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NORTH HERTFORDSHIRE DISTRICT COUNCIL

11 September 2026	Our Ref	Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) 22 September 2026
	Contact.	Committee Services
	Direct Dial.	(01462) 474655
	Email.	committee.services@north-herts.gov.uk

To: Members of the Committee: Councillors Ian Albert, Val Bryant and Tamsin Thomas

NOTICE IS HEREBY GIVEN OF A

MEETING OF THE CABINET SUB-COMMITTEE (LOCAL AUTHORITY TRADING COMPANIES' SHAREHOLDER)

to be held in the

COMMITTEE ROOM 2 - DISTRICT COUNCIL OFFICES, GERNON ROAD, LETCHWORTH, SG6 3JF

On

TUESDAY, 22ND SEPTEMBER, 2026 AT 5.30 PM

Yours sincerely,

Isabelle Alajooz
Director – Governance

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Agenda
Part I

Item		Page
1.	**ELECTION OF A CHAIR** To elect a Chair of the Sub-Committee for the 2026/27 Civic Year.	
2.	**APOLOGIES FOR ABSENCE**	
3.	**MINUTES - 28 NOVEMBER 2024** To take as read and approve as a true record the minutes of the meeting of the Committee held on the 28 November 2024.	(Pages 5 - 10)
4.	**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.	
5.	**CHAIR'S ANNOUNCEMENTS** 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.	
6.	**PUBLIC PARTICIPATION** To receive petitions, comments and questions from the public.	
7.	**ANNUAL REVIEW OF NORTH HERTS' TRADING COMPANIES - BROADWATER HUNDRED** REPORT OF THE DIRECTOR – RESOURCES To provide the Sub-Committee with a report upon Local Authority Trading Companies (LATCos)in which North Herts Council has a role, to enable the Sub-Committee to fulfil its role as shareholder. The LATCo in this report covers the Broadwater Hundred Companies (Broadwater Hundred Limited and Broadwater Hundred Property Management Limited).	(Pages 11 - 14)

8. ANNUAL REVIEW OF THE NORTH HERTS' TRADING COMPANIES - BUILDING CONTROL (Pages 15 - 22)
REPORT OF THE DIRECTOR – PLACE

To provide the Sub-Committee with a report upon Local Authority Trading Companies (LATCos) in which North Herts Council has a role, to enable the Sub-Committee to fulfil its role as shareholder. The LATCos in this report cover the area of building control in which the Council is one of eight equal shareholders. The committee is also requested to consider any information they wish to be included in future reports.

9. ANNUAL REVIEW OF NORTH HERTS' TRADING COMPANIES - CCTV (Pages 23 - 28)
REPORT OF THE DIRECTOR – RESOURCES

To provide the Sub-Committee with a report upon Local Authority Trading Companies (LATCos) in which North Herts Council has a role, to enable the Sub-Committee to fulfil its role as shareholder. The LATCo in this report covers the area of CCTB in which the Council is one of four shareholders. The Committee is also requested to consider any information they whish to be included in future reports.

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NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET SUB-COMMITTEE (LOCAL AUTHORITY TRADING COMPANIES' SHAREHOLDER)

MEETING HELD IN THE ROOM 2, COUNCIL OFFICES, GERNON ROAD, LETCHWORTH GARDEN CITY, SG6 3JF ON THURSDAY, 28TH NOVEMBER, 2024 AT 5.30 PM

MINUTES

Present: *Councillors: Daniel Allen (Chair), Ian Albert and Val Bryant.*

In Attendance: *Isabelle Alajooz (Legal Manager and Deputy Monitoring Officer), Ian Couper (Service Director - Resources), Steve Crowley (Service Director - Enterprise), Ian Fullstone (Service Director - Regulatory), Susan Le Dain (Committee, Member and Scrutiny Officer) and Callum Reeve (Electoral Services Assistant).*

Also Present: *At the commencement of the meeting there were no members of the public present.*

51 ELECTION OF A CHAIR

Audio recording – 30 seconds

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

RESOLVED: That Councillor Daniel Allen be elected as Chair for the Civic Year 2024/25.

52 APOLOGIES FOR ABSENCE

Audio recording – 1 minute 22 seconds

Apologies for absence were received from Councillor Tamsin Thomas.

Having given due notice, and at the discretion of the Leader under standing order 5.12.1, Councillor Daniel Allen substituted for Councillor Thomas.

53 MINUTES - 19 MARCH 2024

Audio Recording – 1 minute 30 seconds

The Chair advised that the Minutes of the previous meeting could be moved and seconded by members who were not present at that meeting, although it is preferable that those who were not present should abstain from voting and commenting on the motion.

Councillor Daniel Allen, as Chair, proposed and Councillor Ian Albert seconded and, it was:

RESOLVED: That the Minutes of the Meeting of the Committee held on 19 March 2024 be approved as a true record of the proceedings and be signed by the Chair.

54 NOTIFICATION OF OTHER BUSINESS

Audio recording – 2 minutes 13 seconds

There was no other business notified.

55 CHAIR'S ANNOUNCEMENTS

Audio recording – 2 minutes 16 seconds

(1) The Chair advised that, in accordance with Council Policy, the meeting would be audio recorded.

