal that is either significant in value, or affects more than two wards, an equality analysis is required to be carried out. This has either taken place or will take place following agreement of efficiencies or growth.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.
- 14.2. For any individual proposal that is likely to have significant impacts on the environment, an environmental impact assessment will be carried out, or has already taken place, where necessary.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. Although there are no direct human resource implications at this stage, care is taken to ensure that where efficiency proposals or service reviews may affect staff, appropriate communication and consultation is provided in line with HR policy.

16. APPENDICES

- 16.1. Appendix A- Results from budget consultation
- 16.2. Appendix B - Revenue budget proposals
- 16.3. Appendix C - Capital budget proposals

17. CONTACT OFFICERS

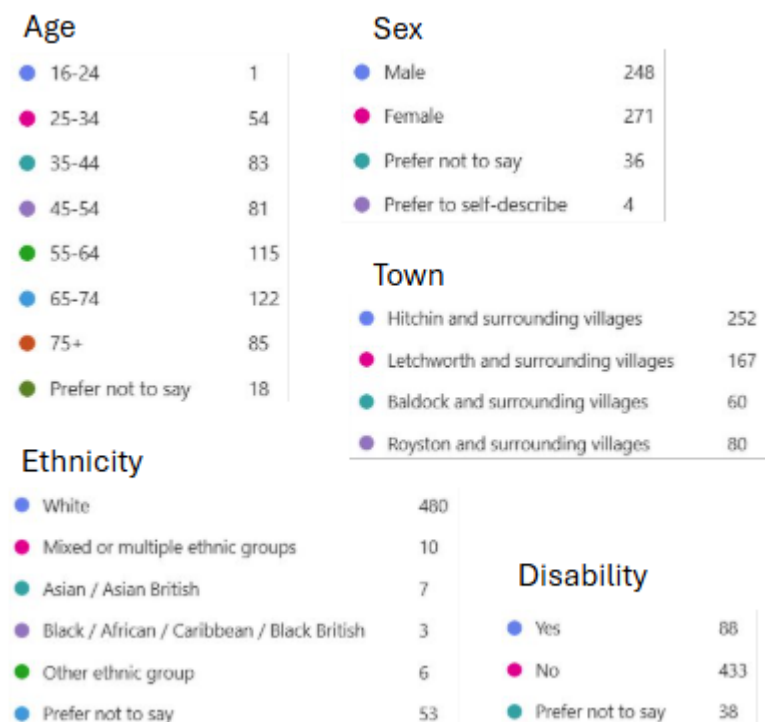
- 17.1. Ian Couper, Service Director: Resources, ian.couper@north-herts.gov.uk; ext 4243
- 17.2. Natasha Jindal, Deputy Monitoring Officer, natasha.jindal@north-herts.gov.uk
- 17.3. Reuben Ayavoo, Policy and Community Manager, reuben.ayavoo@north-herts.gov.uk, ext: 4212

18. BACKGROUND PAPERS

- 18.1. *Medium Term Financial Strategy* <https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=136&MId=3817&Ver=4> agenda item 7

Appendix A: Results from budget consultation survey

Who responded?



Which services you are aware of and which services you and your household have used in the past year?

● I have used this service
 ● I haven't used this service but I am aware
 ● I am not familiar with this service

Waste collection & recycling - Collecting waste from over 58,000 households, 57% of which is recycled.

Street cleaning - Keeping 560 miles of our streets, roads and paths clean and litter-free every day except Christmas Day.

Parks & greenspaces - Maintaining 100 hectares of parks and greenspaces, including our splash pads.

Community safety & environmental crime - Tackling anti-social behaviour, violence against women & girls and environmental...

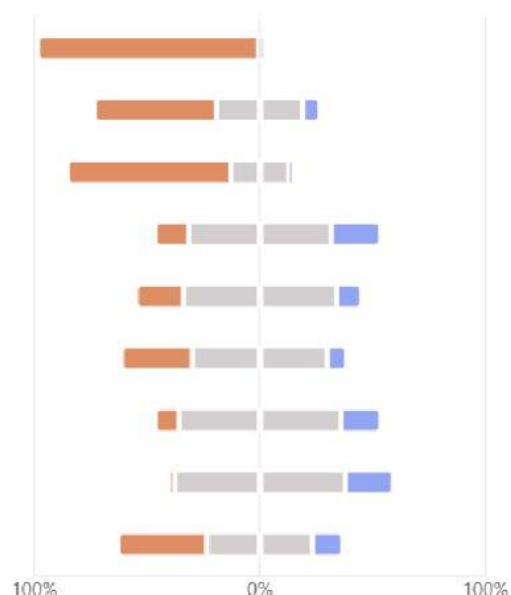
Environment health - Protecting public health, safety (incl food) and our environment through enforcing legislation, investigating...

Planning - Shaping the future of North Herts by managing how land is used and developed.

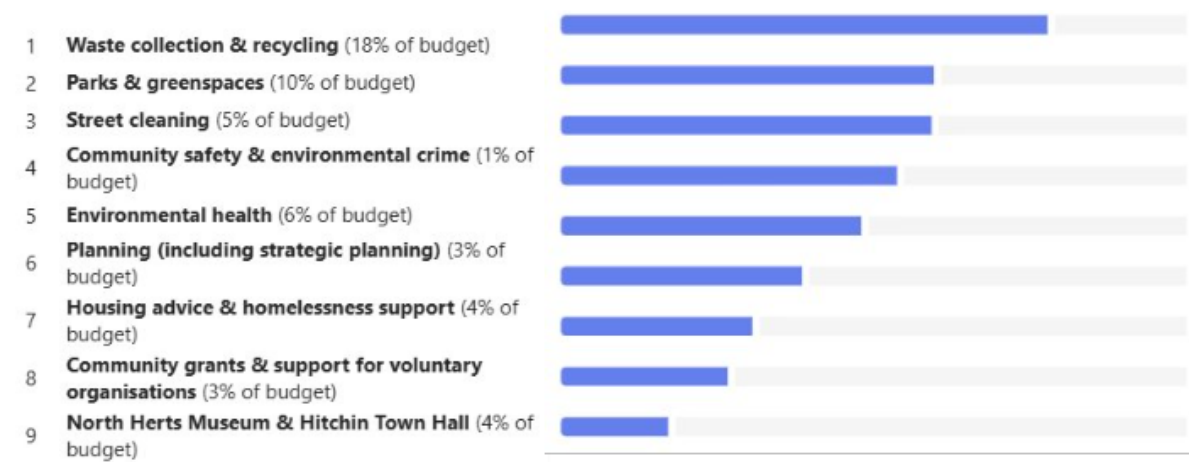
Community grants and support for voluntary organisations - Funding and championing the groups that help our amazing...

Housing advice & homelessness support - Responding to requests for assistance 24 hours a day, 7 days a week.

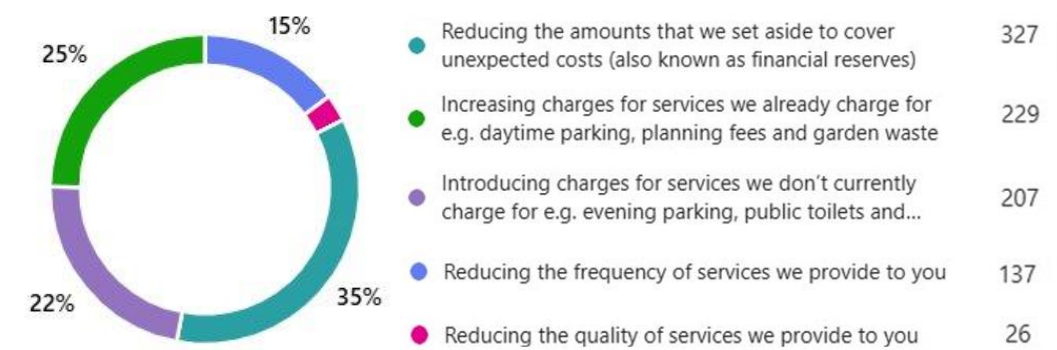
North Herts Museum & Hitchin Town Hall - Providing year-round exhibitions and events, with free entry to our museum.



Rank the services we support you with in terms of their importance to you. 1 = most important and 9 = least important



Which approach would you take to balance our budget?



REVENUE BUDGET SAVINGS AND INVESTMENTS

New Revenue Efficiency Proposals and Savings Identified

Service Directorate	Description of Proposal	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
Customers	Careline service income. Estimated additional income associated with proposals (below) to increase spend on Careline marketing activity, with the appointment of an additional Marketing Officer and use of Google advertising. Efficiency estimate based on an average of 300 new clients per year.	(79)	(151)	(223)	(295)	(367)
Place	Place Directorate staffing costs. Deletion of permanent PA to Director: Place post. Previous postholder retired in August 2025 and some responsibilities have transferred to the Regulatory directorate. A revenue investment bid for an additional full-time post to provide service-wide administrative support was approved by Council in setting the 2024/25 budget. This post is currently out to advert and will absorb the residual duties of the PA post.	(20)	(20)	(20)	(20)	(20)
Place	Planning applications income. Householder Planning Fee increases. Fees are presently set nationally and householder application fees were increased by Government in April 2025. Estimated permanent increase in income based upon activity in preceding years.	(200)	(200)	(200)	(200)	(200)
Place	Planning Pre-applications income. Pre-application charges were reviewed in 2025. This, alongside a revision to the Council's pre-application protocol and changes to Government rules around resubmissions of applications, have led to an increase in income which is expected to be sustained in future years.	(60)	(60)	(60)	(60)	(60)
Enterprise	Additional Estates income- Forecast that the capacity created by the additional Surveyor post below will generate annual income at least equal to the cost of the post. This will be kept under review and is expected that will be greater.	(70)	(70)	(70)	(70)	(70)
Customers	District Wide Survey Expenditure. The successful adoption of the free Microsoft Forms web-based software tool to conduct online surveys has removed the need to separately procure a digital survey platform from which to run the biannual district wide survey.	-	(18)	-	(18)	-
		(429)	(519)	(573)	(663)	(717)

New Revenue Pressures and Investment Proposals

Service Directorate	Description of Proposal	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
Chief Executive	Transfer to a specific reserve to support the process and impacts of Local Governemnt Reorganisation	1,000	1,000	-	-	-
Customers	Careline Service marketing. Creation of a permanent Marketing Assistant post. Increase in marketing capacity will help to sustain current growth in customers and revenue (as indicated by efficiency proposal above) through enhanced marketing output. Investment value is an estimate as new role would be subject to job evaluation.	43	43	43	43	43
Customers	Careline Service marketing. Permanent budget provision for spend on Google advertising. Families seeking support for vulnerable loved ones, and professionals looking to make referrals, increasingly begin their search online. At present, Careline's visibility on Google is limited, with larger national providers dominating results through higher advertising spend. Increase in budget will allow Careline to maintain consistent daily visibility on Google, strengthening Careline's ability to reach families at the exact point of need, while improving financial sustainability through higher customer acquisition. Estimated corresponding increase in revenue income is included in the efficiency above.	5	5	5	5	5
Customers	Careline Service staffing costs. Increase in management capacity through the creation of two Team Leader positions. The new posts would replace existing Senior Administrative Support Officer roles. The investment will increase service resilience and reduce operational risk, while increasing strategic capacity.	6	6	6	6	6
Customers	Careline Service staffing costs. Temporary additional administrative staffing support (65 weekly hours of bank staff) to manage spike in demand for installations while clients transition to new digital assistive technology equipment. This will involve more than 5,500 installer installation bookings over the next 18-24 months, with current administrative capacity unable to absorb the associated additional workload.	70	70	-	-	-

