



MEETING : EXECUTIVE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 7 OCTOBER 2025
TIME : 7.00 PM

MEMBERS OF THE EXECUTIVE

Councillor Ben Crystall	- Leader of the Council
Councillor Mione H Goldspink	- Executive Member for Neighbourhoods
Councillor Carl Brittain	- Executive Member for Financial Sustainability
Councillor Alex Daar	- Executive Member for Communities
Councillor Joseph Dumont	- Executive Member for Corporate Services
Councillor Vicky Glover-Ward	- Executive Member for Planning and Growth
Councillor Sarah Hopewell	- Executive Member for Wellbeing
Councillor Tim Hoskin	- Executive Member for Environmental Sustainability
Councillor Chris Wilson	- Executive Member for Resident Engagement

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AGENDA

1. Apologies

To receive any apologies for absence.

2. Minutes - 8 July 2025 (Pages 6 - 16)

To approve as a correct record the Minutes of the meeting held on 8 July 2025.

3. Leader's Announcements

To receive any announcements from the Leader of the Council.

4. Declarations of Interest

To receive any Member(s) declaration(s) of interest.

5. Review of Resident Permit Zone Policy (Pages 17 - 32)

6. Consideration of the draft Statement of Licensing Principles under the Gambling Act : 2025-28 (Pages 33 - 91)

7. Consideration of the draft Markets Policy following public consultation (Pages 92 - 111)

8. Provisional Outturn 2024/25 & Draft Statement of Accounts 2024/25 (Pages 112 - 206)

9. Financial Management 2025/26 - Quarter 1 Forecast to year end (Pages 207 - 218)

10. Treasury Management 2024/25 Outturn (Pages 219 - 233)

11. Strategic Risk Register Monitoring Q1 2025/26 (Pages 234 - 256)

12. Medium Term Financial Plan 2026-2031 (Pages 257 - 281)

13. Annual Procurement Report (Pages 282 - 289)

14. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

Agenda Item 2

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MINUTES OF A MEETING OF THE
EXECUTIVE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 8 JULY 2025, AT 7.00 PM

PRESENT: Councillor M Goldspink (Deputy Leader)
Councillors C Brittain, A Daar, J Dumont,
V Glover-Ward, S Hopewell, T Hoskin and
C Wilson.

ALSO PRESENT:

Councillors E Buckmaster and J Dunlop.

OFFICERS IN ATTENDANCE:

Richard Crutchley	- Team Leader (Planning Policy)
James Ellis	- Director for Legal, Policy and Governance and Monitoring Officer
Dominique Kingsbury	- Parking Services Manager
Katie Mogan	- Democratic and Electoral Services Manager
Brian Moldon	- Director for Finance, Risk and Performance
Helen Standen	- Interim Chief Executive
Ben Wood	- Director for Regeneration, Customer and Commercial Services

92 APOLOGIES

An apology for absence was submitted by Councillor

Crystall.

93 LEADER'S ANNOUNCEMENTS

The Deputy Leader welcomed everyone to the meeting and reminded Members and Officers that the meeting was being webcast.

94 MINUTES - 3 JUNE 2025

Councillor Daar proposed, and Councillor Hopewell seconded a motion that the Minutes of the meeting held on 3 June 2025, be approved as a correct record, and be signed by the Deputy Leader. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 3 June 2025, be approved as a correct record, and signed by the Deputy Leader.

95 DECLARATIONS OF INTEREST

There were no declarations of interest.

96 GILSTON AREA MONITORING FRAMEWORK

The Executive Member for Planning and Growth presented the Gilston Area Monitoring Framework which would be used to monitor the 10,000 new homes being built in Gilston. The S106 agreement contained monitoring obligations with triggers and milestones for onsite infrastructure and payment of financial contributions for off-site infrastructure.

The Executive Member for Planning and Growth said that there was a structured approach with representatives from East Herts Council and Herts County Council to ensure coordination and oversight of the various monitoring activities. She said that once the monitoring

framework had been agreed, an annual monitoring report would be produced with the first report published in January 2026.

Councillor Glover-Ward proposed that the recommendations in the report, as amended, be supported. Councillor Brittain seconded the proposal.

Councillor E Buckmaster felt that the report needed more clarification such as a reference to the potential future as a unitary authority. He also said that stakeholders were mentioned but it did not reference elected members and democratic processes. He referred to page 43 which related to land being sold on and said that the community would like assurance that they had the right to be informed when this occurred.

Councillor Glover-Ward said that the developer may wish to have another developer involved and the council could not fetter their commercial decision in that respect. However, the developer had been clear at all community forums that they would stay involved in the process as they were interested in delivering affordable housing and other facilities. She said that she could not see any reason why, once the information was no longer commercially sensitive, the community would not be informed that parcels of land had been sold on to other developers.

Councillor E Buckmaster asked about the rights of members.

Councillor Glover-Ward said that members, along with any stakeholders, will be able to get involved in any Development Management Forums or in Community Forums.

Councillor Dunlop asked if parish councils and Neighbourhood Planning Groups would be involved in the monitoring review group.

Councillor Glover-Ward said that the purpose of the group was more relevant to larger stakeholders such as the Environment Agency. There was a role for parish councils to get involved in the monitoring and in the trust and stewardship group. She said that councillor input was expected in the normal way as they were on the ground and community forums were key and the main conduit for the wider community to input into the developers.

Councillor Dunlop referred to section 5.3 which related to the continual monitoring to enable issues to be identified beyond the s106 triggers. He felt there should be a business plan around certain targets happening and said it was not clear that this was the case.

Councillor Glover-Ward said any renegotiation would take place directly between the council and developers. She said that she would not expect the community to be at the negotiation meetings.

Councillor Dunlop asked how the Development Management Forums were different to the Community Forums.

Councillor Glover-Ward said there was an opportunity to have a Development Management Forum on a particular parcel of land and the reserved matters applications for the villages.

Councillor Dunlop referred to Appendix A and asked if this would be updated as tasks were completed or quarterly.

Councillor Glover-Ward said that the monitoring would be presented annually.

The motion to support the recommendation, having been proposed and seconded, was put to the meeting and upon a vote being taken, was declared CARRIED.

RESOLVED – to recommend to Council that the Gilston Area Monitoring Framework, attached at

Appendix A, be endorsed.

97 HATFIELD FOREST MITIGATION STRATEGY AND GOVERNANCE ARRANGEMENTS

The Executive Member for Planning and Growth presented the Hatfield Forest Mitigation Strategy and Governance Arrangements report. She said that the forest was the finest example of a small medieval hunting forest in Europe and was in easy reach of East Herts residents. The council, in partnership with Uttlesford, Harlow and Epping Councils and the landowner, have worked to agree the mitigating impacts of detrimental increasing visitor numbers and agreed a tariff in the 'Zone of Influence' and transition of fee collection.

The Executive Member for Planning and Growth said that the tariff would be applied to all new residential developments within the zone of influence and that the zone had been designated based on visitor surveys. She said that the Gilston area was excluded from having to pay the tariff due to the extensive green area provided as part of that development.

Councillor Glover-Ward proposed that the recommendations in the report, be supported. Councillor Brittain seconded the proposal.

Councillor Hoskin said he liked the idea of protecting the unique forest and said this seemed ambitious. He asked if there were cost protection measures in place.

The Planning Policy Team Leader said he understood that the stakeholders would continue to meet to ensure the updating of circumstances around the tariff and revisit the zone of influence. He said he would come back to Members with a written answers about the tariff.

Councillor Hoskin asked if the forest would be free to access.

Councillor Glover-Ward said that was correct and it was a natural environment so there was no appetite to charge for entry.

Councillor Hopewell referred to Gilston being exempt from the tariff due to the green space in the development. She asked if this was because residents in Gilston were less likely to visit Hatfield Forest.

Councillor Glover-Ward said the masterplanning for the Gilston site had lots of green space and it was anticipated that residents would visit the green space on their doorstep, instead of travelling to Hatfield Forest.

Councillor Daar asked for clarification on who would pay the tariff.

Councillor Glover-Ward said that developers would pay the tariff.

The motion to support the recommendation, having been proposed and seconded, was put to the meeting and upon a vote being taken, was declared CARRIED.

RESOLVED – to recommend to Council that:

- (A) The final version of the National Trust Hatfield Forest Mitigation Strategy (version 6, attached at Appendix A), which includes the Site Access Management and Monitoring Measures (SAMMS), is approved as a basis for seeking a financial contribution for mitigation at Hatfield Forest;
- (B) The apportionment of the SAMMS between the four LPAs via a hybrid method, taking equal account of both the percentage visitor impact and the proportion of new housing relative to existing within the Zol, is approved;
- (C) The apportioned SAMMS tariff for East Herts

District Council is set at £540.07;

- (D) The tariff is applicable to new residential dwellings with immediate effect, subject to transitional arrangements to agree appropriate legal, financial and administrative mechanisms being brought into place to allow the collection and transfer of funds;
- (E) The draft Governance Agreement (Appendix B) between the four local planning authorities and the National Trust as landowners is approved and delegated authority is given to the Head of Legal and Democratic Services to work on the final version with an expectation that this is signed and sealed in Autumn 2025.

98 STOCKING PELHAM NEIGHBOURHOOD AREA DESIGNATION

The Executive Member for Planning and Growth presented the report on the Stocking Pelham Neighbourhood Area Designation. She said that Neighbourhood Plans were an opportunity for the local community to produce planning documents for the local area to influence future development. The Stocking Pelham area designation covered the whole of the parish council area.

Councillor Glover-Ward proposed that the recommendations in the report, as amended, be supported. Councillor Wilson seconded the proposal.

Councillor Daar said Neighbourhood Plans were great for involving the local community. She asked for clarification on the funding for these plans now as the government had stopped funding them via grants.

Councillor Glover-Ward said that once an application had been made, the council had a duty to take it through the process. She said that it was down to the parish council to

determine the funding for it.

The Planning Policy Team Leader said that parishes had been made aware of the funding being removed and they hadn't raised it as a concern.

The motion to support the recommendation, having been proposed and seconded, was put to the meeting and upon a vote being taken, was declared CARRIED.

RESOLVED – That the application for the designation of Stocking Pelham Neighbourhood Area, submitted by Stocking Pelham Parish Council, be supported.

99 **REFRESHED LEAF PRIORITIES AND ANNUAL REPORT FOR 2024-25**

The Deputy Leader presented the report on the refreshed LEAF priorities for 2025/26 and said the document set out the joint administration's strategic priorities. She said that there were sub objectives and actions under each priority.

Councillor Goldspink proposed that the recommendations in the report, as amended, be supported. Councillor Dumont seconded the proposal.

Councillor Glover-Ward said that whilst not all targets had been achieved, she felt that the Joint Administration had achieved a lot in the last two years and thanked council officers for all the hard work they had put in to achieve the administration's aims.

The motion to support the amended recommendation, having been proposed and seconded, was put to the meeting and upon a vote being taken, was declared CARRIED.

RESOLVED – to recommend to Council that the refreshed LEAF priorities and new objectives be adopted.

100 PARKING ENFORCEMENT CONTRACT AWARD

The Executive Member for Environmental Sustainability presented the parking enforcement contract award. He said that the contract looked at four key areas; on street parking, off street enforcement, licensing and the management of the fully based IT system and dealing with car parking pay and display machines. He said there was a comprehensive list of tasks for the new service provider as it was essential to keep parking in the district working and making sure residents can enjoy convenient parking.

The Executive Member for Environmental Sustainability said that the contract tender was on behalf of Stevenage and Welwyn Hatfield. He said that the current contract expired in 2026, and he was confident that there was enough time to go through the process. He said that there was a clear winner in bidder B for a six-year contract with one additional extension of three years.

Councillor Hoskin proposed that the recommendations in the report, be supported. Councillor Daar seconded the proposal.

Councillor E Buckmaster thanked the parking team who were responsive and had come out to help with parking issues.

Councillor Hoskin added his thanks and said that he had spent a day with the enforcement team and said they were sensible in the way they dealt with issues and often advised people on parking rules instead of issuing tickets straight away.

The motion to support the amended recommendation, having been proposed and seconded, was put to the meeting and upon a vote being taken, was declared CARRIED.

RESOLVED - That the Parking Enforcement Contract be awarded to bidder B, following a tender process, subject to Welwyn-Hatfield Council Cabinet also approving the outcome of the tender process.

101 CONSIDERATION OF THE REVISED STATEMENT OF GAMBLING PRINCIPLES

The Executive Member for Planning and Growth presented the revised draft Statement of Gambling Principles which had to be reviewed periodically. She said that East Herts had a low number of gambling licences and very low numbers of complaints relating to gambling.

The Executive Member for Planning and Growth said that since the last statement, there had been no changes to legislation and the Licensing Committee had reviewed the document at its meeting on 18 June 2025 and did not propose any amendments.

Councillor Glover-Ward proposed that the recommendations in the report, be supported. Councillor Dumont seconded the proposal.

The motion to support the amended recommendation, having been proposed and seconded, was put to the meeting and upon a vote being taken, was declared CARRIED.

RESOLVED - That the final draft Statement of Gambling Principles be approved for public consultation.

102 URGENT BUSINESS

There was no urgent business.

The meeting closed at 7.50 pm

Chairman
Date

East Herts Council Report

Executive

- Date of meeting:** Tuesday 7 October 2025
- Report by:** Councillor Tim Hoskin – Executive Member for Environmental Sustainability
- Report title:** Review of Resident Permit Zone Policy
- Wards affected:** All Wards

Summary

- This report seeks approval for targeted amendments to both East Herts District Council's (EHDC) Resident Permit Parking Schemes (RPZs) Operational Guidance and EHDC's Resident Permit Parking Policy.
- The proposed changes aim to enhance accessibility, reduce procedural barriers, and better align the guidance and policy with the Council's strategic priorities, including sustainability, air quality, community wellbeing, and economic growth.
- The recommendations are based on public feedback from the 2024 Parking Strategy engagement, independent review findings, and benchmarking against best practice from comparable local authorities.
- The following changes will also better align the Operational Guidance and the Parking Policy.

RECOMMENDATIONS FOR THE EXECUTIVE

- (A) That the Council adopts the below changes to East Herts Resident's Permit Zone (RPZ) Operational Guidance policy:**
- **That the requirement that non-resident parking must exceed 40% occupancy at peak times, as a condition for**

implementing an RPZ, be reduced to 10% of occupancy at peak times;

- **That requirement for there to be sufficient kerb space to enable 75% of households in a proposed area to park one vehicle on-street as a condition for implementing an RPZ, be reduced to 50% from the guidance.**

1.0 Proposal

1.1 This report proposes targeted amendments to the East Herts District Council (EHDC) Resident Permit Parking Schemes (RPZs) Operational Guidance and the EHDC Resident Parking Policy. These amendments aim to:

- Reduce barriers to RPZ implementation, ensuring greater flexibility and responsiveness to local needs.
- Support the Council's strategic goals around sustainable transport, air quality, and town centre vitality.
- Reflect best practices from comparable councils, as identified in the independent review conducted by Citisense.
- Better reflect the lived experiences of residents in areas with high parking stress.
- Better align the requirements and language between the Operational Guidance and the Resident Parking Policy.

1.2 Specific changes recommended:

- Amendment of the requirement that non-resident parking must be considered in awarding an RPZ scheme, specifically that non-resident parking must exceed 40% occupancy at times of peak demand as a condition for implementing RPZs.
- Current Policy:
 - Operational Guidance: Requires non-resident parking to exceed 40% occupancy at peak times.

- Resident Permit Parking Policy: Requires that demand for parking exceed supply due to the presence of non-residents' vehicles.
 - Proposed Change: Amend this requirement by reducing the non-resident parking occupancy threshold from 40% to 10% to allow more holistic assessments based on local context, resident feedback, and officer observations.
- Rationale:
 - The current 40% threshold can prevent necessary schemes in areas with clear parking stress.
 - Other councils, such as Watford and Stevenage, have shifted in favour of more flexible, context-driven approaches.
 - Supports a more equitable distribution of parking resources, particularly in higher-density, mixed-use neighbourhoods.
 - Reduce to a minimum of 50%, the requirement that there be sufficient kerb space to enable 75% of households in a proposed area to park one vehicle on-street.
- Current Policy:
 - Requires that 75% of households in a proposed zone have on-street parking capacity for one vehicle.
 - Proposed Change: Reduce this requirement to a minimum of 50% to reflect practical constraints in historic, mixed use or high-density areas.
- Rationale:
 - Many zones struggle to meet the current 75% kerb space requirement due to constrained street layouts, pre-existing loading restrictions, and competing demands for limited road space (e.g. bus stops, cycle lanes, junction protection).
 - Reducing this requirement reflects the reality of historic, high-density or mixed-use areas where available kerb space does not correlate with the number of households.
 - It supports a context-sensitive approach to RPZ design, allowing zones to be tailored to local needs without being constrained by an unrealistic threshold.
 - This change enables the Council to better manage parking pressure and improve access for residents in areas most affected by congestion and competition for space.

- o It also recognises that not all parts of a zone need to provide parking to justify a permit scheme, especially where non-kerbside areas (e.g. shared surfaces, driveways or car-free developments) form part of a wider parking strategy.

1.3 These proposals are grounded in public consultation findings, benchmarking of best practice. They aim to ensure the Council's RPZ approach is responsive, inclusive, and aligned with broader strategic objectives, including:

- Improving air quality and reducing carbon emissions by supporting sustainable travel.
- Enhancing local economic vitality by reducing commuter pressure on residential streets.
- Promoting fairness and accessibility for all residents, including those in higher-density areas.

2.0 Background

2.1 EHDC's Resident Permit Parking Schemes Operational Guidance and Resident Permit Parking Policy sets out the criteria for implementing new RPZs and their operational details.