(2) 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.

56 PUBLIC PARTICIPATION

Audio recording – 2 minutes 36 seconds

There was no public participation.

57 ANNUAL REVIEW OF NORTH HERTS TRADING COMPANIES - BUILDING CONTROL

Audio recording – 2 minutes 40 seconds

The Service Director – Regulatory presented the report entitled ‘Annual Review of North Herts Trading Companies – Building Control’ and advised that:

- This was the oldest Local Authority Trading Company that North Herts owned.
- There was a projected saving from being part of the Building Control company to 2025/26 (since its inception) in avoided costs of £2.76m as detailed in paragraph 10.4 of the report.
- The AGM was held last week which he had attended with the Service Director – Enterprise who was a director of the Local Authority Trading Companies.
- At the Local Authority Building Control Awards, Herts Building Control (HBC) had put forward a number of schemes that had won awards.
- Following changes to the regulatory field, the position of Building Control and Building Inspector were now protected professions and nearly all staff had achieved the required competency level or were working towards it.
- The Local Authority Trading Companies had employed external advisers to help with commercial growth and development.

In response to a question from Councillor Ian Albert, the Service Director – Regulatory advised that a new CEO had been appointed who had significant public and private sector experience in Building Control.

The following Members took part in the debate:

- Councillor Ian Albert
- Councillor Daniel Allen

Points raised during the debate included:

- Thought there was a need in relation to the timing of meetings and annual reviews with regard to AGMs to ensure Members had time to provide comments and feedback.
- It would be useful to have interim reports, possibly 6 monthly, to enable Members to be kept up to date with information ahead of the yearly meeting.
- There should be a recommendation added to the next meeting to carry out an audit on an annual or bi-annual basis.

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

RESOLVED:

(1) That the Cabinet Sub-Committee noted the report.

(2) That the Cabinet Sub-Committee made recommendations on the content of future reports and annual reviews.

REASON FOR DECISIONS: To enable the Cabinet Sub-Committee to fulfil its role and responsibilities as shareholder in the local authority trading companies for building control.

58 ANNUAL REVIEW OF NORTH HERTS TRADING COMPANIES - BROADWATER HUNDRED

Audio recording – 12 minutes 44 seconds

The Service Director – Enterprise presented the report entitled ‘Annual Review of North Herts Trading Companies – Broadwater Hundred’ and advised that:

- The key points were set out in Section 7 of the report.
- Broadwater Hundred Limited had two directors who were Officers at the Council.
- Broadwater Hundred Property Management Limited had three directors who were also Officers at the Council.
- The Council owned Harkness Court in Hitchin which had been let on to companies and resulted in the four flats in that property having been let since September 2024.
- As this was only the first year of trading there was not yet much financial information available.
- The Council would still receive an income from the property management company even if the flats were vacant.
- The Council provided a loan to the property management company to enable trading and this was all part of the business case.

In response to a question from Councillor Daniel Allen, the Service Director – Enterprise advised that the flats had been rented at a higher rent than forecast in the business case due to supply and demand.

The following Members took part in the debate:

- Councillor Ian Albert
- Councillor Daniel Allen

Points raised during the debate included:

- An interim report should be provided after the company accounts were carried out in March 2025.
- The need for overarching when setting dates for meeting, so that the timing of meetings coincided with the other Local Authority Trading Company reports.

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

RESOLVED:

(1) That the Cabinet Sub-Committee noted the report.

(2) That the Cabinet Sub-Committee made recommendations on the content of future reports and annual reviews.

REASON FOR DECISIONS: To enable the Cabinet Sub-Committee to fulfil its role and responsibilities as shareholder in the local authority trading companies for property management.

59 ANNUAL REVIEW OF NORTH HERTS TRADING COMPANIES - CCTV

Audio recording – 18 minutes 4 seconds

The Service Director – Resources presented the report entitled 'Annual Review of North Herts Trading Companies – CCTV' and advised that:

- This report detailed the history of the company.
- Income had increased initially and then fallen as some of the major corporate clients had left.
- The company had appointed a new Business Development Manager and had a stable position in the current market.
- The company contributed around a third of the monitoring costs of the CCTV control room.
- There had recently been a joint shareholder and directors meeting held which had looked at commissioning work on the future of the company and whether it could extend its clients further. As well as existing contracts needed to be delivered via a company.
- The company was making a profit and was therefore a sustainable company.

The following Members asked questions:

- Councillor Daniel Allen
- Councillor Ian Albert

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

- The CCTV company contributed towards the capital costs for the control room and the cost to the Council was net of the company contribution.
- The CCTV company was separate to the CCTV Partnership Joint Executive and it was therefore required for these to be looked at from two different perspectives.
- This committee was looking at the company from a shareholder perspective.
- He was a representative on the Management Board of the CCTV Partnership Joint Executive and an Officer shareholder representative of the CCTV company.

The following Members took part in the debate:

- Councillor Ian Albert
- Councillor Daniel Allen

Points raised during the debate included:

- Thought was needed in relation to the timing of meetings and annual reviews to ensure Members had time to provide comments and feedback.
- It would be useful to have interim reports, possibly 6 monthly, to enable Members to be kept up to date with information ahead of the yearly meeting.
- Officers to provide an email update after the initial review meeting of the CCTV company to enable Members to decide if an interim meeting would be required before the next planned committee meeting.