Service Directorate	Description of Proposal	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
Customers	Communications staffing. Budget is requested to offer the current Communications Apprentice a two-year fixed-term full-time contract as a Communications Assistant from when their apprenticeship ends in June 2026 until June 2028. Role is required with the increased workload associated with Local Government Reorganisation (LGR), increased filming requests, our Newsflash redevelopment project and the Museum Storage Project.	29	36	8	-	-
Customers	Process mapping tool. A process mapping tool is required for the Digital Business Analyst and wider team to use to map processes, and to enhance efficiencies across the Council. The tool will be used to create a library of process maps ahead of LGR. The tool will go towards identifying time saving across the organisation.	13	13	-	-	-
Customers	IT Services staffing costs. Due to the significant increase in workload, rapid technology advancements, heightened importance of cybersecurity, and the transition from a virtual environment to laptop end user devices, it is essential to make the current temporary Developer role a permanent position within the IT department. This change will ensure continuity, maintain service quality, and support the department's ability to meet ongoing and future operational demands as well as effective preparedness for the transition to a new unitary authority.	61	61	61	61	61
Enterprise	Recruitment of an additional Estates Surveyor on a fixed term two year contract. There remains a backlog of case work (rent reviews and lease renewals) which require actioning and will deliver back rent and increased revenue going forwards. The proposed role will assist with this and free up existing team members to progress a number of capital projects which require increased resource to progress (including Riverside Walk, Charnwood House, Thomas Bellamy House, former WC building at Royston and bringing forward development sites). This is in addition to overseeing the day to day management of Churchgate Shopping Centre to ensure it is appropriately managed and delivering net income pending the planned re-development, and supporting the Local Government Reorganisation estates workstream across the Hertfordshire authorities.	67	67	-	-	-
Enterprise	Churchgate Project Manager Role. The extension of the dedicated Project Manager to focus on the preparation and delivery of the next phases of the Churchgate Shopping Centre regeneration beyond that approved by Full Council in July 2025.	130	-	-	-	-
Enterprise	Shared Economic Development Officer role. This role is a shared agreement with East Herts to deliver economic development activity across the two Districts. In the next financial year this role will be focusing on both the monitoring of continuing Shared Prosperity Fund projects and delivering elements of the newly adopted Economic Development Strategy such as business partnerships and growth, which is critical to establishing economic development in North Herts.	30	-	-	-	-
Enterprise	Enterprise Team staffing expenditure. The new Economic Development Strategy was approved at Cabinet in September 2025. The strategy sets out the need for a much greater economic footprint within North Herts - more than the current 0.5 ED Officer currently delivers. Cabinet recognised the importance of having a strong Economic Development presence across the Council, and are committed to delivering a large portfolio of projects that will address the following: 1) business and enterprise; 2) people and skills; 3) innovation and economic change; 4) site and premises and 5) investment, position and promotion. Therefore, the Enterprise Team (supported by the Executive Member) will be proposing a team restructure in the coming months to deliver the strategy and its action plan. The team have worked with a consultant to map out the 'most effective' way to structure the team - utilising the current staffing budget (which has been significantly underspent for the past three years) and requesting some financial growth (50K) ongoing. This will ensure the team are experienced and strong, and are set up correctly to deliver on both the Enterprise and Economic Development Strategies. The full restructure proposal will be taken to SLT, Executive Members, Cabinet and Full Council.	50	50	50	50	50
Environment	Creation of fixed term Climate Project Officer post to support the delivery of Sustainability Strategy actions and outcomes related to the Climate Emergency. There are 29 actions in the strategy related to reducing emissions for both the council's own operations and the wider district. The officer would help with delivery of these actions, which could have wider benefits for residents around health related to warmer homes, reduced air pollution related to transition to cleaner vehicles / machinery, and potentially saved costs from energy efficiency measures in council buildings. Investment value is an estimate with the new role subject to job evaluation.	49	49	49	-	-
Environment	Tree maintenance expenditure. Increase to cemetery tree budget to ensure adequate provision for essential tree works. In recent years the budget has either been exceeded or important works deferred.	12	12	12	12	12

Service Directorate	Description of Proposal	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
Environment	Planting borders at Bancroft, Hitchin and Priory Memorial Gardens, Royston. Royston Priory Memorial Gardens – planting scheme to address lack of planting and loss of borders. This will enhance biodiversity, seasonal interest visitor enjoyment, and a sense of care, while directly supporting our Green Space Management Strategy for town parks. We will look to use these borders for plants that are sustainable, interesting, colourful, wildlife friendly, drought tolerant and low maintenance. They will be a great example to our residents of sustainable planting and will boost the presentation of the park hugely.	57	-	-	-	-
Environment	Renovations and repairs of paths at Walsworth Common, as outlined in the Greenspace Action Plan for the site.	10	-	-	-	-
Environment	Ash Dieback removal. An increase in the incidence of Ash Die back has occurred over the last few years in the District. In particular, Weston Hills and Norton Common are both sites where a programmed schedule of works over the next 3 years has been planned. Working with Hertfordshire County Council / Countryside Management Service in following the Greenspace Action Plan.	15	15	15	-	-
Environment	Permanent budget provision for the Community Wellbeing Officer at 32 hours a week. This post has been funded for the past two years through external grants to develop and deliver community wellbeing interventions across the district. From April 2026, the external grants are reduced and are sufficient to fund the service delivery but not the coordinating officer role, without which the services will not be delivered. The post will ensure the delivery of; social isolation projects & falls prevention, creative wellbeing for mental health and food poverty interventions district wide. They will also maintain the Community Wellbeing website, social channels and monthly newsletter. The Community Wellbeing team also have funding from Herts County Council to deliver the North Herts Healthy Hub (alongside none other district and borough hubs) with a funded Healthy Hub Coordinator. This post needs a wellbeing colleague to support safe working practices when working with vulnerable individuals, as well as holiday and other absence cover. This post, alongside the Community Wellbeing Team Leader, will ensure continuity of cover for the Healthy Hub. They will also support the Community Wellbeing Team Leader to identify and apply for sources of external funding to tackle health inequalities in North Herts.	42	42	42	42	42
Governance	Recruitment to a fixed-term Policy and Strategy Officer post until March 2028. The team, currently comprising a Team Leader, officer, and apprentice (contract ending early 2026), supports the Policy & Strategy Service Action Plan and various Council and service priorities across multiple directorates. This new role will expand the team's capacity to deliver good governance, transparent decision-making, equality and environmental impact assessments, and administration of Assets of Community Value, while also absorbing increased workload from Local Government Reorganisation. Additionally, the officer will be responsible for leading external grants identification, application, monitoring, and impact reporting in support of Council objectives. The post is career graded, with the investment value representing the maximum cost of the appointment.	46	46	-	-	-
Governance	Increase of hours for the Safeguarding Team Leader from 30 hours to 37 hours per week. The increase in hours is crucial given the growing complexity of safeguarding demands across the Council. The expanded role will provide ongoing support and expertise to officers and councillors, ensuring that safeguarding is fully embedded into Council culture and practice. Key responsibilities will now include delivering bespoke inhouse safeguarding training, hence reducing reliance on external trainers and reducing pressure on corporate training budgets, while ensuring staff are confident and prepared to address safeguarding concerns. The Team Leader must also ensure compliance with new legislation, county-wide protocols, and recommendations from County Boards and Domestic Homicide Reviews (DHRs).	12	12	12	12	12
Place	Planning Control staffing. Permanent budget to increase two part-time posts, including the Team Leader role, to full-time positions to meet both flexible working requests from employees and capacity requirements in this area of the service.	17	17	17	17	17
Place	Creation of a new Conservation Assistant permanent post within Planning Control. North Herts has more than 1,700 Listed Buildings and 400 Conservation Areas. There are presently only two professional Conservation Officers to provide advice on relevant schemes & enforcement activities affecting these historic assets. This post would support professional officers with research required for individual schemes or applications, provide additional capacity to support project work (e.g. undesignated heritage assets, new listings, listed buildings at risk, reviews of conservation area boundaries etc.) and resilience / future-proofing of the service by potentially providing a gateway to the professional posts. The investment value is estimated with the new role subject to job evaluation.	49	49	49	49	49

Service Directorate	Description of Proposal	2026/27	2027/28	2028/29	2029/30	2030/31
		£'000	£'000	£'000	£'000	£'000
Place	Planning Technical Support staffing. Improvement of service resilience with the enhancement of the existing Technical Support Officer (TSO) post and the recruitment to a new, dedicated permanent TSO post for planning appeals. Increasing capacity at the start of the process and providing dedicated TSO support for planning appeals should enable quicker processing of applications, facilitating the timely consideration of applications in line with Government targets.	36	36	36	36	36
Place	Planning Services management. Additional budget is requested to finance additional management capacity and alleviate pressure on service managers through the uplifting of one existing post to a supervisory role. The proposed investment budget will be used in conjunction with the previous ongoing investment of £9k approved by Council for 2025/26 to review management and team arrangements across the Planning Service.	13	13	13	13	13
Place	Planning IT software expenditure. Software to assist with the statutory assessment of Biodiversity Net Gain (BNG) and reporting requirements of the Biodiversity Duty. Consideration to be given to compatibility with potential IT setups leading into and following Local Government Reorganisation. Anticipated introduction from January 2026 with first years' costs funded by residual Government grant for BNG activities.	3	10	10	10	10
Place	Digital Traffic Regulation Orders. Budget to support new statutory requirement for existing and new Traffic Regulation Orders to be produced and made available digitally. Hertfordshire County Council are currently leading an exercise to investigate IT-based solutions and funding on behalf of all authorities. Further information on potential costs anticipated October / November and will be added once known.	8	8	8	-	-
Regulatory	Expenditure on Community Safety projects and initiatives. Increase ongoing Community Safety budget from £10k to £20k. The budget for the current year will be fully spent, while there are so many more initiatives we can deliver to reduce crime and tackle fly-tipping.	10	10	10	10	10
Environment	Radburn Way Habitat Bank. Improve management of the land and provide a habitat bank with improved public access as appropriate. The site to be a potential source of income as a BNG habitat bank. Long term management likely by CMS.	15	-	-	-	-
Environment	Annual software costs for new burial management system.	21	21	21	21	21
Customers	Extend the trial of Co-pilot (AI) to around 50 users (currently 20 licenses). By increasing to 50 users we get the benefit of additional analytics. The licenses will be targetted based on what has been learnt from the initial trial.	8	-	-	-	-
		1,927	1,691	467	387	387

CAPITAL INVESTMENT PROPOSALS											
Project Reference	Responsible Directorate	Description of Proposal	Total Project Investment 2026/27 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2026/27	Proposed Investment in 2027/28	Proposed Investment in 2028/29	Proposed Investment in 2029/30	Proposed Investment in 2030/31	Proposed Investment 2031 - 2036	Anticipated Impact of Proposal
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
NEW PROJECTS AND PROPOSED CHANGES TO EXISTING CAPITAL PROGRAM ONLY											
Green Space Developments											
NCP1	Environment	Wilbury Hills cemetery improvements	120	0	120	0	0	0	0	0	To complete the infrastructure to the far end of the site to link up the existing road and to incorporate further footpaths to segregate new areas with drop down kerbs and incorporated drainage from the road etc. Also, to add ring style soak aways, piping all hard landscaping and soft landscaping to reinstate following the works.
NCP2	Environment	Ivel Springs footpaths	25	0	25	0	0	0	0	0	Pathworks and interpretation as outlined in the Greenspace Action Plan for the site.
Sub-Total: Green Space Developments			145	-	145	-	-	-	-	-	
IT Schemes:											
NCP3	Environment	New Burials Management System	55	0	55	0	0	0	0	0	Burials management system for NHC burials to provide interactive digital mapping, enables online booking, plot sales, financial management and simplifies task and accurate recording as used by Stevenage, Welwyn etc
Sub-Total: IT			55	-	55	-	-	-	-	-	
Leisure Related Proposals											
Leisure - Hitchin Swim Centre											
NCP4	Environment	HSC: Pool Cover Replacement	58	0	58	0	0	0	0	0	The pool cover at Hitchin Lido is over 20 years old, delapidated, and requires replacement to ensure it remains efficient at reducing energy consumption and costs.
NCP5	Environment	HSC: Pool Hall Seating Replacement	73	0	73	0	0	0	0	0	The existing tiered seating system, located on poolside, requires full replacement. The existing structure is in poor condition with heavy corrosion and beyond repair.
ECP20	Environment	HSC: Change Village Refurbishment	225	0	0	225	0	0	0	0	The Change village was last refurbished in 2014. To ensure customer satisfaction is maintained, refurbishment is programmed to take place on a 10-15 year cycle. UPDATE CBP 2026/27: Earmarked investment in 2026/27 deferred to 2027/28. To review during 2026/27 to see if it can be pushed back another year, and/or whether it could be a partial refurbishment.
Sub-Total: Leisure - Hitchin Swim Centre			356	-	131	225	-	-	-	-	
Leisure - Letchworth											