2.2 RPZs are designed to support residents in areas where on-street parking demand exceeds supply, reducing commuter parking and improving the quality of life in residential areas.

2.3 The Council's Parking Strategy (2024) committed to a review of its RPZ approach in response to community concerns about parking availability and enforcement. Public engagement during the strategy's development revealed support for expanding resident parking and simplifying the process by which new zones are considered.

2.4 In early 2025, Citisense was appointed to independently assess the Council's RPZ Operational Guidance (East Herts RPZ Guidance Review Draft). The review concluded that certain requirements, particularly the 40% non-resident occupancy rule, may unnecessarily restrict the Council's ability to introduce schemes in areas of clear need and can be a barrier to effective parking management.

- 2.5 Citisense made several recommendations in their review, which were noted. Each recommendation was carefully considered in the context of practical revisions to the Operational Guidance and Policy, future design ideas, pricing, and in delivering sustainability objectives.
- 2.6 In relation to the two Citisense recommendations associated with the “engagement process”, these were not taken forward as they were not considered equitable, in the context of reducing the current requirement that a majority of residents - engaging in the informal consultation process (by household) - be in favour of the introduction of an RPZ in respective road, to provide the requisite democratic mandate.

Citisense “Engagement Process” Review recommendations not taken forward:

- “Review requirements for participation levels, with a recommendation to reduce the current response rate requirement. At present, the guidance requires that 51% of households must respond during the engagement process.”
 - “Consider removing or reducing the requirement that a majority be in favour of the scheme and take a broader approach that East Herts will consider criteria such as congestion, safety, air pollution along with resident and District Councillor feedback.”
- 2.7 The full list of Citisense recommendations, and East Herts Parking Service responses, may be found in Appendix B
- 2.8 There is a current road map to create RPZs based on previous requests from residents and supported by Members (see Appendix A). As the current policy refers to only being able to progress two schemes in any year, due to Parking Service staff resource constraints, the current programme will end in 2028.
- 2.9 It is possible to begin the process the implementing more RPZs, however that will be contingent on bringing additional resources to the Parking Service to enable public consultation and project management of multiple schemes simultaneously.

3.0 Reasons

3.1 The proposed amendments are driven by a combination of public demand, operational constraints, strategic alignment, and comparative best practice. Each of the specific changes responds to a clearly identified issue in the current guidance.

3.2 **Amendment of the Operational Guidance to Reduce the Non-Resident Parking Occupancy Threshold from 40% to 10% with Provision for Officer Discretion**

3.3 Current requirement:

- Operational Guidance: The kerb space occupied by non-residents should be greater than 40% at times when parking problems caused by non-residents occur.
- Resident Permit Parking Policy: East Herts Council will prioritise residents' parking needs in primarily residential areas where there is evidence derived from surveys that demand for on-street parking significantly exceeds supply, due to the presence of non-residents' vehicles.

3.4 Why this is a barrier:

- It limits the Council's flexibility to act proactively where residents are clearly affected, but the 40% threshold is not met.
- Parking stress is experienced differently across neighbourhoods and is not always captured by a single metric like non-resident occupancy.
- The requirement may overlook other drivers of parking difficulty, such as:
 - o Multi-car households competing for limited space.
 - o Business, school, or visitor traffic that does not register as "non-resident" under the survey methodology.
 - o Displacement from nearby RPZs or high-demand transport hubs (e.g. railway stations).

3.5 Rationale for change:

- Reducing this threshold and requirement empowers the Council to assess need using a more holistic and localised evidence base, including public feedback, officer observations, and strategic goals.
- It aligns with the approach taken by comparable local authorities who have moved away from rigid metrics in favour of broader parking management tools.
- It supports the principle of equitable treatment of residents, particularly in higher-density and mixed-use areas where competition for space is acute.

3.6 Reduction, to a minimum of 50%, of the 75% Kerb Space Provision Requirement from the Operational Guidance

3.7 Current policy issue:

The Operational Guidance currently requires that: There should be sufficient kerb space to enable a minimum of 75% of all households within the proposed scheme area to park at least one vehicle on-street.

3.8 Why this is a barrier:

- This standard is difficult to achieve in historic towns, flats, and areas with narrow roads or existing parking restrictions (e.g. loading bays, bus stops).
- It disadvantages higher-density housing areas, where space is inherently constrained and where the benefits of RPZs may be greatest.
- It implies a guarantee of parking availability, which may not be realistic or necessary for the effective functioning of a permit scheme.

3.9 Rationale for change:

- Relaxing this requirement allows schemes to be judged on practical need, rather than theoretical capacity.

- RPZs are not intended to guarantee a space for every household, but to manage demand and prioritise residential access in high-pressure areas, such as streets near town centres and transport hubs.
- Flexibility on this point will make it easier to support smaller or irregularly shaped zones that meet local demand but fall short of the 75% target.

4.0 Options

Option	Description	Assessment
A. Do nothing	Retain current RPZ thresholds and procedures	Maintains consistency but continues to limit RPZ delivery and does not support the delivery of the council's wider environmental and transport goals.
B. Amend only the 40% threshold	Reduce the occupancy requirement of non-residents' from 40% to 10%, retains consultation thresholds and kerb space criteria	Partial improvement; some community-supported schemes may still be blocked.
C. Implement all proposed amendments	Reduce the 40% threshold to 10% and relaxation of the kerb space criteria	Supports wider uptake, enables greater flexibility, and better aligns with local needs and national best practice.

5.0 Risks

Risk	Likelihood	Impact	Mitigation
Increase in RPZ scheme requests post-amendment	Medium	Medium	Phased implementation and capacity planning

6.0 Implications/Consultations

- 6.1 There are no community safety implications arising from this report.
- 6.2 Carer permits remain available for peripatetic carers linked to businesses, to enable delivery of care services to East Herts residents living in RPZs. The cost a carer permit is currently set at £45.00 There are no proposals to alter the criteria on which these are offered. “Special permits” are also available on a discretionary basis to individuals, not living in RPZs, with caring responsibilities.

Community Safety

Yes

Data Protection

No

Equalities

There are no direct equality, diversity, or inclusion implications in this report, however, where schemes are implemented in certain areas this could have a disproportionate impact on individuals or communities. For example, people who have regular carers/ members of their family undertaking caring responsibilities visit their property, who could previously park for free, would now have to acquire visitors permits at a cost to do so. This could have a disproportionate impact on those with disabilities (for example). In such circumstances we would seek to gather information on the households within the permit area, seek to understand the impact and mitigate where possible (e.g. extending concessions such as the current carers permit scheme). An individual equalities impact assessment needs to be undertaken for every area in which a new scheme is implemented.

Environmental Sustainability

Yes, supports reduced car use and improved air quality – Improved management of kerb space will encourage sustainable travel modes and discourage excessive vehicle ownership, contributing positively to the Council’s environmental targets.

Financial

Changing the threshold for implementing new schemes could lead to increased costs of implementation, as more areas are keen to investigate them. However, there is no specific budget available to support this and therefore funding for new schemes

must be identified and approved (e.g. through section 106 contributions). No schemes progress unless this is the case. The cost of operating RPZs is funded through the sale of permits and vouchers in accordance with the council's full cost recovery policy.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

Yes, parking polices form part of the council's Policy Framework at Section 3.2.1 of the Constitution. As such the decision to modify the Operational Guidance is reserved to Council.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

- East Herts Parking Strategy 2024 - [Parking Strategy](#)
- Resident Permit Parking Schemes Operational Guidance - [Appendix A Revised EH RPZ Operational Guidance Nov 2020](#)
- Resident Permit Parking Policy - [Appendix A Revised RPZ Policy Nov 2020](#)
- Independent Review of East Herts' Resident Permit Zone (RPZ) Schemes Operational Guidance by Citisense - [Appendix G East Herts RPZ Guidance Review Draft.pdf](#)
- Appendix A - Historical record of RPZ requests
- Appendix B - East Herts assessment and responses to Citisense RPZ review recommendations

Contact Member

Councillor Tim Hoskin - Executive Member for Environmental Sustainability. tim.hoskin@eastherts.gov.uk

Contact Officer

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Appendix A

Historical requests for Resident Permit Zones by location

Location	Town	S106 available?	Possible other funding available?	Status
Park Road	Hertford	No	No	Previous surveys undertaken. Support from residents was evidenced via petition. The 40% threshold for non-resident parking was not met. With changes to operational guidance herein this is likely to lead to the criteria being met. However, without the requisite funding in place, this location is unlikely to be taken forward to the next stage.
Tamworth Road	Hertford	Yes	No	Previous surveys undertaken by Officers. The threshold was not met for considering an RPZ. With changes to operational guidance herein this is likely to result in the location going forward
Gladstone Road	Ware	Yes	No	Informal consultation with residents undertaken in June. However, the total number of responses by household failed to meet the 50% overall

				threshold required to take the scheme forward. Residents may be reconsulted in 12 months
New Road (part)	Ware	No	No	Request from Councillor for RPZ
West Street	Hertford	Yes	No	Previous surveys have taken place and the threshold was not met for considering an RPZ. With changes to operational guidance herein this may not be the case
Stortford Hall Park and Edens Close	Bishop's Stortford	No	Yes – possible support from MAG if we can demonstrate issued caused by airport parking	Request made however we need to obtain evidence on the impact of airport parking. MAG funding will only cover the implementation costs, not the evidence gathering and feasibility stages. Currently we have no identified funding
The Copse and Woodlands	Bishop's Stortford	No	Yes – possible support from MAG if we can demonstrate issued caused by airport parking	Request made however we need to obtain evidence on the impact of airport parking. MAG funding will cover the implementation costs, not the evidence gathering and feasibility stages. Currently we have no identified funding

Appendix B

Changes to RPZ Criteria			East Herts Formal Review of Recommendation, Decision, and Practical Application	
1	<p>Use additional metrics in the review of new RPZs, such as:</p> <ul style="list-style-type: none"> Impact of vehicle emissions on air quality. Prioritise Air Quality Management Areas. Number of schools in the area Number of accidents in the area or emergency services concerns Proximity to transport hubs and cycling infrastructure Proximity to town centres/shopping hubs and public car parks Parking displacement from nearby RPZs 	<p>The incorporation of these metrics and others ensures East Herts takes a holistic approach to reviewing the need for new RPZs. It allows the Council to consider its wider and more long-term objectives, including those centred around the environment, health, and safety, while also addressing parking pressure and congestion concerns.</p>	<p>Short-term</p>	<p>Agreed. These factors will be considered when new RPZ six monthly reviews are undertaken</p>
		<p>Aim: Sustainability, Community Well-being</p>		
2	<p>Remove the following sentence in the Guidance: <i>The kerb space occupied by non-residents should be greater than 40% at times when parking problems caused by non-residents occur (survey required).</i></p>	<p>This change allows the Council to consider a wider range of factors contributing to parking issues, such as residents owning multiple vehicles, which can exacerbate congestion. By focusing on the broader impacts of parking demand rather than narrowly defined thresholds, the Council can implement more effective solutions that discourage excessive vehicle ownership. A map of areas with high rates of multiple car ownership is in Section 4 below.</p>	<p>Short-term</p>	<p>Agreed. Report prepared for Council requesting changes to Operational Guidance in regard to reducing the current 40% threshold to 10%. Overview & Scrutiny Committee (16.09.2025) were supportive of this recommendation</p>
		<p>Aim: Sustainability, Community Well-being</p>		
3	<p>Create digital map of existing RPZs</p>	<p>This will help support the upcoming government requirement for digital traffic orders by mid-2025 and can help East Herts better identify areas for extended or new RPZs.</p>	<p>Short-term</p>	<p>Not agreed. East Herts has no staff resource or suitable mapping system to complete</p>
		<p>Aim: Community well-being</p>		
Changes to Engagement Process				
4	<p>Review requirements for participation levels, with a recommendation to reduce the current response rate requirement. At present, the guidance requires that 51% of households must respond during the engagement process.</p>	<p>The current 51% threshold may delay action on critical issues like congestion, safety, and air pollution, especially in cases where residents are affected but less likely to participate in engagement. While the Council strives to engage all households and businesses in a proposed RPZ area, response rates often skew toward certain groups, leaving some voices underrepresented. Lowering the response requirement ensures that valuable projects can move forward while balancing resident input with broader community and environmental objectives. As an example, the London Borough of Barking and Dagenham apply a 33% response rate requirement.</p>	<p>Short-term</p>	<p>Not agreed in the context of retaining the current majority threshold for decision making in the interests of equitable outcome and democratic mandate</p>
		<p>Aim: Community well-being, sustainability</p>		
	<p>Consider removing or reducing the requirement that a majority be in favour of the scheme and take a broader approach that East Herts will consider criteria such as congestion, safety, air pollution along with resident and District Councillor feedback.</p>	<p>Removing the requirement for a majority of respondents to support a controlled parking scheme and adopting a broader approach would give the Council more flexibility in decision-making while ensuring a more holistic evaluation of community needs.</p>		<p>Not agreed in the context of retaining the current majority threshold for decision making in the interests of equitable outcome and democratic mandate</p>

5	As part of this, consider changing the standard engagement surveys used by the Council to utilise more open text questions to gather feedback rather than referendum-type questions on a proposed RPZ.	<p>Considering criteria such as safety, parking pressure, and air pollution, in combination with feedback allows the Council to address pressing issues that may have more long-term benefits. This approach prioritises road safety, eases congestion, and reduces environmental impacts, ultimately creating healthier, safer, and more accessible neighbourhoods for all.</p> <p>Modifying the survey format to reflect this approach will allow the Council to gather more detailed and comprehensive feedback on the concerns or questions residents may have with the introduction of an RPZ.</p> <p>Aim: Sustainability</p>	Medium-term	<p>Agreed. East Herts Parking Service will review the standard questions, and consider adding more open text questions to the questionnaire, working collaboratively with East Herts Communications Department</p>
Changes to Permit Fees				
6	Implement RPZ permit pricing that reflects vehicle emissions, offering lower fees for low-emission and electric vehicles to promote environmental sustainability.	<p>This aligns with one of the actions in the updated Parking Strategy as well as overarching objectives to encourage a transition to more sustainable vehicles.</p> <p>This action is likely to receive limited support. To manage this risk, it should be considered as a more long-term recommendation. It could be implemented first as a pilot, for example with Resident Permits only, and expanded to other permit types and car parks depending on the outcomes of the pilot. In addition, it is advisable to undergo a thorough engagement process that effectively communicates the action within the context of EHDC's ambitious climate and environmental goals.</p> <p>Other authorities with similar structures include Enfield Town Council and St Albans District Council.</p> <p>Aim: Sustainability</p>	Long-term	<p>Agreed. This will be carefully reviewed as an option when any new RPZs are implemented. There are practical considerations to be assessed by East Herts in terms of back office Permit IT system capability, to link permit and visitor voucher costs to exhaust emissions, and relevant interface with DVLA. There may be additional costs</p>
7	Introduce higher fees for the third permit. East Herts currently has the same price for the 2 nd and 3 rd permit.	<p>A higher fee for a third permit can discourage multiple car ownership and help maintain parking availability for all households in an area. Other local authorities have higher fees for third permits, including Stevenage, Braintree, Hertsmere, and St Albans. A third permit in St Albans is 81% higher than a second one on average. In some areas, a third vehicle is not permitted at all, including North Herts, Watford Borough, and Three Rivers County Council. More details on fees are in Section 4 below.</p> <p>Aim: Sustainability</p>	Long-term	<p>Not agreed: East Herts standard operating model is for a maximum of two permits. In one RPZ there is a maximum of one permit in operation. To offer three permits would be counter productive to East Herts aims of reducing reliance on cars and encouraging more sustainable forms of travel</p>
Changes to Terms and Conditions				
8	Introduce a £10 admin fee for refunding or replacing a permit	<p>An admin fee would help cover the cost to the Council for processing the refund or replacement. This ensures that administrative resources are not diverted from other essential services and promotes responsible use of permits by encouraging residents to take greater care with them.</p> <p>Other local authorities with an admin fee include Watford and Stevenage.</p> <p>Aim: Economic Prosperity</p>	Short-term	<p>Not agreed. Very low incidence of such issues arising. Customers self serve in respect of renewing and replacement of permits. The permit system operates on a virtual basis</p>
9	Remove limit on the number of visitor parking hours available for purchase. Current guidance states the quantity of visitor hours will be approximately 20% of the annual operating hours of RPZ.	<p>Removing limits on visitor parking accommodates the diverse needs of residents, such as those who rely on frequent visits from caregivers, contractors, or service providers, and helps to foster social connection.</p> <p>Aim: Community well-being</p>	Short-term	<p>Not agreed. The current model has worked well since 2005 with very few complaints in this respect</p>

10	Increase the price of visitor vouchers to better align with benchmarked local authorities.	Increasing the price of visitor vouchers helps to ensure fairness and that the price reflects the true value of the parking service. It encourages responsible use of the available parking, which can reduce congestion and encourage visitors to opt for alternative transport options, such as walking, cycling or public transportation. Please see the Benchmarking section below for visitor voucher prices across different local authorities.	Medium-term	Not agreed. The cost of visitor vouchers is considered appropriate with price increases applied annually in line with inflation. East Herts residents receive good value in the context of other local authorities. The overall costs of operating RPZs is funded by residents through the sale of permits and vouchers, in accordance with the council's full cost recovery policy
		Aim: Sustainability		
Changes to Monitoring Process				
11	Update monitoring language to include parking surveys as part of the six-month review to monitor parking displacement and potential need to expand RPZ area.	A more robust monitoring process that includes parking surveys can help ensure that a new RPZ is having the intended impact on managing parking stress in the area. It can also help identify if there is parking displacement as a result of the RPZ, allowing the Council to review the need to expand or modify the scheme.	Medium-term	Agreed. This will be implemented when new RPZ reviews are undertaken
		Aim: Community well-being		
Changes to Implementation				
12	Ensure RPZs are equipped with adequate EV charging facilities.	In alignment with East Herts updated Parking Strategy and broader climate goals, this recommendation can help encourage and support a transition to electric vehicles by expanding the EV charging network.	Medium/ Long term	Agreed. This will be reviewed with East Herts Sustainability Department colleagues. East Herts is currently working with Herts County Council to deliver a programme installing on street EV infrastructure. RPZs will form part of that assessment
		Aim: Sustainability		

East Herts Council Report Template

Executive

Date of Meeting: 07 October 2025

Report by: Cllr Vicky Glover-Ward, Executive Member Planning and Growth

Report title: Consideration of the draft Statement of Licensing Principles under the Gambling Act: 2025-28

Ward(s) affected: All

Summary – The Gambling Act 2005 requires each local authority to adopt and publish a Statement of Licensing Principles under the Gambling Act (herein ‘the Statement’) and review it at least every three years. The purpose of the Statement is to set out the principles the council will apply when carrying out its licensing functions under the Gambling Act.

