

Public Document Pack

NORTH HERTFORDSHIRE DISTRICT COUNCIL

FINANCE, AUDIT AND RISK COMMITTEE

**MEETING HELD IN THE COUNCIL CHAMBER - DISTRICT COUNCIL OFFICES, GERON ROAD, LETCHWORTH, SG6 3JF
ON WEDNESDAY, 10TH JUNE, 2026 AT 7.30 PM**

MINUTES

Present: *Councillors: Vijaiya Poopalasingham (Chair), Sarah Lucas (Vice-Chair), Ruth Brown, Chris Lucas, Paul Ward and Alistair Willoughby.*

John Cannon (Independent Member) Non-voting advisory role.

In Attendance: *Reuben Ayavoo (Policy & Community Manager), Luca Benedito (Trainee Committee, Member and Scrutiny Officer), Faith Churchill (PA - Director Governance), Ian Couper (Director - Resources), Ellie Hollingsworth (Policy & Strategy Team Leader) and James Lovegrove (Committee, Member and Scrutiny Manager).*

Other Presenters: *Anna Lord (Audit Manager (KPMG)), Chris Wood (Head of Assurance Services (HCC) & Client Audit Manager (NHDC)) and Salma Younis (Director (KPMG)).*

Also Present: *For the duration of the meeting, there were no members of the public present.*

Councillor Ian Albert was in attendance as Executive Member for Resources.

1 APOLOGIES FOR ABSENCE

Audio recording – 1 minute 25 seconds

Apologies for absence were received from Councillors Stewart Willoughby and Steven Patmore.

Having given due notice, Councillor Elizabeth Dennis substituted for Councillor Willoughby.

2 MINUTES - 25 MARCH 2026

Audio Recording – 1 minute 42 seconds

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

RESOLVED: That the Minutes of the Meeting of the Committee held on 25 March 2026 be approved as a true record of the proceedings and be signed by the Chair.

3 NOTIFICATION OF OTHER BUSINESS

Audio recording – 2 minutes 20 seconds

There was no other business notified.

4 CHAIR'S ANNOUNCEMENTS

Audio recording – 2 minutes 25 seconds

- (1) The Chair advised that, in accordance with Council Policy, the meeting would be recorded.
- (2) The Chair drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.
- (3) The Chair advised that section 4.8.23(a) of the Constitution did not apply to this meeting.

5 PUBLIC PARTICIPATION

Audio recording – 3 minutes 6 seconds

There was no public participation at this meeting.

6 EXTERNAL AUDIT PLAN AND STRATEGY 2025-26

Audio recording – 3 minutes 11 seconds

The Director (KPMG) presented the report entitled 'External Audit Plan and Strategy 2025-26' and highlighted that:

- The report presented was covering two areas, rebuilding assurance and the audit risks identified for the year end 31 March 2026.
- Details on the rebuilding assurance process were outlined at page 19 of the reports pack.
- Due to a backlog of audits in the public sector, the government introduced new measures in 2024 to address this and a cut off was introduced for all audits up to 31 March 2023 to be completed by December 2024 or be disclaimed.
- Due to the backlog, North Herts Council received a disclaimed audit for 2022/23 and 2023/24 and, because of this, also received a disclaimed audit for 2024/25.
- Guidance has now been developed to build back assurance which meant auditors would look at the disclaimed audit period, identify any risks in this period and an audit would be conducted on these areas.
- As part of the North Herts Council 2025/26 audit, the rebuilding assurance work would be conducted alongside the audit process.
- KPMG were required to report on the outcomes of the risk assessment element of the build back assurance to the Council management by 31 July 2026. This would identify the additional audit procedures that needed to be performed as part of the build back work.
- The rebuilding assurance work would include speaking to management about actions during the disclaimed period, auditing specific account balances and reviewing reserve movements identified from the risk assessment work for the disclaimed periods.
- This work was currently ongoing and would be reported back to this Committee at a later meeting.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Vijaiya Poopalasingham

In response to the questions, the Director (KPMG) advised that:

- For some authorities the disclaimed audit had been removed for 2025/26, and it was possible this could be the case for North Herts Council, but that was not known at this stage. This would form part of the risk assessment work looking at the disclaimed period.
- The timeline provided in the report was for the 2025/26 audit, rather than the rebuilding assurance work, which was hoped to be completed sooner and within the timeframe set by MHCLG. Following this, the substantive work on the 2025/26 audit would begin.
- There would be a need to balance management availability to ensure work is completed, but this would be discussed with the Accounts Team at the Council.