CAPITAL INVESTMENT PROPOSALS											
Project Reference	Responsible Directorate	Description of Proposal	Total Project Investment 2026/27 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2026/27	Proposed Investment in 2027/28	Proposed Investment in 2028/29	Proposed Investment in 2029/30	Proposed Investment in 2030/31	Proposed Investment 2031 - 2036	Anticipated Impact of Proposal
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
NCP6	Environment	NHLC: Pool Cover Replacement	58	0	58	0	0	0	0	0	The pool cover at Letchworth Lido is over 20 years old, delapidated, and requires replacement to ensure it remains efficient at reducing energy consumption and costs.
Sub-Total: Leisure - Letchworth			58	-	58	-	-	-	-	-	

CAPITAL INVESTMENT PROPOSALS											
Project Reference	Responsible Directorate	Description of Proposal	Total Project Investment 2026/27 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2026/27	Proposed Investment in 2027/28	Proposed Investment in 2028/29	Proposed Investment in 2029/30	Proposed Investment in 2030/31	Proposed Investment 2031 - 2036	Anticipated Impact of Proposal
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Parking Related Proposals											
ECP31	Enterprise	Off Street Car Parks resurfacing and enhancement	250	0	43	77	70	60	0	0	Condition surveys have identified the need for a proactive programme of resurfacing for the council's off street car parking. Resurfacing, re-lining and enhancing the lighting enables the car parks to be used safely, reducing insurance claims for trips and falls, and allows the continued enforcement of the relevant traffic regulation orders. A. Planned maintenance programme should enable reduction in reactive repairs. B. No programme of repairs will require additional revenue maintenance funds for responsive repairs, and loss of income as Traffic regulation orders will become unenforceable. UPDATE CBP 2026/27: Additional budget of £130k requested to extend scheme of works to 2029/30. £70k requested in 2028/29 for overlay and resurfacing works at The Warren car park in Royston and £60k requested in 2029/30 for the resurfacing of St Faiths Church Car Park on Woolgrove Road in Hitchin.
Sub-Total: Parking			250	-	43	77	70	60	-	-	
Waste Collection											
ECP32	Environment	Refuse and Recycling Bins - additional allocation	60	0	60	0	0	0	0	0	Current capital allocation of £90k per year. Additional £20k in 2026/27 to support the implementation of Simpler Recycling for commercial customers. This will include providing smaller bins for the different mix of materials and new bin lid colours. Also an extra £40k to reflect ongoing demand for new domestic waste bins. This might be required in further years, but to wait and assess the 2026/27 impact before adding on an ongoing basis. Some of the increase reflects price inflation of new bin costs.
Sub-Total: Waste Collection			60	-	60	-	-	-	-	-	
TOTAL			924	0	492	302	70	60	0	0	

Page 2 of 3

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CABINET 20 January 2026
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: RISK MANAGEMENT GOVERNANCE (MID-YEAR UPDATE)

REPORT OF: DIRECTOR - RESOURCES

EXECUTIVE MEMBER: RESOURCES

COUNCIL PRIORITY: ALL

1. EXECUTIVE SUMMARY

To provide the Committee with an update on the effectiveness of the Risk Management Governance arrangements at the Council. The review is referred on to Cabinet, and the Committee can make recommendations on how we can improve our risk management arrangements.

The highest strategic risks are the four over-arching risks of Cyber, Financial Sustainability, Local Government Reorganisation and Devolution, and Resourcing, as well as project risks for Churchgate, Leisure Centre Decarbonisation, Local Plan Review, and Decarbonisation of Council Buildings - Phase 2. All Corporate Risks were reviewed during the six-month period April 2025 to September 2025, with updates to completed and planned mitigating activities.

During the same six-month period, the risk score for one project risk was increased – Local Plan Review (from 5 to 7) - and two were reduced - Waste and Street Cleansing Contract (from 8 to 5) and Engaging the Community on our Finances (from 7 to 5). A new project risk - Decarbonisation of Council Buildings Phase 2 - was also introduced (approved by Cabinet on 24 June 2025 and first reported as part of the Quarter 1 Council Delivery Plan monitoring report).

2. RECOMMENDATIONS

- 2.1. That Cabinet notes the mid-year Risk Management Governance update.
- 2.2. That Cabinet approve the changes to the Risk Management Framework.

3. REASONS FOR RECOMMENDATIONS

- 3.1. Cabinet has overall responsibility for ensuring the management of risk.
- 3.2. Finance, Audit and Risk Committee have responsibility to monitor the effective development and operation of risk management.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. There are no applicable alternative options.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Consultation has been undertaken with Leadership Team and the Risk and Performance Management Group (RPMG). The Executive Member for Resources, as Risk Management Member Champion, the Chair of Finance, Audit and Risk Committee, the Chair of Overview and Scrutiny Committee, and members of both committees are invited to quarterly RPMG meetings, as well as key officers. Lead officers discuss risks relating to their service areas with the relevant Executive Member.

6. FORWARD PLAN

- 6.1. This report does not contain a recommendation on a key Executive decision and has not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1. In March 2022, Cabinet agreed that risks impacting delivery of the Council Plan and linked key projects would be reported to the Overview and Scrutiny Committee (O&S), along with key performance indicators. This forms part of the established Council Delivery Plan process and performance monitoring arrangements. The Finance, Audit and Risk Committee (FAR) focuses on its role (as set out in the Constitution) of “monitor[ing] the effective development and operation of risk management”. To achieve this, the Committee receives a mid-year (in December/ January) and end of year (in June) report.
- 7.2. The Executive Member for Resources, in their role as the Risk Management Member Champion, is a regular attendee at quarterly RPMG meetings. The items discussed at these meetings inform the content of related committee reports.
- 7.3. The Director – Resources, the Officer Champion for Risk Management, chairs the RPMG and is responsible for the risk management function at a strategic and operational level. The Controls, Risk and Performance team deliver this function, including the provision of training and support to officers and Members.
- 7.4. Hertfordshire County Council (HCC) delivers the Council’s insurance services and their Risk and Insurance Manager attends RPMG meetings. This enables the Council to obtain an insight into emerging risks and issues at both HCC and other Hertfordshire local authorities. The SIAS Head of Assurance also attends RPMG meetings, helping to inform understanding of wider risk issues.
- 7.5. This mid-year update report aims to provide a wider commentary on risk, a broader understanding of risks and mitigations, and assurance that risk governance arrangements are working and effective risk management processes are in place.

- 7.6. In line with a previous request from this Committee, the report includes information on recorded risk mitigations, which is detailed in paragraph 8.2.6.

8. RELEVANT CONSIDERATIONS

8.1. RISK MANAGEMENT GOVERNANCE

8.1.1. The Council's Risk Management Framework requires us to:

- Identify and document key risks in all areas of our business, understand them and seek to proactively manage them.
- Assess each risk, identify existing controls, and identify further actions required to reduce the risk.
- Have Business Continuity Plans in place for each of our service areas, which identify the key functions, what the risks are and how they can be mitigated to allow them to continue operating.
- Develop capacity and skills in identifying, understanding, and managing the risks facing the Council.
- Regularly review the Risk Management Framework and update it in line with statutory and best practice requirements.

8.1.2. Officers have undertaken the annual review of the Risk Management Framework, and the RPMG considered this at its November 2025 meeting. The following changes are recommended:

Framework Document and Section	Proposed Change to Previous Version
Policy Statement	No changes proposed.
Policy (throughout document)	Six minor grammatical changes to improve readability.
Policy (5.6 and 5.7)	Changed previous reference to <i>Operational Risks</i> to <i>Service Risks</i> to ensure consistency of terminology throughout risk management documentation and reports.
Policy (5.7)	Changed previous reference to <i>Service Director</i> to <i>Director</i> to reflect recent changes to job titles.
Policy (6.1)	Now references that the Risk Management Framework consists of four parts rather than four documents, as the Toolkit is available on the intranet (The Hub) and consists of numerous documents.
Policy (7.2)	Added a sentence detailing that the Toolkit is available on the intranet (The Hub).
Strategy (throughout document)	Any references to <i>Service Director(s)</i> changed to <i>Director(s)</i> .
Strategy (throughout document on pages 1, 2, 4, 6, 7, 8, 9, 10, 11, 12, and 15)	36 minor grammatical changes to improve readability.
Strategy (Page 1, first line)	Added the word <i>Council's</i> , so the sentence now begins, "North Herts <i>Council's</i> Risk Management Framework..."

Framework Document and Section	Proposed Change to Previous Version
Strategy (Page 1, second paragraph)	Added the word <i>Framework</i> , so the paragraph now begins, "Part 1 – Risk Management <i>Framework</i> - Policy Statement..."
Strategy (Page 4, first and third paragraph)	Two references to <i>Risk Scoring Matrix</i> changed to <i>Risk Matrix</i> .
Strategy (Page 4, third paragraph)	Added <i>and scored</i> , so the paragraph now begins, "To ensure consistency, risks are assessed <i>and scored</i> using a standard Risk Matrix..."
Strategy (Page 4, bottom table)	Added the title, <i>ASSESSMENT CRITERIA</i> :
Strategy (Page 5, first line)	Added the title, <i>RISK SCORING MECHANISM</i> :
Strategy (Page 7, third paragraph)	Added <i>the</i> and <i>risk entry</i> so the last sentence now reads, "If the proposed change is not accepted, <i>the</i> Ideagen <i>risk entry</i> will be reinstated with the agreed score."
Strategy (Page 7, fifth paragraph)	Changed <i>Operational</i> to <i>Service</i> , so the paragraph now begins, "Risk registers (<i>Service</i> and Corporate)..."
Strategy (Pages 8 and 10, Roles in the Risk Management Process)	Added <i>Policy Statement</i> to the list of Risk Management Framework documents to be reviewed/approved.
Strategy (Page 10, Objective 4, first sentence)	Added <i>Framework</i> , so the sentence now begins, "The Risk Management <i>Framework</i> - Strategy is an essential element..."
Strategy (Page 10, Objective 4, second paragraph)	Updated <i>Local Code of Corporate Governance</i> link to the March 2025 version.
Strategy (Page 10, Objective 4, third paragraph)	Changed <i>Managing Director</i> to <i>Chief Executive</i> .
Strategy (Page 10, Objective 4, Service/Budget Planning)	Deleted <i>Budget</i> so that it now reads Service Planning. Removed reference to Risk Questionnaire and business unit risk registers. Risks should be added to Ideagen.
Strategy (Page 10, Objective 4, Project Management)	Updated <i>Link to: Project Management Guide Final.docx</i> .
Strategy (Page 10, Objective 4, Business Continuity)	Updated <i>Link to: Business Continuity Process intranet page</i> .
Strategy (Page 11, Objective 4, Procurement)	Changed <i>Contract Standing Orders</i> to <i>Section 20 - Contract Procurement Rules of the Constitution</i> . Updated <i>Link to: Council Constitution web page</i> .
Strategy (Page 11, Objective 4, Information Governance)	Added <i>and Freedom of Information</i> , so the last sentence now reads, "There is also mandatory annual refresher training in Data Protection <i>and Freedom of Information</i> ."
Strategy (Page 11, Objective 4, Insurance)	Added <i>Shared Insurance</i> , so the last sentence now begins, "The <i>Shared Insurance</i> Manager presents..."

Framework Document and Section	Proposed Change to Previous Version
Strategy (Page 12, Objective 5, The Risk Register, second paragraph)	Updated the first sentence to clarify that in addition to risks, actions and KPIs are also included in Directorate Overviews. Updated to reflect how Directors will use the Overviews to discuss with their Departmental Management Teams and ensure new risks are considered.
Strategy (Page 13, first paragraph)	Changed <i>Members Risk Management Champion</i> to <i>Risk Management Member Champion</i> .
Strategy (Page 13, Objective 6)	Updated <i>Link to: GROW Zone login screen</i> .
Strategy (Page 13, Objective 6)	Changed <i>Risk Toolkit</i> to <i>Risk Management Toolkit</i> .
Strategy (Page 15, Appendix A)	Now confirms that risks assessed as low (with a score of 1, 2, or 3) should be reviewed at least once a year. Changed <i>register</i> to <i>Risk Register</i> , so the last sentence for low risks now begins, "Archive on <i>Risk Register</i> once agreed by..."
Strategy (Page 15, Appendix B)	Added that the relevant <i>Project Board</i> is also responsible for scrutinising related project risks.

8.1.3. The updated Risk Management Framework documents are attached as Appendices A (Policy Statement), B (Policy), and C (Strategy).