RECOMMENDATIONS FOR EXECUTIVE:

(a) That, following the public consultation, members review the draft Statement of Licensing Principles under the Gambling Act, make any amendments and recommend the Statement, including any amendments, to Council for adoption.

1.0 Proposal

1.1 That the draft document is considered by Members of the Executive and a final version, with any amendments made by the Executive, recommended to Council for adoption.

2.0 Background

2.1 Regulation of non-remote gambling activities such as betting, prize gaming (including bingo and poker), provision of gaming machines and promotion of lotteries under the Gambling Act 2005 (herein ‘the Act’) is a matter for which the council has statutory responsibilities.

2.2 The Act requires licensing authorities (district councils or unitary authorities) to publish a written policy, setting out how they intend to exercise the licensing and enforcement powers conveyed to them, the principles that they will follow and their expectations of licensees. The Statement must be reviewed every three years, so as to ensure that it reflects the current legislation and is relevant to the issues arising in the authority's area. The council's last Statement was published three years ago, hence the need to review and republish it.

2.3 Currently, and historically, East Herts has low numbers of licences and authorisations issued under the Act and low numbers of complaints.

2.4 To give the context for East Herts, the following table sets out the current licences held in comparison with previous years.

Type of Licence	Issued in 2018	Issued in 2021	Issued in 2025
Adult Gaming Centre	0	0	0
Betting Shop	15	15	13
Bingo	0	0	0
Club Gaming Permit	0	0	2
Club Machine Permit	11	9	6
Gaming Machines (up to 2 machines)	113	119	124
Gaming Machines (3 or more machines)	15	11	11
Small Society Lotteries	75	47	75
Track Betting	0	0	0
Totals	229	201	231

2.5 A draft Statement was approved for consultation by the Executive on 8th July 2025. The necessary six-week consultation ran from 21st July 2025 to 31st August 2025.

3.0 Reason(s)

- 3.1 As the licensing authority, East Herts Council is required to have a Statement of Licensing Principles under the Gambling Act and review and republished this every three years.
- 3.2 The Statement is an important document which sets out the principles the council will apply when carrying out its licensing function.
- 3.3 Since the last Statement was adopted there have been no substantive changes to either the law or guidance in relation to the areas of gambling for which the council is responsible. As a result, no substantive changes were proposed to the draft Statement for consultation.
- 3.4 During the consultation period, two responses were received, both from members of the public. These are attached as **Appendix A**.
- 3.5 Neither response commented on policy but raised general points regarding matters beyond the control of this authority. Thus, the responses have not led to any proposed amendments to the Statement. They have, however, been included in this report to the Executive for completeness. The matters raised by the two respondents were:
- concerns about advertising by gambling premises near high schools
 - the need for all gambling to be banned
 - the adverse impact of gambling in that it can drive people to poverty.
- 3.6 The final comment from the second respondent states:

So while I appreciate that banning gambling can only be undertaken by through national legislation, I would like to see EHDC doing as much as is legally possible to protect people from the harms caused by gambling.

3.7 It is the purpose of the Statement to set out how the council will do this, and the proposed Statement does as much as possible to support the licensing objectives within the existing regulatory framework.

3.8 Given the above, no changes are proposed to the draft Statement of Licensing Principles under the Gambling Act following the consultation. The proposed version is attached at **Appendix B**.

4.0 Options

4.1 The Executive may endorse the version of the Statement of Licensing Principles under the Gambling Act included at Appendix B for adoption by Council.

4.2 Alternatively, the Executive may make changes to the version of the Statement at Appendix B and recommend the amended version to Council for adoption.

5.0 Risks

5.1 Should East Herts Council not published a reviewed Statement, even one without any amendments to the existing version, there is a risk that the council could not successfully defend a challenge of its licensing and/or enforcement action on the grounds that the council has not observed the requirements of the Gambling Act 2005. Publishing a renewed Statement following consultation strengthens the council's ability to defend any challenge, however remote the prospect of such a challenge may be.

6.0 Implications/Consultations

Community Safety

The Statement of Licensing Principles under the Gambling Act promotes the licensing objectives and therefore promotes community safety.

Data Protection

None arising from this report.

Equalities

The proposed Statement of Gambling Principles remains unchanged from the previous version. The council is not aware of any socio-demographic changes in the district that would result in residents with protected characteristics now becoming disproportionately impacted by the contents of the Statement.

Environmental Sustainability

None arising from this report.

Financial

None arising from this report.

Health and Safety

None arising from this report.

Human Resources

None arising from this report.

Human Rights

None arising from this report.

Legal

It is a statutory requirement under the section 349 of the Gambling Act 2005 for licensing authorities, such as East Herts Council, to publish a Statement of Licensing Principles and keep it updated under the terms of the Act. This report will enable the council to fulfil this requirement.

Specific Wards

None arising from this report.

7.0 Background papers, appendices, and other relevant material

7.1 Appendix A – Consultation responses

7.2 Appendix B – Final proposed wording for the Statement of Licensing Principles under the Gambling Act: 2025-28

Contact Member

Councillor Vicky Glover-Ward, Executive Member
for Planning & Growth

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Report Author

Oliver Rawlings – Service Manager, Licensing &
Enforcement

Oliver.Rawlings@eastherts.gov.uk

Response 1:

From: **REDACTED**

Sent: 07 August 2025 19:48

To: Housing & Health Services - Community Protection

Cc: Joshua Dean MP

Subject: [External] East Herts Local Gambling Policy

Given the proximity of High Schools to Gambling Shops in the Towns and outside the Towns such as Snowley Parade, I strongly feel that adolescents - by means of shop window television promotions/awareness advertising - are being targeted to online gamble, an active circumnavigation by gambling businesses of the legislation designed to protect minors from being groomed into gambling.

Like Sex Shops I would like to see a blacked out shop windows as an effective ban on shop window/street adverting, and adolescent grooming.

Kindest regards

REDACTED

Response 2:

From: **REDACTED**

Sent: 22 August 2025 09:52

To: Housing & Health Services - Community Protection

Subject: [External] Gambling consultation

Dear East Herts Council

I would like you to ban as much gambling as possible. It is a blight on society, is addictive, drives more people into poverty, and has no benefit to anyone.

Thank you

REDACTED

The Licensing Authority replied:

*Dear **REDACTED**,*

Thanks for the below.

Can you please expand on the comments made below. We cannot ban gambling as such, but our policy is written to work in accordance the Gambling Act, associated regulations, and guidance. The Gambling Commission also has a document called the Licensing Conditions and Code of Practice (LCCP) which Gambling premises should abide by.

The licensing objectives under the Gambling Act are:

- (a) preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime,*
- (b) ensuring that gambling is conducted in a fair and open way, and*
- (c) protecting children and other vulnerable persons from being harmed or exploited by gambling.*

The LCCP also places a social responsibility on gambling premises - more details of this can be found on the following link:

<https://www.gamblingcommission.gov.uk/licensees-and-businesses/lccp/condition/3-3-1-responsible-gambling-information>

I hope that the information provided above is useful to you to expand on your comments regarding our proposed policy and look forward to hearing from you.

Kind regards
Licensing Officer
East Herts District Council

From: REDACTED
Sent: 22 August 2025 14:01
To: Housing & Health Services - Community Protection
<Community.Protection@eastherts.gov.uk>
Subject: Re: [External] Gambling consultation

Thanks.

I think gambling exploits vulnerable people and children and everything possible should be done to protect these people from the undoubted harm and misery that gambling can cause.

The adverse impact of gambling on people's health needs to be taken much more into account. The adverse impact on people's mental health, including addition, is significant as is the adverse impact of poverty on people's health, with gambling being an important driver in some people's poverty.

I would like the Council to have the resources to better explore the finances of gambling establishments with respect to involvement in money laundering and tax avoidance.

So while I appreciate that banning gambling can only be undertaken by through national legislation, I would like to see EHDC doing as much as is legally possible to protect people from the harms caused by gambling.

Many thanks
REDACTED

East Hertfordshire District Council

Statement of Licensing Principles under the Gambling Act 2005

2025-2028

Published TBC

CONTENTS

Subject	Page
Preface	4
Introduction	5
Authorised activities	7
Statement of Licensing Principles	7
Types of licences and permissions	8
The Gambling Commission	8
General Statement of Licensing Principles	9
Preventing gambling from being a source of crime and disorder	10
Ensuring gambling is conducted in a fair and open way	11
Protecting children and other vulnerable people from gambling	11
Background to East Herts	13
Local Authority Functions	15
Responsible Authorities	16
Child protection	18
Public health and well-being	18
Interested parties	19
Exchange of Information	21
Compliance and Enforcement	21
Gaming Machines	23
Local Area Profile (LAP)	24
Local risk assessments	25
Premises licences - Definition of "premises"	26
Access restrictions	27
Provisional Statements	28
Buildings to be complete	28
Plan	29
Location	29
Conditions	30
Duplication with other regulatory regimes	31
Access by Children	31
Door Supervisors	32
Types of Premises Licences - Adult Gaming Centres	33
(Licensed) Family Entertainment Centres	34
Casinos	35
Bingo premises	35
Bingo in clubs and alcohol-licensed premises	37
Betting premises	37
Primary Gambling Activity	38
Tracks	39
Gaming machines on tracks	40
Betting machines on track premises	40
Condition on rules being displayed	41
Travelling Fairs	41
Reviews	42
Permits, Temporary & Occasional Use Notices	44

Subject	Page
Unlicensed Family Entertainment Centre gaming machine permits	44
(Alcohol) Licensed premises gaming machine permits	45
Prize Gaming Permits	47
Club Gaming and Club Machines Permits	48
Lotteries	49
Temporary Use Notices	52
Occasional Use Notices	53
Administration, Exercise and Delegation of Functions	54
Contact Point	55

1.0 Preface

- 1.1 Under the Gambling Act 2005, a new regime for regulating gambling and betting was introduced throughout the United Kingdom from 1 September 2007. Apart from spread betting, gambling and betting (including the National Lottery) are regulated by the Gambling Commission, whose duties include licensing the operators and individuals involved in providing gambling and betting facilities.
- 1.2 East Herts Council, along with other local licensing authorities, has a duty under the Act to license premises where gambling takes place, and to licence certain other activities (such as registering small society lotteries). This document sets out how we intend to approach this task.
- 1.3 The Gambling Act requires that the following parties are consulted by licensing authorities:
 - the chief officer of Police for the authority's area
 - one or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area
 - one or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under the Act.
- 1.4 Our consultation took place between 21/07/2025 and 31/08/2025, and we followed the guidance on Consultation principles issued by the Cabinet Office.
- 1.5 Where either the relevant guidance or the legislation are amended this authority will will seek to revise this document as swiftly as possible to ensure consistency.

2.0 Introduction

- 2.1 The Gambling Act 2005¹ (the “Act”) modernised the law on gambling and introduced a gambling regulator, the Gambling Commission. The Gambling Commission regulates the gambling industry, and the Act also gave responsibility for gambling premises licensing to Local Authorities.
- 2.2 The Act requires East Herts Council (the “licensing authority”) to publish a Statement of Licensing Principles that it applies when exercising its functions under the Act. The statement must be published every three years and is kept under constant review. Consultation is required before changes to the Statement of Licensing Principles can be made. The statement must then be re-published.
- 2.3 This Statement of Licensing Principles supports East Herts Council’s corporate plan which has 4 key themes:
- 1. Listening, open and transparent;**
 - 2. Environmentally focused;**
 - 3. Acting with the community; and**
 - 4. Fair and inclusive.**
- 2.4 Our vision for licensing is to support responsible premises and to encourage the development of a diverse and varied licensed offering across the District.
- 2.5 As long as premises management strive to act responsibly; run safe, well managed venues and facilities; and work together with the local community, they can make a positive contribution toward providing entertainment and satisfaction.
- 2.6 Of course, negative impacts can occur if good management practices are not followed. We recognise that gambling related harm does negatively impact upon both public health and well-being.
- 2.7 Our policy, therefore, seeks to provide a necessary balance between providing a platform upon which responsible business operators may contribute towards a thriving economy while ensuring that the quality of life of those who use gambling facilities and live and work in the District is protected and enhanced through the licensing system. We believe these aims are achievable if all parties concerned work together.
- 2.8 This policy was drafted giving the guidance by the Gambling Commission² due consideration and will broadly follow it.
- 2.9 The Act requires this Authority to carry out its various licensing functions to be reasonably consistent with the following three licensing objectives:
- 1. Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.**

¹ The Gambling Act 2005 can be accessed via: [Gambling Act 2005](#)

² The Gambling Commission’s guidance for licensing authorities can be accessed via: [GC-guidance-to-licensing-authorities](#)

2. Ensuring that gambling is conducted in a fair and open way.

3. Protecting children and other vulnerable persons from being harmed or exploited by gambling.

2.10 As required by the Guidance issued by the Gambling Commission, in carrying out its licensing functions under the Act, particularly with regard to premises licences, the Council will generally aim to permit the use of premises for gambling as long as it is considered to be:

- In accordance with any relevant code of practice issued by the Gambling Commission;
- Reasonably consistent with the licensing objectives; and
- In accordance with the Policy statement published by this Authority under section 349 of the Act.

2.11 **This Statement of Licensing Principles will not override the right of any person to make an application, make representations about an application, or apply for a review of a licence. Each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005. In producing this statement, the Licensing Authority has had regard to the licensing objectives, the guidance issued by the Gambling Commission and any responses to the consultation on this statement.**

3.0 Authorised activities

- 3.1 'Gambling' is defined in the Act as gaming, betting, or taking part in a lottery:
- **'gaming'** means playing a game of chance for a prize
 - **'betting'** means making or accepting a bet on the outcome of a race, competition, or any other event; the likelihood of anything occurring or not occurring; or whether anything is true or not true
 - a **'lottery'** is where persons are required to pay in order to take part in an arrangement, during the course of which one or more prizes are allocated by a process which relies wholly on chance.
- 3.2 Private gaming in private dwellings and on domestic occasions is exempt from licensing or registration providing that no charge is made for participating. Domestic betting between inhabitants of the same premises or between employees of the same employer is also exempt.; Private gaming can potentially take place on commercial premises in very specific circumstances, and where the public have access, but organisers are advised to seek advice before organising events of this nature.
- 3.3 Non-commercial gaming and betting (where no parts of the proceeds are for private gain) may be subject to certain exemptions. Further advice should be sought from the council's licensing team where appropriate.

4.0 Statement of Licensing Principles

- 4.1 This Statement of Licensing Principles is intended to meet the council's obligations under section 349 of the Act. In carrying out its' functions in relation to premises licences and temporary use notices, the council will generally aim to permit the use of premises for gambling as long as it is considered to be:
- in accordance with any relevant Codes of Practice issued by the Gambling Commission
 - in accordance with any Guidance issued by the Gambling Commission. All references to the guidance refer to the Gambling Commission's Guidance to Licensing Authorities (published April 2021 and updated April 2023)
 - reasonably consistent with the licensing objectives
 - in accordance with this Statement of Licensing Principles.

5.0 Types of Licences and Permissions

- 5.1 Under the Act, the Gambling Commission is responsible for issuing operating licences and personal licences. The council in its' capacity as a licensing authority will:
- be responsible for the licensing of premises where gambling activities are to take place by issuing premises licences.
 - issue provisional statements.
 - regulate members' clubs and miners' welfare institutes who wish to undertake certain gaming activities via issuing club gaming permits and/or club machine permits.
 - issue club machine permits to commercial clubs.
 - grant permits for the use of certain lower stake gaming machines at unlicensed family entertainment centres.
 - receive notifications from alcohol licensed premises (under the Licensing Act 2003) of the use of two or less gaming machines.
 - grant licensed premises gaming machine permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where more than two machines are required.
 - register small society lotteries below prescribed thresholds.
 - issue prize gaming permits.
 - receive and endorse temporary use notices.
 - receive occasional use notices.
 - provide information to the Gambling Commission regarding details of licences issued.
 - maintain registers of the permits and licences that are issued under these functions.
 - exercise its powers of compliance and enforcement under the Act in partnership with the Gambling Commission and other relevant responsible authorities.

