CABINET SUB-COMMITTEE (LOCAL AUTHORITY TRADING COMPANIES' SHAREHOLDER)
TUESDAY, 22 SEPTEMBER 2026

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: Annual Review of North Herts' Trading Companies - CCTV

REPORT OF: Director - Resources

EXECUTIVE MEMBER: Executive Member - Regulatory

COUNCIL PRIORITY: All Priorities;

1. EXECUTIVE SUMMARY

To provide the Sub-Committee with a report upon Local Authority Trading Companies (LATCos) in which North Herts Council has a role, to enable the Sub-Committee to fulfil its role as shareholder. The LATCo in this report covers the area of CCTV in which the Council is one of four shareholders. The committee is also requested to consider any information they wish to be included in future reports.

2. RECOMMENDATIONS

2.1. That the Cabinet sub-committee note this report.

2.2. That the Cabinet sub-committee make any recommendations on the content of future reports and annual reviews.

3. REASONS FOR RECOMMENDATIONS

3.1. To enable the Cabinet Sub-Committee to fulfil its role and responsibilities as shareholder in the local authority trading company for CCTV.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 No alternative options were considered as an annual report is considered best practice.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 There are inter-relationships between the CCTV Partnership and the CCTV Company. Stevenage Borough Council manage and operate the CCTV control room, primarily for the use of public space CCTV cameras to support community safety and the prevention (and detection) of crime. Excess capacity in the control room is utilised by the CCTV Company to sell on a commercial basis, which covers some of the costs of running the control room and can also generate a profit.

5.2 The CCTV Partnership is overseen by an Officer Management Board (the Regulatory Directorate represent the Council) and a CCTV Joint Executive (represented by 3 Cabinet Members for North Herts, and meets at least annually).

6. FORWARD PLAN

6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

7.1 This report follows the guidance within the Local Partnerships publication 'Local Authority Company Review Guidance 2023 Edition'. This states it is important for all councils who own trading companies to keep a watching brief and make any necessary adjustments.

7.2 A CCTV Partnership, comprising of Stevenage Borough Council, North Hertfordshire District Council and East Hertfordshire District Council was formed in 1996, with Hertsmere Borough Council joining the Partnership in 2010. The Partnership established a CCTV Control Room (hosted by Stevenage) to monitor partner cameras, with the prospect of selling monitoring services to make use of the available Control room capacity.

7.3 In 2012, the Partnership secured a large private contract for the Leisure Park in Stevenage and it was considered that the Partnership may be acting beyond its remit / permissible scope in taking on this contract. Note that this would have been a contracte with Stevenage Borough Council (as host Authority), not North Herts Council. The CCTV Company was subsequently incorporated as a Private Limited Company on 4 November 2014 to facilitate business with private entities such as the Leisure Park. The Leisure Park contract was subsequently lost at contract renewal. Each Council that was in the partnership became a shareholder in the company.

7.4 The company was initially successful in winning external contracts, and new cameras (beyond the initial core group of partner cameras) were also charged via the company. By 31st March 2019, the retained profits of the company had risen steadily to £127k.

7.5. The Partnership had a governance review carried out by the Shared Internal Audit Service in 2018. Part of this review resulted in a clarification of the charging arrangement to the company for the use of the control room. It also resulted in all the partner cameras being brought back into the partnership and not split between the partnership and the company.

7.6. The financial year up to 31st March 2020 started to see a decline in customers and the company made a small loss. This was followed by another loss in the year to 31st March 2021. A small amount of the income loss would have been due to moving the Partner cameras back to the Partnership, but overall, the Councils were in a better position as there were then no corporation tax losses.

7.7 Following the decline in income, the company employed a Business Development Manager to identify target customers and win new business. That was successful in reversing the decline in profitability.

7.8 The company sells both CCTV monitoring services and services around the installation of cameras. The monitoring services generally result in more ongoing income, but there is a limit to control room capacity.

7.9. The Council is currently represented by the Director: Resources as the Shareholder representative. The Director: Enterprise is one of the Directors of the company. The most recent Annual General Meeting was held on 21st August 2026.

