

<b>Item No</b>	<b>Referred from:</b>	<b>Cabinet</b>
<b>6a</b>	<b>Date:</b>	<b>11 February 2025</b>
	<b>Title of item:</b>	<b>Budget 2025/26 (Revenue Budget and Investment Strategy)</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 10</b>

The report considered by Cabinet at the meeting held on 11 February 2025 can be viewed here: [Agenda for Cabinet on Tuesday, 11th February, 2025, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO COUNCIL:** That it:

- (1) Notes the position on the Collection Fund and how it will be funded.
- (2) Notes the position relating to the General Fund balance and that due to the risks identified a minimum balance of £2.6 million is recommended.
- (3) Notes the net revenue savings that are likely to be required in future years, combined with the Chief Finance Officer's section 25 report (Appendix D) which provides a commentary on the risks and reliability of estimates contained in the budget.
- (4) Approves the revenue savings and investments as detailed in Appendix B.
- (5) Approves the capital programme as detailed in Appendix C, adjusted by the removal of NCP4 which will now be funded within the allocation for ECP4.
- (6) Approves a net expenditure budget of £22.792m, as detailed in Appendix E.
- (7) Approves a Council Tax increase of 2.99%, which is in line with the provisions in the Medium Term Financial Strategy.
- (8) Approves the Investment Strategy as detailed in Appendix F.
- (9) Approves the adoption of the four clauses in relation to the Code of Practice on Treasury Management (as detailed in paragraphs 8.32 to 8.35).

**REASONS FOR RECOMMENDATIONS:**

- (1) To ensure that all relevant factors are considered in arriving at a budget (revenue and capital) and Council Tax level for 2025/26. To ensure that the budget is aligned to Council priorities for 2024-28 as set out in the Council Plan.
- (2) The Council's Investment Strategy is set to comply with relevant statutory guidance, including the CIPFA Prudential Code. The Strategy also sets out the Council's approach to risks in relation to the investment of surplus cash.

*Audio recording – 42 minutes 22 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 discussions around:

- The primary facts set out in the budget as part of the Medium-Term Financial Strategy (MTFS) and looking into the savings that would be required over the next four to five years to fill the deficit and balance the in-year budget without using reserves.
- How the 'TBC' potential income items in the report would have a positive effect of the overall figures rather than a negative one.
- The Investment Strategy and around the type of investments made and any potential future risks involved.
- Where the various grant funding included within the report had been allocated and used.

Councillor Ian Albert, as the Executive Member for Finance and IT, presented the report entitled 'Budget 2025/26 (Revenue Budget and Investment Strategy)' and advised that:

- This year the reports had been combined into one report to reflect where capital spend had significant revenue implications.
- The aim was to set a balanced budget including some of the General Fund reserves over the MTFS.
- In 2025/26 funding gains from previous Business Rates would be utilised rather than using General Fund reserves.
- The Council would need to find over £2.5 million savings by the end of the MFTS period.
- The General Fund reserves were well above the minimum recommended by the Section 151 Officer.
- The £1.435 million funding for Extended Producer Responsibility provided growth in the budget beyond inflationary cost pressures. But uncertainty over that funding stream in future.
- Consultations would take place later in the year with residents concerning any savings to be made that would have an impact on services.
- The Council would be increasing Council Tax by 2.99% which was the maximum amount allowed without holding a referendum.
- The banded Council Tax Reduction Scheme would continue to support those residents in most need.
- Some of the key features from the Budget Workshops held in November 2024 could be found in paragraphs 8.2-8.4.
- Funding was required to fully staff the Environmental Health service to ensure delivery of this important service.
- FAR had asked for additional information on the revenue investments, including whether they related to statutory services. This was included at Appendix G.
- It was an important part of the capital programme to improve facilities and services to residents across the district.
- Although the Learner Pool at Royston Leisure Centre was not included in the capital programme, discussions would continue to look to deliver a business case at a later stage.
- The comments made by the Chief Finance Officer on budget risk and General Fund reserves could be found in the section 25 report included at Appendix D.
- The Investment Strategy at Appendix F highlighted where the Council could invest its surplus funds.
- The Council wanted to be able to deliver services to residents and had a key priority of 'sustainability'. It would therefore make investments in the budget for decarbonisation of services and to provide resources for the Environmental Health service.

Councillor Mick Debenham advised that the funding included for NCP4, to replace the play equipment in Howard Park, could be removed from the Capital Programme, as this would be completed within funds already allocated to the project under ECP4. Therefore, an amendment could be made to the recommendations to remove this amount.

In response to a question from Councillor Daniel Allen, the Service Director – Resources advised that work would be carried out to find the most effective way of providing cooling for Hitchin Town Hall and it would not conflict with any decarbonisation work.

The following Members took part in the debate:

- Councillor Dave Winstanley
- Councillor Daniel Allen

Points raised during the debate included:

- Members were pleased that the Royston Learner Pool project would still be considered in the future.
- Members were happy to support investment into Environmental Health staffing to ensure delivery of this important statutory service.

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

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