6.0 The Gambling Commission

- 6.1 The Gambling Commission regulates gambling in the public interest. It does so by keeping crime out of gambling; by ensuring that gambling is conducted in a fair and open way; and by protecting children and vulnerable people. The Commission provides support and advice to the government about the way gambling is carried out, the effects of gambling, and the regulation of gambling generally.
- 6.2 The Commission has issued guidance under section 25 of the Act about the way a Licensing Authority should exercise its licensing functions under the Act and, in particular, the principles to be applied.
- 6.3 The Commission will issue Codes of Practice under section 24 about the way in which facilities for gambling are provided, which may include provisions about the advertising of gambling facilities.
- 6.4 The Gambling Commission can be contacted at:

Gambling Commission
4th Floor
Victoria Square House
Birmingham
B2 4BP
Website: [Gambling Commission](#)

7.0 General Statement of Licensing Principles

- 7.1 The council recognises the wide variety of premises which will require a licence or a permit. These include casinos, betting shops, bingo halls, pubs, clubs, and amusement arcades.
- 7.2 In carrying out its licensing functions the council will have regard to any guidance issued by the Gambling Commission.
- 7.3 The council will not seek to use the Act to resolve matters more readily dealt with under other legislation.
- 7.4 To ensure the licensing objectives are met the council will try to establish a close working relationship with the Police, the Gambling Commission and, where appropriate, other responsible authorities.
- 7.5 Where children, young persons and other vulnerable people are allowed access to premises where gambling takes place, the council may take whatever steps are considered necessary to either limit access generally or by introducing measures to prevent under-age gambling where it believes it is right to do so for the prevention of their physical, moral or psychological harm from gambling, especially where it receives representations to that effect.
- 7.6 Applicants seeking premises licences are encouraged to propose any prohibitions or restrictions of their own in circumstances where it is felt that the presence of children would be undesirable or inappropriate.
- 7.7 However, the overriding principle is that all applications and the circumstances prevailing at each premise will be considered on their own individual merits. When applying these principles the licensing authority will consider, in the light of relevant representations, whether exceptions should be made in any case. As with the Gambling Commission, the licensing authority will regulate gambling in the public interest.

8.0 Preventing gambling from being a source of crime and disorder

- 8.1 The Gambling Commission will play a leading role in preventing gambling from being a source of crime and will maintain rigorous licensing procedures that aim to prevent criminals from providing facilities for gambling.
- 8.2 Anyone applying to the council for a premises licence will have to hold an operating licence from the Commission before a licence can be issued, with the only exception being applications for track premises licences. Therefore, the

council will not generally be concerned with the suitability of an applicant and where concerns about a person's suitability arise the council will bring those concerns to the attention of the Commission.

- 8.3 If an application for a licence or permit is received in relation to premises which are in an area noted for problems with organised crime, the council will, in consultation with the Police and other relevant authorities, consider whether specific controls need to be applied to prevent those premises from being a source of crime.
- 8.4 There are already powers in existing anti-social behaviour and licensing legislation to deal with measures designed to prevent nuisance, whether it arises because of noise from a building or from general disturbance once people have left a building. The council does not intend to (and indeed, cannot) use the Act to deal with general nuisance issues, for example, parking problems, which can easily be dealt with using other powers.
- 8.5 Issues of disorder should only be dealt with under the Act if the disorder amounts to activity which is more serious and disruptive than mere nuisance and it can be shown that gambling is the source of that disorder. A disturbance might be serious enough to constitute disorder if Police assistance was required to deal with it. Another factor which could be considered is how threatening the behaviour was to those who could see or hear it, and whether those people live sufficiently close to be affected or have business interests that might be affected.
- 8.6 When making decisions in this regard the council will give due weight to any comments made by the Police.

9.0 Ensuring gambling is conducted in a fair and open way

- 9.1 The Gambling Commission does not generally expect local authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will either be a matter for the management of the gambling business or will relate to the suitability and actions of an individual. Both issues will be addressed by the Commission through the operating and personal licensing regime.
- 9.2 Because betting track operators do not need an operating licence from the Commission the council may, in certain circumstances, require conditions on a licence relating to the suitability of the environment in which betting takes place.

10.0 Protecting children and other vulnerable people from gambling

- 10.1 Apart from one or two limited exceptions, the intention of the Act is that children and young persons should not be allowed to gamble and should therefore be prevented from entering gambling premises which are 'adult-only' environments.
- 10.2 In practice, steps will generally be taken to prevent children from taking part in, or being near, gambling especially with regard to premises situated in areas where there may be a high rate of reported truancy. There may be restrictions on

advertising so that gambling products are not aimed at children or advertised in such a way that makes them particularly attractive to children.

- 10.3 When considering whether to grant a premises licence or permit the council will consider whether any measures are necessary to protect children, such as the supervision of entrances, the segregation of gambling from areas frequented by children and the supervision of gaming machines in non-adult gambling specific premises, such as pubs, clubs, betting tracks etc.
- 10.4 In seeking to protect vulnerable people the council will include people who gamble more than they want to, people who gamble beyond their means, and people who may not be able to make informed or balanced decisions about gambling, perhaps due to a mental impairment, alcohol, or drugs.
- 10.5 Children (defined in the Act as under 16s) and young persons (16-17s) may take part in private and non-commercial betting and gaming, but the Act contains a number of restrictions on the circumstances in which they may participate in gambling or be on premises where gambling is taking place. An adult is defined as 18 and over. In summary:
- betting shops cannot admit anyone under 18.
 - bingo clubs may admit those under 18 but must have policies to ensure they do not gamble, except on category D machines.
 - Adult Entertainment Centres cannot admit those under 18.
 - Family Entertainment Centres and premises with an alcohol premises licence (such as pubs) can admit under-18s, but they may not play category C machines which are restricted to those over 18.
 - clubs with a Club Premises Certificate can admit under-18s, but they must have policies to ensure those under 18 do not play machines other than category D machines.
 - tracks will be required to have policies to ensure that under 18s do not participate in gambling, except on category D machines.
- 10.6 The council will always treat each case on its own individual merits and when considering whether specific measures are required to protect children and other vulnerable people will balance its considerations against the overall principle of aiming to permit the use of premises for gambling.
- 10.7 In January 2018 Public Health England, the Local Government Association and the Gambling Commission wrote to Directors of Public Health in England outlining the links between Public Health and gambling; specifically, that problem gambling can have an impact on physical, mental, and emotional health and wellbeing. The letter suggested that local Public Health teams have a critical role to play in developing Statements of Licensing Principles as they have a good understanding of health issues within a local authority area.
- 10.8 Although Local Public Health Departments are not Responsible Authorities the licensing authority will seek advice from the local Public Health team in order to assess applications and this Statement of Licensing Principles. This approach will be taken to assist the licensing authority in exercising its own functions as a responsible authority, and reflects the comments made in the guidance.

11.0 Background to East Herts

- 11.1 East Herts is the largest of the 10 districts in Hertfordshire. It covers about 480 square miles, around a third of the Hertfordshire, and offers a blend of rural and town living. The benefits of this mixture are greatly appreciated by the approximately 150,000 people who live in the District.
- 11.2 The District has Broxbourne to the South, Welwyn and Hatfield and Stevenage to the West and North Hertfordshire as its Northern boundary. To the East, the District borders on the county of Essex.
- 11.3 Although the District is mainly comprised of farmland, five busy market towns (Bishop's Stortford, Buntingford, Hertford, Sawbridgeworth and Ware) and more than 100 villages and hamlets are scattered across the area. The majority of the people who live in the district live in one of the five towns. Bishop's Stortford has the largest population, followed by Hertford, Ware, Sawbridgeworth and Buntingford.
- 11.4 East Herts is regarded as an attractive rural location for those moving out from (and commuting into) London because of its excellent transport links.
- 11.5 Unemployment in East Herts is low at 2.8% compared to the national average of 3.8%. The people of East Herts are predominantly employed and enjoy higher than average earnings of £919.10 gross weekly pay for full-time workers compared to the £729.80 average for the whole of the country³.
- 11.6 The 2021 Census showed 23.4% of people are aged 19 or under and 24.2 of people are aged over 60. East Herts has the lowest population density of all the Districts in Hertfordshire.
- 11.7 87.0% of usual residents of East Hertfordshire in March 2021 were born in England. This compares to 80.0% in Hertfordshire, 83.1% in East of England and 80.3% in England.
- 11.8 Over a third of people are educated to NVQ level 4 or higher e.g. Bachelor's degree (38.6%, 46,724). However, under a fifth of the population have no qualifications (13.8%, 16,756).
- 11.9 As at May 2025 the numbers of premises issued with licences, permits or registrations within East Herts are as follows:
- 13 Bookmakers or betting shop (decrease of 2 on 2021);
 - 135 Alcohol premises with gaming machines (increase of 2 on 2021);

³ [nomis official labour market statistics website - Labour Market Profile - East Hertfordshire](#)

- 6 Registered clubs with gaming machines (decrease of 3 on 2021);
- 2 Club Gaming permits (increase of 1 on 2021);
- 73 Small society lottery registrations (increase of 26 on 2021);
- 0 Family Entertainment Centres (no change);
- 0 Bingo premises (no change);
- 0 Track betting premises (no change);
- 0 Casinos (no change); and
- 0 Adult Gaming Centres (no change).

12.0 Local Authority Functions

12.1 Under the Act, the Gambling Commission is responsible for issuing operating licences and personal licences. The council in its' capacity as a Licensing Authority will:

- be responsible for the licensing of premises where gambling activities are to take place by issuing premises licences.
- issue provisional statements.
- regulate members' clubs and miners' welfare institutes who wish to undertake certain gaming activities via issuing club gaming permits and/or club machine permits.
- issue club machine permits to commercial clubs.
- grant permits for the use of certain lower stake gaming machines at unlicensed family entertainment centres.
- receive notifications from alcohol licensed premises (under the Licensing Act 2003) of the use of two or less gaming machines.
- grant licensed premises gaming machine permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where more than two machines are required.
- register small society lotteries below prescribed thresholds.
- issue prize gaming permits.
- receive and endorse temporary use notices.
- receive occasional use notices.
- provide information to the Gambling Commission regarding details of licences issued.
- maintain registers of the permits and licences that are issued under these functions.
- exercise its powers of compliance and enforcement under the Act in partnership with the Gambling Commission and other relevant responsible authorities.

12.2 Private gaming in private dwellings and betting between inhabitants of the same premises on domestic occasions or between employees of the same employer is exempt from licensing or registration if:

- no charge is made for participating;

- only equal chance gaming takes place; and
 - it does not occur in a place to which the public have access.
- 12.3 Private gaming can potentially take place on commercial premises in very specific circumstances, and where the public have access, but organisers are advised to seek advice before organising events of this nature.
- 12.4 The Authority will not be involved in licensing remote gambling - this is dealt with by the Gambling Commission via Operator Licences. The Financial Services Authority regulates spread betting, and the National Lottery Commission regulates the National Lottery.

13.0 Responsible Authorities

- 13.1 These are generally public bodies that must be notified of all applications and who are entitled to make representations to the council if they are relevant to the licensing objectives.
- 13.2 Section 157 of the Act defines those authorities as:
- the Gambling Commission
 - the Police
 - the Fire Service
 - a competent body to advise the authority about the protection of children from harm
 - the local Planning Authority
 - Environmental Health
 - HM Revenue and Customs
 - A Licensing Authority in whose area the premises is situated (that is, the council itself and any adjoining council where premises straddle the boundaries between the two).
- 13.3 The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:
- (i) The need for the body to be responsible for an area covering the whole of the licensing authority's area.
 - (ii) The need for the body to be answerable to democratically elected persons, rather than any vested interested group.
- 13.4 This authority designates Hertfordshire Safeguarding Children Partnership (HCSP)⁴ for this purpose.
- 13.5 The Licensing Authority will not consider irrelevant representations, such as:

⁴ <https://www.hertfHertfordshire-Safeguarding-Children-Partnership>

- there are too many gambling premises in the locality (because need for gambling facilities cannot be taken into account)
- the premises are likely to be a fire risk (because public safety is not a licensing objective and there is other primary legislation regarding fire risk)
- the location of the premises is likely to lead to traffic congestion (because this does not relate to the licensing objectives)
- the premises will cause crowds to congregate in one area causing noise and nuisance, because other powers are generally available to deal with these issues.
(Unlike the Licensing Act 2003, the Gambling Act does not include as a specific licensing objective, the prevention of public nuisance. Any nuisance associated with gambling premises should be dealt with under other relevant laws).

13.6 Any concerns expressed by a responsible authority cannot be considered unless they are relevant to the application itself and the licensing objectives.

13.7 Each representation will, however, be considered on its own merits and careful consideration will be given to any concerns raised by a responsible authority and where a representation is ultimately considered irrelevant the responsible authority will be given the reasons for reaching this decision.

14.0 Public health and well-being

14.1 Although Local Public Health Departments are not responsible authorities the Licensing Authority will seek advice from the local Public Health team to assess applications and its Statement of Licensing Principles. This approach will be taken to assist the Licensing Authority in exercising its own functions under various pieces of legislation.

14.2 East Herts has decided to try to understand and, where appropriate, incorporate Public Health and well-being concerns within its policies and its decision-making process.

14.3 East Herts Council's Environmental Health, Licensing and Community Safety teams already work closely together, including the Public Health officers. The alignment of these different service areas has highlighted synergies, which, with appropriate policies and partnership support, could see significant benefits for residents.

14.4 East Herts Council has taken the decision, with the full understanding and knowledge of the Guidance and relevant legislation, to engage with Public Health as a consideration in its decision making process. As a result, where a relevant representation is made regarding the undermining of the 'Protecting children and other vulnerable people from gambling' objective, and that representation relates to Public Health and well-being, and is supported by

evidence, that representation will be considered during the decision making process.

- 14.5 This includes considering information about the impact of gambling upon wider Public Health issues, such as the impacts on families where a parent is a problem gambler, and not just immediate impacts on that individual. The purpose of this is not to attempt to make Public Health the fourth licensing objective, rather using a wider definition of the licensing objective to help address evidence based gambling related harms within our communities.
- 14.6 While recognising that evidence based gambling related harms are a key concern, the Licensing Authority also recognises that gambling is just one component of the of the issues with which the licensing regime can address. The Licensing Authority will approach any Public Health representation within the wide framework of the regime and not exclusively on health and well-being considerations.

15.0 Interested parties

- 15.1 Interested parties can make representations about licence applications or apply for a review of an existing licence. These parties are defined in the Gambling Act 2005 as follows:
- 15.2 *A person is an interested party if, in the opinion of the licensing authority, the person:*
- a. lives sufficiently close to the premises to be likely to be affected by the authorised activities;*
 - b. has business interests that might be affected by the authorised activities; or*
 - c. represents persons who satisfy paragraph (a) or (b).*
- 15.3 The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under the Gambling Act 2005 to determine whether a person is an interested party. The principles are:
- Each case will be decided on its merits. This authority will not apply a rigid rule to its decision making. The benefit of doubt will be given to the party making the representation until the doubt can be resolved.
 - Interested parties include trade associations, and residents' or tenants' associations, if they represent someone who would be classed as an interested party in their own right. Councillors and MPs may also be interested parties. Elected Councillors may represent interested parties but may not also sit on the Licensing Sub-Committee determining the application.
 - In determining whether someone lives sufficiently close to a particular premises as to likely to be affected by the authorised activities, or has business interests likely to be affected, the authority may take account of:
 - the size of the premises;

- the nature of the premises;
 - the nature of the authorised activities being proposed;
 - the distance of the premises from the person making the representation;
 - the characteristics of the complainant; and
 - the potential impact of the premises.
- 15.4 The licensing authority will not consider representations that are frivolous or vexatious, or which relate to demand or need for gambling facilities. Decisions on whether representations are frivolous or vexatious will be made by officers objectively and not based on any political judgement. Where representations are rejected, the person making that representation will be given a written reason. A report will be made to the Licensing Sub-Committee determining the application (if appropriate), indicating the general grounds of the representation and the reason it was rejected.
- 15.5 A vexatious representation is generally taken to be one which is repetitive, without foundation or made for some other reason such as malice. A frivolous representation is generally taken to be one that is lacking in seriousness, or is unrelated to the licensing objectives, the guidance issued by the Gambling Commission or this statement of licensing policy.
- 15.6 In deciding whether a representation is frivolous or vexatious the Licensing Authority will normally consider:
- Who is making the representation and whether there is a history of making representations that are not relevant.
 - Whether the representation raises a relevant issue or not.
 - Whether the representation is specific to the premises that are the subject of the application.
- 15.7 Interested parties should appreciate that moral objections to gambling, or the need for gambling premises, are not valid reasons to reject applications for premises licences.
- 15.8 Representations must be made in writing (which includes electronically) and must:
- indicate the name and address of the person or organisation making the representation.
 - indicate the premises to which the representation relates.
 - indicate the proximity of the premises to the person making the representation. A sketch map or plan may be helpful to show this.
 - clearly set out the reasons for making the representation. Reference to a specific licensing objective may be helpful.

16.0 Exchange of Information

- 16.1 Licensing authorities are required to include in their Policy statement the principles to be applied by the authority in exercising the functions under sections 29 and 30 of the Act with respect to the exchange of information between it and the Gambling Commission, and the functions under section 350 of the Act with respect to the exchange of information between it and the other persons listed in Schedule 6 to the Act.
- 16.2 The principle that this licensing authority applies is that it will act in accordance with the provisions of the Gambling Act 2005 in its exchange of information which includes the provision that the General Data Protection Regulations and the Data Protection Act 2018 will not be contravened. The licensing authority will have regard to Guidance issued by the Gambling Commission to Local Authorities, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.
- 16.3 The authority may from time to time exercise its' powers under section 115 of the Crime and Disorder Act 1998 to exchange data and information with the Police and other partners to fulfil its' statutory objective of reducing crime in the area.
- 16.4 Details of applications and representations which are referred to a Licensing Sub-Committee for determination will be published in reports that are made publicly available in accordance with the Local Government Act 1972 and the Freedom of Information Act 2000. Personal details of people making representations will be disclosed to applicants and only be withheld from publication on the grounds of personal safety where the licensing authority is asked to do so.