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

RESOLVED:

(1) That the Cabinet Sub-Committee noted the report.

(2) That the Cabinet Sub-Committee made recommendations on the content of future reports and annual reviews.

REASON FOR DECISIONS: To enable the Cabinet Sub-Committee to fulfil its role and responsibilities as shareholder in the local authority trading companies for CCTV.

The meeting closed at 6.13 pm

Chair

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CABINET SUB-COMMITTEE (LOCAL AUTHORITY TRADING COMPANIES' SHAREHOLDER)
TUESDAY, 22 SEPTEMBER 2026

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: Annual Review of North Herts' Trading Companies - Broadwater Hundred

REPORT OF: Director - Resources

EXECUTIVE MEMBER: Executive Member - Enterprise

COUNCIL PRIORITY: All Priorities;

1. EXECUTIVE SUMMARY

To provide the Sub-Committee with a report upon Local Authority Trading Companies (LATCos)in which North Herts Council has a role, to enable the Sub-Committee to fulfil its role as shareholder. The LATCo in this report covers the Broadwater Hundred Companies (Broadwater Hundred Limited and Broadwater Hundred Property Management Limited). The Council is the only shareholder in both companies. The current role of the Companies is to facilitate the letting of 4 flats in Hitchin (developed from the former Careline Office in Harkness Court). The committee is also requested to consider any information they wish to be included in future reports.

2. RECOMMENDATIONS

2.1. That the Cabinet sub-committee note this report.

2.2. That the Cabinet sub-committee make any recommendations on the content of future reports and annual reviews.

3. REASONS FOR RECOMMENDATIONS

3.1. To enable the Cabinet Sub-Committee to fulfil its role and responsibilities as shareholder in the Broadwater Hundred local authority trading companies.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 No alternative options were considered as an annual report is considered best practice.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 As required by the Council's Constitution and the Shareholders Agreement, the Cabinet Sub-Committee are presented reports for Shareholder decisions. The Executive Member for Enterprise will also be briefed on the performance and key aspects of the trading companies.

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 This report follows the guidance within the Local Partnerships publication ‘Local Authority Company Review Guidance 2023 Edition’. This states it is important for all councils who own trading companies to keep a watching brief and make any necessary adjustments.

7.2 The initial scope of the Council considering having a property company was broad, and considered whether there would be opportunities to buy or develop property for rental. The focus was on the North Herts area, and investigations concluded that there was not sufficient profitability in the local area. Also, following some other Councils over-investing in property, the rules around the Council funding of investment assets were significantly tightened.

7.3 It was established that there would be a viable business case for the Council to convert the Harkness Court property in Hitchin (formerly used as a Careline’s office) in to 4 flats and let those through a company. The legal advice was that the structure should take the form of a holding company and a property management company. Broadwater Hundred Ltd (the holding company) was incorporated in May 2020, initially to provide a service delivery vehicle in case of contractor failure during the Covid-19 pandemic. It was never used for that purpose. The property management company (Broadwater Hundred Property Management Limited) was incorporated in October 2023. The Council is the only shareholders for these companies.

7.4 The Harkness Court Offices were let by the Council to the holding company in late August 2024, with an onward let from the holding company to the property management company. The property management company then use a managing agent to let the properties to tenants. Each company makes a margin to cover costs and a reasonable level of profit. There are cashflow loans in place from the Council to the holding company, and in turn from the holding company to the property company.

7.6 The Companies produced their first accounts for the period April 2024 to March 2025. This was only a part year of trading as the property management company only took responsibility of the flats as of 27 August 2024.

7.7. The Council is represented by the Director: Resources as the Shareholder representative. The Directors of the holding company are the Director: Enterprise and the Director: Regulatory. The Directors of the property management company are the Director: Customers and the Enterprise Manager. There are no Independent Directors on either Board.

8. RELEVANT CONSIDERATIONS

8.1 The accounts for the holding company for the year to 31st March 2025 show a turnover of £1,500 (management fee from the property management company) and year end retained earnings of –(MINUS) £3,253. The company was supported by a loan of £20,000 from the Council. This position was mainly driven by set-up costs and then only a partial year of trading.

8.2 The accounts for the property management company for the year to 31st March 2025 show a turnover of £31,100 (income from property lettings) and year end retained earnings of –(MINUS) £5,293. The company was supported by a loan of £12,000 from the holding company. This position was affected by set-up costs and then only a partial year of trading. As the company had the right to use the property for lettings, it had a fixed asset value £129,784. This was off-set by lease payments due.

8.3 The unpublished accounts for the holding company for the year to 31st March 2026 show a turnover of £3,000 (full year versus part year), an in-year loss of £1,961, and year end retained earnings of –(MINUS) £5,214. This included some costs for Director training and some remaining set-up costs. The £20,000 loan remained in place.

8.4 The unpublished accounts for the property management company for the year to 31st March 2026 show a turnover of £46,999 (income from property lettings), and in-year profit of £4,219 and an improved year end retained earnings of –(MINUS) £1,075. The £12,000 loan from the holding company remained in place. This in-year position was included some training costs. Lettings performance over the year was good, but there were still void, re-letting and repair costs.