8.2. Risk Identification and Assessment

- 8.2.1. Leadership Team and Cabinet are responsible for the Corporate Risks, with Cabinet ensuring these risks are managed appropriately and proportionately. These key risks are those that cut across the delivery of all services, relate to key projects, or could significantly affect the delivery of Council objectives. They are likely to require a high-level of resources to manage and need to be monitored at a strategic level.
- 8.2.2. The reporting of Corporate Risks to Cabinet, via quarterly Council Delivery Plan updates, allows details of the top risks facing the Council to be monitored. The half-yearly reports on risk management governance presented to FAR and Cabinet help to provide assurance over the processes that are in place to support risk management.
- 8.2.3. In June 2025, Cabinet approved the inclusion of 13 projects in the Council Delivery Plan for 2025/26, along with four over-arching Corporate Risks. Each Council Delivery Plan project has a risk assessment in place to determine the major risks to the delivery of the project and the mitigating actions required. The majority of projects and the four Corporate Risks were carried forward from the previous year's Council Delivery Plan. One new project entitled Decarbonisation of Council Buildings - Phase 2 was added in time for the Quarter 1 monitoring report. An initial meeting of the Project Board for the Museum Collection Facility project was held in September 2025, and this project will be added to the Council Delivery Plan in time for the Q3 2025/26 monitoring report.

8.2.4. The following diagram highlights the definitions of likelihood and impact used in the Risk Management Framework:

4 Likelihood High (3) Impact Low (1) Chance of it happening -More than 60% Consequences - Minor	7 Likelihood High (3) Impact Medium (2) Chance of it happening - More than 60% Consequences - Noticeable effect on the Council	9 Likelihood High (3) Impact High (3) Chance of it happening - More than 60% Consequences - Significant impact on the Council
2 Likelihood Medium (2) Impact Low (1) Chance of it happening – between 20 – 60% Consequences - Minor	5 Likelihood Medium (2) Impact Medium (2) Chance of it happening – between 20 – 60% Consequences – Noticeable effect on the Council	8 Likelihood Medium (2) Impact High (3) Chance of it happening – between 20 – 60% Consequences – Significant impact on the Council
1 Likelihood Low (1) Impact Low (1) Chance of it happening – less than 20% Consequences - Minor	3 Likelihood Low (1) Impact Medium (2) Chance of it happening – less than 20% Consequences – Noticeable effect on the Council	6 Likelihood Low (1) Impact High (3) Chance of it happening – less than 20% Consequences – Significant impact on the Council

8.2.5. The most recent Council Delivery Plan monitoring report contains the following risks, which have been plotted on the Corporate Risk Matrix to show a visual risk profile of the Plan:

Likelihood	3 - High	4	7 - Decarbonisation of Council Buildings - Phase 2 - Local Plan Review	9 - Financial Sustainability - Local Government Reorganisation and Devolution - Resourcing
	2 - Medium	2 - Oughtonhead Common Weir - Pay on Exit Parking	5 - Engaging the Community on our Finances - Resident/Public EV Charging in our Car Parks - Town Centres Strategy	8 - Churchgate - Cyber Risks - Leisure Centre Decarbonisation
	1 - Low	1 - King George V Skate Park	3 - Waste and Street Cleansing Contract	6 - Digital Transformation
		1 - Low	2 - Medium	3 - High
		Impact		

8.2.6. The risks can also be assessed in the context of mitigating actions, including those that have been completed. When mitigating actions are completed, there is an expectation that the cumulative effect will have a positive impact on the risk score. Detailed below are completed actions and proposed mitigating actions for each of the Council Delivery Plan high-level risks. Actions completed since the previous Risk Management Governance report are in ***bold italics*** to help show how mitigating activity is progressing.

Risk Title/ Risk Score	Completed Mitigating Actions	Ongoing Controls and Mitigating Actions
Churchgate Current: 8 Target: 6	<ul style="list-style-type: none"> - Secured both freehold and leasehold ownership. - Project Board appointed (November 2022). - Lead consultant (Lambert Smith Hampton) appointed (June 2023). LSH supported by design and transport consultants. 	Controls: <ul style="list-style-type: none"> - Communications and consultation plan in place and evolving, which is kept updated. - Decisions explained, including that there will need to be compromises. - Financial and expert consultancy support is in

Risk Title/ Risk Score	Completed Mitigating Actions	Ongoing Controls and Mitigating Actions
	<ul style="list-style-type: none"> - Appointed communications agency support (PLMR). - Detailed project risk log created. Issues log also created. - SIAS audit of Churchgate - Ongoing Project Assurance (reported May 2024). Recommendations implemented. - Engagement plan developed and approved by Project Board (July 2024). - Formal engagement process commenced September 2024 and ended November 2024. - Further SIAS audit of Churchgate - Project Assurance (reported May 2025) provided a reasonable level of assurance. Recommendations implemented. - LSH undertook preliminary exercise to identify key risks and appropriate ways to manage these. Details presented in Appendix M (Risk Assessment) of the Viability and Strategy Report. - Council decision (10 July 2025) to develop a proposal based on the preferred option, endorse the five 'Development Principles', and approve additional 12-month funding for a specialist regeneration project manager. 	<p>place to provide expert advice and help us to move the project forward.</p> <ul style="list-style-type: none"> - Cost effectiveness/value for money is a key part of assessing and developing options. - Committee reports to highlight significant risks associated with recommended decisions under Risk Implications. <p>Project Management Controls:</p> <ul style="list-style-type: none"> - Regular Project Board meetings. - Project risk log and issues log regularly updated and reported to Project Board. - Weekly Project Team meetings with LSH. <p>Actions:</p> <ul style="list-style-type: none"> - Further work required to explore risks identified in the Viability and Strategy Report in greater detail and to develop appropriate mitigation strategies. - Progressing a number of work packages (e.g., car park survey analysis and future proofing) to support fully informed decision making on options/viability.
<p>Leisure Centre Decarbonisation Current: 8 Target: 6</p>	<ul style="list-style-type: none"> - Project Board established. - Dedicated Project Manager appointed, although post-holder has now left. - Detailed Project Risk Log created and reported to Project Board on an ongoing basis. - Appointed Quantity Surveyor to oversee NHC's interests. - Project Board decision to draw down Year 1 grant funding and place early orders for plant and materials including Air Source Heat Pumps and Solar PV, prior to entering the construction contract. - Council decision on 15 January 2025 to proceed with the design and order of larger, bespoke heat pumps and to approve additional forecast capital and ongoing revenue costs, whilst noting the ongoing project risks associated with this decision. - Financial Risk identified and reported as part of the 2025/26 budget setting process: Loss of revenue due to full or partial closures of the Council's leisure centres while the decarbonisation and gym extension (Royston) works take place (High Risk / Risk Value £50k). - Early and continued engagement with Planning. - Implemented recommendations from the 'Leisure Centre Decarbonisation Project (Salix Grant) Embedded Programme 	<ul style="list-style-type: none"> - Weekly Project Team meetings. - Regular Project Board meetings. - Regular communication with Salix regarding grant change requests and meeting grant conditions. Includes Monthly Monitoring Reports (MMRs). - Discussions with DNO and regular updates on applications. - Discussions with relevant parties (LGCHF and Hitchin Cow Commoners Trust) to progress required easements in a timely manner. - Contracts to include required savings guarantees and post-installation verifications. - Clarify grant funding implications if carbon savings are not achieved. - Communicate planned disruption to users, highlighting the wider aims of the project.

Risk Title/ Risk Score	Completed Mitigating Actions	Ongoing Controls and Mitigating Actions
	Assurance' audit reports.	
Local Plan Review Current: 7 Target: 3	<ul style="list-style-type: none"> - Adoption of Local Plan by Full Council on 8 November 2022. - Various budget bids to secure additional staff and significant revenue funding (£780k total) to progress work on evidence studies, IT platforms etc. - Approval in principle of Local Plan Review by Cabinet in line with key milestone in adopted Local Plan. - Cabinet approval of LDS in January 2025. - Temporary appointment to interim Strategic Planning Manager role approved and completed. 	<ul style="list-style-type: none"> - Ongoing engagement with and review of Government announcements and consultations. - Internal Project Board established with monthly meetings to escalate barriers to progress. - Ongoing monitoring of workload and service-wide budgets to ensure sufficient resource to progress. - Up to date development plan that fulfils legislative requirements to determine applications whilst the review is undertaken. - Pending publication of government legislation detailing new arrangements for Local Plan making, progressing work to develop supporting evidence base. - Regular updates to Cabinet via Strategic Planning Matters reports.
Decarbonisation of Council Buildings - Phase 2 Current: 7 Target: 5	<ul style="list-style-type: none"> - Project budget contingency in place. - Allocated internal resource for project management and delivery of project programme. - Allowed for comprehensive planning in year one, with no requirement to drawdown any Salix funding. - Project Risk Log in place. - Informal engagement with Planning prior to funding application, to have confidence that proposed interventions are likely to align with planning guidance. - Project plan allows for a significant period of time to undertake planning process, DNO upgrades and procurement of MEP. - Funding for a Principal Designer and a Quantity Surveyor approved by Cabinet via the Q1 2025/26 Capital Budget Monitoring Review report (23 September 2025). - Reviewed the three audit reports and recommendations relating to 'Leisure Centre Decarbonisation Project (Salix Grant) Embedded Programme Assurance'. 	<p>Actions</p> <ul style="list-style-type: none"> - Decision on preferred project approach and procurement route (13 November 2025). - Appoint independent QS and a Principal Designer to support full project. - Apply for planning permission as early as possible (early 2026/27). - Engage with DNO regarding upgrade requirements as early as possible. - Undertake asbestos surveys across identified sites (timings to be confirmed). <p>Controls</p> <ul style="list-style-type: none"> - Regular Project Board meetings. - Regular dialogue with Salix relationship manager. - Monitoring reports submitted to Salix (quarterly for 2025/26 and monthly for 2026/27 and 2027/28). - Monthly Executive Member briefings.
Resourcing Current: 9 Target: 8	<ul style="list-style-type: none"> - Carry-forward of staffing underspend to help deliver some priorities. - Work on Baldock Fire recovery has subsided. - Council Delivery Plan reviewed for 2024/25 with a reduction in number of projects. - Recruitment website updated to make it more attractive to applicants. - Some success in recruiting to previously hard to fill roles, although still some continuing issues in certain areas. - Pressures identified in the budget setting process for 2025/26 for additional staffing, including training posts. 	<ul style="list-style-type: none"> - Consider getting in additional staffing resource (especially where New Burdens funding available). - Signposting to external resources and support. - Process automation. - Continue HR projects to help make the Council a more attractive place to work and make the recruitment process easier. - Continue to review the Council Delivery Plan to ensure resources are targeted at those projects that are the highest priority and stop/delay work on those that are a low priority.

Risk Title/ Risk Score	Completed Mitigating Actions	Ongoing Controls and Mitigating Actions
	<ul style="list-style-type: none"> - Joined in with the national recruitment campaign for councils led by the LGA. 	
Cyber Risks Current: 8 Target: 8	<ul style="list-style-type: none"> - In-house fully functional Disaster Recovery solution. - SLA from broadband provider in place (although loss of broadband service is out of our control). - Financial Risk identified for 2025/26 to fund services to aid recovery, "Ransomware attack results in the write-off of some IT hardware and infrastructure" (Low Risk/£200K). - 2022/23 SIAS audits of IT Hardware (Reasonable assurance), Phishing (Reasonable assurance) and Cyber Risk (Reasonable assurance). - V3 laptop rollout completed for staff. - Implemented IT Hardware audit recommendations. - Test Immutable Cloud Back-up - Phase 1. - Implemented Immutable Cloud Back-up - Phase 2. - IT Information Team Leader and Technical Operations Manager completed the Certified Information Security Manager course. - Implemented Phishing audit recommendations. - Implemented Cyber Risk audit recommendations. - New email monitoring system Mimecast implemented and live. Backup server for mail routing in the event of attack on Microsoft 365 in place. - Windows 11 operating system with Microsoft Defender now deployed. - Mimecast system now used to conduct more sophisticated Phishing Simulations. - Website Access Control and Monitoring upgrade completed. - 2024/25 SIAS audits: Cyber Security Supply Chain Management (Reasonable assurance), Cyber Governance and Culture (Reasonable assurance). - The Council has introduced a Cyber Resilience Board, which includes key officers and elected Members, and meets quarterly. - The Council will not now appoint a Chief Information Security Officer. IT Manager to undertake the role of principal security officer as Cyber Security Lead. - Data at Rest Encryption purchased. 	<p>Key Controls/Mitigations</p> <ul style="list-style-type: none"> - Technology in place to cover systems being interrupted or damaged, and data being corrupted or erased: Computer virus (Realtime Virus Protection/Defender updated), Malware (Realtime Monitoring), Computer hacking (Firewalls/Admin restrictions). - Internal detailed IT risk register in place, which is continually monitored/updated, as individual ongoing risks are identified. (Ongoing) - Cyber Awareness training for all staff, including new requirement for annual refresh. - Continual evaluation and development of cyber policies and threat analysis. - Implementation of 2024/25 SIAS audit recommendations. - Data at Rest Encryption. <p>Response Options</p> <ul style="list-style-type: none"> - Successful cyber-attack would be managed by a complete disconnect, with no/limited service available until the breach is fixed. IT would have responsibility for initiating this. - Power failure would be managed by the generator/UPS, with a limited service available. - For Ransomware, go to backup and rebuild all devices. Ransomware policy discussed by February 2025 Cyber Board. In line with Government recommendations, no ransom will be paid.
Financial Sustainability Current: 9 Target: 5	<ul style="list-style-type: none"> - MTFS for 2025-30 agreed by Council in September 2024. - Set budget for 2025/26, which identified additional pressures and incorporated revised funding assumptions. - Government confirmation of three-year 	<ul style="list-style-type: none"> - Revise funding projections as a result of formula changes and insight of future direction. - MTFS sets out a strategy for addressing funding gaps, including how difficult service funding decisions will need to be made. - Regular budget monitoring to highlight any