17.0 Compliance and Enforcement

- 17.1 Licensing authorities are required by regulation under the Gambling Act 2005 to state the principles to be applied by the authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under section 346 of the Act to begin criminal proceedings in respect of the offences specified.
- 17.2 This licensing authority's principles are guided by the Gambling Commission's Guidance for local authorities, and it will endeavour to be:
- Proportionate: intervening only when necessary, with remedies appropriate to the risk posed, and costs identified and minimised;
 - Accountable: justifying decisions, and subject to public scrutiny;
 - Consistent: with joined up rules and standards implemented fairly;
 - Transparent: being open, with simple and user friendly rules; and
 - Targeted: to focus on the problem and minimise side effects.

- 17.3 This Licensing Authority will seek to work with other agencies in enforcing this legislation and work to create a joint protocol with all the relevant agencies to avoid duplication with other regulatory regimes as far as possible, following the Gambling Commission's guidance for licensing authorities.
- 17.4 This Licensing Authority will, as recommended by the Gambling Commission's guidance for local authorities, adopt a risk-based inspection programme and will consider any risk models produced in conjunction with the Gambling Commission.
- 17.5 The main enforcement and compliance role for this Licensing Authority will be to ensure compliance with the premises licences and other permissions which it authorises.
- 17.6 The Gambling Commission will be the enforcement body for Operator and Personal Licences. Concerns about manufacture, supply or repair of gaming machines will not be dealt with by the licensing authority but will be notified to the Gambling Commission.
- 17.7 The authority proposes that a graduated response is taken where offences against licensing legislation are found or where licence conditions have been contravened. An isolated and minor offence may be dealt with purely by way of a written warning whilst more serious offences which have either been committed over a period of time or which jeopardise public safety may result in a referral for prosecution.
- 17.8 We continue to work actively with other responsible authorities in seeking compliance and enforcing licensing legislation. We share information about licence-holders and licensed premises under the Crime and Disorder Act 1998 and expect to be closely consulted when any enforcement action may be required.
- 17.9 As a Council we have signed up to the Hertfordshire Better Business for All Partnership Charter which is a voluntary undertaking between Hertfordshire Regulatory Services and all local businesses, irrespective of size or resources. It aims to support a relationship between businesses and regulators built upon trust, understanding and a desire to improve together in terms of compliance with regulation and support of business growth.
- 17.10 The authority's approach to the carrying out of premises licence reviews is set out later in this document.

18.0 Gaming Machines

- 18.1 Within both the gambling legislation and this document, references are made to gaming machines as being within categories A, B, C or D, or in some cases, sub-categories such as B1, B2, B3 or B45.
- 18.2 Gaming machines are categorised according to the nature of their operation, the

maximum charge to use, and the maximum prize available, and the legislation sets out the categories and sub-categories of machines that holders of each type of premises licence or permit are entitled to make available for use.

- 18.3 As both machine entitlements and the values applicable to each category are prescribed in secondary legislation, and may be changed at relatively short notice, it is not considered appropriate to include this information within this document.
- 18.4 Persons under the age of 18 years are not permitted to use any gaming machine other than a category D machine, which are generally low-value machines located in family entertainment centres. Holders of licences and permits which allow the provision of higher-category machines in premises where children are present should take appropriate steps either to locate those machines in a segregated area with age-restricted access, or to locate the machines so that their usage can be monitored at all times – the appropriate action is dependent upon the nature of the premises and the authorisation held.
- 18.5 Some types of licence, permit or entitlement limit the number of gaming machines which may be made available for use in the authorised premises. The licensing authority notes the Commission's guidance on the meaning of 'available for use', including the provision that a greater number of machines may be located in the premises so long as there is a mechanism in place to disable machines and prevent the number of gaming machines which are actively available for use from exceeding the limit. Simply switching the gaming machine off at an adjacent power socket will not be acceptable to the licensing authority if a customer is able to reactivate the machine by switching it back on. Where an operator or permit-holder wishes to provide a greater number of machines on their premises than may be made available for use under the licence or permit, the onus will be on that operator or permit-holder to demonstrate to the licensing authority that they have a sufficiently robust mechanism in place to prevent a breach of the licence or permit.
- 18.6 All gaming machines which are made available for use in premises must adhere to the appropriate technical standards set by the Gambling Commission, including bearing the correct categorisation markings and any other signage required.
- 18.7 A number of premises which are not entitled to provide gaming machines (including fast-food outlets, taxi booking offices, shopping centres and transport hubs) provide other types of machines, which operate differently to gaming machines. These may include skill machines (where the likelihood of winning a prize is dependent solely on the player's skill or knowledge, and not on chance), and non-prize machines (where players play for a high-score or for amusement only, and no prize can be won as a result). Such machines fall outside of the scope of the 2005 Act and are not subject to control by the licensing authority. However, the authority will investigate complaints where it is believed that a machine purporting to be a skill game, or a non-prize machine is actually a (licensable) gaming machine. In determining whether such complaints are accurate we may seek advice from machine suppliers, manufacturers, and from the Gambling Commission.

19.0 Local Area Profile (LAP)

- 19.1 As of 6 April 2016, it is a mandatory condition for holders of operating licences to assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks.
- 19.2 We expect operators, both when applying for new premises licences and when reviewing their existing premises, to take account of the local area within their own local risk assessments (described below), and to implement suitable and sufficient measures to mitigate any risks identified which may arise as a result of the opening or continuation of trade at those premises.
- 19.3 It is not a requirement for the Licensing Authority to complete a Local Area Profile. Although the council has not completed a Local Area Profile we encourage operators to contact the licensing authority to consider and identify potential areas of mutual concern affecting their business in a way that aims to permit gambling without presenting risks to the licensing objectives, as required by the Gambling Act.

20.0 Local risk assessments

- 20.1 We do not intend to specify a format or mandatory content for these local risk assessments, as we believe that these will be decisions for the operator to take, and will be dependent upon the location, size, and operational nature of the premises in question.
- 20.2 However, we would expect that operators have considered the individual circumstances of each of their premises when compiling the risk assessments – a single generic risk assessment covering every premises in an operator's estate will not be considered by the authority to be suitable nor sufficient.

Premises licences –

21.0 Definition of “premises”

- 21.1 Premises are defined in the Act as “any place”. Different premises licences cannot apply in respect of single premises at different times. However, it is possible for a single building to be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. Whether different parts of a building can properly be regarded as being separate premises will always be a question of fact in the circumstances. However, the Gambling Commission does not consider that areas of a building that are artificially or temporarily separate can be properly regarded as different premises.
- 21.2 This Licensing Authority attaches particular weight to the Gambling Commission’s Guidance for local authorities:
- the third licensing objective seeks to protect children from being harmed or exploited by gambling and premises should be configured so that children are prohibited from participating in gambling, such that they are not invited to participate in, have accidental access to, or closely observe gambling.
 - entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised, and people do not ‘drift’ into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit. The council would expect the plan of the premises to clearly denote entrances and exits.
 - customers should be able to participate in the activity named on the premises licence.
- 21.3 The Licensing Authority will take account of the following factors when considering whether premises are separate:
- do the premises have a separate registration for business rates?
 - is the neighbouring premises owned by the same person or by someone else?
 - can each of the premises be accessed from the street or a public passageway?
 - can the premises only be accessed from any other gambling premises?

22.0 Access restrictions

- 22.1 The Licensing Authority notes that any premises subject to multiple premises licences must be able to comply with the mandatory conditions restricting access to each licensed premises, as follows:

Premises Type	Access restrictions
Adult gaming centre	No direct access from any other licensed gambling premises, or from premises with a family entertainment centre gaming machine permit, a club

Premises Type	Access restrictions
	gaming/machine permit, or an alcohol-licensed premises gaming machine permit
Betting (other)	Access from a street or another betting premises only No direct access from any other premises used for retail sale of goods or services
Betting (track)	No direct access from licensed casino or adult gaming centre premises
Bingo	No direct access from licensed casino, adult gaming centre or betting (other) premises
Family entertainment centre	No direct access from licensed casino, adult gaming centre or betting (other) premises

22.2 In the case of some divided premises, it appears that the intended primary use of a premises licence had not been offered, with operators seeking solely to make use of any additional machine entitlement (for example, holding a bingo premises licence but not making any facilities for playing bingo available in the licensed premises). The Gambling Commission consulted on this issue in 2008, and subsequently issued a revision to the Licence Conditions and Codes of Practice affecting Bingo, Betting and Casino operating licences. Holders of these licences are now mandated to provide suitable and sufficient facilities for their primary licensable activity (e.g. provision of facilities for non-remote betting in a betting (other) licensed premises), now referred to in the Guidance as offering an appropriate licensing environment.

22.3 Tracks may be subject to one or more premises licences, provided each licence relates to a specified area of the track. This licensing authority will consider the impact of the licences on the third licensing objective and the need to ensure that entrances to each premises are distinct and that children are excluded from gambling areas where they are not permitted.

23.0 Provisional Statements

23.1 A person may apply to the Licensing Authority for a provisional statement in respect of premises:

- they expect to be constructed;
- they expect to be altered; or
- they expect to acquire a right to occupy.

23.2 Such applications are dealt with in the same manner as applications for premises licences. Once the premises are constructed, altered, or acquired the holder of a provisional statement may apply for the necessary premises licence.

23.3 Where the holder of a provisional statement applies for a premise licence, no further representations from responsible bodies or interested parties can be considered unless they concern matters which could not have been addressed at the provisional statement stage, or they reflect a change in the applicant's circumstances. In addition, the Licensing Authority may refuse the premises

licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:

- (a) which could not have been raised by objectors at the provisional licence stage; or
- (b) which in the authority's opinion reflect a change in the operator's circumstances.
- (c) where the premises has not been constructed in accordance with the plan and information submitted with the provisional statement application. In accordance with the guidance, there must be substantial changes to the plan for such a decision to be made, and each decision will consider the merits of the individual application. The council will discuss any concerns of this nature with the applicants before making a decision.

24.0 Buildings to be complete

24.1 A licence to use premises for gambling will only be issued in relation to premises that are ready to be used for gambling: The Gambling Commission has advised that references to "the premises" are to the premises in which gambling may now take place. Thus, an applicant cannot obtain a full premises licence until the premises in which it is proposed to offer the gambling are constructed. It is a question of fact and degree whether premises are finished to a point that they can be considered for a premises licence. The Gambling Commission emphasises that requiring the building to be complete ensures that the authority can, if necessary, inspect it fully, as can other responsible authorities with inspection rights.

25.0 Plan

25.1 The Licensing Authority will expect compliance with the Gambling Act 2005 (Premises Licences and Provisional Statements) Regulation 2007 (as amended) in relation to the submission of plans with applications.

25.2 The Regulations state that plans shall contain the following information:

- the extent of the boundary or perimeter of the premises.
- where the premises include, or consist of, one or more buildings, the location of any external or internal walls of each such building.
- where the premises form part of a building, the location of any external or internal walls of the building which are included in the premises.
- where the premises are a vessel or a part of a vessel, the location of any part of the sides of the vessel, and of any internal walls of the vessel, which are included in the premises.
- the location of each point of entry to and exit from the premises, including in each case a description of the place from which entry is made or to which the exit leads.

26.0 Location

- 26.1 This authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, and to gambling becoming a source of crime or disorder. No areas in East Herts have been identified as areas where gambling premises should not be located.
- 26.2 Should any specific policy be decided upon as regards areas where gambling premises should not be located, this document will be updated. It should be noted that any such policy would not preclude any application being made and each application would be decided on its merits, with the onus upon the applicant to show how the concerns can be overcome. Reference would be made to the local area risk assessment prepared by the operator.

27.0 Conditions

- 27.1 Any conditions attached to licences will be proportionate and will be:
- relevant to the need to make the proposed building suitable as a gambling facility;
 - directly related to the premises and the type of licence applied for;
 - fairly and reasonably related to the scale and type of premises: and
 - reasonable in all other respects.
- 27.2 Decisions on individual conditions will be made on a case-by-case basis. Where there is a need this Licensing Authority will consider:
- the use of door supervisors;
 - supervision of adult gaming machines; and
 - appropriate signage for adult only areas.
- 27.3 This Licensing Authority will expect the licence applicant to offer their own conditions, where appropriate, to ensure the licensing objectives can be met effectively.
- 27.4 The Licensing Authority will expect applicants to be able to comply with any mandatory and default conditions imposed on their premises licence through regulations made by the Secretary of State. Applicants seeking to remove or amend default conditions must demonstrate that there will be little or no risk to the licensing objectives or the Licensing Authority's Statement of Licensing Principles by removing the default conditions.
- 27.5 It is noted that there are conditions which the licensing authority cannot attach to premises licences:
- any condition on the premises licence which makes it impossible to comply with an operating licence condition.
 - conditions relating to gaming machine categories, numbers, or method of operation.
 - conditions which provide that membership of a club or body be required.
 - conditions in relation to stakes, fees, winning or prizes.

28.0 Duplication with other regulatory regimes

- 28.1 This authority will seek to avoid any duplication with other statutory/regulatory systems where possible, including planning. This authority will not consider whether a licence application is likely to be awarded planning or building consent, in its consideration of it. This authority will though listen to, and consider carefully, any concerns about conditions which are not able to be met by licensees due to planning restrictions, should such a situation arise.
- 28.2 Under section 210 of the Act the Licensing Authority is not entitled to have regard to whether a proposal by the applicant is likely to be permitted in accordance with the law relating to planning or building. The licensing authority will however consider relevant representations from the local Planning Authority about the effect of the grant of a premises licence on an existing planning permission where this relates to the licensing objectives, a Commission code of practice, or this statement of principles.

29.0 Access by Children

- 29.1 When considering applications for premises to which children may be admitted, in cases where the issue of a licence would authorise the provision of gaming machines of categories C or higher, the licensing authority will expect the operator to ensure that:
- all such machines are in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
 - only adults are admitted to the area where these machines are located;
 - access to the area where the machines are located is supervised;
 - the area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
 - at the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.
- 29.2 These considerations will apply equally to single premises and to buildings where multiple, separate premises licences may have effect (for example, a multi-unit shopping centre, or a mixed use development with a number of retail and leisure units).

30.0 Door Supervisors

- 30.1 This Licensing Authority will consider whether there is a need for door supervisors to ensure the operation of any premises upholds the licensing objectives.
- 30.2 There is no evidence that the operation of betting offices has required door supervisors for the protection of the public. The Licensing Authority will make a door supervision requirement only if there is clear evidence from the history of trading at the premises that the premises cannot be adequately supervised from the counter and that door supervision is both necessary and proportionate.
- 30.3 The Gambling Act 2005 amended the Security Industry Act and door supervisors at casinos or bingo premises need **not** be licensed by the Security Industry Authority (SIA). However, the Licensing Authority strongly recommends that any door supervisors or security staff who are employed should be licensed by the SIA.
- 30.4 This Licensing Authority will require that premises licence holders undertake Criminal Records Bureau checks and evidence of suitable training for door supervisors, or are SIA licensed where this is possible, where this is imposed as a condition. This recognises the nature of the work which may include checking ages, searching individuals, and dealing with aggressive persons. This Licensing Authority may require specific requirements for door supervisors, which are shown to be appropriate to individual premises and subject to any codes of practice.

Types of Premises Licences

31.0 Adult Gaming Centres

- 31.1 This licensing authority has specific regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and expects the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18-year-olds cannot access the premises.
- 31.2 This licensing authority will expect applicants to offer their own measures to meet the licensing objectives; however appropriate measures or licence conditions may cover issues such as:
- Proof of age schemes
 - CCTV
 - Supervision of entrances / machine areas
 - Physical separation of areas
 - Location of entry
 - Notices / signage
 - Specific opening hours
 - Self-barring schemes
 - Provision of information leaflets / helpline numbers for organisations such as GamCare⁶.
- 31.3 This list is not mandatory, nor exhaustive, and is merely indicative of example measures.
- 31.4 As regards the protection of vulnerable persons, this Licensing Authority will consider measures such as the use of self-barring schemes, provision of information leaflets or helpline numbers for organisations such as GamCare.

⁶ <https://www.gamcare.org.uk/>

32.0 (Licensed) Family Entertainment Centres

- 32.1 This licensing authority has specific regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18-year-olds do not have access to the adult only gaming machine areas.
- 32.2 This licensing authority expects applicants to offer their own measures to meet the licensing objectives; appropriate measures / licence conditions may include:
- CCTV
 - Supervision of entrances / machine areas
 - Physical separation of areas
 - Location of entry
 - Notices / signage
 - Specific opening hours
 - Self-barring schemes
 - Provision of information leaflets / helpline numbers for organisations such as GamCare.
 - Measures / training for staff on how to deal with suspected truant school children on the premises.
 - Staff are trained to have a full understanding of minimum age limits on participation in gambling.
- 32.3 This list is not mandatory, nor exhaustive, and is merely indicative of example measures.
- 32.4 Measures such as the use of self-barring schemes, provision of information leaflets or helpline numbers for organisations such as GamCare will be considered to protect children and vulnerable persons.

33.0 Casinos

- 33.1 Under the Act, licensing authorities in England and Wales have the role of issuing premises licenses for casinos and monitoring those licenses.
- 33.2 New casino premises licenses issued under the Act will fall into one of two categories namely large casino premises licence or small casino premises licence. These are subject to separate regulations, involving a two-stage application process.
- 33.3 At the time of publication of this document this District is not an area chosen for a new casino and no applications have been received. If the Council decides in the future to adopt a 'no casino' policy under section 166 of the Gambling Act 2005 it will update this document with details of that resolution.

