

<b>Item No</b>	<b>Referred from:</b>	<b>Finance, Audit &amp; Risk Committee</b>
<b>6G</b>	<b>Date:</b>	<b>25 March 2026</b>
	<b>Title of item:</b>	<b>Third Quarter Revenue Budget Monitoring 2025/26</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 16</b>

The report considered by the Finance, Audit & Risk Committee at the meeting held on 25 March 2026 can be found here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 25th March, 2026, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** That the Finance, Audit and Risk Committee provided comments and recommend to Cabinet:

- (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, a £902k decrease in net expenditure.
- (3) That Cabinet approves the changes to the 2026/27 General Fund budget, as identified in table 3 and paragraph 8.2, a total £201k increase in net expenditure.

**REASON FOR RECOMMENDATION:** Members were 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 – 1 hour 10 minutes 07 seconds*

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

- The reasons for variances on the Revenue Budget were shown in table 3.
- There Council did not have a borrowing requirement at the end of 2024/25 as not all the capital reserves had been spent. The original for 2025/26 budget included a charge for Minimum Revenue Provision, so at that was not required there was an underspend of £400,000.
- The budget for 2026/27, set in February, reflected the updated estimates on the need for internal borrowing.
- Carry forwards were usually more common toward the end of the financial year and these were also detailed in table 3.
- There were two red Corporate Health Indicators, the Leisure Centres Management Fee for paying Everyone Active during the decarbonisation works and the Commercial Refuse & Recycling Service.
- Table 5 indicates current activity levels, where these drive financial performance, and how these compare to the prior year to indicate the direction of current trends. The Council was still above the trend for Leisure Centre usage despite the decarbonisation works.
- Commercial Refuse & Recycling Service customer numbers were declining, but the income had decreased at much slower rate due to a smaller group of customers buying more services, including recycling services.

- There was a slight increase in car parking income, although average ticket prices had reduced, meaning the volume of purchases had increased, which showed faster turnover in car parks.
- The funding summary showed in terms of funding the Council was in line with the budget forecast.
- The increase in the general fund balance should be mitigated by the carry forwards which would create budgets for next year so they money would be spent.

The following Members asked questions:

- Councillor Daniel Wright-Mason
- Councillor Ruth Brown
- Councillor Vijaiya Poopalasingham
- Independent Member John Cannon

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

- Towards the end of the financial year, it was common for there to be more underspends and overspends being declared.
- Churchgate was a financial risk. It was highlighted in the report that funding was provided for the current stages of the regeneration project development. There were always issues with letting a shopping centre, but it was still generating income. Looking forward there would likely come a stage where the Council would need a large capital budget for Churchgate regeneration.
- Commercial refuge and recycling did have some increased competition, and businesses were minimising their waste, which created an increased drop in income, but this was better for sustainability. Work was being done to encourage recycling collection rather than residual (non-recyclable) waste.
- Due to a backdate in audits relating to housing benefits audits it had not been possible to finalise the positions and identify issues with amounts that could be reclaimed from the DWP. Once these had been brought up to date there would be further costs for the 22/23 and 23/24 periods, likely to be around £200,000 per year. It was hoped that these audits could be resolved during 2026/27. These costs could be absorbed within the General Fund balance. There was no way to appeal the audit outcomes.

Councillor Vijaiya Poopalasingham proposed and Daniel Wright-Mason Councillor seconded and, following a vote, it was:

**RECOMMENDED TO CABINET:** That the Finance, Audit and Risk Committee provided comments and recommend to Cabinet:

- (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, a £902k decrease in net expenditure.
- (3) That Cabinet approves the changes to the 2026/27 General Fund budget, as identified in table 3 and paragraph 8.2, a total £201k increase in net expenditure.

**REASON FOR RECOMMENDATION:** Members were 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.