

Item No	Referred from:	Finance, Audit and Risk Committee
6A	Date:	Tuesday 10 February 2026
	Title of item:	Budget 2026/27 (Revenue and Capital Budgets)
To be considered alongside agenda item:		Agenda Item 13

The report considered by Finance, Audit and Risk Committee at the meeting held on 10 February 2026 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Tuesday, 10th February, 2026, 7.30 pm | North Herts Council](#)

REFERRED TO CABINET: That Finance, Audit and Risk comments on the budget process, assumptions and risks contained within this report, in the context that Cabinet recommend to Council that:

- (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 £3.5 million is recommended.
- (3) Notes 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.
- (6) Approves a net expenditure budget of £27.321m, 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 bringing forward the capital budget for pool covers at the outdoor pools to 2025/26.

REASON FOR REFFERAL: To ensure that all relevant factors are considered in arriving at a budget (revenue and capital) and Council Tax level for 2026/27. To ensure that the budget is aligned to Council priorities for 2024-28 as set out in the Council Plan.

Audio recording – 44 minutes 52 seconds

The Chair invited Councillor Ian Albert, as Executive Member for Resources, to introduce the Budget 2026/27. Councillor Albert thanked the Chair and advised that:

- He wished to thank all the Officers and Members who had been involved in the process.
- The budget had been approached in a pragmatic way, and whilst consideration was given to Local Government Reorganisation (LGR), the budget had to be considered in a way which planned for this Council existing in a few years.
- Budget workshops had been held for Members, which presented the areas of investment prioritised by the administration, such as Careline and IT capacity.

- The provisional settlement provided before Christmas was positive and the introduction of a 3 year settlement was welcomed and provided additional certainty for this period.
- Some reserves would remain and, other than the Business Rates reserves, all of these were for specific purposes.
- There was some consideration given to areas where investment could be made in communities across the district, but this was postponed until the final settlement had been agreed.
- There were investment proposals included in the budget, such as funding for the Royston Learner Pool, digital signage for Hitchin car parks and additional water features at North Herts Leisure Centre.
- As part of the LGR process, the Council was looking to create a £2m reserve.
- It would have been irresponsible not to increase Council Tax by the maximum 2.99% allowed, as this would generate an additional £400k which could be used for vital services and, without this, the resources available would be limited.
- The increase in Council Tax from North Herts Council was below the increases proposed by the Police and Crime Commissioner and Herts County Council.
- This would be a balanced budget across the period and, at the same time, would provide investment in important services and community facilities.

The Director – Resources presented the report entitled ‘Budget 2026/27 (Revenue and Capital Budgets)’ and highlighted that:

- The provisional settlement received had been confirmed as final as of 9 February 2026 and there were no major changes.
- The report would be fully updated to reflect this final settlement ahead of the Council meeting to consider the budget approval.
- The process followed in terms of setting the budget were outlined in Section 8 of the report and included looking at funding available, assessing risk factors, reviewing balances and reserves available and then considering the required minimum general fund balance.
- The Section 25 report was included at Appendix D and provided commentary from the Chief Financial Officer on liabilities and assumptions, and this included a comparison against other authorities.
- The cumulative impact of the budget was set out in Appendix E and the position of the Council was outlined over the next three financial years, 2 years as the current authority and 1 year post-LGR.
- A recommendation was included to bring forward funding for replacing pool covers at the outdoor pool, so this could be completed before the start of the 2026 season.

The following Members asked questions:

- Councillor Daniel Wright-Mason
- Councillor Paul Ward
- Councillor Dominic Griffiths

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

- The Council used to receive a grant for domestic abuse support, but a specific budget was created for this in 2023/24. There would be no impact on service delivery from the amount included in this report.
- The process of zero rating low value financial risks was a long term practice, but this was reported and monitored in year by this Committee.
- The 20% decrease in Extended Producer Responsibility payments was an assumption, as this was to encourage the reduction of packaging used and it was expected that, over time, companies would look at ways of reducing it.

- Any items included as 'TBC' would have final figures added before consideration by Full Council.

The Chair thanked all those involved in putting together the budgets and bringing proposals forward and noted that there were some welcome items included which had long been required, but not previously addressed.

Councillor Daniel Wright-Mason proposed and Councillor Stewart Willoughby seconded and, following a vote, it was:

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