Risk Title/ Risk Score	Completed Mitigating Actions	Ongoing Controls and Mitigating Actions
	settlement from 2026/27 onwards. - Responded to consultation on new funding formula. - Budget consultation carried out.	issues. - Review results from budget consultation and feed into 2026/27 budget planning.
Local Government Reorganisation and Devolution Current: 9 Target: 5	- The Council was part of the county-wide White Paper Working Group, which was working on the initial submission in March 2025. - Staff have been provided with regular updates and chances to ask questions, this has included reassurance that services will still need to be delivered under any structure. - Feedback received from central government on the interim proposal for Hertfordshire (May 2025). - Consultants appointed to support Programme Management Office deliver the agreed work programme to November 2025 submission.	Controls and Further Mitigating Activities: - Continued support for staff. - Engagement and communication with stakeholders to seek views on outcomes and explain outcomes. - Maintain processes for decision making and ensure decisions are taken in the best interests of North Herts (irrespective of future structure). - Continue to work with county-wide groups towards the November 2025 submission deadline (see involvement in the risk description section).

8.2.7. In addition to Corporate Risks, we also document and review service risks. As of 30 September 2025, there were 40 service risks on the Risk Register. Nine of these were rated as high (red) risks, 17 as medium (amber) risks and 14 as low (green) risks. The high risks were:

- Careline - Field Visits to Service Users' Homes
- Delivery of the Waste Collection and Street Cleansing Services Contract
- EV Charging Points
- Increased Levels of Homelessness
- Open Space in Major New Developments
- Sale of Recyclable Materials
- Virgin O2 2G Network Shutdown
- Waste Depots
- Waste Transfer Infrastructure

8.3. Review of Risks

8.3.1. Risk reviews are scheduled within Ideagen (our performance and risk software), with automated reminders sent to assigned officers when risks are due to be reviewed. In line with Risk Management Framework (RMF) requirements, high risks should be reviewed most regularly – every 3 months, with medium risks every 6 months and low risks at least once a year. The Performance and Risk Officer assists service areas to ensure that information is captured in line with the RMF.

8.3.2. As of 30 September 2025, there were a total of 56 risks on the risk register. All of these had risk reviews scheduled in accordance with the RMF. During the six-month period April 2025 to September 2025, which followed the six-month period reported in the previous Risk Management Governance update, 93 risk reviews took place, with 78 (84%) of these taking place in line with strict RMF requirements. Of the 15 reviews that

were late, five were less than one week late. For the 10 reviews that were more than one week late, ranging from 9 to 49 days late, reasons for the delay have been investigated. Reasons for delay include lack of officer availability (e.g., due to higher priority commitments or leave) meant review meetings had to be scheduled after the Next Review Date. Of the 15 late reviews, nine related to Corporate Risks, with all of these being reviewed in time to be included in the relevant quarterly Council Delivery Plan monitoring report.

8.4. New and Archived Risks

8.4.1. During the six-month period to 30 September 2025, three new risks were entered on the Risk Register. These were:

- **Decarbonisation of Council Buildings - Phase 2:** New Corporate Risk (included in the Council Delivery Plan) describing key risks to successfully delivering the associated projects and setting out key activities to control/mitigate these.
- **Sustainability Strategy 2025-30 - Delivery of Actions:** New Service Risk relating to the risk of failing to deliver the actions included in the Strategy's actions table and to achieve stated strategic aims and targets in a timely manner.
- **Careline - Field Visits to Service Users' Homes:** New Service Risk relating to the risk of Careline technicians and welfare officers being exposed to hazards when attending the homes of vulnerable adults and children.

All three risks were reviewed by the RPMG on 20 August 2025.

8.4.2. During the six-month period to 30 September 2025, three risks were archived. These were:

- **Help Residents Make Payments at Convenient Locations:** Changes to customers payment options implemented by the related Council Delivery Plan project are now embedded and business-as-usual. Any impact on debt levels continues to be monitored via the Corporate Debt Management Group and we continue to communicate with residents on the ways to pay and the Allpay app. Residual risks assessed as low.
- **Master Planning:** The related project was removed from the Council Delivery Plan, as progress is dependent on third parties, NHC activities are considered business-as-usual, and strategic oversight continues via Project Board and regular Strategic Planning Matters reports to Cabinet. All masterplans for our strategic sites are now approved. Broader related issues are adequately covered by other risk entries e.g., Local Plan Review or by business-as-usual monitoring and managing.
- **Icknield Way Depot, LGC:** This site is still under review, and it is too early to make any long-term decisions. For now, it is important that the authority retains the site, including in view of Local Government Reorganisation. The Council will continue to let it out on short-term lettings, ensuring the site is occupied and produces an income. In view of this, the previously identified risks to the sale of the site are no longer considered relevant. As the longer-term options for the site become clearer, we could introduce a revised risk entry if considered appropriate.

9. Insurance Review

- 9.1. Hertfordshire County Council continues to handle the Council's insurance arrangements under a shared service arrangement. The Council's insurance policies were renewed from 1 April 2025. Unfortunately, once again, due to the rising cost of claims in the insurance market, rates were increased by the liability and motor insurers. The liability insurance arrangements will be tendered in 2025/26.
- 9.2. The Council transfers some financial risks to its insurers. Public liability insurance provides the Council with insurance cover for claims made by the public for personal injury and/or property damage. These types of claims are subject to a £10,000 excess that is charged to the responsible service area. In the first two quarters of 2025/26, no payments were made and so no recharges to service areas were required. Areas that have been subject to a claim are identified and wherever possible, action is taken to prevent future damage to property or personal injury. As of 30 September 2025, there were three outstanding public liability claims against the Council.
- 9.3. The Municipal Mutual Insurance (MMI) Scheme of Arrangement was triggered in 2013, and the Council now pays 25% of any new claims dating back to the period that MMI was the Council's insurer (1974 to 1993). The Council's Financial Risks make provision for any new claims and any further levy demands relating to the period that MMI were the Council's insurers. As of 30 September 2025, there were no outstanding claims with MMI.
- 9.4. The Council is uninsured for public liability claims for asbestos exposure, following the introduction of this as an exclusion in policy wordings from around 2003. Following the court case Bolton – v – MMI it is deemed that injury does not occur at the time of exposure but when the tumour begins to develop. This led to injury in mesothelioma claims being deemed to occur 10 years before diagnosis. As it is now 22 years since the exclusion wording was introduced, any new cases will not have cover. In contrast, employers' liability insurance covers the date the exposure happened so the insurer on cover in the 1970/80's will respond (as any claims are likely to be from this period before stricter health and safety controls were introduced). In North Herts Council's case, and as referenced above in 9.3., this is Municipal Mutual Insurance.

10. Business Continuity and Emergency Planning

- 10.1. In September 2025, through the Local Resilience Forum (LRF), an open day/training session was held at Hertfordshire Constabulary HQ for staff who will need to attend a Tactical or Strategic Coordinating Group.
- 10.2. New hi-vis equipment for Leadership Team and Assistance Centre roles, grab bags for Tactical/Site Liaison Officer roles, and a set of Assistance Centre equipment is now available in a store at the DCO.

- 10.3. The Environment Agency Groundwater Flood Alert for Kimpton remained in place until 15 May 2025. A multi-agency debrief facilitated by HCC Flood Risk Management was held in July 2025. An Assistance Centre kit box is now stored at Kimpton Memorial Hall, and work has continued with Hertfordshire County Council to ensure there are fully developed plans in place in case of future groundwater flooding in Kimpton. Multi-agency updates from HCC Flood Risk Management will resume when groundwater is next observed in the sump.
- 10.4. The Director - Resources provided a position statement to Cabinet on 23 September 2025 regarding the provision of flood defences or funding to residents. Cabinet approved that the Council does not provide flood defence items or funding to residents to protect or reinstate their property against or following flooding and noted that the Council would provide some support to residents including providing information and guidance and supporting anyone who is made homeless.
- 10.5. Following the multi-agency Hertfordshire LRF exercise in February 2025 to test the External Emergency Plan for the Johnson Matthey upper-tier Control of Major Accident Hazards (COMAH) site, the HCC Resilience Team has now issued the post-exercise report.
- 10.6. In June 2025, Cyber Board approved the Cyber Incident Business Continuity Response Plan. This provides guidance on the corporate business continuity response in the event online systems become unavailable. A training exercise linking to the plan will be held in December 2025.
- 10.7. Ongoing areas of focus are updates to the Pandemic Disease Business Continuity Response Plan and development of a Widespread Power Outage Business Continuity Plan and an Adverse Weather Business Continuity Plan.

11. Health and Safety

- 11.1. The Council's Health and Safety Officer (HSO) retired at the end of September 2025. Rather than recruiting a full time HSO, we have appointed Hertfordshire County Council's (HCC) Health and Safety team via a service level agreement to provide specialist health and safety advice when required. HCC will also provide fire risk assessment surveys and will review the required frequency of these based on the size and complexity of the site and the risk level.
- 11.2. Some tasks previously undertaken by the HSO will be retained in-house for the time being. For example, Workstation Assessments required by the Display Screen Equipment (DSE) Regulations. The Council currently has a software package called Cardinus that provides DSE training for staff and records the outcome of self-assessments. This system will continue to be managed in-house. However, where a DSE assessor is required, this piece of work will be picked up by HCC.

- 11.3. First aid will continue as before, with buildings having their own arrangements. The first aid kit arrangements in the District Council Offices (DCO) have been reviewed and new first aid kits are available throughout the building, and first aiders have been updated. A risk assessment of first aider arrangements has been carried out and due to home working arrangements, some further work is required around the provision of first aid cover within the District Council Offices in Letchworth.
- 11.4. A number of documents on The Hub have been amended to reflect changes in arrangements. These amendments mainly focused on changing email contacts and officer titles.
- 11.5. Following a reminder to staff on the DCO security, an email was received from the Safeguarding Support Officer about lone working and what our lockdown process is in case of a security threat. Following direction to related information on The Hub, the Safeguarding Support Officer also highlighted Martyn's Law (Terrorism (Protection of Premises) Act 2025). We contacted HCC for guidance and undertook in-house research, and a key initial activity will be the identification of all premises/events falling within the scope of the legislation. A 24-month implementation period has been set for Martyn's Law, which commenced in April 2025.

12. Actions for 2025/26

- 12.1. The previous Risk Management Governance report detailed the following key actions for 2025/26 to enhance our Risk Management processes:

Action	Due Date	Progress
Undertake the annual review of Risk Management Framework documentation.	31/12/25	Officers have undertaken the review, and this report provides details of relevant updates.
Training exercise linked to the Cyber Incident Business Continuity Response Plan.	31/12/25	In June 2025, Cyber Board approved the Plan. A training exercise linked to the Plan will take place on 19 December 2025.
Senior Managers Group (SMG) review of emerging risks and opportunities.	31/03/26	This is likely to be undertaken in early 2026, to await publication of wider information on emerging risks e.g., Global Risks Report 2026, National Risk Register 2026.
Updates to Emergency and Business Continuity plans.	31/03/26	Updates to existing plans are ongoing and are expected to be signed off prior to the end of March 2026.