9. LEGAL IMPLICATIONS

9.1 Under 5.12 of the Council's Constitution the roles and functions of the Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) are listed, including at 5.12.4(a) "[t]o represent the Council's interests as shareholder in wholly owned and other Companies".

10. FINANCIAL IMPLICATIONS

10.1. The financial position of the companies is summarised in section 8. The loan to the holding company (from the Council) is at a market rate, and can be repaid when it is affordable for the company to do so. The onward loan from the holding company to the property management company is also at a market rate.

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. There is always risk in operating in a commercial environment. The Directors of the company are expected to make decisions to manage those risks and react to trading conditions. Where decisions require shareholder approval then these will be reported to the sub-committee for a decision. These annual reviews/ update reports provide the sub-committee with an awareness of the opportunities and risks that are facing the companies.

11.3 The most significant risks facing the Council in relation to any Company failure would be:

- Reputational impacts.
- The loss on the unpaid loan, although the value is not significant to the Council.

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 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. 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 HR implications arising from this report.

16. APPENDICES

16.1. None

17. CONTACT OFFICERS

Ian Couper	Director - Resources,	ian.couper@north-herts.gov.uk, Tel: 01462 474 243
Steve Crowley	Director - Enterprise	steve.crowley@north-herts.gov.uk
Ellie Hollingsworth	Policy and Strategy Team Leader	ellie.hollingsworth@north-herts.gov.uk
Natasha Jindal	Governance Consultant (Legal)	Natasha.jindal@north-herts.gov.uk

18. BACKGROUND PAPERS

18.1 None

CABINET SUB-COMMITTEE (LOCAL AUTHORITY TRADING COMPANIES' SHAREHOLDER)
TUESDAY, 22 SEPTEMBER 2026

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: Annual Review of North Herts' Trading Companies - Building Control

REPORT OF: Director - Place

EXECUTIVE MEMBER: Executive Member - Place

COUNCIL PRIORITY: Responsible Growth; Accessible Services

1. EXECUTIVE SUMMARY

To provide the Sub-Committee with a report upon Local Authority Trading Companies (LATCos) in which North Herts Council has a role, to enable the Sub-Committee to fulfil its role as shareholder. The LATCos in this report cover the area of building control in which the Council is one of eight equal shareholders. The committee is also requested to consider any information they wish to be included in future reports.

2. RECOMMENDATIONS

2.1. That the Cabinet Sub-Committee note the report.

2.2. That the Cabinet Sub-Committee provide shareholder consent to the proposed arrangements for the Building Safety Levy recommended by the Hertfordshire Building Control Board.

2.3. That the Cabinet Sub-Committee make any recommendations on the content of future reports and annual reviews.

3. REASONS FOR RECOMMENDATIONS

3.1. To enable the Cabinet Sub-Committee to fulfil its role and responsibilities as shareholder in the local authority trading companies for building control.

3.2. To ensure the Council appropriately discharges its new responsibilities under the Building Act in relation to the Building Safety Levy from October 2026

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. No alternative options were considered in relation to Recommendations 2.1 and 2.3 as an annual report is considered best practice.

4.2. There are no viable alternative options to Recommendation 2.2 as there is no Building Control capability retained within the Council. The detail of the proposed financial arrangements have been considered in consultation with the Section 151 Officer.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. The Cabinet Sub-Committee are presented reports for Shareholder decisions as required by the Council's Constitution and the Shareholders Agreement. Executive Members (and where appropriate Shadow Executive Members and Deputies) are briefed on the performance and key aspects of the trading companies.

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. This report follows the guidance within the Local Partnerships publication 'Local Authority Company Review Guidance 2023 Edition'. This states it is important for all councils who own trading companies to keep a watching brief and make any necessary adjustments.

7.2. The Council currently is one of eight shareholders of a group of companies, described below, covering the statutory function of building control.

7.3. Local Authorities (LAs) have a statutory duty to provide a Building Control service. This means that if an application is submitted to the authority, it has a duty to ensure that the works comply with building regulations. Originally LAs were the sole supplier of this service. The 1984 Building Act established the legal framework for private building control bodies or Approved Inspectors (AIs). This competitive environment, along with the difficulty of recruiting and retaining Council staff, led to consideration and approval of an alternative delivery solution.

7.4. The initial collaboration was of seven Hertfordshire local authority building control services: Stevenage, Hertsmere, Three Rivers, North Herts, East Herts, Welwyn Hatfield and Broxbourne. Following extensive reporting and decision-making, the function of building control was resolved to be delivered through a wholly owned local authority series of companies.

