Item No	Referred from:	Finance, Audit and Risk Committee
6A	Date:	11 November 2026
	Title of item:	Medium Term Financial Strategy 2027-30
To be considered alongside agenda item:		Agenda Item 10

The report considered by the Finance, Risk and Audit Committee at the meeting held on 11 November 2026 can be found here: Agenda for Finance, Audit and Risk Committee on Wednesday, 11th November, 2026, 7.30 pm | North Herts Council

RECOMMENDED TO CABINET:

(1) That the Medium-Term Financial Strategy 2027 – 2030 attached as Appendix 1 to the report can be recommended on to Council to be adopted.

REASONS FOR RECOMMENDATION:

(1) Adoption of a Medium-Term Financial Strategy (MTFS) and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2027/2028 onwards, culminating in the setting of the Council Tax precept for 2027/28 in February 2027. Alongside the Council Plan, this will support the Council in setting a budget that is affordable and aligned to Council priorities.

(2) The Finance, Audit and Risk Committee support the development of the MTFS through reviewing and commenting on the underlying assumptions and risks.

Audio recording – 16 minutes 02 seconds

The Director – Resources presented the report entitled 'Medium Term Financial Strategy 2027-2030' and advised that:

- The strategy covered a three-year planning horizon and reflected the uncertainty surrounding Local Government Reorganisation (LGR).
- The additional year within the Strategy ensured the Council was planning towards a balanced budget position by 2029/30 regardless of the timing of any future local government reorganisation.
- Assumptions had been made regarding future Government funding, Council Tax increases and collection rates.
- The Council Tax base had increased slightly, although further growth remained uncertain due to wider economic conditions and housing delivery rates.
- Extended Producer Responsibility (EPR) funding represented a significant opportunity and risk within the forecasts, and a prudent reduction assumption had been included.
- General Fund reserves remained above the minimum required level and provided resilience against short-term pressures.
- Reduced forecast capital receipts were expected to create an estimated additional revenue pressure through borrowing costs and minimum revenue provision requirements.
- Inflation remained above previous forecasts and revised assumptions had been incorporated into the medium-term projections.

- The Medium Term Financial Strategy was aligned with the Council Plan and Council Delivery Plan.
- Current forecasts indicated a funding gap of approximately £400,000 by 2029/30.
- The focus of the 2027/28 budget process would be to avoid creating additional ongoing budget pressures whilst developing proposals to address the forecast future funding gap.

The following Members asked questions:

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

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

- Proposed legislative changes would make a 12-month Council Tax payment period the default arrangement for any new Council Tax payment arrangements, although residents could still opt for the current 10-month payment arrangement.
- Assumptions within the Strategy would be updated prior to the report being presented to Cabinet, in particular to the Bank of England interest rate.
- Should parking charges not be increased that would create a budget pressure when compared with the current assumption of annual increases of 2%.
- Current estimates suggest that the Museum Collection Facility could still be delivered within its approved budget, although estimates continued to be refined.
- The use of reserves and capital investment to support future transformational savings remained an option for future budget proposals.
- Funding received for specific services was incorporated within service budgets rather than identified separately as a strategic funding source within the Medium Term Financial Strategy.
- A more detailed breakdown of external funding streams could be provided within future budget reports.
- Expenditure associated with the Churchgate project was currently being treated as revenue expenditure until a defined capital scheme had been established.
- Procurement was underway to appoint a delivery partner for the Churchgate project and future reporting arrangements would be considered as the project progressed.
- Work continued across the Council on service transformation, digital delivery and efficiency improvements, whilst balancing resources available for Local Government Reorganisation preparations.
- Decarbonisation projects remained under review, with future operating and capital implications to be reported through the budget process.
- Further budget reports would be presented to the Committee during January and February.

In response to questions, Executive Member – Resources advised that:

- Public Health funding received from Hertfordshire County Council for Healthy Hubs totalled approximately £38,000.
- The Healthy Hubs programme continued to provide valuable community outreach benefits.
- Increasing conditions attached to some external funding streams could create delivery challenges for local authorities .

- Significant work was being undertaken across Council services, including Customer Services, Carline and ICT, to identify transformation opportunities, improve service delivery and explore the appropriate use of new technologies.

Councillor Vijaiya Poopalasingham proposed and Councillor Elizabeth Dennis seconded the recommendation.

As part of the debate, Councillor Elizabeth Dennis requested that Cabinet should take account of the matters raised by the Committee when considering the Medium Term Financial Strategy.

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

RECOMMENDED TO CABINET:

(1) That the Medium-Term Financial Strategy 2027 – 2030 attached as Appendix 1 to the report can be recommended to Council to be adopted.

REASONS FOR RECOMMENDATION:

(1) Adoption of a Medium-Term Financial Strategy (MTFS) and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2027/2028 onwards, culminating in the setting of the Council Tax precept for 2027/28 in February 2027. Alongside the Council Plan, this will support the Council in setting a budget that is affordable and aligned to Council priorities.

(2) The Finance, Audit and Risk Committee support the development of the MTFS through reviewing and commenting on the underlying assumptions and risks.