

Item No	Referred from:	Finance, Audit & Risk Committee
6C	Date:	12 NOVEMBER 2025
	Title of item:	MEDIUM TERM FINANCIAL STRATEGY 2026-2030
To be considered alongside agenda item:		AGENDA ITEM 11

The report considered by Finance, Audit & Risk Committee at the meeting held on 12 November 2025 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 12th November, 2025, 7.30 pm | North Herts Council](#)

REFERAL TO CABINET: That Finance, Audit and Risk Committee note and comment to Cabinet on the Medium Term Financial Strategy, as attached at Appendix A.

REASON FOR REFERRAL: 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.

Audio Recording – 1 hour 1 minute 3 seconds

The Director – Resources presented the report entitled 'Medium Term Financial Strategy 2026-30' and highlighted that:

- The report had been delayed in the hope that there would be more clarity on future funding, however as there had been no detailed announcement from central government on the allocation of future funding, there were still significant estimates.
- The Strategy was included at Appendix A and followed the same format as previous strategies and referred to the Fair Funding 2.0 and the expected new formula.
- By Christmas 2025 the Council would be aware of its funding for the following three years.
- The spread of £2.6 million on table 1 of Appendix A were not worse case and best-case scenario but two possible scenarios that could happen depending on Government decisions. In theory there could be a better positive case and a worse negative case.
- The Council does have reserves, which gave it time to react to potential options outlined in the report.
- Table 6 of Appendix A looked at the current projects in the delivery plan, including two with uncertainty over what could be large costs i.e. Churchgate and Local Government Reorganisation (LGR).
- Table 7 of Appendix A showed the spread of the forecast budget gap. The spread was a prediction and highlighted the huge range of numbers, for example £0.32Million to £2.97Million budget gap in year 2029/30.

The following Members asked questions:

- Councillor Matt Barnes
- Independent Member John Cannon

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

- There were several options that were possible in relation to the Council Tax Reduction Scheme to help avoid people dying in poverty. This was a campaign promoted by Marie Curie. There was an option that provided full council tax support to everyone who had a terminal illness regardless of financial circumstances. The Council currently offered 100% relief on the lowest income and was waiting for a response from Marie Curie as to whether this was a proportional response. That could be supported by ensuring our discretionary scheme was clear about supporting those with a terminal illness.
- For housing growth (e.g. new housing developments) an increase in the tax base (number of properties paying Council Tax) of 0.5% in Council Tax had been assumed. For any housing growth some of the additional Council Tax income would go on direct costs such as waste collection. For larger developments we would also need to consider the costs of new facilities and whether additional staffing would be required.
- There would be an update to this Committee in January 2026 which would reflect the funding announcement from central government.

As part of the questions, Councillor Paul Ward gave a summary of the questions he asked outside of the meeting and the response which would be circulated to members of the Committee and Cabinet.

Councillor Vijaiya Poopalasingham proposed and Councillor Paul Ward seconded.

As part of the debate Councillor Matt Barnes stated that Cabinet should be aware of the information around the costs of LGR and the information highlighted by Councillor Ward, and the Chair gave assurance that he would highlight it to Cabinet.

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

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