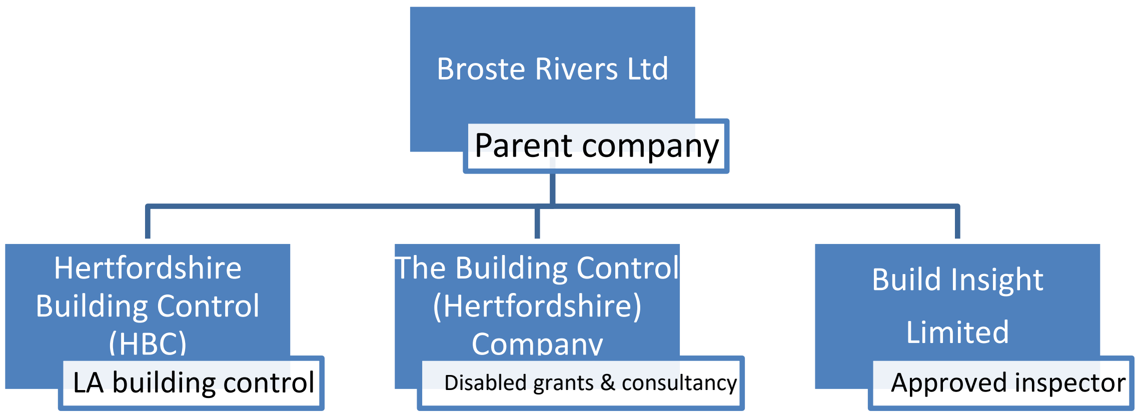
7.5. The statutory building control function is delivered through a single trading company known as Hertfordshire Building Control Limited (HBC). The Building Control Company (Hertfordshire) Limited (TBCC) was also established delivers the commercial aspect of the building control service. These two companies being subsidiaries of the holding company Broste Rivers Limited. All three companies were incorporated on 4 February 2016. In September 2019, Dacorum Borough Council joined the collaboration as an eighth equal shareholder following approval by the existing partners.

7.6. The Background Papers listed below provide further information on how the current arrangement was formed.

7.7. Further acquisitions were approved in 2021 to broaden the commercial offer of the partnership under the badge of Build Insight Limited, in a part as a means of supplementing and cross-subsidising the core local authority offer.

7.8. Governance and decision-making arrangements were reviewed in 2023 to ensure statutory requirements around non-delegable functions were satisfied through secondment arrangements with the participating local authorities. The service was moved from a fixed-term to a rolling contract for the provision of Building Control services as early years' trading had provided robust 'proof of concept'. The overarching shareholder agreement was reviewed to provide sufficient operational autonomy to the companies as steady-state operation had been achieved.

7.9. The Director: Place holds the operational delegation for Building Control functions and acts as the Council's shareholder representative. The Director: Enterprise is the North Herts Director of the companies and is on the company Board.



8. RELEVANT CONSIDERATIONS

8.1. Governance arrangements and the adopted delivery model have been kept under continuous review to ensure the company has sufficient freedoms to deliver and grow on a commercial basis whilst retaining sufficient control and oversight by the owning Councils.

8.2. Business planning is a key aspect and the companies' Senior Management Team and all Directors are part of the business planning process. As part of this the Chief Executive Officer presents and discusses the business plan and the Board agree the financial target for the following year.

8.3. In recent years, the Directors of the company have undertaken appropriate training which includes 'the role of a director' and 'financial management of a company.'

8.4. The companies Chief Executive Officer and the Finance Director meet with the Councils' Chief Finance Officers at least annually. Additional meetings can also be arranged.

8.5. Regular Shareholder meetings are held with the Board of Directors and HBC representatives. The Shareholder Representative attends the AGM on behalf of the Council. The Board Director attends other meetings required by their role.

Overall company performance

8.6. 2026 marks the 10th anniversary of Hertfordshire Building Control.

8.7. The most recent AGM was held in November 2025, reporting on the 2024/25 financial year. The headline outcome was that the overall operation had moved from a loss position in 2023/24 to profitability underpinned by an increase in sales and robust cash position. It should be noted that, prior to the establishment of HBC, the participating Councils had been running building control services at a collective annual loss (or cost to General Funds) of £1.3m.

8.8. Financial results for 2025/26 have been reported to Shareholders (with the AGM to be arranged) and show continued growth. Statutory Building Control operations continue to provide the majority share of revenue activity with the commercial arms ensuring the overall company remains profitable.

8.9. At the end of March 2026, the first repayment instalment was made of the loan granted to the Broste Rivers holding company by the local authorities when the current arrangement was established in 2016. A structured loan repayment schedule has been agreed.

8.10. On a practical level, HBC and North Herts planning officers have begun to meet regularly to consider how building control and planning can better support each other on operational matters. This includes development monitoring, implementation of accessibility and sustainability standards, compliance and promotion of the HBC offer to prospective developers in the District.

8.11. This move recognises that (i) due to staff turnover and changes to work practices since the establishment of HBC, there has been a loss of professional contacts between planning and building control on day-to-day basis and (ii) there are potential benefits and efficiencies to be achieved through closer working.

Building Safety Act and the Building Control Levy

8.12. The Building Safety Levy (BSL) is a statutory charge on new residential buildings which will contribute to fixing building safety defects under the Building Act. The BSL is a measure introduced in response to the Grenfell tragedy. Regulations have been made to support the Levy which come into force on 1 October 2026. The Levy is operated under the provisions of the Building Act 1984 (as amended).

8.13. It has been agreed in principle at Board level that HBC should perform this function centrally on behalf of the eight District Councils. However, this Board-level agreement engages Reserved Matters under the Shareholders' Agreement for which formal approval is required from each Shareholder. A formal proposal has been submitted by the Board to shareholders.