34.0 Bingo premises

- 34.1 Bingo is a class of equal chance gaming and will be permitted in alcohol licensed premises and in clubs provided it remains below a certain threshold, otherwise it will be subject to a bingo operating licence which will have to be obtained from the Gambling Commission.
- 34.2 The holder of a bingo operating licence may provide any type of bingo game including cash and prize bingo.
- 34.3 Commercial bingo halls will require a bingo premises licence from East Herts Council.
- 34.4 Amusement arcades providing prize bingo will require a prize gaming permit from East Herts Council.
- 34.5 In each of the above cases it is important that where children are allowed to enter premises licensed for bingo, in whatever form, they are not allowed to participate in any bingo game, and they are only allowed to game on category D machines. When considering applications of this type the council will therefore consider, among other things, the location of the games or machines, access to those areas, general supervision of the premises and the display of appropriate notices.
- 34.6 Where category C or above machines are available in premises to which children are admitted the Licensing Authority will seek to ensure that:
- all such machines are in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
 - only adults are admitted to the area where the machines are located;
 - access to the area where the machines are located is supervised;
 - the area where the machines are located is arranged so that it can be observed by staff of the operator or the licence holder; and
 - at the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

34.7 The Licensing Authority notes that the Gambling Commission's Guidance states:

18.5 *Licensing authorities need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. An operator may choose to vary their licence to exclude a previously licensed area of that premises, and then apply for a new premises licence, or multiple new premises licences, with the aim of creating separate premises in that area. Essentially providing multiple licensed premises within a single building or site. Before issuing additional bingo premises licences, licensing authorities need to consider whether bingo can be played at each of those new premises.*

18.7 *Children and young people are allowed into bingo premises; however they are not permitted to participate in the bingo and if category B or C machines are made available for use these must be separated from areas where children and young people are allowed. Social Responsibility (SR) code 3.2.5(3) states that „licensees must ensure that their policies and procedures take account of the structure and layout of their gambling premises“ in order to prevent underage gambling.*

18.9 *The gaming machines must remain within the licensed area covered by the premises licence. In the unusual circumstance that an existing bingo premises covered by one premises licence applies to vary the licence and acquire additional bingo premises licences (so that the area that was the subject of a single licence will become divided between a number of separate licensed premises) it is not permissible for all of the gaming machines to which each of the licences brings an entitlement to be grouped together within one of the licensed premises.*

18.10 *Equipment operated by a bingo operating licence for the purpose of playing bingo, for example what are currently known as mechanised cash bingo, electronic bingo terminal (EBTs) and video bingo terminals (VBTs), will be exempt from controls on gaming machines provided they comply with any conditions set by the Commission and, in the case of EBTs, do not hold gaming machine content.*

18.11 *An EBT that offers gaming machine content in addition to bingo content is considered to be a gaming machine and would count towards the total number of gaming machines or towards the offering of bingo. Any EBTs that do not offer gaming machine content would not count towards the number of gaming machines.*

34.8 Operators' attention is drawn to paragraphs 18.25 – 18.32 of the Gambling Commission Guidance which relate to primary gambling activity and the location of gaming machines.

35.0 Bingo in clubs and alcohol-licensed premises

35.1 Bingo may be provided on alcohol-licensed premises and in members' clubs and miners' welfare institutes either in accordance with a permit or providing that the

limits in section 275 of the Act are complied with. These restrictions limit the aggregate stake or prizes within any seven days to £2000 and require the Commission to be notified as soon as is reasonably practicable if that limit is breached. Stakes or prizes above that limit will require a bingo operator's licence and the corresponding personal and premises licences.

36.0 Betting premises

- 36.1 Anyone wishing to operate a betting office will require a betting premises licence from the Council. Children and young persons will not be able to enter licensed betting premises.
- 36.2 Betting premises may provide a limited number of gaming machines and some betting machines.
- 36.3 The authority recognises that certain bookmakers have several premises within its area. To ensure that any compliance issues are recognised and resolved at the earliest stage, operators are requested to give the authority a single named point of contact, who should be a senior individual, and whom the authority will contact first should any compliance queries or issues arise.
- 36.4 The Licensing Authority has the power to restrict the number of betting machines, their nature, and the circumstances in which they are made available. It will not generally exercise this power unless there are good reasons, considering, among other things, the size of the premises and the level of management and supervision especially where vulnerable people are concerned.
- 36.5 This Licensing Authority will, as per the Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the gaming machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number, nature or circumstances of betting machines an operator wants to offer

37.0 Primary Gambling Activity

- 37.1 Operating licences issued by the Commission provides that gaming machines may be made available for use in licensed betting premises in combination with the named activity on the operating licence.
- 37.2 The Licensing Authority must be satisfied that the premises applying for a premises licence to permit betting, or a premises which is already licensed to provide betting, is or will operate in a manner which a customer would reasonably expect to recognise as a premises licensed for the purposes of providing facilities for betting. In this respect, the authority would expect such facilities must include information that enables customers to access details of events on which bets can be made, make such bets, learn the outcome and collect any winnings. Where betting facilities are provided only by betting machines the number of betting machines must exceed the number of gaming machines made available for use.

- 37.3 The Licence Conditions and Codes of Practice (LCCP) sets out the full requirements on operators. To assist operators of betting premises the Commission has published a document setting out the indicators that are used to assess as to whether the requirements for betting being the primary gambling activity in any premises are being met.
- 37.4 Should the Licensing Authority receive an application to vary a premises licence for bingo or betting to extend the opening hours, the authority will satisfy itself that the reason for the application is in line with the requirements on primary gambling activity. (i.e. the need for operating licence holders to ensure that there are still sufficient facilities available to participate in the gambling activity appropriate to the licence type (“the primary activity” or “the principal activity”) at those premises and not replaced by the making available of gaming machines). Therefore, the applicant should be able to demonstrate that the extension of the opening hours is not designed solely to benefit from the machine entitlement and activity which is ancillary to the primary activity of the premises, namely betting or bingo.

38.0 Tracks

- 38.1 Only one premises licence can be issued for any premises at any time unless the premises are a ‘track’. A track is a site where races or other sporting events take place.
- 38.2 Track operators are not required to hold an ‘operator’s licence’ granted by the Gambling Commission. Therefore, premises licences for tracks, issued by the Council are likely to contain requirements for premises licence holders about their responsibilities in relation to the proper conduct of betting. Indeed, track operators will have an important role to play, for example in ensuring that betting areas are properly administered and supervised.
- 38.3 Although there will, primarily, be a betting premises licence for the track, there may be several subsidiary licences authorising other gambling activities to take place on specific parts of the premises. Unlike betting offices, a betting premises licence in respect of a track does not give an automatic entitlement to use gaming machines.
- 38.4 In accordance with the Gambling Commission's guidance, this Licensing Authority will especially consider the impact upon the third licensing objective (i.e. the protection of children and vulnerable persons from being harmed or exploited by gambling) and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.
- 38.5 This authority will therefore expect the premises licence applicant to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.

38.6 This Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures / licence conditions may cover issues such as:

- Proof of age schemes
- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Location of gaming machines
- Self-barring schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare
- Staff are trained to have a full understanding of minimum age limits on participation in gambling

38.7 This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

39.0 Gaming machines on tracks

39.1 The Licensing Authority needs to consider the location of gaming machines at tracks, and applications for track premises licences will need to demonstrate that, where the applicant holds a pool betting operating licence and is going to use his entitlement to have four gaming machines, these machines are in areas from which children are excluded. Children and young persons are not prohibited from playing category D gaming machines at a track.

40.0 Betting machines on track premises

40.1 Licensing authorities have a power under the Gambling Act 2005 to restrict the number of betting machines, their nature, and the circumstances in which they are made available, by attaching a licence condition to a betting premises licence.

40.2 This Licensing Authority will, in accordance with the Gambling Commission's guidance, take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

41.0 Condition on rules being displayed

41.1 It is a mandatory condition of premises licence that clear and accessible information about the terms on which a bet may be placed must be displayed at betting premises, including tracks. The licensing authority will adopt the approach in line with guidance from the Gambling Commission that it may be

disproportionate and unnecessary to display betting rules at each distinct betting location. The Licensing Authority will expect betting rules to be accessible to all customers, regardless of which area of the track they are in, and the track premises licence holder should make necessary arrangements to ensure to achieve this aim. This could include displaying rules at various parts of the track if certain areas are restricted to specific customers, or that other measures are taken to ensure that they are made available to the public, such as being printed in the race-card or made available in leaflet form from the track office.

42.0 Travelling Fairs

- 42.1 Where category D machines and / or equal chance prize gaming without a permit is to be made available for use at travelling fairs, it is a statutory requirement that the facilities for gambling are no more than an ancillary amusement at the fair. This Licensing Authority decides whether that requirement is met and whether the applicant falls within the statutory definition of a travelling fair.

43.0 Reviews

- 43.1 Responsible Authorities and Interested Parties may apply to the Licensing Authority for a review of a premises licence.
- 43.2 However, it is for the Licensing Authority to decide whether to accept any application for review of a licence, after considering whether the application is:
- frivolous, vexatious, will certainly not cause this authority to wish to alter/revoke/suspend the licence, or substantially the same as previous representations or requests for review;
 - in accordance with any relevant code of practice issued by the Gambling Commission;
 - in accordance with any relevant guidance issued by the Gambling Commission;
 - reasonably consistent with the licensing objectives; and
 - in accordance with the authority's Statement of Licensing Principles.
- 43.3 In the interest of fairness, Responsible Authorities (including the licensing authority) are encouraged to give an early warning of concerns about problems identified at premises concerned and of the need for improvement, although it is recognised this is not always practicable or desirable. It is expected that a failure to respond to such warnings would lead to a decision to apply for a review.
- 43.4 Any enforcement action taken by the Licensing Authority, including considering a review, will be undertaken in accordance with any internal policies in place at that time. The Licensing Authority may reject an application if it thinks that the grounds on which the review is sought:
- do not raise an issue relevant to the objectives;
 - are frivolous or vexatious;
 - will certainly not cause the Licensing Authority to wish to alter, revoke or suspend the licence;
 - are substantially the same as previous representations or requests for review.
- 43.5 Licensing Authority officers may be involved in the initial investigations of complaints leading to a review or may try informal mediation or dispute resolution before a full review is conducted.
- 43.6 The Licensing Authority may review premises licences of its own volition based on any reason which it thinks is appropriate. This may be on the grounds that a premises licence holder has not provided facilities for gambling at the premises. A referral to a Licensing Sub-Committee of a set of premises for a review will be first approved by the Director for Communities.
- 43.7 This can extend to a review of a class of licences where it considers issues have arisen. Reviews of a class of premises will be first agreed to by the Director for Communities in consultation with the Executive Member for Planning & Growth.

- 43.8 The purpose of a review is to determine whether the Licensing Authority should take any action in relation to the licence. If action is justified the Licensing Authority may:
- add, remove, or amend a licence condition (other than a mandatory condition).
 - exclude or amend a default condition imposed by regulations.
 - suspend the premises licence for a period not exceeding three months.
 - revoke the premises licence.
- 43.9 In determining the appropriate course of action the licensing authority must have regard to the principles set out in section 153 of the Act as well as any relevant representations.
- 43.10 The Gambling Commission will be a responsible authority in premises licence reviews.
- 43.11 The Licensing Authority must have reasonable grounds to take action to amend, refuse, suspend or revoke a licence. In every case, an evidentiary basis for the review will need to be laid before the Licensing Authority.
- 43.12 It is noted that as per the Gambling Commission's guidance for local authorities "*moral objections to gambling are not a valid reason to reject applications for premises licences*" (except when concerning any 'no casino resolution) and that unmet demand is not a criterion for a Licensing Authority. This may not be the case with respect to gaming permits.

Permits, Temporary & Occasional Use Notices

44.0 Unlicensed Family Entertainment Centre (FEC) gaming machine permits

- 44.1 Where premises do not hold a Premises Licence but wish to provide only category D gaming machines, it may apply to the Licensing Authority for this permit. It should be noted that under section 238 of the Gambling Act, the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use.
- 44.2 The Act states that a Licensing Authority may prepare a Statement of licensing Principles that they propose to consider in determining the suitability of an applicant for a permit. In preparing that statement, and/or considering applications, it need not (but may) have regard to the licensing objectives and shall have regard to any relevant guidance issued by the Commission under section 25 of the Act.
- 44.3 Accordingly this Licensing Authority will also have regard to the licensing objectives when considering applications relating to unlicensed FEC permits.
- 44.4 An unlicensed FEC gaming machine permit cannot be granted unless the Chief Officer of Police has been consulted, and no conditions may be imposed upon the grant of a permit. Therefore, the Licensing Authority will wish to be satisfied as to the applicant's suitability before granting a permit. Unlicensed FECs, by definition, will not be subject to scrutiny by the Gambling Commission as no operating (or other) licences will be applied for and issued.
- 44.5 Statement of Licensing Principles
This Licensing Authority will expect the applicant to show that there are policies and procedures in place to protect children from harm. Harm in this context is not limited to harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits; however, they may include appropriate measures or training for staff to deal with suspected truant school children on the premises, measures or training covering how staff would deal with unsupervised very young children being on the premises, or children causing perceived problems on or around the premises.
- 44.6 This licensing authority will expect, following Gambling Commission guidance, that applicants demonstrate:
- a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs.
 - that they have no relevant convictions (those that are set out in Schedule 7 of the Act).
 - and that staff are trained to have a full understanding of the maximum stakes and prizes.

- an awareness of local school holiday times and how to identify the local education office should truants be identified.
- 44.7 Compliance with any relevant industry Code of Practice for FECs issued by BACTA7 or other trade associations may be taken by the licensing authority as evidence that (apart from the criteria relating to criminal convictions) the applicant has met the above.
- 44.8 Applicants must submit with their application with a plan of the premises, to a scale of 1:100, showing the exits/entrances to the premises, location of gaming machines, and the location of safety equipment such as fire extinguishers.
- 44.9 The Licensing Authority may refuse an application for renewal of a permit only on the grounds that an authorised local authority officer has been refused access to the premises without reasonable excuse, or that renewal would not be reasonably consistent with pursuit of the licensing objectives.

45.0 (Alcohol) Licensed premises gaming machine permits

- 45.1 The Act provides that premises licensed to sell alcohol for consumption on the premises, are automatically authorised to have 2 gaming machines of categories C and/or D. These premises merely need to notify the authority and the notification process is prescribed under the Gambling Act.
- 45.2 Under section 284 the licensing authority can remove the automatic authorisation in respect of any premises if:
- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
 - gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (for example the gaming machines have been made available in a way that does not comply with the requirements on the location and operation of gambling machines);
 - the premises are mainly used for gaming; or
 - an offence under the Gambling Act has been committed on the premises.
- 45.3 Should it be necessary to issue a section 284 order, the licence-holder will be given at least twenty-one days' notice of the intention to make the order and consider any representations which might be made. The authority will hold a hearing if the licensee requests.
- 45.4 If a premises wishes to have more than 2 machines, then it must apply for a permit and the licensing authority must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Gambling Act 2005, and '*such matters as they think relevant*'.
- 45.5 Statement of Licensing Principles

⁷ <https://bacta.org.uk/>

This Licensing Authority considers that “such matters” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. The authority will consider whether access by children to the premises under the Licensing Act 2003 is restricted or not.

- 45.6 Measures which will satisfy the authority that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff that will monitor that the machines are not being used by those under 18. Notices and signage may be of help. As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets or helpline numbers for organisations such as GamCare.
- 45.7 A plan must accompany applications indicating where, and what type, of gambling machines are to be provided. This plan may take the form of an amendment to the plan attached to the premises licence issued under the Licensing Act 2003.
- 45.8 It is recognised that some alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would need to be applied for, and dealt with as an application for a new premises licence.
- 45.9 The Licensing Authority can decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions other than these cannot be attached.
- 45.10 The holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.
- 45.11 Administrative matters
Notifications for two or less machines shall be dealt with by the officers of the licensing authority under delegated authority.
- 45.12 Applications for three or more machines will be referred to a Licensing Sub-Committee.

46.0 Prize Gaming Permits

- 46.1 Prize gaming may be provided in bingo premises because of their Bingo Operating Licence. Any type of prize gaming may be provided in Adult Gaming Centres and licensed Family Entertainment Centres. Unlicensed family entertainment centres may offer equal chance prize gaming under a gaming machine permit. Prize gaming without a permit may be provided by travelling fairs, as long as none of the gambling facilities at the fair amount to more than an ancillary amusement. Children and young people may participate in equal chance gaming only.
- 46.2 The Licensing Authority can only grant a permit if they have consulted with Chief Officer of Police. Therefore, the Licensing Authority will consider the suitability of

the applicant in terms of any evidence provided by the Police that would make them unsuitable to hold a prize gaming permit.

- 46.3 In making its decision on an application for this permit the Licensing Authority does not need to have regard to the licensing objectives, but may wish to do so, but must have regard to any Gambling Commission guidance.
- 46.4 Applicants should set out the types of gaming they are intending to offer and should be able to demonstrate:
- that they understand the limits to stakes and prizes that are set out in Regulations
 - and that the gaming offered is within the law.
- 46.5 It should be noted that there are conditions in the Gambling Act 2005 with which the permit holder must comply, but that the Licensing Authority cannot attach conditions to a permit.
- 46.6 Applications may only be made by people who occupy or plan to occupy the premises, are aged 18 or over (if an individual), and no premises licence or club gaming permit under the Gambling Act 2005 may be in force.
- 46.7 Statement of Licensing Principles
The Gambling Act 2005 states that a Licensing Authority may “*prepare a statement of principles that they propose to apply in exercising their functions under this Schedule*” which “*may, in particular, specify matters that the licensing authority proposes to consider in determining the suitability of the applicant for a permit*”.
- 46.8 This Licensing Authority considers that such matters will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to unequal chances prize gaming. The authority will take into account whether access by children to the premises under the Licensing Act 2003 is restricted or not.
- 46.9 A plan must accompany applications indicating where, and what type, of prize gaming is to be provided.

