

Item No	Referred from:	Finance, Audit and Risk Committee
6E	Date:	7 January 2026
	Title of item:	Second Quarter Revenue Budget Monitoring 2025/26
To be considered alongside agenda item:		Agenda Item 14

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 note this report.
- (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.
- (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.

REASON FOR RECOMMENDATION: 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.

Audio recording – 52 minutes 50 seconds

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

- A summary of significant variances, which included overspend, underspend and carry forward was outlined in Table 3 of the report.
- Paragraph 8.4 looked at carry forwards from last year and whether they were spent in this financial year. There were some examples where money was still reserved for a specific purpose but had not been spent in this financial year.
- Corporate Health Indicators were outlined at Table 4 in the report, which looked at the major income streams for the Council.
- The leisure centre management fee income was flagged as red due to the ongoing work related to the Leisure Decarbonisation Project.
- There had been a slight reduction in Garden Waste subscribers and the commercial refuse collections.
- Parking income was increasing.
- The general funding position and the allocation going forward was outlined at paragraph 8.8 of the report.
- A minimum General Fund Balance was set at the start of the year, which accounted for specific and unknown risks. Specific risks were monitored throughout the year and the allowance on this had turned negative, which indicated that the Council had underestimated this risk.

The following Members asked questions:

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

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

- Ordinarily, the Council would not make predictions on Treasury Investment income for future years, as decisions taken in setting the budget would impact on the figure received.
- The spend on postage was going down, but there was a requirement for certain documents to be sent via post, such as Council Tax summons, and some residents required paper copies, as they could not or chose not to communicate via email.
- The Community Wellbeing team was funded partially by Hertfordshire County Council (HCC) and therefore this Council has had to readjust the structure now this funding was not in place.
- The leisure centre statistics compared the quarter two performance in 2024/25 and 2025/26 and demonstrated an upward trend. This was partly due to Everyone Active being relatively new in 2024 and only some of the closures being in quarter 2 of 2025/26. There was likely to be some drop off in quarter 3 due to further closures to complete the decarbonisation works in 2025/26.
- The forecast already considered the payment needed to cover the loss of income to Everyone Active during the decarbonisation works and work had been conducted to minimise the loss of income.
- The reduction in spend on Waste Service staff was likely due to a decision not to use agency staff to fill vacancies, which would have been a higher cost. The contract had now been delivered successfully, with some minor issues experienced, but the team had coped with the staffing levels.
- It was expected that the one business who had not renewed their parking season tickets was an outlier, and there were not a large number of businesses who paid for permits, therefore the Council was not anticipating a significant drop off from season ticket income.

Councillor Vijaiya Poopalasingham proposed and Councillor Sarah Lucas seconded and, following a vote, it was:

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