8.14. In summary, the rationale for HBC to perform these duties, is that these fall within Building Control duties already carried out and allows for a standardised approach and economies of scale.

8.15. There is also the de facto position that there is no viable alternative for this Council to meet its BSL responsibilities; we have not retained any Building Control department, staff or – following the retirement of the previous Director: Place in 2025 – professional expertise.

8.16. Government has announced new burdens funding for local authorities to support implementation of BSL. The funding has not been strictly ring-fenced, however there is a clear expectation that funding will be utilised for the stated purposes.

8.17. The proposition is that Shareholders approve

a. HBC undertaking the role of centralised collecting agent for the BSL on behalf of all eight District Councils.
b. Each Council passing its New Burdens funding through to HBC in full, to be spent on capital and revenue requirements imposed by operation of BSL.
c. Retention by HBC of any projected operating surplus from the set-up grant as a ringfenced contingency reserve

9. LEGAL IMPLICATIONS

9.1. Under 5.12 of the Council's Constitution the roles and functions of the Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) are listed, including at 5.12.4(a) To represent the Council's interests as shareholder in wholly owned and other companies and 5.12.4(f) To provide, or withhold, consent as appropriate (in principle, where formal company ratification is required) on those matters requiring shareholder consent as defined in the Memorandum and Articles of Association and shareholders agreements.

9.2. Under 14.6.10(b)(i), the Director: Place has delegated powers with regard to Building Control including client-side Building Control company operational matters as required under any agreements, in addition to all activities relating to discharge of the Council's function as the Local Building Regulation Authority.

9.3. Under 14.6.7(a)(iv), the Director: Enterprise can act as Director to any wholly owned Local Authority company to which the Director is appointed.

9.4. The Building Safety Levy will operate under the provisions of the Building Act 1984 (as amended by the Building Safety Act 2022) and The Building Safety Levy Regulations (England) 2025.

9.5. Implementation of the BSL are operational matters and covered by the existing constitutional framework:

- The Director Place's existing delegation for client-side Building Control company operational matters; and
- The pre-existing delegation to HBC / Broste Rivers of the Council's Building Control function under the Building Act granted when the arrangement was established in 2016

10. FINANCIAL IMPLICATIONS

10.1. As above, the most recent financial years have seen the Building Control group of companies return to a position of profit. This follows losses in 2022/23 and 2023/24 influenced by, among other matters, the downturn in building activity during and post-covid and the defined benefit pension position.

10.2. Filed returns for 2024/25 posted a net profit of £56k, representing a financial turnaround of £409k from the previous year. Revenue grew by nearly 10% to £4.74m with cash reserves of £1.26m

10.3. The Councils supported the company at set-up with a loan of £107k each on which interest is charged (Bank of England Base Rate +2% per annum). As above, the first loan repayment instalment was made in March 2026 with annual scheduled repayments now anticipated until the loan is fully repaid in 2030.

10.4. The Councils all pay the company to provide statutory services on their behalf. For 2026/27, this charge is approximately £38k. This is significantly less than the net cost of running the whole service directly. The Council pays other costs to the company, but these are ones for which a local authority would be responsible. For example, applications for works that benefit a disabled person(s) are exempt from a fee under the regulations, as such, this cost is reimbursed to HBC. A 24/7 dangerous structure service is also provided for North Herts. There are provisions to enable recharge that are operated on a discretionary basis. Where a call-out occurs and there is no danger requiring action, the costs of the call out are covered. These costs are met from established budgets.

10.5. The original business case projected a cost to the General Fund if the Council did not join the consortium of circa £1.34m between 2017/18 and 2020/21. A projection to 2025/26 indicated that the additional cost to the Council compared to the current budget of not joining would have been circa £2.76m (over £400k increase in 24/25).

10.6. The Company pays a contribution to each of the Councils to contribute towards the reimbursement of the Directors' time in running the company.

10.7. The funding grant for BSL was confirmed in June 2026 and includes a total settlement over three years of £111,800 for North Hertfordshire consisting of £60,500 capital and £51,300 revenue funding. Expenditure of the new burdens funding is governed by a Memorandum of Understanding between the local authority and MHCLG. This makes clear that the MOU "sets out the shared understanding, principles, and expectations between MHCLG and the Council in relation to the payment of this funding. It is not legally binding and creates no legal obligations".

10.8. The MOU states the Council has flexibility in the use of funding within the principle that it is designed to support implementation of the levy. The MOU additionally confirms that MHCLG is not imposing any formal reporting requirements. HBC will provide any information returns that are requested by MHCLG,and ensure compliance with any obligations (e.g. split between revenue and capital spend).

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. There is always risk in operating in a commercial environment. The Directors of the company are expected to make decisions to manage those risks and react to trading conditions. Where decisions require shareholder approval then these will be reported to the sub-committee for a decision. These additional annual reviews/ update reports provide the sub-committee with an awareness of the opportunities and risks that are facing the companies.

11.3. The most significant risks facing the Council in relation to any Company failure would be:

- Reputational impacts.
- Financial losses from any unpaid loans
- The requirement to deliver statutory Building Control services.
- The economic climate that relates to construction, both the domestic and larger scale markets.