The Director (KPMG) further highlighted that:

- This report also provided the Financial Statement audit for 2025/26.
- The materiality thresholds, which were applied when conducting audit work, were outlined at page 20 of the reports pack.
- A summarised view of the work conducted by KPMG was included at page 21 of the reports pack. As part of the external audit, KPMG use their specialist pension team.
- A summary of the significant risks was provided at page 22 of the reports pack, which included the Valuation of Land and Buildings, the Valuation of Investment Property, the Valuation of post-Retirement Benefit Obligation and the Management Override of Controls.
- Due to a change in the Code of Practice, the risk applied to Valuation of Land and Buildings had been split between those assets valued in year and those which are not going to be valued but were subject to indexation.
- Details of the four significant risks were outlined between pages 23 and 27 of the reports pack.
- There was ongoing work to assess Value for Money, so there was no update to report at this meeting, but the process to be followed was outlined within the report. A risk assessment for this area would be provided to a future meeting of the Committee.
- The timeline for audit, the audit fees and the confirmation of independence was included in the appendices to the report.
- Whilst KPMG did provide one non-audit service for the Council, this was a separate team and did not interfere with the audit process.

The following Members asked questions:

- Councillor Chris Lucas
- Councillor Paul Ward

In response to the questions, the Director (KPMG) advised that:

- Local Government Reorganisation (LGR) would not impact the 2025/26 or 2026/27 audits, as the Council would still exist in these periods.
- However, for audits after that consideration would be given to the delivery of audits post-LGR. This had been included in the Value for Money risk assessment and would develop as the future plans became clearer and governance processes to manage the change were in place.
- An outline of the other services provided by KPMG to the Council were outlined at page 39 of the reports pack. This was not an unusual practice as this service was normally completed by an external auditor, but this was a separate team from the audit team.
- There were safeguards to ensure the audit and other service provided by KPMG did not interfere with each other and these were outlined within the report.
- The work conducted was completed by the Council, with KPMG providing the service to review and confirm the position presented.

Councillor Sarah Lucas proposed and Councillor Alistair Willoughby seconded and, following a vote, it was:

RESOLVED: That the Committee noted the External Audit Plan and Strategy 2025-26.

7 SIAS ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT ANNUAL REPORT 2025-26

Audio recording – 24 minutes 24 seconds

The Head of Assurance Services (HCC) & Client Audit Manager (NHDC) presented the report entitled 'SIAS Annual Assurance Statement and Internal Audit Annual Report 2025-26' and highlighted that:

- SIAS delivered on a plan of work throughout the year, which included around 20 audits. At the year end, a report was provided giving an overall assurance position for the Council.
- This assurance position then fed into the Annual Governance Statement, to be considered under the next Agenda Item.
- It was a requirement for management to confirm that the work of SIAS has been completed independently and without limitation placed on their work.
- There was a requirement to approve an Internal Audit Charter, which set out the rights, responsibilities and where authority came from, and this was required for SIAS to conduct work on behalf of North Herts Council.
- Every 5 years, an external quality assessment was completed on SIAS and a paper would be presented at a later meeting of this Committee covering this audit work. In the four other years, a self-assessment was conducted by SAIS, which had assessed that it generally conformed to expectations, and provided detail on where improvements could be made.
- Details of the overall assurance position of the Council and of planned work for future audits were included in section 2 of the report.
- There were two outstanding recommendations for implementation at the year end, though these were both largely implemented.
- The processes around assurance mapping and root cause analysis were included in section 3 of the report.
- SIAS performance against targets set were outlined at section 4 of the report.

In response to the Head of Assurance Services (HCC) & Client Audit Manager (NHDC), the Director – Resources confirmed on behalf of management that no limitations had been placed on the work conducted by SIAS throughout the audit period.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Chris Lucas

In response to questions, the Head of Assurance Services (HCC) & Client Audit Manager (NHDC) advised that:

- It was difficult to provide year on year comparison as there were different audit plans in place.
- Whilst some items have been included on multiple plans, such as Churchgate and the Decarbonisation of the Leisure Centres, there was overall good delivery on outcomes.
- There had been a focus on significant projects and delivering on these, and all projects included in the Council Delivery Plan should have assurances around them.
- There had also been work completed on Purchasing Cards and the governance of this process, demonstrating that it was not just the biggest risks which were focussed on.