13. LEGAL IMPLICATIONS

- 13.1. Finance, Audit and Risk Committee's Terms of Reference include "To monitor the effective development and operation of risk management and corporate governance, agree actions (where appropriate) and make recommendations to Cabinet." (Constitution 10.1.5 (t)).
- 13.2. Cabinet's Terms of Reference include "to monitor performance and risk in respect of the delivery of policies and priorities" (Constitution 5.7.3)

14. FINANCIAL IMPLICATIONS

- 14.1. There are no direct financial implications arising from this report.

15. RISK IMPLICATIONS

- 15.1. Good risk management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 15.2. The Risk Management Framework requires the Finance, Audit and Risk Committee to consider regular reports on the Council's risk management governance arrangements. Failure to provide the Committee with regular updates would conflict with the agreed Framework and would mean that this Committee could not provide assurance to Cabinet that the Council has appropriate risk management governance arrangements in place to manage risks effectively.
- 15.3. Proposed changes to Risk Management Framework documents aim to enhance the Council's arrangements for managing risks effectively and realising potential opportunities.

16. EQUALITIES IMPLICATIONS

- 16.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 16.2. There are no direct equality implications relating to this report. Reporting on the management of risk provides a means to monitor whether the Council is meeting stated outcomes of district priorities, its targets, and is delivering accessible and appropriate services to the community to meet different people's needs. The Council's risk management approach is holistic, taking account of commercial and physical risks. It should consider the risk of not delivering a service in an equitable and accessible manner, especially to its most vulnerable residents, such as those who are homeless.

17. SOCIAL VALUE IMPLICATIONS

- 17.1. The Social Value Act and “go local” requirements do not apply to this report.

18. ENVIRONMENTAL IMPLICATIONS

- 18.1. There are no known Environmental impacts or requirements that apply to this report.

19. HUMAN RESOURCE IMPLICATIONS

- 19.1. The Resourcing Corporate Risk highlights potential impacts on staff relating to delivering new services and projects, responding to emergency planning events, and Local Government Reorganisation and Devolution.

20. APPENDICES

- 20.1. Appendix A – Risk Management Framework Policy Statement
- 20.2. Appendix B – Updated Risk Management Framework Policy
- 20.3. Appendix C – Updated Risk Management Framework Strategy

21. CONTACT OFFICERS

- 21.1. Ian Couper, Director – Resources
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- 21.4. Natasha Jindal, Deputy Monitoring Officer
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22. BACKGROUND PAPERS

- 22.1. None.

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**RISK MANAGEMENT FRAMEWORK – PART 1 – POLICY STATEMENT
(The Key Principles)**

North Herts Council will be a risk aware Council that understands the risks that it is taking on. It appreciates that there are going to be risks in everything it does, but these are increased when undertaking projects, changing the way it delivers services and acting more commercially. It will address the risks it faces by adopting a risk aware culture and having strong risk management processes.

The Council will develop processes that allow it to focus on the significant risks it faces and ensure that undue time is not spent on low level risks and risks that have been effectively managed.

This leads to the following key principles:

Principles

1. We will support a culture of well measured risk taking throughout the Council's business.
2. We will not avoid risk but will identify and document key risks in all areas of our business, understand them and seek to proactively manage them. In managing risks, opportunities may present themselves. These will always be considered and acted on where appropriate.
3. We will assess each risk, identify existing controls, and identify if further actions are required to reduce the risk. Where a risk is at a low level or has been managed down to a low level, then the risk will fall into business-as-usual, and the risk entry will be archived. This allows actions and monitoring to be focused on higher level risks.
4. We acknowledge that even with good risk management, things will still sometimes go wrong. Where this happens, we will use lessons learned to try to prevent it from happening again. We will have Business Continuity Plans in place for each of our service areas, which identify the key functions, what the risks are and how they can be mitigated to allow them to continue operating.
5. We will develop capacity and skills in identifying, understanding, and managing the risks facing the Council.
6. We will challenge the Risk Management Process through the use of the Risk and Performance Management Group and the Finance, Audit and Risk Committee.
7. We will regularly review the Risk Management Framework and update it in line with statutory and best practice requirements.

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RISK MANAGEMENT FRAMEWORK – PART 2 – POLICY
(What you must do)

This policy applies to:	
Members	Yes
Officers	Yes
Managers	Yes

Officers / Managers - You Must:

- Consider Risk Management as an integral part of your job.
- Read and follow the guidelines in the Risk Management Framework documents.
- Identify and record any threats relating to service delivery in your own area.

Risk Owners – You Must:

- Record new risks on Ideagen Risk Management.
- Review existing risks in line with the Framework requirements.
- Ensure actions are updated and completed.
- Ensure risks are proposed for archiving/deletion when no longer required.
- Update Business Continuity Plans where relevant.

Members – You Must:

- Support and promote an effective Risk Management culture.
- Constructively review and scrutinise the risks involved in delivering the Council's objectives.
- Ensure the Risk Management objectives are aligned with the objectives and strategies of the Council.

Policy author and further advice from: Rachel Cooper, Controls, Risk and Performance Manager.

Contents:

1. Definitions
2. Purpose of Policy
3. Identification and Assessment of Risk
4. Monitoring and Reviewing Risks
5. Promotion and Scrutiny of the Risk Management Process
6. Linked Policies and Procedures
7. Communication and Training

1. Definitions

Risk - Something that may have an impact on the achievement of our objectives. This could be an opportunity as well as a threat.

Risk Management - The “systematic application of principles, approach and processes to the identification, assessment and monitoring of risks.”

Risk Owner – Responsible Officer to whom a risk is assigned. Provides assurance that the risks for which they are the Risk Owner are being effectively managed, allocating appropriate resources and importance to the process, confirming the existence and effectiveness of existing actions and ensuring further actions are implemented.

2. Purpose of Policy

2.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly to new pressures and opportunities. Managers need to consider Risk Management as an integral part of their job, and the Leadership Team (LT) and Cabinet must keep the Corporate Risks faced by North Herts Council under regular strategic review.

2.2 Part 1 of the Risk Management Framework (the Framework) – the Policy Statement - sets out the seven principles underpinning how we will undertake Risk Management at North Herts Council.

2.3 Part 2 – the Policy, aims to ensure that Risk Management is undertaken in a consistent and effective manner through the Council, with risks that are well documented, reported and understood. It highlights responsibilities and roles within the process.

2.4 North Herts Council is committed to the proactive identification and management of key external and internal risks, which may affect the delivery of our objectives. This will allow us to be a “Risk Aware” Council, who understands that risks may increase as services evolve and we undertake more commercial activities. The Framework is designed to ensure consistent management of risk and provides more detailed guidance for users. The Framework will be regularly updated to ensure we are in line with regulatory and best practice requirements.

3. Identification and Assessment of Risk

3.1 It is the responsibility of all Managers and Officers to identify and document key risks within their service areas, which may affect the achievement of the Council’s objectives. This should be done as part of the Service Planning process and updates to the Council Delivery Plan, but also continuously throughout the year.

3.2 When risks have been identified, they must be recorded and assessed using the Council’s Risk Management software, Ideagen Risk Management.

3.3 All risks should be assessed in line with the requirements of the Framework, assigning an initial Risk Score, and taking into account any existing controls which may be in place.

3.4 Each risk must be assigned to a Risk Owner, who takes responsibility for the risk. This should be someone who has the authority to ensure that required actions are carried out.

3.5 A set of mitigating controls or actions must be identified, with timescales for completion. All actions should be SMART (specific, measurable, achievable, realistic and timely). The risk should be assessed for a second time, taking the effect of the actions into account. This will become the Target Risk Score and will form the basis of the ongoing risk monitoring. If the Target Risk Score is still unacceptable then it will be necessary to consider further mitigation actions.

3.6 Whilst assessing and managing the risk, Officers should also consider and act on any opportunities which may present themselves. Further guidance on how to consider opportunities is provided within the Framework Part 4 - Toolkit.

3.7 Officers must ensure that the Business Continuity Plan for the Service area is updated with any new risks, including how they can be mitigated to allow any key functions to continue operating.

4. Monitoring and Reviewing Risks

4.1 Once identified and recorded, risks must be proactively managed by the Risk Owner. It is important that the Risk Register is dynamic – new risks added as they arise, and risks removed when they have been managed down to an appropriate level. It is the Council's Policy to focus its resources on monitoring risks which, because of their likelihood or impact, make them priorities. These are risks which score 4 or above on the Risk Matrix.

4.2 Risk Owners must review their risks in line with the requirements of the Framework. Reminders will be issued automatically from Ideagen Risk Management when reviews of risks are due.

4.3 Actions must be updated once completed, and the risk assessed to see whether the Target Risk Score has been achieved. Further actions should be added if required.

4.4 When deemed appropriate, the Risk Owner should propose the archiving of any low-level risks scoring 3 or below that are no longer relevant and any risks which they consider to have been managed down to "Business as Usual". They must also review the Business Continuity Plan for the Service and update it with any changes that may be required following the archiving/closure of the risk.

5. Promotion and Scrutiny of the Risk Management Process

5.1 The Leadership Team (LT) and Cabinet will support a culture of well measured risk taking throughout the Council's business, by embedding Risk Management in our corporate business processes including strategic planning, corporate business planning, policy making and review, performance management, and key partnerships.

5.2 All Managers and Members must consider risk as an integral part of business planning, service delivery, key decision-making processes, and project and partnership governance.

5.3 Business Continuity Plans must be maintained for each service area, identifying the key functions in a service, what the risks are and how they can be mitigated to allow key functions to continue.

5.4 All committee reports must contain a Risk Implications section. In addition to the standard wording that is included in the committee report template, the report writer should summarise the risks that the decision maker needs to consider to make a fully informed decision. Although overall responsibility for Risk Management lies with LT and Cabinet, it is an integral part of each Managers role and report writers must always identify the risks linked to the decision they are recommending.

5.5 Members must constructively review and scrutinise the risks to ensure they have been adequately considered, to enable delivery of the Council's objectives.

5.6 All new and proposed archiving/closure of Service Risks must be reviewed by the Risk and Performance Management Group (RPMG) and LT prior to the changes to Ideagen Risk Management being accepted.

5.7 Any changes to Corporate Risks (those included in the Council Delivery Plan) must be reviewed by RPMG, LT and Overview and Scrutiny Committee before being approved by Cabinet. Changes to the Risk Management Framework must be reviewed by RPMG, LT and Finance, Audit and Risk Committee (FARC) before being approved by Cabinet. Changes to Service Risks should be discussed with the relevant Director.

5.8 Members of RPMG and Finance, Audit and Risk Committee are responsible for ensuring the Risk Management process is aligned to the Council's objectives, challenging the process where appropriate and making recommendations to Cabinet.

6. Linked Policies and Procedures

6.1 Everyone is required to adhere to all Council policies, procedures and processes. The Risk Management Framework consists of four parts and all Officers, Managers and Members should ensure they have a good understanding of their risk responsibilities.

Risk Management Framework – Part 1 – Policy Statement (The Key Principles)

Risk Management Framework – Part 2 – Policy (What you must do)

Risk Management Framework – Part 3 – Strategy (How we will do it)

Risk Management Framework – Part 4 – Toolkit (Operational guidance)

7. Communication and Training

7.1 The Council is committed to making training available to everyone. We will increase understanding and expertise in Risk Management through targeted training and the sharing of good practice and lessons learned. Training is available via e-learning on GROW Zone, with further training available from the Controls, Risk and Performance Team on request. Some of this training may be deemed mandatory. Managers should identify and arrange any training that their staff require. All Officers should also request training on any areas that they are uncertain about.

7.2 A Toolkit is provided as part of the Risk Management Framework, which provides practical guidance on the use of Ideagen Risk Management and all the associated tasks to be undertaken. The Toolkit is available on the intranet (The Hub).

Mandatory Risk Management training for managers is available on GROW Zone (link to the system below):

[North Hertfordshire District Council](#)

Risk Management page on the Intranet:

[Risk Management](#)

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RISK MANAGEMENT FRAMEWORK - PART 3 - STRATEGY **(How we will do it)**

North Herts Council's Risk Management Framework is outlined within four key documents.

Part 1 – Risk Management Framework - Policy Statement sets out the Council's commitment to the proactive management of external and internal risks within seven key principles. In order to ensure we can meet those principles, a number of objectives have to be achieved.