11.4. The Building Control companies are subject to external audit. This helps provide assurance (alongside Council oversight) of their financial position.

11.5. In March 2026, all eight host authorities were notified that their Building Control functions – through Hertfordshire Building Control – will be subject to a statutory inspection by the Building Safety Regulator during 2026/27.

11.6. The Council's Annual Governance Statement Action Plan for 2026/27 includes an action to ensure regular and appropriate reporting on all the Council's companies.

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 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. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

15.1 None

16. APPENDICES

16.1. None

17. CONTACT OFFICERS

Nigel Smith	**Director - Place,**	**nigel.smith@north-herts.gov.uk, Tel: 01462 474 847**

Ian Couper	Director: Resources	Ian.couper@north-herts.gov.uk
Steve Crowley	Director: Enterprise	Steve.crowley@north-herts.gov.uk
Natasha Jindal	Governance Consultant	Natasha.jindal@north-herts.gov.uk
Ellie Hollingsworth	Policy & Strategy Team	Ellie.hollingsworth@North-herts.gov.uk

18. BACKGROUND PAPERS

18.1 Local Authority Company Review Guidance 2023 Edition *LATCo guidance 2023 edition - Local Partnerships*

18.2 Previous Cabinet / Sub Committee reports:

- August 2014 item 35: Meeting of Cabinet on Tuesday, 5th August, 2014, 7.30 pm | North Herts Council
- March 2015 items 126 & 128: Meeting of Cabinet on Tuesday, 24th March, 2015, 7.30 pm | North Herts Council
- December 2015 item 81: Meeting of Cabinet on Tuesday, 15th December, 2015, 7.30 pm | North Herts Council
- November 2017 item 60 & 62: Agenda for Cabinet on Tuesday, 21st November, 2017, 7.30 pm | North Herts Council
- September 2019: Agenda for Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) on Friday, 20th September, 2019, 3.00 pm | North Herts Council
- December 2021: Agenda for Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) on Tuesday, 21st December, 2021, 9.00 am | North Herts Council
- March 2023: Agenda for Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) on Wednesday, 1st March, 2023, 10.00 am | North Herts Council
- July 2023: Agenda for Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) on Friday, 21st July, 2023, 10.00 am | North Herts Council
- November 2024: Agenda for Cabinet Sub-Committee (Local Authority Trading Companies Shareholder) on Thursday 28th November 2024

CABINET SUB-COMMITTEE (LOCAL AUTHORITY TRADING COMPANIES' SHAREHOLDER)
TUESDAY, 22 SEPTEMBER 2026

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: Annual Review of North Herts' Trading Companies - CCTV

REPORT OF: Director - Resources

EXECUTIVE MEMBER: Executive Member - Regulatory

COUNCIL PRIORITY: All Priorities;

1. EXECUTIVE SUMMARY

To provide the Sub-Committee with a report upon Local Authority Trading Companies (LATCos) in which North Herts Council has a role, to enable the Sub-Committee to fulfil its role as shareholder. The LATCo in this report covers the area of CCTV in which the Council is one of four shareholders. The committee is also requested to consider any information they wish to be included in future reports.

2. RECOMMENDATIONS

2.1. That the Cabinet sub-committee note this report.

2.2. That the Cabinet sub-committee make any recommendations on the content of future reports and annual reviews.

3. REASONS FOR RECOMMENDATIONS

3.1. To enable the Cabinet Sub-Committee to fulfil its role and responsibilities as shareholder in the local authority trading company for CCTV.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 No alternative options were considered as an annual report is considered best practice.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 There are inter-relationships between the CCTV Partnership and the CCTV Company. Stevenage Borough Council manage and operate the CCTV control room, primarily for the use of public space CCTV cameras to support community safety and the prevention (and detection) of crime. Excess capacity in the control room is utilised by the CCTV Company to sell on a commercial basis, which covers some of the costs of running the control room and can also generate a profit.

5.2 The CCTV Partnership is overseen by an Officer Management Board (the Regulatory Directorate represent the Council) and a CCTV Joint Executive (represented by 3 Cabinet Members for North Herts, and meets at least annually).

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 This report follows the guidance within the Local Partnerships publication 'Local Authority Company Review Guidance 2023 Edition'. This states it is important for all councils who own trading companies to keep a watching brief and make any necessary adjustments.

7.2 A CCTV Partnership, comprising of Stevenage Borough Council, North Hertfordshire District Council and East Hertfordshire District Council was formed in 1996, with Hertsmere Borough Council joining the Partnership in 2010. The Partnership established a CCTV Control Room (hosted by Stevenage) to monitor partner cameras, with the prospect of selling monitoring services to make use of the available Control room capacity.

7.3 In 2012, the Partnership secured a large private contract for the Leisure Park in Stevenage and it was considered that the Partnership may be acting beyond its remit / permissible scope in taking on this contract. Note that this would have been a contracte with Stevenage Borough Council (as host Authority), not North Herts Council. The CCTV Company was subsequently incorporated as a Private Limited Company on 4 November 2014 to facilitate business with private entities such as the Leisure Park. The Leisure Park contract was subsequently lost at contract renewal. Each Council that was in the partnership became a shareholder in the company.