- The mapping process took place to review key risks and where they got their assurance from to ensure there were good governance processes in place around these areas.
- Substantial and Reasonable assurance were the positive categories, with Limited and No Assurance being the negative categories. There were very few examples nationally of No Assurance.
- The ratings and descriptions were published and the criteria for each was developed from CIPFA guidance.
- To receive a Substantial assurance position, every individual audit completed would need to return a Substantial category and therefore it was unusual to receive this overall level of assurance.
- Even high performing Councils did not reach Substantial assurance due to external factors, such as resourcing and staffing levels. Therefore, Reasonable assurance was a positive level of assurance.

Councillor Vijaiya Poopalasingham, as Chair, proposed and Councillor Alistair Willoughby seconded and, following a vote, it was:

RESOLVED: That the Committee:

- (1) Noted the Annual Assurance Statement and Internal Audit Annual Report.
- (2) Noted the results of the self-assessment required by the Global Internal Audit Standards (GIAS) and the Quality Assurance and Improvement Programme (QAIP).
- (3) Approved the Internal Audit Charter for 2026/27.
- (4) Received assurance from management that the scope and resources for internal audit were not subject to inappropriate limitations for 2025/26.

Following the vote, the Head of Assurance Services (HCC) & Client Audit Manager (NHDC) advised that an invitation had been circulated to Members for a meeting on 10 July 2026 to provide details of the work undertaken by SIAS, SIAS in general or to raise any specific concerns in private. This was a requirement of the new standards in place and was in addition to regular meetings with the Chair, Vice Chair and Directors.

In response to a question from Councillor Ruth Brown, it was advised that this was not an official meeting and therefore there was no minimum attendees required.

8 DRAFT ANNUAL GOVERNANCE STATEMENT 2025/26 AND ACTION PLAN FOR 2026/27

Audio recording – 46 minutes 59 seconds

The Policy and Community Manager and the Policy and Strategy Team Leader presented the report entitled 'Draft Annual Governance Statement 2025/26 and Action Plan for 2026/27' and highlighted that:

- Members were asked to review the draft Annual Governance Statement (AGS) for 2025/2026 and approve the plan for 2026/2027.
- The AGS was based on the local code considered and approved by this Committee in March 2026.
- This provided a much shorter AGS, as the standardised governance arrangements were covered within the Local Code.
- The AGS then looked at how these arrangements were applied and worked in practice.
- SIAS, SAFS and KPMG had all been provided copies of the AGS and Action Plan and their comments has been incorporated, where received.

- There were no significant governance issues identified through the annual self-assessment process.
- The new AGS format made it easier to view areas for improvement.
- The self-assessment document would be added to the website following this meeting.
- The Action Plan had been presented to and agreed with the Leadership Team and was included at page 106 of the reports pack.
- All actions included were new for this year, except for two actions which remained from the previous year.
- As this year had begun, the Action Plan would be commenced as soon as possible following this meeting.
- The monitoring of actions included sat within each Directorate, with some to specific Directors and some to general teams, and a final update on this will be reported to this Committee alongside the final version of the AGS at a future meeting.

The following Members asked questions:

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

In response to questions, the Policy and Community Manager advised that:

- The Council Delivery Plan contain information related to Churchgate timelines, but further information around the actions in the Action Plan would be provided when the update was reported later in the year.
- Of the 13 actions from last year, all but the two referenced had been completed and an update was provided on this to the Committee in February 2026.
- The impact of Local Government Reorganisation (LGR) on staffing and recruitment was an ongoing conversation with the Leadership Team, who were aware of those concerns.
- There was a 3Cs Policy in place, which covered compliments, comments and complaints received, which was monitored by the Overview and Scrutiny Committee. Further links to the relevant meetings could be included to provide full details.
- There were areas, such as the Sustainability Grant, which could sit within multiple areas of the Action Plan, but it had previously been agreed not to duplicate information included.
- The promotion of the new Monitoring Officer from within the Council could be included as an example of developing capacity and leadership potential.

In response to questions, the Director – Resources advised that LGR was a red risk due to resourcing concerns, mostly related to staffing. Whilst currently staffing levels were okay, the Leadership Team were aware of the risks going forward in the process and that prioritisation of work may need to take place should key staff leave their roles.