47.0 Club Gaming and Club Machines Permits

- 47.1 Members Clubs and Miners’ welfare institutes (but not Commercial Clubs) may apply for a Club Gaming Permit or a Clubs Gaming machines permit.
- 47.2 The Licensing Authority notes paragraphs 25.44 – 25.49 of the Commission’s Guidance as to matters to consider when determining that a club meets the statutory qualifying requirements. These include:
- the club’s constitution;
 - the frequency of gaming; and

- ensuring that there are more than 25 members.
- 47.3 The club must be conducted “*wholly or mainly*” for purposes other than gaming, unless the gaming is in bridge and whist clubs covered by regulations made by the Secretary of State. A members’ club must be permanent in nature, not established to make commercial profit and be controlled by its members equally. Examples include working men’s clubs, branches of Royal British Legion and clubs with political affiliations.
- 47.4 The Licensing Authority may only refuse an application on the grounds that:
- the applicant does not fulfil the requirements for a members’ or commercial club or miners’ welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
 - the applicant’s premises are used wholly or mainly by children and/or young persons;
 - an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
 - a permit held by the applicant has been cancelled in the previous ten years; or
 - an objection has been lodged by the Commission or the police.
- 47.5 There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.
- 47.6 Club gaming permit
A club gaming permit allows the premises to provide:
- up to three machines of categories B, C, or D
 - equal chance gaming and
 - games of chance as set out in regulations.
- 47.7 Club gaming machine permit
A club gaming machine permit will enable the premises to provide up to three machines of categories B, C or D.
- 47.8 The Licensing Authority will wish to be satisfied that applicants for these permits meet the statutory criteria for members clubs contained in sections 266 and 267 of the Act. Clubs which hold a club premises certificate under the Licensing Act 2003 are entitled to benefit from a fast-track application procedure.

48.0 Lotteries

- 48.1 The Gambling Act 2005 regulates almost all forms of fund-raising lotteries promoted in the UK. Except for the National Lottery, which is not regulated under this Act, it is illegal to promote a lottery for private or commercial gain.

- 48.2 While the term 'lottery' is used within the legislation, these provisions are also likely to apply to raffles, prize draws, tombola's, sweepstakes, scratch-card sales, and so on – in short, any arrangement in which a payment is made for a random chance of winning a prize. For the sake of simplicity, 'lottery' is used to define all of these.
- 48.3 Broadly speaking, there are two categories of lottery established under the Act –
- Licensed lotteries include those run by societies that aim to raise more than £20,000 in a single draw, or £250,000 in a calendar year, as well as any lotteries promoted by a local authority. An operating licence must be held by the promoter(s) of these lotteries.
 - Exempt lotteries fall into one of four sub-categories, each with its own limits on the amounts that can be raised, the purposes for which it can be promoted, and the way it must be run. These sub-categories comprise Incidental Non-Commercial Lotteries, Customer Lotteries, Private Lotteries, and Small Society Lotteries
- 48.4 Licensed Lotteries
The administration and enforcement of licensed lotteries is the responsibility of the Gambling Commission, although local authorities may provide information and intelligence to assist in the exercise of these functions.
- 48.5 Exempt Lotteries
Of the four sub-categories of exempt lotteries, only Small Society Lotteries require registration with a local authority – no authorisation is required for the other three categories. Both the Commission and local authorities may carry out compliance checks to ensure that any exempt lotteries are carried on in accordance with the relevant legal restrictions.
- 48.6 Registrations will remain in force indefinitely, incurring an annual fee in each year that they remain in force. Societies may request the cancellation of their registration, in writing, at any time. The licensing authority may also revoke a registration or cancel a registration for non-payment of annual fees. Revocation may only occur after the applicant has been given the opportunity to lodge representations.
- 48.7 Free prize draws & skill competitions
The Gambling Act 2005 does not include any measures to regulate prize draws where there is no charge to enter, nor any competition where the outcome relies significantly upon a participant's skill, judgement, or knowledge. Generally, the licensing authority will be not become involved in any matters relating to such schemes.
- 48.8 However, on some occasions, schemes that are presented as skill competitions will fall under the definition of lotteries or prize gaming and would therefore need to comply with the statutory requirements. Alongside the Gambling Commission, licensing authorities are obliged to monitor the boundaries between lotteries and skill competitions and will provide basic advice on ensuring that any competitions are run in compliance with the relevant laws. However, the Licensing Authority

will not offer advice or approval of individual schemes, nor will it offer in depth advice as to the legality of a particular activity. It is ultimately the responsibility of the promoter to ensure that a scheme is compliant with statutory requirements, and to seek independent confirmation of this from a legal adviser where appropriate.

- 48.9 This Licensing Authority notes the criteria set out in section 14 of the Act relating to the characteristics of a skill competition, and will expect the promoter of any such scheme to ensure that the competition includes a suitable challenge of skill, judgement or knowledge that will:
- prevent a significant proportion of people who wish to participate from doing so; or
 - prevent a significant proportion of people who participate from receiving a prize.
- 48.10 A small society lottery is a lottery promoted on behalf of a non-commercial society as defined in Section 19 of the Gambling Act 2005. A society is non-commercial if it is established and conducted:
- for charitable purposes
 - for the purposes of enabling participation in, or of supporting sport, athletics, or a cultural activity: or
 - for any other non-commercial purpose other than that of private gain.
- 48.11 All applications for registration must be in the form specified by the Secretary of State and accompanied by supporting documentation that the Licensing Authority will need to assess the application.
- 48.12 This Licensing Authority, when considering an application for registration may request additional information as deemed appropriate, this may include a declaration from the governing body of the society stating:
- the application is on behalf of a genuine non-commercial lottery.
 - that all persons connected with the promotion of the lottery have no relevant convictions or cautions against them.
 - briefly explaining the purpose of the society and the reasons for the fund raising.
 - confirmation of the appointment of 2 members of the Society who have the authority to sign and complete the necessary returns.
 - and where a society intends to employ an external lottery manager, evidence that person holds an operator's licence issued by the Gambling Commission.
- 48.13 The Licensing Authority will adopt a risk-based approach towards its enforcement responsibilities for small society lotteries. This authority considers that the following list, although not exhaustive, could affect the risk status of an operator:
- submission of late returns (returns must be submitted within three months of the date that a lottery was drawn).
 - submission of incomplete or incorrect forms.

- breaches of the limits for small society lotteries.

48.14 If the authority is minded to refuse an application, the applicant will be notified in writing the reasons why it is considering refusal and the evidence on which it has based the preliminary conclusion. The applicant will be given the opportunity to provide further evidence in support of the application or to make representation regarding these matters.

49.0 Temporary Use Notices

49.1 Temporary Use Notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. A Temporary Use Notice may only be granted to a person or company holding a relevant operating licence.

49.2 The Licensing Authority can only grant a Temporary Use Notice to a person or company holding a relevant operating licence i.e. a non-remote casino operating licence.

49.3 The Secretary of State has the power to determine what form of gambling can be authorised by Temporary Use Notices, and at the time of writing this statement the relevant regulations (SI no 3157: The Gambling Act 2005 (Temporary Use Notices) Regulations 2007) state that temporary use notices may only be used to permit the provision of facilities for equal chance gaming, where the gaming is intended to produce a single overall winner. There can, however, be more than one competition with a single winner held at the individual event covered by a specific temporary use notice. The facilities may not be provided in circumstances where any person participating in the gaming does so by means of a gaming machine. Equal chance gaming is gaming which does not involve playing or staking against a bank and gives equally favourable chances to all participants. Examples of equal chance gaming include games such as backgammon, mah-jong, rummy, kalooki, dominoes, cribbage, bingo, and poker.

49.4 There are several statutory limits as regards Temporary Use Notices. The meaning of “premises” in Part 8 of the Act is discussed in Part 7 of the Gambling Commission Guidance to Licensing Authorities and at paragraph 14.10 of the Guidance. As with “premises”, the definition of a “set of premises” will be a question of fact in the circumstances of each notice that is given. In the Act “premises” is defined as including “any place”. In considering whether a place falls with the definition of a “set of premises”, the licensing authority need to look at, amongst other things, the ownership/occupation and control of the premises.

49.5 This Licensing Authority expects to object to notices where it appears that their effect would be to permit regular gambling in place that could be described as one set of premises, as recommended in the Gambling Commission’s Guidance to Licensing Authorities.

50.0 Occasional Use Notices

50.1 The Licensing Authority has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. The Licensing Authority will need to consider the definition of a 'track' and whether the applicant is permitted to avail him/herself of the notice.

51.0 Administration, Exercise and Delegation of Functions

- 51.1 The Licensing Committee will consist of between 10 and 15 councillors, sitting at least annually to discuss this Statement of Licensing Principles, review delegated decisions and administrative matters. The Council will review this Statement of Licensing Principles at least every three years. Any changes to the Statement of Licensing Principles will include full consultation with Interested Parties and Responsible Authorities.
- 51.2 Sub-Committee(s) of three Councillors will determine applications where valid representations have been received.
- 51.3 The Licensing Committee will also deal with other matters not associated with the Gambling Act 2005.
- 51.4 Each decision of the Licensing Committee or its Sub-Committee(s) shall be accompanied with clear reasons for the decision. A summary of the decision will be posted on the Council's website as soon as possible after the decision has been confirmed, where it will form part of the statutory register required to be kept by the Council.
- 51.5 The Council's authorised officers will deal with all other licence/permit application where either no representation/objection(s) have been received, or where representations have been received and it is agreed by all parties that a hearing is not necessary.
- 51.6 Council officers will make decisions on whether representations or applications for reviews should be referred to the Licensing Committee or Sub-Committee(s) and upon whether representations are frivolous, irrelevant, vexatious, or repetitious. Where representations are rejected, the person making that representation will be given written reasons.
- 51.7 Where appropriate the Council will seek to delegate decision making so far as possible in the interests of speed, efficiency, and cost effectiveness.
- 51.8 The Council will seek to integrate this Statement of Licensing Principles with its various other strategies/policies, having regard to the licensing objectives and will utilise its collaborative and partnership working arrangements and networks that engage with Responsible Authorities, Interested Parties, and key stakeholders.

52.0 Contact Point

52.1 For further information about this statement or to discuss an actual or future applications, please contact:

Licensing & Enforcement Team
East Herts Council
Wallfields, Pegs Lane
Hertford, Hertfordshire
SG13 8EQ

Telephone: 01992 531503

E-Mail: community.protection@eastherts.gov.uk

Agenda Item 7

East Herts Council Report

Executive

Date of Meeting: 07 October 2025

Report by: Cllr Vicky Glover-Ward, Executive Member for Planning and Growth

Report title: Consideration of the draft Markets Policy 2025-2030 following public consultation

Ward(s) affected: All

Summary – East Herts Council’s Corporate Plan 2024-2027 recognises the importance of markets to the local economy and the character of the district. The council has various roles with regards to markets in the district. It is an operator of markets, a licensing body and, overall, a promoter of the establishment of new markets.

In July 2024, the council amended its approach to the licensing and regulation of markets to utilise its powers under the Food Act 1984 rather than the Local Government (Miscellaneous Provisions) Act 1982 as previously. The proposed Market Policy builds on this change and provides a policy framework for promoting and growing the council’s existing markets while also enabling the diversity of markets throughout East Herts.

In addition, the council is itself a market authority within the meaning defined in Part III of the Food Act 1984, in that it is the body which currently operates markets in Hertford and Ware under the existing Royal Charters for these markets, and a Farmers’ Market in Hertford in line with the Food Act. The proposed Markets Policy recognises the role of the council as an operator and promoters of markets.

RECOMMENDATIONS FOR EXECUTIVE:

(a) That the Market Policy, as amended following public consultation, be adopted, taking effect from the 1st January 2026.

1.0 Proposal(s)

1.1 That the draft Policy at Appendix B, which has been amended

following consultation, is considered by the Executive who, having made any further amendments should they wish, then approve it for adoption.

2.0 Background

- 2.1 In 2020, the council updated and consolidated its aged policies regarding street trading and market trading into a new Street Trading Consent Policy. At the time, the council chose to regulate markets under powers contained in the Local Government (Miscellaneous Provisions) Act 1982. This policy change unified and simplified the council's approach.
- 2.2 Since introduction of the new policy in 2020, however, the council and other partners, notably several town councils in the district, have expressed a renewed interest in providing, developing and promoting markets. Indeed, the council's Corporate Plan, approved by Council on 28th February 2024, explicitly states that a key priority for council is to 'help create thriving high streets, by encouraging local markets...'
- 2.3 Given this fresh focus, East Herts Council invited the Association of British Market Authorities (NABMA) to advise on market promotion, licensing and regulation and offer ideas for enhancing the local offer. Central to NABMA's advice was that, in their words, *'the Food Act 1984 contains the modern statutory framework for markets'*.
- 2.4 Thus, in order to fully utilise the powers and freedoms afforded the council under the Food Act 1984, notably to introduce new incentives, fees structures and other market licensing policies and procedures, the Director for Communities (then the Head of Housing and Health) utilised his delegated authority to amend the council's legislative basis for market licensing and regulation from use of the Local Government (Miscellaneous Provisions) Act 1982 powers to those in the Food Act 1984.

2.5 To fully enhance the council's role in promoting, operating and ensuring the safe provision of markets in the district, a Markets Policy is now being put before the Executive.

3.0 Reason(s)

3.1 With the move in July 2024 to licensing markets under the provisions of Part III of the Food Act 1984, there is a power to implement a Markets Policy (herein 'the Policy').

3.2 The new Policy is intended to help increase the number and diversity of markets across the district by providing clear guidelines to perspective market operators whilst protecting the historic markets.

3.3 In order to properly consult on the proposed new Policy, a four-week public consultation was started on the 21st July 2025. The consultation was due to end on the 17th August but this deadline was extended at the request of Hertford Town Council so as to allow them to consider the draft Policy at their Council meeting on the 18th August 2025.

3.4 During the consultation period two responses were received, one from a member of the public and the other from Hertford Town Council. These are attached as **Appendix A**.

3.5 The first response to the consultation does not directly relate to the draft Policy or suggest any amendments but has been included for completeness. Its primary focus is the established Farmers' Market in Hertford.

I just want to state that Hertford Farmers Market has been decimated by the fact that EHDC has required the 'true' Farmers Market stallholders (notably the Lamb and Vegetable Stalls - both who are actual local Farmers and who had attended for many, many years) to pay an annual payment for the stall – neither could afford such an outgoing and hence have stopped attending. This needs to be changed to something more financially sensible for struggling local

Farmers, it should revert back to monthly payments, or maximum three monthly payments. As these are local farmers EHDC should actually provide the stalls for a 'Peppercorn' rent.

3.6 Fees and Charges for Markets are dealt with separately to the Policy and will be reviewed considering the new Policy. East Herts Council actively tries to promote the Farmers' Market, including offering free trials for new traders. Earlier in 2025 the ability to pay quarterly was introduced which is one of the things requested in this response to the Policy consultation. As fees are a separate matter no changes to the Policy are proposed in response to this representation.

3.7 The second response was received from Hertford Town Council following a meeting held on the 18th August 2025. Below is an abridged list of the matters raised (the full response is included in Appendix A) and the officer responses:

Comment	Response	Action
Section 1- The policy introduction could improve clarity that the policy applies to both the licensing of markets and the management arrangements for Hertford and Ware markets and market traders.	Additional text has been added to help with clarity.	Change made, see Section 1, Appendix B. <i><u>The Policy <u>applies to markets looking to operate within East Herts and markets and traders operated and licensed by East Herts Council. It will be reviewed at a minimum of five yearly intervals.</u></u></i>
Section 4 states that – 'All markets held within Hertford and Ware are licenced and operated under the Royal Charter or in accordance with the	An additional sentence has been added to help with clarity.	Change made, see Section 4, Appendix B. <i><u>In July 2024, the council amended its approach to the</u></i>

<p>provisions of Part III of the Food Act 1984.’ This could therefore be made clearer in the policy.</p>		<p><u>licensing and regulation of markets to utilise its powers under the Food Act 1984, from this date all new markets are licensed under Part III of the Food Act 1984.</u></p>
<p>Some clarity was requested on the scope of the policy and how event organisers would know if their events would be covered by the definition of a market or not. It was suggested that it would be helpful for a heading be included ‘When is a licence not required’ so that event organisers know what East Herts Market Policy does not apply to.</p>	<p>The Policy details what is covered, to include a list of what is not covered would lengthen the Policy and could not be exhaustive.</p>	<p>A sentence has been added to Section 5 suggesting that event organisers should check with the Licensing team if they are unclear if their event should be licensed as this can only really be assessed on a case-by-case basis.</p>
<p>It was noted that the decision on appropriateness of goods to be sold is taken by the Licensing Officer and considers all matters that may be brought to their attention.</p>	<p>There is a list of prohibited items within the Policy but where concern is raised about a particular item that isn’t listed, its appropriateness will be reviewed by a Licensing Officer.</p>	<p>No change to Policy proposed.</p>
<p>A concern was raised about the number of traders on the Farmers’ Market, and it was explained that efforts have been made to attract new traders.</p>	<p>As detailed above, free trials are offered, and traders can pay quarterly if they wish. This is an operational rather than Policy matter so no change to the policy is</p>	<p>No change to Policy proposed.</p>

	proposed from this comment.	
Section 6 Fees – it was noted that the section on fees only refers to fees for commercial markets and community-based markets. No detail is provided on how fees are collected / paid for by individual market traders. The new fees are not yet published.	Details on how to pay fees and the amounts will be included on the webpage once they have been set. A sentence regarding this has been added to section 6.	Change made, see Section 6, Appendix B.