7.4 The company was initially successful in winning external contracts, and new cameras (beyond the initial core group of partner cameras) were also charged via the company. By 31st March 2019, the retained profits of the company had risen steadily to £127k.

7.5. The Partnership had a governance review carried out by the Shared Internal Audit Service in 2018. Part of this review resulted in a clarification of the charging arrangement to the company for the use of the control room. It also resulted in all the partner cameras being brought back into the partnership and not split between the partnership and the company.

7.6. The financial year up to 31st March 2020 started to see a decline in customers and the company made a small loss. This was followed by another loss in the year to 31st March 2021. A small amount of the income loss would have been due to moving the Partner cameras back to the Partnership, but overall, the Councils were in a better position as there were then no corporation tax losses.

7.7 Following the decline in income, the company employed a Business Development Manager to identify target customers and win new business. That was successful in reversing the decline in profitability.

7.8 The company sells both CCTV monitoring services and services around the installation of cameras. The monitoring services generally result in more ongoing income, but there is a limit to control room capacity.

7.9. The Council is currently represented by the Director: Resources as the Shareholder representative. The Director: Enterprise is one of the Directors of the company. The most recent Annual General Meeting was held on 21st August 2026.

8. RELEVANT CONSIDERATIONS

8.1 The company has continued to perform well; retaining and securing new business. Several existing contracts have been successfully re-secured following their expiry, demonstrating continued client confidence in the service provided. In addition, new contract opportunities have been secured, contributing to the ongoing stability and growth of the Company.

8.2 Since the last report to this sub-committee, the CCTV Operations Manager at the time (a role that was employed by Stevenage Borough Council (SBC) on behalf of the Partnership but also supported the Company) left SBC. The former Business Development Manager had been covering this role. A revised staffing structure has now been put in place to support future service delivery. This consists of a CCTV Operations Manager (i.e. the former Business Development Manager), providing strategic and operational oversight, alongside a CCTV Business Support Officer role. This structure will strengthen resilience and ensure appropriate capacity within the team for new business moving forward.

8.3 A significant upgrade to the CCTV Control Room infrastructure was completed in late 2025. This included a comprehensive refresh of both software and hardware, ensuring the system remains modern, secure, and fit for purpose. The investment provides operational stability and is expected to support service delivery for at least the next five years. The company had to contribute its share to this upgrade, which was £177k. The company will also have to consider its contribution towards future capital control room works.

8.4 During 2025/26, the Company secured £40k of new work relating to monitoring and maintenance, and £68k of new work relating to installations and upgrades. Overall this resulted in an increase in revenue between 24/25 and 25/26 (from £369k to £392k). The net profit/ loss before tax position was significantly impacted by the contribution to the control room upgrade. The resultant loss was £174k but would have been a small profit without that one-off charge. The contribution was known about and has been covered by the retained earnings of the company. Retained earnings as at 1st April 2026 are just under £4k. Profit before tax in 2024/25 was £26k, and after tax was £21k.

8.5 For 2026/27 the company will be losing around £79k of income for out of hours services provided to some of the partner Councils. As this is a Partnership service, the income will flow in to the CCTV Partnership. This will be partly off-set by a reduction in the charge from the Partnership for the use of control room capacity. Where the company is successful in generating income from installations and upgrades, then this does not come with an ongoing control room charge. The company business plan shows a forecast profit before tax of around £30k for the next 3 years. This will help to provide a contribution towards future control room capital costs.

9. LEGAL IMPLICATIONS

9.1 Under 5.12 of the Council's Constitution the roles and functions of the Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) are listed, including at 5.12.4(a) "[t]o represent the Council's interests as shareholder in wholly owned and other Companies".

10. FINANCIAL IMPLICATIONS

10.1. The financial position of the company is summarised in sections 7 and 8. The Company pay towards both the fixed and variable costs of running the CCTV control room. This is made up of a fixed fee and an amount per camera, plus a contribution to capital costs. The costs that are incurred by the company (and covered by the income that they generate help to reduce the cost of the CCTV control room for the partnership.

10.2. The Company has paid a contribution to each of the Councils to contribute towards the reimbursement of the Directors' time in running the company. It is proposed that this is suspended for 2026/27 (at least) to support the contributions towards future control room costs.

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. There is always risk in operating in a commercial environment. The Directors of the company are expected to make decisions to manage those risks and react to trading conditions. Where decisions require shareholder approval then these will be reported to the sub-committee for a decision. These annual reviews/ update reports provide the sub-committee with an awareness of the opportunities and risks that are facing the companies.

11.3 The most significant risks facing the Council in relation to any Company failure would be:

- Reputational impacts.
- Additional CCTV monitoring costs and control room capital costs falling on to the Partnership.

11.4 The Company Board have identified that Local Government Reorganisation may provide risks and opportunities to the CCTV Company, and that these will need to be kept under consideration and review.

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 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. 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 HR implications arising from this report.

16. APPENDICES

16.1. None

17. CONTACT OFFICERS

Ian Couper	Director - Resources,	ian.couper@north-herts.gov.uk, Tel: 01462 474 243
Steve Crowley	Director - Enterprise	steve.crowley@north-herts.gov.uk

18. BACKGROUND PAPERS

18.1 None

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