In response to questions, the Policy and Strategy Team Leader advised that the self-assessment document would be published on the website shortly, which would contain more detailed information, but further detail could be provided on other areas.

Councillor Sarah Lucas proposed and this was seconded by Councillor Ruth Brown.

As part of the debate, Councillor Ruth Brown noted that the format of the report was easier to read and clearer than previous versions. The links within the report to other pages was welcomed and ensured there was no duplication of information. The only thing that was not immediately apparent was the comparison with previous years and the actions included within those.

In response to points in the debate, the Head of Assurance Services (HCC) & Client Audit Manager (NHDC) advised that current CIPFA and Solace guidance was for the AGS to look forward at governance issues, as well as back at those issues from the previous year. This document sought to identify what the governance issues were, but more detailed action plans should exist within the authority to implement these actions.

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

RESOLVED: That the Committee reviewed and commented on the draft Annual Governance Statement and Action Plan at Appendix A.

REASONS FOR DECISION:

- (1) The Annual Governance Statement (AGS) must be considered and approved by this Committee before the approval of the Statement of Accounts under Regulation 6(4)(a) of the Accounts and Audit Regulations ('AAR') 2015/234. The Council is required to publish a draft AGS alongside publishing its draft Statement of Accounts, which it needs to do by the end of June.
- (2) The Committee is the legal body with responsibility for approval of the AGS.
- (3) Reporting the draft AGS and Action Plan at this stage provides an opportunity for the Committee to assess and comment on the draft, before it is finalised and brought back for approval.

9 REVENUE BUDGET OUTTURN 2025/26 (FINAL)

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:

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.

10 2025-26 YEAR END REPORT ON RISK MANAGEMENT GOVERNANCE

Audio recording – 1 hour 54 minutes 55 seconds

The Director – Resources presented the report entitled '2025-26 Year End Report on Risk Management Governance' and advised that:

- Appendix A to the report contained the full detail on Risk Management Governance processes.
- The Council Delivery Plan was the primary risk monitoring method, which was presented to Cabinet quarterly and to Overview and Scrutiny Committee as requested.
- A quarterly update on the Council Delivery Plan would be provided to all Members through the Members Information Bulletin (MIB).
- There were no changes to the Risk Management framework.
- Details on how risks were mapped were outlined in paragraph 6.4 of the Appendix, with the current corporate projects and corporate risks outlined at paragraph 7.1 of the Appendix.
- There were currently 2 projects in the top red risk category, with a further 5 projects with a lower red risk rating.
- There had been limited movement of risks in year, but actions had been taken and these were outlined in bold in the table in paragraph 7.2 of the Appendix.
- The report did not just consider corporate risks, but monitoring of service risks was also considered, as outlined in paragraphs 10 and 11 of the report.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Ruth Brown
- Councillor Chris Lucas

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

- This report provided an end of year position, as at 31 March 2026, and there had been further reviews since this date which had resulted in a reduction in some risk scores.
- Regarding Financial Sustainability, this risk would reduce due to the improved financial settlement and decrease in pension contributions. However, there was potential for a new risk of high inflation, owing to ongoing global factors.
- Three projects – the King George V Skate Park, the Waste and Street Cleansing Contract and Engaging the Community on our Finances – had been completed since the end of year position and would be removed in the 2026/27 quarterly updates.
- The Museum Collection Facility project was adopted as a key project by Cabinet and therefore had been included as a corporate risk, but it was expected this risk would reduce as the project progressed.
- The Churchgate project was the biggest conducted by this Council and whilst the project was moving forward with ongoing engagement and work, at this stage it still needed to have a higher level of risk attached.

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

RESOLVED: That the Committee commented on the Risk Management Governance update, as attached at Appendix A.

RECOMMENDED TO CABINET: That Cabinet refer the Risk Management Governance update to Full Council.

REASON FOR RECOMMENDATION: To provide assurance that the Council is effectively managing risk. The Council's Risk Management Strategy details that this annual review should be presented to Council. Cabinet have responsibility for the management of risk.

11 CAPITAL END OF YEAR REVIEW 2025/26

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:

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.

