

Item No	Referred from:	Finance, Audit and Risk Committee
6C	Date:	7 January 2026
	Title of item:	Second Quarter Capital Monitoring Review 2025/26
To be considered alongside agenda item:		Agenda Item 13

The report considered by Finance, Audit and Risk Committee at the meeting held on 7 January 2026 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 7th January, 2026, 7.30 pm | North Herts Council](#)

RECOMMENDATION TO CABINET: That Finance, Audit and Risk Committee comment on the recommendations to Cabinet which are:

- (1) That Cabinet notes the forecast expenditure of £26.366M in 2025/26 on the capital programme, paragraph 8.3 refers.
- (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.
- (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.

REASON FOR RECOMMENDATION: Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.

Audio recording – 32 minutes 43 seconds

The Director – Resources presented the report entitled 'Second Quarter Capital Monitoring Review 2025/26' and highlighted that:

- Following discussion at Overview and Scrutiny Committee on 6 January 2026, it was confirmed that the budget for the Museum and Commercial Storage project could be reduced from £4 million to £3 million, with a hope to achieve further reduction in budgets.
- The report to Cabinet would also feature an additional change in relation to the purchase of bins, both due to demand and the price increase of domestic bins and considering the budget had not increased for this in recent years. Therefore, another £50,000 would be requested to be added to the Capital Budget.
- Investigations were taking place in relation to resurfacing of the Lairage car park, which had been held back due to an access issue. It would be explored how access could be gained and the works completed as soon as possible.
- There was a forecasted overspend in relation to the Decarbonisation Project, as outlined at Table 3 of the report. However, the overspend was within the 5% tolerance set in the budget. Overall, the projected would cost around £17million.
- The Capital finance requirements had turned position in this financial year, and therefore the Council would need to borrow for the 2026/27 Capital Programme.

The following Members asked questions:

- Independent Member John Cannon
- Councillor Vijaya Poopalasingham
- Councillor Ruth Brown

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

- There was a lag between information being gathered in September and the reports being presented to the Committee, due to the timing of meetings. However, in most instances, the information provided was relevant and up to date when reported, with any significant changes highlighted.
- There was not a date set for the Home Repair Assistance money to be fully spent, but the Director would get an update and provide this to the Committee.
- The Museum Storage project budget was proposed to be reduced to £3 million.
- The access issue to the Lairage car park was that the road leading up to it was too narrow and winding to allow the trucks needed to resurface.
- The financial tolerance for a project was 5% which for the Leisure Decarbonisation project was roughly £700K and, at the time of the meeting, it was £500K over budget.
- The completion date for the Leisure Decarbonisation project was expected to be between April and June 2026. There would likely be some slippage into the 2026/27 Financial Year, however it would be minimal and expected to comply with the requirements of the Salix grant received.
- There had been £1.7 million worth of projected slippage from 2025/26 to 2026/27.

Councillor Vijaiya Poopalasingham proposed and Councillor Stewart Willoughby seconded and, following a vote, it was:

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