

Item No	Referred from:	Cabinet
6A	Date:	17 February 2026
	Title of item:	Budget 2026/27 (Revenue and Capital Budgets)
To be considered alongside agenda item:		8

The report considered by Cabinet at the meeting held on 17 February 2026 can be viewed here: [Agenda for Cabinet on Tuesday, 17th February, 2026, 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 £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 as amended.
- (5) Approves the capital programme as detailed in Appendix C.
- (6) Approves a net expenditure budget of £27.323m, as detailed in Appendix E with amount and detail to be amended.
- (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.
- (9) Notes that a Council Tax premium on Second Homes will be implemented from 1st April 2026, which is adopting the decision taken by Council on 29 February 2024

REASONS FOR RECOMMENDATION:

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

Audio recording – 55 minutes 38 seconds

In the absence of the Chair of Finance, Audit and Risk Committee, the Chair invited Councillor Ian Albert, as Executive Member of Resources, to present the referral and report entitled 'Budget 2026/27 (Revenue and Capital Budgets)'. Councillor Albert advised that:

- No concerns had been raised at Finance, Audit and Risk Committee concerning the budget from their prospective.
- Finance, Audit and Risk Committee had noted that the Council was having to borrow to fund capital projects but were aware that management of the budget and the general fund was good.
- Finance, Audit and Risk Committee were keen to support the allocation to investigate the provision of allotments in Great Ashby, as this was a long-standing issue.
- The budget being proposed was in line with the Council Plan.
- There had been engagement with Members during the budget setting process and budget workshops had been held.
- The Council knew how important resources were to enable the delivery of strategic services.
- The provisional settlement from the government was positive alongside the changes to pension contributions.
- The General Fund balance was strong and was more than £10m above the minimum balance recommended of £3.5M.
- The Council could therefore look to fund some projects by transferring some of the revenue reserves into a capital programme to benefit communities across the district.
- The final settlement from government included an extra £70K in homelessness grants for 2026/27.
- The provision of the three-year settlement provided additional security, however the Council needed to bear in mind that the allocations for years 2 and 3 were provisional.
- Details of uncertainties on future costs and incomes were set out in the Section 25 report of the Chief Financial Officer which was included in Appendix D.
- Council Tax was proposed to increase by 2.99% which would generate over £400K of extra funding and was in line with the Medium Term Financial Strategy.
- The Council provided a good Council Tax Reduction Scheme for those residents in most need.
- The overall position meant that there would be a balanced budget in 2028/29.
- £2M across the next two years had been set aside to cover any costs associated with the Local Government Reorganisation (LGR).
- Some of the new capital investment proposals for 2026/27 included £4.7M for a learner pool at the Royston Leisure Centre, £200K for digital and other signage at Hitchin car parks and £200K for additional water play features at North Herts Leisure Centre.
- There were already many existing projects the Council had committed to, such as the museum storage project, which would protect vital archives to be of benefit to communities for many years to come.
- The Council was working with the Great Ashby Community Council and residents to provide additional allotment provision if possible.
- Recommendation 2.8 was to allow the spend on pool covers to be brought forward to this financial year to enable the work to be carried out before the pools opened.
- A Council Tax premium on second homes would be applied from April 2026, which had been previously approved by Council.

- To achieve a final budget proposal, he was requesting to add the following items to the budget to be incorporated into the final budget report to Council on 26 February 2026. An allocation for 2026/27 of £70k to the Hertfordshire Futures, £194k to North Herts Citizens Advice, £30k to the North Herts Centre for Voluntary Services, £15k to North Herts Minority Ethnic Forum. These amounts would all be subject to inflationary increases for the following 2 years.
- There would also be a £7k allocation included to provide security at evening Committee meetings.

Councillor Val Bryant, as Leader of the Council, requested that another addition be made to the budget to extend the funding for the additional Executive Member for LGR for an additional 2 years. The work of the Executive Member had proved to be vital and there was still much work to be done in the approach to LGR.

Councillor Ian Albert therefore proposed that an additional budget line of £9K revenue was allocated in the budget to secure additional funding for the Executive Member for LGR for 2026/27 and 2027/2028.

The following Members asked questions:

- Councillor Donna Wright
- Councillor Laura Williams
- Councillor Daniel Allen

In response to questions, Councillor Ian Albert advised that:

- The Council recognised the importance of understanding its capacity to deliver projects and the time required by staff to deliver what was asked of them.
- The budget was kept closely under review to see whether any projects needed to be reprioritised.
- The Council liaised with other local authorities to see if there were any opportunities to work together to save costs.

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

- £1M had been allocated in the budget each year for the next two years for costs associated with LGR and this would cover the Council contribution to any LGR costs, staff back-filling cover as required and also to support staff with any training that may be required.
- If the funds set aside in the budget for Ransomware costs were too low, the Council would have to fund any extra costs from the reserves, but this was not considered a significant risk to the overall budget.
- The Council Delivery Plan contained details of any risks and the impact of the LGR would be monitored closely.

The following Members took part in the debate:

- Councillor Tamsin Thomas
- Councillor Laura Williams
- Councillor Sean Nolan
- Councillor Donna Wright
- Councillor Daniel Allen
- Councillor Ian Albert

Points raised during the debate included:

- The museum storage was a vital piece of work, and it was welcomed to see provision for this in the budget.
- The allotments at Great Ashby enhanced the green space and to provide additional allotment areas would demonstrate that the Council had listened to the residents.
- The Council was fortunate to have enough reserves in the budget to implement positive projects for the community.
- Benefits from this budget would be seen over the coming decades for the Council and the new unitary authority.
- The proposals outlined demonstrated a sensible and strategic use of reserves.
- Prudent investments had given the Council resilience in preparing for the LGR.
- The change to refuse and waste collection service to a three weekly collection had not only been significant in managing costs for North Herts Council but had also had a wider beneficial impact on Hertfordshire County Council.

The Director – Resources advised that the amended figure for recommendation 2.4 was likely to be £27.524M, but that this would be confirmed at Council on 26 February 2026.

Councillor Ian Albert proposed as amended and Councillor Sean Nolan seconded and, following a vote, it was:

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