8. RELEVANT CONSIDERATIONS

8.1 The company has continued to perform well; retaining and securing new business. Several existing contracts have been successfully re-secured following their expiry, demonstrating continued client confidence in the service provided. In addition, new contract opportunities have been secured, contributing to the ongoing stability and growth of the Company.

8.2 Since the last report to this sub-committee, the CCTV Operations Manager at the time (a role that was employed by Stevenage Borough Council (SBC) on behalf of the Partnership but also supported the Company) left SBC. The former Business Development Manager had been covering this role. A revised staffing structure has now been put in place to support future service delivery. This consists of a CCTV Operations Manager (i.e. the former Business Development Manager), providing strategic and operational oversight, alongside a CCTV Business Support Officer role. This structure will strengthen resilience and ensure appropriate capacity within the team for new business moving forward.

8.3 A significant upgrade to the CCTV Control Room infrastructure was completed in late 2025. This included a comprehensive refresh of both software and hardware, ensuring the system remains modern, secure, and fit for purpose. The investment provides operational stability and is expected to support service delivery for at least the next five years. The company had to contribute its share to this upgrade, which was £177k. The company will also have to consider its contribution towards future capital control room works.

8.4 During 2025/26, the Company secured £40k of new work relating to monitoring and maintenance, and £68k of new work relating to installations and upgrades. Overall this resulted in an increase in revenue between 24/25 and 25/26 (from £369k to £392k). The net profit/ loss before tax position was significantly impacted by the contribution to the control room upgrade. The resultant loss was £174k but would have been a small profit without that one-off charge. The contribution was known about and has been covered by the retained earnings of the company. Retained earnings as at 1st April 2026 are just under £4k. Profit before tax in 2024/25 was £26k, and after tax was £21k.

8.5 For 2026/27 the company will be losing around £79k of income for out of hours services provided to some of the partner Councils. As this is a Partnership service, the income will flow in to the CCTV Partnership. This will be partly off-set by a reduction in the charge from the Partnership for the use of control room capacity. Where the company is successful in generating income from installations and upgrades, then this does not come with an ongoing control room charge. The company business plan shows a forecast profit before tax of around £30k for the next 3 years. This will help to provide a contribution towards future control room capital costs.

9. LEGAL IMPLICATIONS

9.1 Under 5.12 of the Council's Constitution the roles and functions of the Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) are listed, including at 5.12.4(a) "[t]o represent the Council's interests as shareholder in wholly owned and other Companies".

10. FINANCIAL IMPLICATIONS

10.1. The financial position of the company is summarised in sections 7 and 8. The Company pay towards both the fixed and variable costs of running the CCTV control room. This is made up of a fixed fee and an amount per camera, plus a contribution to capital costs. The costs that are incurred by the company (and covered by the income that they generate help to reduce the cost of the CCTV control room for the partnership.

10.2. The Company has paid a contribution to each of the Councils to contribute towards the reimbursement of the Directors' time in running the company. It is proposed that this is suspended for 2026/27 (at least) to support the contributions towards future control room costs.

11. RISK IMPLICATIONS

11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.

11.2. There is always risk in operating in a commercial environment. The Directors of the company are expected to make decisions to manage those risks and react to trading conditions. Where decisions require shareholder approval then these will be reported to the sub-committee for a decision. These annual reviews/ update reports provide the sub-committee with an awareness of the opportunities and risks that are facing the companies.

11.3 The most significant risks facing the Council in relation to any Company failure would be:

- Reputational impacts.
- Additional CCTV monitoring costs and control room capital costs falling on to the Partnership.

11.4 The Company Board have identified that Local Government Reorganisation may provide risks and opportunities to the CCTV Company, and that these will need to be kept under consideration and review.

12. EQUALITIES IMPLICATIONS

12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2. There are no equalities implications arising from this report.

13. SOCIAL VALUE IMPLICATIONS

13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

14.1 There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

15.1 There are no HR implications arising from this report.

16. APPENDICES

16.1. None

17. CONTACT OFFICERS

Ian Couper	Director - Resources,	ian.couper@north-herts.gov.uk, Tel: 01462 474 243
Steve Crowley	Director - Enterprise	steve.crowley@north-herts.gov.uk

18. BACKGROUND PAPERS

18.1 None