

<b>Item No</b>	<b>Referred from:</b>	<b>Finance, Audit and Risk Committee</b>
<b>6F</b>	<b>Date:</b>	<b>10 June 2026</b>
	<b>Title of item:</b>	<b>Capital End of Year Review 2025-26</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 17</b>

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 within this report, in the context that Cabinet agrees that:

- (1) Cabinet notes expenditure of £22.002million in 2025/26 on the capital programme, paragraph 8.3 refers.
- (2) Cabinet approves the adjustments to the capital programme for 2026/27 as a result of the revised timetable of schemes and other adjustments detailed in table 2, increasing the estimated spend by £1.950million.
- (3) Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.7 and the requirement to keep the capital programme under review for affordability.
- (4) Cabinet approves the application of £1.057million of capital receipts/set aside towards the 2025/26 capital programme, paragraph 8.7 refers.

**REASONS FOR RECOMMENDATIONS:** Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.

*Audio recording – 2 hours 7 minutes 42 seconds*

The Director – Resources presented the report entitled ‘Capital End of Year Review 2025-26’ and advised that:

- Table 1 of the report provided detail of total spend against capital budgets for 2025/26.
- Table 2 of the report provided detail of the slippage occurring within schemes. Within this the Leisure Centre Decarbonisation Project reflected the combined impact of slippage and the need to increase the budget for this project, owing to delays with getting legal agreements caused by the third party legal teams. The delay meant a requirement for further spending on temporary boilers and contractor payments.
- Table 3 of the report provided detail on the in-year variances on capital projects.
- Paragraph 8.6 of the report detailed all the projects completed in the 2025/26 year.
- Table 8.7 of the report detailed how capital projects had been funded. Borrowing was now taking place against reserves and other balances, and it was expected that this could continue, as the largest capital expenditures items had been made in 2025/26.
- The Council could borrow externally, but interest rates remained high.

The following Members asked questions:

- Councillor Vijaiya Poopalasingham
- Councillor Ruth Brown

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

- The issues with cables relating to the Public Sector Decarbonisation Project was partly foreseen, but the exact route of these cables was unknown until after the project commenced, and the length of the legal delays had not been anticipated.
- The estimated Minimum Revenue Position (MRP) charge was included in the budget each year. There was a need to make an MRP charge the year after the Council had a need to borrow. There would be an MRP change in 2026/27, but there was not one required for 2025/26.
- The MRP was likely to be in the low hundreds of thousands of pounds for 2026/27.

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

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**REASONS FOR RECOMMENDATIONS:** Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.