12 TREASURY MANAGEMENT END OF YEAR REVIEW 2025/26

Audio recording – 2 hours 16 minutes 13 seconds

N.B. Councillor Paul Ward declared an interest in this item due to his employment and left the Chamber and did not return.

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

- This report detailed how the Council invested any surplus cash and provided an end of year picture. Overall, the balances were declining due to the planned capital spend and therefore there was less available to invest, but interest rates had stayed higher than expected.
- However, inflation was not coming down as quickly, therefore there were likely to be increased costs in some areas.
- The report detailed how investments were identified, including considering the security, liquidity (linked to cashflow) and yield of the investment.
- The detail of investments was included in the Appendix to the report.

N.B. Councillor Elizabeth Dennis returned to the Chamber at 21.49.

The following Members asked questions:

- Councillor Ruth Brown
- Independent Member John Cannon

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

- The short term, high interest investments from other authorities were offered to the Council as it was the best way for Council to get the funds they needed to balance their cash requirements.
- Investments can still be made in other authorities despite potential changes through Local Government Reorganisation. Any investments would be transferred to the new authority and it would be for the legacy authorities to decide how this repayment should be split.
- The referenced DMO investments were government investments.

Councillor Ruth Brown noted that it was positive to see investments moving away from organisations which did not meet the Environmental, Social and Governance requirements of the Council, following a motion passed at Full Council.

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

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 is asked to note the position of Treasury Management activity as at the end of March 2026.
- (2) Cabinet is asked to recommend this report to Council and ask Council to:
 - a. Approve the actual 2025/26 prudential and treasury indicators as detailed in Appendix B.
 - b. Note the annual Treasury Management Review for 2025/26 (Appendix B).

REASONS FOR RECOMMENDATIONS: To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

13 FINANCE, AUDIT AND RISK COMMITTEE ANNUAL REPORT

Audio recording – 2 hours 25 minutes 59 seconds

The Director – Resources presented the report entitled 'Finance, Audit and Risk Committee Annual Report' and highlighted that:

- The Annual Report provided detail on the work undertaken by this Committee in the previous year and looked ahead at planned work for the upcoming civic year.
- An introduction from Councillor Vijaiya Poopalasingham, as Chair since January 2026, had been included.
- The purpose of the report was to look at the Committee and its effectiveness.
- There were points for Members to consider highlighted in yellow in the draft version of the Annual Report and comments could be added before presenting at Full Council.
- There was a table showing the reports considered by the Committee in 2025/26 on page 198 of the reports pack, and this would be similar for 2026/27. However, there were likely to be additional items including updates to the Anti-Fraud Strategy and a potential review of Procurement Rules.

The following Members provided comments on the Annual Report:

- Councillor Vijaiya Poopalasingham
- Councillor Ruth Brown
- Councillor Elizabeth Dennis

The following comments were made on the Annual Report:

- That training on the following topics would be beneficial: Business Rates Retention, an overview of internal and external audit processes, funding settlements and what these mean for the Council and Treasury and Investment Strategies.
- Bitesize sessions on topics within local government finance would be useful and already existed within the resources provided by the Local Government Association.
- Whilst training should be primarily for Finance, Audit and Risk Committee members, it would be useful to offer more widely to all Members to empower others to make more meaningful contributions to discussions on financial matters.
- Session offered before the committee meeting were useful and these could be recorded and uploaded to GrowZone for Members unable to attend.

Councillor Vijaiya Poopalasingham proposed, as Chair, and Councillor Elizabeth Dennis seconded and, following a vote, it was:

RESOLVED:

- (1) That the Committee commented on the Finance, Audit and Risk Committee Annual Report, attached at Appendix A.
- (2) That the Committee delegated to the Director – Resources to make changes to the Annual Report from discussion of this item, in consultation with the Chair of the Committee.

RECOMMENDED TO FULL COUNCIL: That the Committee recommend to Council that the Finance, Audit and Risk Committee Annual Report, be noted.

REASONS FOR RECOMMENDATION: To enable the Committee to consider the report before it is presented to Full Council. To provide Full Council with assurance as to the effectiveness of the Finance, Audit and Risk Committee

14 POSSIBLE AGENDA ITEMS FOR FUTURE MEETINGS

Audio recording – 2 hours 35 minutes 29 seconds

The Chair requested Members notify him outside of the meeting should there be any items suggested for future meetings of the Committee.

The meeting closed at 10.07 pm

Chair