

Item No	Referred from:	Finance, Audit and Risk Committee
6D	Date:	10 June 2026
	Title of item:	Revenue Budget Outturn 2025-26
To be considered alongside agenda item:		Agenda Item 15

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

RECOMMENDED TO CABINET: That Finance, Audit and Risk Committee comments on the assumptions and information contained within the report, in the context that Cabinet agrees that:

- (1) That Cabinet note the report.
- (2) That Cabinet approves a decreased of £1.385million in the 2025/26 net General Fund expenditure, as identified in section 8, to a total of £21.400million.
- (3) That Cabinet approves the changes to the 2026/27 General Fund budget, as identified in table 4 and paragraph 8.3, a total £651k increase in net expenditure.

That Cabinet recommend to Full Council:

- (4) That Council approves the net transfer from earmarked reserves, as identified in table 9, of £4.925million.

REASONS FOR RECOMMENDATIONS:

- (1) 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.
- (2) Changes to the Council's balances are monitored and approved.

Audio recording – 1 hour 8 minutes 38 seconds

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

- Revenue related to day-to-day spending and capital related to improving and purchasing assets.
- This report was an end of year position, with a slightly updated version being presented to Cabinet on 16 June 2026.
- These changes included a reduction to the underspend which related to the Waste and Street Cleansing Contract. The funding of the waste contract mobilisation costs had not been included in this version. These had been funded from the waste reserve, but there had also been a shortfall so it had impacted on the outturn budget position. The budgeted use of a revenue reserve to fund vehicle purchases had also not been included. Therefore, the result was also an impact on the net transfer from earmarked reserves.

- Table 4 of the report detailed the significant in year variances, and the reasons for these.
- The total budget to be carried forward to 2026/27 was £1.844million, as outlined in paragraph 8.3 of the report.
- The previous carry forward amounts were detailed at paragraph 8.5 of the report, which demonstrated whilst plans were in place to spend this allocation, it could not be delivered due to capacity and other limitations.
- All targeted efficiencies have been achieved, as detailed in paragraph 8.4 of the report.
- The performance against financial health indicators was outlined at paragraphs 8.6-8.8 of the report.
- There had been some updates to these, including the final number of car parking tickets sold, the number of Penalty Charge Notices (PCNs) issued and the final position of the General Fund balance.
- The explanation for total variances across the year was included at Appendix 1 of the report. The budget was reset for each in year quarterly review, but this report provided detail of original budget through to year end.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Chris Lucas
- Councillor Elizabeth Dennis
- Councillor Ruth Brown
- Councillor Sarah Lucas
- Independent Member John Cannon

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

- The highlighted numbers included at Table 6 of the report were draft at time of writing, however the final figures had been included in the Cabinet report.
- The number of Garden Waste Collection subscribers had not changed and represented a 4.9% decrease on 2024/25.
- The Car Parking Fees final figures were 1,204,898 tickets sold, with an average price of £1.76. Whilst the average price was down 1.7% on 2024/25, the number of tickets sold had increased by 4.6%. This reflected more people parking in Council car parks for a shorter period of time.
- The final number of Parking PCNs issued was 18,991, which was a 14.4% increase on 2024/25 and was mainly down to the service being better staffed, therefore more Officers were available to issue PCNs.
- Underspend on projects was often due to staffing, which reflected the difficulty in recruiting to some posts. However, work was ongoing to address this and fill the vacancies, which would add resource to deliver on projects.
- Recovery action on debt was now in place.
- There would not normally be any penalties imposed on late payments for sundry debt.
- The cost of chasing debts to the Council was managed within the relevant teams.
- There had been some progress on the Town Centre Strategy project this year. This project was within the Place directorate who had many projects ongoing, and prioritisation of project delivery was needed.
- There were previously discussions around employing an Officer to specifically look at increasing use of the commercial waste collection service. An update would be sought on this from the relevant service area.
- Some of the delivery around the commercial waste collection service had been delayed due to the major in year changes to the waste contract this year, but this was now complete and work could be done to explore these areas more effectively.

- The Business Continuity team had some absences, but Officers were now back and progressing work around this area, including considering which services would be prioritised in the case of a cyber attack.
- The IT team had been actively engaged in work around Local Government Reorganisation, which had meant some internal work had been delayed.
- Overall, the Council was in a good position relating to cyber resilience, but this was an evolving risk and further work would be required as developments occurred.
- There had been an increase in spend on consultants on the Churchgate project for a number of reasons, but mainly focussed on the need to produce a viable scheme to take to the market. The risk of getting the wrong answer initially would cost the Council more in the long term, so it was important this pre-market work was conducted accurately and properly.
- There was a balance in producing the report to highlight key information without it becoming too long. This is why more detail was also provided within the appendix to the report.
- The first quarter update would provide more detail on how much of the carry forwards from 2025/26 had been achieved to date.
- The Asylum Dispersal Grant was given to the Council based on the number of asylum seekers in the district at the time.
- There were some vague conditions on spending of the Grant, but the Council had delivered core services. Therefore, it was decided this should be moved into the General Fund to reflect this.
- The Grant had ended, but there would likely be other grants linked to new burdens. Sometimes these were well signposted, however often they were on an ad-hoc basis.

In response to questions, the Executive Member - Resources advised that:

- Following discussions at the Overview and Scrutiny Committee on IT resourcing, further posts were referenced in the LGR funding report that would be considered at Cabinet on 16 June 2026.
- The Shared Internal Audit Service considered North Herts Council as one of the lead authorities in terms of cyber security and resilience, but the Council should not be complacent and should always be looking at what more can be done in these areas.
- At the last two budget meetings of Council, it was noted that additional funding would likely be needed from reserves to support the Churchgate project. This was as it was not possible at budget setting stage to predict all the amounts required initially. However, any further decision on spend would be brought to Cabinet and referred onto Full Council, to ensure funding was in place to get the project right.
- The Churchgate project required additional, specific expertise, which did not already exist within the Council.

N.B. Councillor Chris Lucas left the Chamber during this item and returned at 21.19.

Councillor Vijaiya Poopalasingham, as Chair, proposed and Councillor Alistair Willoughby seconded the recommendations.

The following Members took part in the debate:

- Councillor Chris Lucas
- Councillor Vijaiya Poopalasingham
- Councillor Alistair Willoughby
- Councillor Paul Ward

Points raised in the debate included that:

- The explanation around Churchgate spending was noted, including that it was not possible to accurately predict spend at budget setting stage and that it was prudent for changes to be made during the project duration to answer ongoing issues.
- The amount of change, in year, was a large amount at £169k, mainly to fund consultants. Whilst it was important to get the project right, it should be done in a financially prudent way.
- The variance on the Churchgate project was large, given the Council has known that it would be a timely and costly project from commencement.
- The roles of the Overview and Scrutiny Committee and the Finance, Audit and Risk Committee were different, with this Committee having a view of whether the right processes were in place and effectively monitored, rather than consideration of the policy or project.
- Some of the shortfall in funding for the Churchgate project had come from an earmarked reserve for Churchgate and had been part funded by the excess income generated by the asset.
- The initial investment purchase was around £4million and it was important that the project was delivered successfully to ensure public money was protected.

Having been proposed and seconded and, following a vote, it was:

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