- 1 Maintenance of a robust and consistent Risk Management approach.
- 2 Considering any Opportunities which may present themselves whilst managing Risks.
- 3 Ensuring accountability and roles and responsibility for managing Risks are clearly defined and communicated.
- 4 Considering Risk as an integral part of business planning, service delivery, key decision making and project and partnership governance.
- 5 Communicating Risk information effectively through a clear reporting framework.
- 6 Increasing understanding and expertise in Risk Management through targeted training and the sharing of good practice.

Part 3 – Strategy provides more detail on how the Council intends to ensure these objectives are met.

1 - Maintenance of a robust and consistent Risk Management Approach

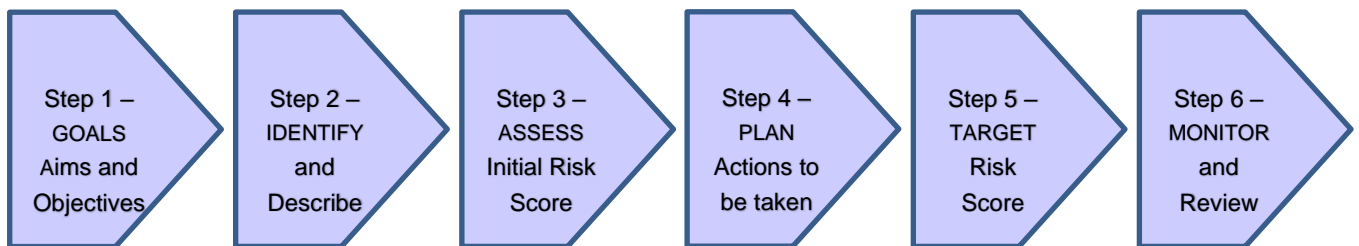
The objectives of the Risk Management Approach are to meet the seven principles outlined in Part 1 – Policy Statement:

- We will support a culture of well measured risk taking throughout the Council's business.
- We will not avoid risk but will identify and document key risks in all areas of our business, understand them and seek to proactively manage them. In managing risks, opportunities may present themselves. These will always be considered and acted on where appropriate.
- We will assess each risk, identify existing controls, and identify if further actions are required to reduce the risk. Where a risk is at a low level or has been managed down to a low level, then the risk will fall into business as usual, and the risk entry will be archived. This allows actions and monitoring to be focused on higher level risks.
- We acknowledge that even with good risk management, things will still sometimes go wrong. Where this happens, we will use lessons learned to try to prevent it from happening again. We will have Business Continuity Plans in place for each of our service areas, which identify the key functions, what the risks are and how they can be mitigated to allow them to continue operating.
- We will develop capacity and skills in identifying, understanding and managing the risks facing the Council.

- We will challenge the Risk Management Process through the use of the Risk and Performance Management Group and the Finance, Audit and Risk Committee.
- We will regularly review the Risk Management Framework and update it in line with statutory and best practice requirements.

Good risk management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly to new pressures and opportunities. Managers need to consider risk management as an integral part of their job, and the Leadership Team and Cabinet must keep the Corporate Risks faced by the Council under regular strategic review.

The following six steps are used by the Council in managing its risks:



Step 1 – Identify Council Aims and Objectives

Before we can start to identify risks, we will establish context by looking at **what we are trying to achieve** and what our proposed outcomes are. These objectives will usually be detailed in existing documents, such as:

- The Council Plan
- The Council Delivery Plan
- Service Plans
- Project Initiation Documents
- Partnership Agreements

Step 2 – Identify and Describe the Risk –What stops us from achieving objectives?

There are many different types of risks that we should consider. There are some examples in the table below. It is not necessary to detail all relevant risks, but the main ones should be considered.

Type of Risk	Example
Strategic	<ul style="list-style-type: none"> - Delivery of the key objectives of the Council - New political arrangements - Changes to Government policy
Operational	<ul style="list-style-type: none"> - Delivery and efficiency of services, specifically around day-to-day work - New initiatives, ways of working and relationships with partners - Monitoring arrangements - Levels of service usage - Day-to-day management of buildings
Information	<ul style="list-style-type: none"> - Accuracy of data, systems or reported information - Appropriate transfer and sharing of data - Security of data and systems - Management and control of knowledge resources, e.g. the retirement of a key member of staff
Reputation	<ul style="list-style-type: none"> - The Council's brand or image - Customer experience - Negative publicity - Levels of complaints - Levels of public confidence and participation
Financial	<ul style="list-style-type: none"> - Acceptance of liabilities - Levels of funding - Levels of income - Losses by fraud / corruption - Adequacy of insurance cover - Availability of funds to deliver services / projects
People	<ul style="list-style-type: none"> - Employees, e.g. recruitment and managing change - Management, e.g. communication / consultation and business continuity / emergency planning arrangements - The public, stakeholders and partners, e.g. changing needs / expectations, inequalities and safeguarding - Delivery of services to minority and disadvantaged groups
Regulatory	<ul style="list-style-type: none"> - Adherence to regulatory environments and compliance regimes - Legislation, e.g. Health & Safety at Work Act, Data Protection, FOI, Human Rights, Equalities Act 2010, Public Sector Equality Duty 2011, Employment Law, TUPE etc. - Grant funding conditions
Environment	<ul style="list-style-type: none"> - Recycling, Green Issues - Impact of planning policies - Climate Change - Management of Open Spaces

It may help to consider the **cause and effect** of each risk. For example, by using the following:

Description of Risk	Cause –Why?	Effect – What will happen?
Risk of ... Failure to ... Lack of ... Loss of ... Uncertainty of ... Delay in ... Inability to ... Inadequate ... Opportunity to ... Damage to due to ... because leads to ... results in ...

Step 3 – Assess Initial level of Risk when identified – How significant is it?

The Council assesses each risk in terms of its potential likelihood and impact, enabling actions to be prioritised. **We will actively monitor risks scoring 4 or higher on the Risk Matrix.**

Each risk should be assessed twice, to set both Initial and then Target risk levels. The first assessment – the initial risk score - is taken on the “as is” basis—what is the risk if we do nothing further and just maintain any existing controls (the score should reflect whether these are currently operating effectively or not).

To ensure consistency, risks are assessed and scored using a standard Risk Matrix - Likelihood (1-3) and Impact (1-3). The matrix uses a “traffic light” approach to show high (red), medium (amber) and low (green) risks.

RISK MATRIX:

LIKELIHOOD	3	4	7	9
	2	2	5	8
	1	1	3	6
		1	2	3
		IMPACT		

ASSESSMENT CRITERIA:

Likelihood	
1. Low	Less than 20% likelihood
2. Medium	Between 20% and 60% likelihood
3. High	Greater than 60% likelihood
Impact	
1. Low	Consequences will be minor, and associated losses will be small
2. Medium	Will have a noticeable effect on the Council
3. High	Can have a significant impact on the Council

RISK SCORING MECHANISM:

4 Likelihood High (3) Impact Low (1) Chance of it happening - More than 60% Consequences - Minor	7 Likelihood High (3) Impact Medium (2) Chance of it happening - More than 60% Consequences - Noticeable effect on the Council	9 Likelihood High (3) Impact High (3) Chance of it happening - More than 60% Consequences - Significant impact on the Council
2 Likelihood Medium (2) Impact Low (1) Chance of it happening – between 20 – 60% Consequences - Minor	5 Likelihood Medium (2) Impact Medium (2) Chance of it happening – between 20 – 60% Consequences – Noticeable effect on the Council	8 Likelihood Medium (2) Impact High (3) Chance of it happening – between 20 – 60% Consequences – Significant impact on the Council
1 Likelihood Low (1) Impact Low (1) Chance of it happening – less than 20% Consequences - Minor	3 Likelihood Low (1) Impact Medium (2) Chance of it happening – less than 20% Consequences – Noticeable effect on the Council	6 Likelihood Low (1) Impact High (3) Chance of it happening – less than 20% Consequences – Significant impact on the Council



Step 4 – Plan actions required to reduce the Likelihood or Impact of a Risk – what can we do about it?

Not all risks can be eliminated, but they can be reduced and/or plans can be put in place to deal with the effects. The following five general approaches are used by the Council when determining relevant actions to be taken:

Transfer	Use of insurance (to transfer the financial cost), or by contracting out services (this transfers some but not all of the risks and may create different ones).
Tolerate	It may not be practical or cost effective to take effective action against some risks. In this instance, the risk should be monitored to ensure the likelihood or impact does not change.
Treat	Most risks will be in this category. This involves putting in place a series of mitigation actions, bringing the risk score to an acceptable level. It includes contingency planning, describing what action will need to be taken if a risk is realised.
Terminate	Quick and decisive action to eliminate a risk altogether, which would usually be linked to stopping doing the activity completely. It is unlikely that the Council will be in a position to terminate the provision of a service.

Taking an Opportunity	In managing risks, opportunities may sometimes present themselves. For example, where the take up of a new chargeable service is unknown, it might be lower than expected (a threat), or it might be higher (an opportunity).
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Actions should be **SMART** (specific, measurable, achievable, realistic and timely).

Managers should list existing and additional actions required to manage the risks and set out Contingency Plans to be followed in the event of the threat materialising.

Each action should have a named Officer (the Risk Owner) and a target date for completion.

The cost of the planned actions needs to be established and, wherever possible, should not exceed the cost of the risk they are mitigating. Cost may be identified as additional funding requirements or in redeployment of staff resources. Financial costs linked to a risk or opportunity should be included in the Corporate Business Planning process. The costs associated with dealing with any risk should it materialise should be assessed and provision made on the Council's Financial Risk Register, if appropriate.

When looking at risks, we will **also consider opportunities**. Planned actions to mitigate risk should be examined to see whether they open up new possibilities to help us achieve our objectives.

Step 5 – Aim – Set a Target Risk Score – what will the actions achieve?

Once the actions have been identified, the risk will be assessed again, using the same Matrix in Step 3, this time taking into consideration the effectiveness of the identified actions in Step 4. This becomes the **Target Risk Score** and reflects the position where the risk is deemed to be **managed to an acceptable level**. If the actions in Step 4 do not manage a risk to an acceptable level, then it will be necessary to reconsider what mitigating actions should be carried out.

The Council uses the Target Risk Score to ensure that:

- **Risks are prioritised in terms of their significance;**
- **Actions are relevant and effectively managing and/or reducing the Likelihood or Impact of the risk;**
- **Risks are removed when no further actions are required.**

Step 6 – Monitor and Review Risks

Risk management is an ongoing process, and risks will be reviewed regularly to ensure that actions are being completed.

Each Risk Owner is expected to conduct a review of their risks on Ideagen Risk Management in line with the review schedule in Appendix A. These reviews should consider:

- Any new risks which have been identified.
- Whether actions have been completed by their target dates, or revisions required.
- Whether the Target Risk Score has been achieved.
- Whether additional actions are required.
- Whether risks should be proposed for archiving/closure.

Where a risk is assessed at a low level (1, 2 or 3) or has been managed down to a low level, then the risk will fall into business-as-usual and the risk entry should be proposed for archiving.

Where a risk is no longer relevant, the risk should be proposed for archiving.

Any decision to archive/close a risk will be reviewed and agreed by the Risk and Performance Management Group, prior to the change being accepted on Ideagen Risk Management. If the proposed change is not accepted, the Ideagen risk entry will be reinstated with the agreed score.

Regular reporting of Corporate Risks (those included in the Council Delivery Plan) through Risk and Performance Management Group, Leadership Team (LT), Overview and Scrutiny (O&S) and Cabinet enables senior managers and Members to be more fully aware of the extent of the risks and progression of recorded actions, along with any proposed archiving/closures.

Risk registers (Service and Corporate) are maintained on the Council's risk management software Ideagen Risk Management. This enables the Council to monitor and review risks and produce meaningful management reports.

2 - Considering any Opportunities which may present themselves whilst managing Risks

In managing risks, opportunities may present themselves. These will always be considered and acted on where appropriate.

These opportunities may take the following forms:

1. **Absence of Threats** - If the bad thing does not happen, we might be able to take advantage of something good instead. For example, if poor industrial relations do not lead to a strike, we might be able to introduce an incentive scheme and turn the situation round from negative to positive.
2. **Inverse of Threats** - Where a variable exists and there is uncertainty over the eventual outcome, instead of just defining the risk as the downside we will also consider upside potential. For example, where the take up of a new chargeable service is unknown, it might be lower than expected (a threat), or it might be higher (an opportunity).
3. **Secondary Risks** - Sometimes by addressing one risk we can make things worse (the response creates a new threat), but it is also possible for our action to create a new opportunity. Avoiding potential delays to a car journey by taking the train might also allow us to do some useful work during the journey whilst achieving a lower environmental impact.

Opportunities cannot be managed unless they are identified. When looking at risks, we will also ask whether their absence or inverse might present an opportunity. Planned actions to mitigate risk will be examined to see whether they open up new possibilities to help us achieve our objectives.

3 - Ensuring accountability and roles and responsibility for managing Risks are clearly defined and communicated

NHC expects all its officers and councillors to have a level of understanding of how risks and opportunities can affect the performance of the Council, in the achievement of our objectives, and consider the management of risk as part of their everyday activities.

Roles in the Risk Management Process

All Employees	<ul style="list-style-type: none"> • Manage day-to-day risks and opportunities and report risk management concerns to their line managers. • Identify any new risks relating to their service area. • Attend training and awareness sessions, as appropriate.
All Members	<ul style="list-style-type: none"> • Support and promote an effective risk management culture. • Constructively review and scrutinise the risks involved in delivering the Council's objectives.
Cabinet	<ul style="list-style-type: none"> • Risk manage the Council in delivering its objectives. • Approve the risk management Policy Statement, Policy, and Strategy. • Consider and challenge the risks involved in making any "key decisions." • Responsible for oversight of Corporate Risks (with Leadership Team).
Finance, Audit and Risk Committee (FARC)	<ul style="list-style-type: none"> • Provide independent assurance to the Council on the overall adequacy of the Risk Management Framework, including review of proposed amendments to the Policy Statement, Policy, and Strategy prior to its presentation to Cabinet.
Overview and Scrutiny Committee (O&S)	<ul style="list-style-type: none"> • Review of changes to Corporate Risks and ensure that they are considered in relation to Council performance and the Council Delivery Plan.
Shared Internal Audit Service (SIAS)	<ul style="list-style-type: none"> • Provide assurance that risks are being effectively assessed and managed. • During all relevant audits, challenge the content of risk registers. • Periodically undertake specific audits of the Council's risk management process and provide an independent objective opinion on its operation and effectiveness.
Leadership Team (LT)	<ul style="list-style-type: none"> • Champion an effective Council-wide risk management culture. • Ensure all reports contain sufficient risk implications. • Ensure Members receive relevant risk information. • Responsible for oversight of Corporate Risks (with Cabinet). • Ensure risks are considered and are part of updates to the Council Delivery Plan. • Ensure that Business Continuity Plans are in place for each service area.

Directors	<ul style="list-style-type: none"> • Risk manage their Directorates in delivering the Council's core objectives and outcomes and confirm annually they have done this as part of the Annual Governance Statement process. • Update risks as part of any updates to the Council Delivery Plan. • Constructively review and challenge the risks involved in decision making. • Ensure that appropriate resources and importance are allocated to the process.
Director - Resources	<ul style="list-style-type: none"> • Corporate Champion for Risk Management. • Promote the adequate and proper consideration of risk management to senior managers and more widely within the Council. • Ensure the Internal Audit work plan is focused on the key risks facing the Council.
Controls, Risk and Performance Team	<ul style="list-style-type: none"> • Design and facilitate the implementation of a Risk Management Framework within NHC ensuring it meets the needs of the organisation. • Act as a centre of expertise, providing support and guidance as required. • Collate risk information and prepare reports, as necessary. • Develop, support and promote the Council's risk management software Ideagen Risk Management and provide training where required.
Service Managers / Project Managers	<ul style="list-style-type: none"> • Responsible for the effective leadership and management of risk in their area of responsibility in line with the Council's Risk Management Framework. • Identify, assess and appropriately document significant risks and opportunities. • Clearly identify risk ownership. • Manage risks in line with corporately agreed timescales and policies. • Escalate risks, where appropriate. • Review risks regularly and recommend for archiving where appropriate. • Complete mandatory risk management e-learning.

Risk and Performance Management Group	<ul style="list-style-type: none"> • Maintain the mechanism for risk management to be discussed and disseminated across the Authority. • Review and challenge the content of risk registers. • Ensure that risk is considered alongside performance. • Provide direction and guidance to ensure that a risk-based approach is taken to the development of policies and procedures. • Support the Controls, Risk and Performance Team to implement the Risk Management Framework effectively, including reviews of risk management training. • Review recommendations and amendments to the Risk Management Framework – Policy Statement, Policy, Strategy, and Toolkit.
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4 - Considering Risk as an integral part of business planning, service delivery, key decision making and project and partnership governance

The Risk Management Framework - Strategy is an essential element of strategic planning and sits under the broader umbrella of the Council Plan.

NHC has a [Local Code of Corporate Governance](#), which includes risk management as one of the seven key principles:

“Managing risks and performance through robust internal control and strong public financial management.”

For risk management to be effective and a meaningful management tool, it must be an integral part of key management processes and day-to-day working. The Chief Executive and Leader of the Council must satisfy themselves that NHC has effective corporate governance arrangements in place so that they can sign and publish an Annual Governance Statement with the annual accounts. Risks and the monitoring of associated actions are considered as part of the Council’s significant business processes, including:

- Corporate Decision Making – significant risks associated with policy or action to be taken when making key decisions, are included in appropriate committee reports.
- Service Planning – this annual process should include a consideration of risks that affect service delivery outcomes.
- Project Management – all significant projects should formally consider the risks to delivering the project outcomes, before and throughout the project. This includes risks that could have an effect on service delivery, benefits realisation and engagement with key stakeholders (service users, third parties, partners etc.). Link to: [Project Management Guide Final.docx](#)
- Business Continuity – the Council has a duty to maintain plans to ensure that it can continue to function in the event of an emergency including plans for organisations that carry out services on the Council’s behalf. The process identifies the key functions in a service, what the risks are and how they can be mitigated to allow key functions to continue operating. Link to: [Business Continuity Process intranet page](#)

- Partnership Working – partnerships should establish procedures to record and monitor risks and opportunities that may impact the Council and/or the partnership's aims and objectives.
- Procurement – Section 20 - Contract Procurement Rules of the Constitution clearly specifies that all risks and actions associated with the purchase need to be identified and assessed, kept under review and amended as necessary during the procurement process. Link to: [Council Constitution web page](#)
- Contract Management – all significant risks associated with all stages of contract management are identified and kept under review.
- Information Governance – the Information Security Policy sets out practices and procedures to be adopted for good information management. The Policy is available on The Hub. There is also mandatory annual refresher training in Data Protection and Freedom of Information.
- Insurance – the HCC Insurance team manages NHC's insurable risks and self-insurance arrangements. The Shared Insurance Manager presents regular updates to the RPMG.
- Health and Safety – the Council has a specific risk assessment policy to be followed in relation to health and safety risks. Health and Safety updates are taken to each meeting of the RPMG.

Corporate Governance

NHC's approach to risk management has been developed to support the key requirements of good corporate governance:

Openness and Inclusivity - Our approach to managing risks will be open and transparent and blame will not be attributed if decisions made in good faith turn out to be the wrong decisions. Officers, Members, partners, members of the public and outside organisations have access to information on our current risks and opportunities, including how we are managing them. Risk management supports and enhances our decision making process and all committee reports include information on the risks and opportunities in taking or not taking a recommended course of action.

Integrity - The control environment, which includes risk management, supports the integrity of the Council. The Risk Management Framework is key to taking informed decisions and continued service delivery.

Accountability - There is clear accountability for our risks. This includes the risk section in committee reports; an Annual Governance Statement, approved by the Finance, Audit and Risk Committee and included in the Council's Annual Accounts; an annual report to Council on risk management; and the regular internal and external audit inspections of our risks. The Council's key partners and contractors must have their own risk management plans to suit the particular circumstances of their business and their key stakeholders. The Council has major shared objectives with its partners and the principles of our approach to risk will guide how we seek to tackle these objectives in a joined-up way. Wherever practicable, joint risk registers are put in place with key partners/contractors.

So that it can manage and demonstrate how well it has embedded risk management, the Council undertakes a regular review of the implementation of the Strategy across the organisation.

5 - Communicating Risk information effectively through a clear reporting framework

Appropriate and effective reviews and reporting arrangements reinforce and support the risk management processes. They allow sufficient and accurate performance information to be passed to Risk Owners, Senior Managers, the Leadership Team (LT), and Members.

The Risk Register

The Risk Register entries on the Council's risk management software - Ideagen Risk Management, are the basic building blocks in the Strategy. The system generates reminder emails when the Next Review Date is approaching and generates up to date reports on a weekly basis, available for all to view on the system.

A Directorate Overview of risks (along with actions and Key Performance Indicators) is sent to each Director on a monthly basis. The Director will discuss that overview with their Directorate Management Team, which should include a consideration of any new risks.

The Risk and Performance Management Group reviews all new risks, decisions on not to monitor risks, proposed archiving/closures and any lessons learned when risks are archived (particularly in relation to projects). This includes consideration of the residual risks.

Ideagen Risk Management shows the Original Risk Score, the Target Risk Score and SMART actions, which should include target dates for completion.

The risk matrix is used to plot the risks and to enable Directors to prioritise risk management activities that need to be undertaken to mitigate the risks. This risk information feeds into the Corporate Business Planning process.

The Risk Register also provides an understanding on how managing or capitalising on an opportunity can help achieve the objectives.

Corporate Risks

The Corporate Risks facing the Council are those that cut across the delivery of all services, key projects and those that will affect the delivery of the Council's objectives. They are the responsibility of the Leadership Team and Cabinet. Cabinet ensure the Corporate Risks are managed appropriately.

The Corporate Risks are included in quarterly Council Delivery Plan monitoring reports, which are presented to the Risk and Performance Management Group, Leadership Team, Overview and Scrutiny Committee, and Cabinet.

The Overview and Scrutiny Committee refer any changes to Corporate Risks to Cabinet, as part of considering updates to the Council Delivery Plan.

The Finance, Audit and Risk Committee monitor the effective development and operation of risk management governance within the Council. It agrees actions put forward by officers, where appropriate, and makes recommendations to Cabinet.

Updates on risk management governance (including a summary of Corporate Risks) are reported to Finance, Audit and Risk Committee and Cabinet twice a year. Council also receives the year-end annual report from the Risk Management Member Champion.

The Finance, Audit and Risk Committee refer any amendments to the Risk Management Framework Policy Statement, Policy, and Strategy to Cabinet.

Diagram representing the review of Corporate Risks



6 - Increasing understanding and expertise in Risk Management through targeted training and the sharing of good practice

Having developed a robust approach and established clear roles and responsibilities and reporting lines, it is important to provide Members and officers with the knowledge and skills necessary to enable them to manage risk effectively.

NHC uses a range of training methods to meet the needs of the organisation. For managers, mandatory e-learning is provided via GROW Zone. Link to: [GROW Zone login screen](#)

Risk management information is also available on the intranet, including templates and further detailed guidance in the Risk Management Toolkit.

A SIAS representative sits on the Risk and Performance Management Group, along with the HCC Risk and Insurance Manager, who is able to comment on wider risk management experience. This enables the sharing of good practice with others.

Appendix A - Review Timetable			
Risk Score 7 - 9 (RED)	There are significant risks, which may have a serious impact on the Council and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of risk.	As a minimum – review every 3 months. Individual actions must be reviewed as they become due.	
Risk Score 4 - 6 (AMBER)	Usually accepted, on the basis additional mitigating actions to reduce the likelihood are implemented, if this can be done cost effectively. Reassess to ensure conditions remain the same and existing/new actions are operating effectively.	As a minimum – review every 6 months. Individual actions must be reviewed as they become due.	
Risk Score 1 - 3 (GREEN)	These risks are being effectively managed and any further action to reduce the risk would be inefficient in terms of time and resources. Archive on Risk Register once agreed by Risk and Performance Management Group.	As a minimum – review every 12 months.	
Appendix B – Responsibilities / Oversight			
Task	Corporate Risks	Service Risks	Project Risks
Risks identified by:	Leadership Team Service Directors	Service Managers	Project Team Key Stakeholders
Risks owned by:	Service Directors	Service Managers	As appropriate
Risks reviewed by:	Service Directors Risk Owners	Service Managers Risk Owners	Project Managers Risk Owners
Risks scrutinised by:	Risk and Performance Management Group Leadership Team Overview and Scrutiny Committee Finance Audit and Risk Committee	Service Directors	Project Board Project Team
Risk Register (Ideagen Risk Management) updated by:	Risk Owners with support from Performance and Risk Officer if required.		
Review of Risk Management Framework by:	Director - Resources Controls, Risk and Performance Team Risk and Performance Management Group		