3.8 The proposed Market Policy, as amended following consultation, is attached at **Appendix B**.

4.0 Options

4.1 To approve the Policy included at Appendix B – RECOMMENDED.

4.2 To approve the Policy at Appendix B, amended as appropriate.

4.3 To not approve the Policy at Appendix B.

5.0 Risks

5.1 None identified by author.

6.0 Implications/Consultations

Community Safety

Clear guidelines regarding unacceptable items to be sold in a market are included so that there is not additional access to items that may cause harm, such as hunting knives.

Data Protection

None arising directly from this report.

Equalities

The council is not aware of any socio-demographic changes in the district that would result in residents with protected characteristics now becoming disproportionately impacted by the contents of the new Policy.

Environmental Sustainability

None arising directly from this report.

Financial

The Food Act 1984 allows an authority to set fees at a level of its choosing. The council wishes to use this freedom to ensure cost recovery so as to ensure the operation of the markets is self-funding.

Health and Safety

Some parts of the Policy contribute to health and safety by ensuring standards are maintained.

Human Resources

None arising directly from this report.

Human Rights

None arising directly from this report.

Legal

Markets will operate under the Part III of the Food Act 1984.

Specific Wards

None

7.0 Background papers, appendices, and other relevant material

7.1 **Appendix A** – Consultation responses

7.2 **Appendix B** – Draft Markets Policy 2025-30

Contact Member

Councillor Vicky Glover-Ward, Executive Member
for Planning & Growth

Vicky.Glover-Ward@eastherts.gov.uk

Contact Officer

Jonathan Geall, Director for Communities

Contact Tel No 01992 531594

Jonathan.Geall@eastherts.gov.uk

Report Author

Oliver Rawlings – Service Manager, Licensing & Enforcement

Oliver.Rawlings@eastherts.gov.uk

From: REDACTED

Sent: 08 August 2025 12:28

Subject: Markets Policy Feedback - RE: Hertford Farmers Market

Hi

I just want to state that Hertford Farmers Market has been decimated by the fact that EHDC has required the 'true' Farmers Market stallholders (notably the Lamb and Vegetable Stalls - both who are actual local Farmers and who had attended for many, many years) to pay an annual payment for the stall – neither could afford such an outgoing and hence have stopped attending. This needs to be changed to something more financially sensible for struggling local Farmers, it should revert back to monthly payments, or maximum three monthly payments. As these are local farmers EHDC should actually provide the stalls for a 'Peppercorn' rent.

Environmentally - local food produced and sold by local Farmers is the whole purpose of 'Farmers Markets'.

If no changes occur then Hertford Farmers Market will cease to exist – a very sad fact.

Yours Truly

REDACTED

From: Nick Kirby <nick.kirby@hertford.gov.uk>
Sent: 21 August 2025 17:03
Subject: [External] RE: Market Policy Consultation

Dear Oliver

Hertford Town Council considered the draft Markets Policy at a meeting of Full Council on 18 August 2025.

Points raised in the officer's report were noted.

It was agreed to submit the Council's response to the consultation and comments as follows:

Section 1 - The policy introduction could improve clarity that the policy applies to both the licensing of markets and the management arrangements for Hertford and Ware markets and market traders

Section 4 states that – 'All markets held within Hertford and Ware are licenced and operated under the Royal Charter **or** in accordance with the provisions of Part III of the Food Act 1984.' Whilst EHC have confirmed that under the new Market Policy, Hertford Market will be run under Part III of the Food Act 1984, this statement should be clearer as it is not clear what provisions of the Royal Charter or Food Act 1984 are being used.

It was noted that the Royal Charter covers the Charter Market on a Saturday in Hertford and on a Tuesday in Ware.
Part 3 of the Food Act would be used for managing other markets events including private operators, such as French markets.
This could therefore be made clearer in the policy.

Some clarity was requested on the scope of the policy and how event organisers would know if their events would be covered by the definition of a market or not. For example, market events inside a building, or market events where there an entrance fee are not be classed as a market. It was suggested that it would be helpful for a heading be included '**When is a license not required**' so that event organisers know what East Herts Market Policy does not apply to.

Other comments:

It was noted that the decision on appropriateness of goods to be sold is taken by the Licensing Officer and considers all matters that may be brought to their attention.

A concern was raised about the number of traders on the farmers market and it was explained that efforts have been made to attract new traders.

Section 6 Fees – it was noted that the section on fees only refers to fees for commercial markets and community-based markets. No detail is provided on how fees are collected / paid for by individual market traders. The new fees are not yet published.

Thank you for sharing the draft policy and extending the consultation period.

This is much appreciated

Kind regards.

Nick

Nick Kirby
Head of Environment, Assets and Governance

MARKETS POLICY

1. Introduction

East Herts District Council ('the Council') recognises the importance of markets to the local economy and the character of the area. They remain an important Council service and contribute in a number of ways to the local communities they serve.

The Council's markets are described in more detail in Section 2 of this Markets Policy ('the Policy') and they represent an important investment by the Council in delivering economic growth and regeneration by creating jobs, promoting local produce, attracting tourists and enhancing town centre vitality.

The Council is keen to maintain the balance of markets within the district and ensure that there is consistency in the way that markets are organised. In this context, the Council has decided to implement a policy which sets out the basis upon which markets are held and the process by which applications for new markets will be considered.

The Council recognises that there are many different types of market activities and the policy adopted by the Council is intended to cater for each type of market. In particular, the Policy distinguishes between commercial markets and those that are largely community-based with a strong charitable element. Section 5 of this Policy deals with the different types of market and the Council's approach in considering applications in respect of such markets.

During the process of developing this Policy, the Council has taken the opportunity of consulting with organisations including but not limited to:

- National Association of British Market Authorities (NABMA)
- National Market Traders Federation (NMTF)
- Town Councils
- Parish Councils
- Business Improvement Districts (BID)
- Hertfordshire County Council
- Relevant internal and external stakeholders and
- Existing market traders.

The Policy applies to markets looking to operate within East Herts and markets and traders operated and licensed by East Herts Council. It will be reviewed at a minimum of five yearly intervals.

2. What is a Market Event?

The Policy is intended to cover all market events held within East Herts but will apply differently to markets established prior to implementation of the Policy. In order that potential market operators are fully aware of the Council's definition of a market, the following guidelines are provided:

- a) the legal definition of a market is a "concourse of buyers and sellers" (this means that the public are entitled to attend market events to buy and sell)

- b) a market will consist of not less than five stalls, stands, vehicles, whether moveable or not, or pitches from which articles are sold
- c) there will be an operator of the market who will be responsible for the organisation and delivery of the event
- d) the term “market event” includes car boot sales, antiques and craft markets, general markets, farmers' markets, continental-style markets and charity markets and the like.
- e) a market may sometimes be held as an integral part of a special event/festival and where this arises, the market element will fall within the Policy.

This Policy does not cover street trading activities. Where this is the case, the Council's Licensing Team should be consulted.

3. Markets

East Herts has a rich history in relation to markets and there have been several Royal charters, often confirming each other, and giving authority to hold markets. Henry VI, in 1441, granted a charter to Hertford which meant that no other markets could be held within seven miles of the existing markets and if goods were exposed for sale they could be forfeited to the Bailiff of Hertford. Mary Tudor granted Hertford another charter in 1554, in which customs established and granted by previous charters, were for the first time collected under the Royal Seal. In 1588 Queen Elizabeth I confirmed the previous charters giving the power not only to hold markets but to make relevant byelaws.

The Council has statutory powers to establish and operate new markets under its Royal Charter and in accordance with the provisions of Part III of the Food Act 1984.

The Council operated markets currently consist of the following days and locations within East Herts:

Ware (Commercial) Market	08:00 – 18:00 Tuesday
Hertford (Farmers) Market	8:30am - 1pm (second Saturday of the month)
Hertford (Commercial) Market	8am - 6pm Friday 8am - 6pm Saturday 8am - 6pm Christmas Eve ¹

4. Market Rights

The towns of Hertford and Ware are legally entitled, by virtue of historic Royal Charter, to operate weekly markets. In more recent times, powers have been vested in local authorities under, what is now, Part III of the Food Act 1984, to hold markets and have the right to licence and control the frequency of markets within their district.

¹ Where Christmas Eve falls on a Friday or a Saturday the additional ‘Christmas Eve’ market shall take place on the 23rd December for those traders authorised to trade on the 24th December.

Part III of the Food Act 1984 allows either Parish or District Councils to be the Market Authority and there can be more than one authority using these powers within the district. Several town councils within East Herts have used these powers and their own historic charters to run Markets.

In addition to the regular East Herts Council markets listed above, the Council, where it is the Market Authority, may also operate occasional market events, such as plant and craft fairs, Christmas and summer markets, festivals, and other themed markets across the district. Accordingly, the above list is subject to change and shall be updated as part of a periodic review of the Council's Markets Policy.

The Council, by virtue of its statutory powers, enjoys market rights throughout its area and is in a position to consider applications for market events. Section 5 of this Policy sets out the basis on which applications will be dealt with by the Council.

Under its market powers, the Council is entitled to give approval to the holding of other markets within a 6 & $\frac{2}{3}$ miles radius of the Council's own markets held in East Herts District.

This right has been exercisable for many years and the Council has considered relevant UK and European legislation in drawing up this Policy.

All markets held within Hertford and Ware are licenced and operated under the Royal Charter (or in accordance with the provisions of Part III of the Food Act 1984. In July 2024, the council amended its approach to the licensing and regulation of markets to utilise its powers under the Food Act 1984, from this date all new markets are licensed under Part III of the Food Act 1984.

The statutory powers afforded to the Council under the provisions of Part III of the Food Act 1984 are as follows:

- a) implement a markets policy within its area
- b) operate markets within East Herts District
- c) consider applications for other markets
- d) determine whether such markets can be held by way of consent.

The Council is aware of the existence of a number of other markets falling within the 6 & $\frac{2}{3}$ miles radius but this Policy is only intended to apply to new commercial markets which might be established following the implementation of this Policy.

5. Licensing of Markets under the Council's Markets Policy

The Council's consent to a market event, by the grant of a markets licence, must be given prior to the market event taking place. Any market that takes place without such a licence is in breach of the Policy and may be subject to enforcement action as described in Section 10 of this Policy. Markets will only be licenced once an application for a markets licence has been approved by the Council. Markets licences are issued to the operator identified in the application and are non-transferable.

The Policy differentiates between markets of a commercial nature and community-based markets which principally have a charitable and/or non-commercial aim.

The Council will consider applications in respect of the following categories of market events:

- i. commercial markets
- ii. community-based markets with a charitable element.

The criteria set out in Section 5 of this Policy will be relevant in respect of both categories of market event. Special considerations relating to each type of market are discussed below. If a prospective market operator is unclear if a licence is needed, they should contact the licensing team at the earliest opportunity to seek guidance.

Commercial Markets

A commercial market is one which is predominantly operated for profit and where the traders are engaged in a business activity involving selling goods for their own profit rather than for a beneficiary which is a charity, voluntary group or other similar not-profit organisation. The authority may request supporting information where it is claimed that a market is not a commercial market.

The Council will consider applications in respect of commercial markets having regard to the following requirements:

- a) no new market will be authorised within a 6 & $\frac{2}{3}$ miles radius of an existing market unless it can be demonstrated that the new market will not undermine the existing market
- b) in respect of any consent, the Operator must have adequate insurances, comply with trading standards guidelines, health and safety requirements and any other statutory provisions laid down by the Council
- c) a fee will be paid at the time of application. The fee will be based on a several factors including the purpose of the market, the type/size of the market, the number of traders and the frequency of the market (refer to Section 6 of this Policy)
- d) the types of goods to be sold on the market will be approved by the Council
- e) a licensing agreement will be entered into between the Operator and the Council and such licensing agreement must be granted before the market takes place
- f) the Council will insist on such other requirements as are deemed appropriate to ensure consumer and public safety standards
- g) the Council reserves the right to refuse an application where the proposed date of the market conflicts with any other street festivals, parades, or commemorative activities or the like within East Herts.

Community-Based Markets with a predominantly Charitable Element

Community-based markets are organised by local communities or organisations with the intention of raising funds for a specific charity or celebrating a special event. They may have a degree of commercial activity, but this should clearly be secondary to the principal aim of the market.

The Council will consider applications in respect of community-based markets having regard to the following requirements:

- a) the markets must be operated on a non-profit making basis to assist a charity or community event and the Operator shall supply relevant information to the Council evidencing the same if requested. While it is acknowledged that some traders will be selling goods for their own profit, the Council will look for the event to have a predominantly charitable or non-commercial aim as evidenced by the way the event is designed, organised, publicised and operated.
- b) in respect of any consent, the Operator must have adequate insurances, comply with trading standards guidelines, health and safety requirements and any other statutory provisions laid down by the Council.
- c) A licensing agreement will be entered into between the Operator and the Council and such licensing agreement must be granted before the market takes place.
- d) The Council will insist on such other requirements as are deemed appropriate to ensure consumer and public safety standards.
- e) The Operator must hold adequate proof that the charity they represent is registered with the Charity Commission for England and Wales and provide written permission from the charity organisation to raise funds on their behalf; or
- f) The Operator must be a constituted local community group formally organised with a written constitution or agreement that outlines its aims, rules and how it will operate and provide these and written confirmation that funds are to be raised on their behalf.

Applications in respect of both commercial markets and community-based markets to be held within East Herts should be made online at www.eastherts.gov.uk.

No market events or activities promoting a particular religion or political party are to take place within East Herts.

The Council will aim to deal with applications for a markets licence within a period of twenty-eight days. The Operator is therefore urged to apply as early as possible to ensure that the Council has adequate time to consider the relevant matters in an appropriate way. In considering the application, the Council will require sufficient information to deal with all the issues set out in the criteria listed above and covered on the application form. Failure to provide such information is likely to lead to a delay in the Council coming to a decision.

If the Council decides to refuse an application, it will set out the reasons for its decision and will advise the procedure for submitting an appeal in respect of the refusal. Any appeal must be submitted within fourteen days of the Council's written decision.

6. Fees

In respect of commercial markets, a licence fee is payable at the time an application for a markets licence is made to the Council. The licence fee will be based on the type/size of the market being held, the number of traders and the frequency of the market.

All fees are payable to East Herts District Council and can be paid online at www.eastherts.gov.uk.

In respect of community-based markets, a small administrative fee will be charged to cover the Council's costs of considering the application.

The fees for individual traders to trade in East Herts Council markets will be published on the market page of the East Herts website.

7. Other Approvals

It is important to emphasise that any approval given by the Council in respect of this Policy does not remove the requirement for any other relevant approvals, consents or licences to be obtained by the Operator.

In particular:

- where the market is being held on private land, the Operator must ensure that the prior approval of the relevant landowner is obtained. The Council will require evidence of such approval
- the Operator will be responsible for any temporary road closures and associated traffic management arrangements that may be required to facilitate the operation of the market
- planning permission might be required; the Operator should consult the Council's Planning Team to ascertain whether any planning considerations are relevant.

Attention is also drawn to the provisions of the Licensing Act 2003 in respect of any entertainment provided at the market or where a Temporary Event Notice might be required in respect of the sale of alcohol and/or the serving of hot food/drinks.

8. Parish and Town Councils

The Council recognises the important role played by Parish and Town Councils in serving their local communities and acknowledges the contribution made by Parish and Town Councils to a wide range of community events which include, on occasions, a market element.

The Council will consider the application of this Policy to markets organised by Parish and Town Councils on a case-by-case basis.

9. Section 37 of the Local Government (Miscellaneous Provisions) Act 1982

The Council has adopted Section 37 of Part XII of the Local Government (Miscellaneous Provisions) Act 1982 ('the Act').

Section 37 of the Act deals with temporary markets and any operator of a temporary market, together with the occupier of land on which the market is to be held, are required to give to the Council not less than one month's notice of the holding of the market.

No notice is required if the proceeds of sale of the temporary market are to be applied solely or principally for charitable, social, sporting, or political purposes. The Council reserves the right, in appropriate circumstances, to require evidence in respect of such matters.

A proforma notice of the holding of a temporary market is available at: www.eastherts.gov.uk and any notice given by the Operator and the occupier of the land shall state:

- i. the full name and address of the person intending to hold the market
- ii. the day or days on which it is proposed that the market will be held and its proposed opening and closing times
- iii. the site on which it is proposed that the market will be held
- iv. the full name and address of the occupier of the land if they are not the person intending to hold the market.

It is important to emphasise that the requirements of Section 37 of the Act are quite separate to the licensing of market events set out in Section 5 of this Policy. The Operator and the occupier of the land should ensure that a notice is given to the Council under the requirements of Section 37 of the Act as soon as proposals for a temporary market are under consideration. This will enable the Council to consider the proposal and indicate whether an application for a markets licence would be required.

Failure to give a notice under Section 37 of the Act is a criminal offence and liable to a summary conviction in the Magistrate's Court.

10. Enforcement

The Council will monitor the application of this Policy and any market event which is established will be subject to the Council's requirements.

Any market which is not approved by the Council under Section 5 of this Policy, or by another body acting as a market authority, will be instructed to close immediately and may be subject to legal action. In such circumstances, the Council will seek an appropriate remedy in the courts to prevent the market being held and/or damages as appropriate.

Any Operator acting in contravention of any markets licence granted by the Council will run the risk of the licence being terminated by the Council with immediate effect on such terms as the Council determines and, in such circumstances, the Council

reserves the right to refuse any future applications for markets licences submitted by the Operator concerned or any person or organisation associated with the Operator.

Any costs of, or associated with, enforcement action deemed necessary because of the Operator's failure to comply with the Policy will be recovered from the Operator.

11. Market Rules and Conditions

Goods to be sold:

- The Market Operator shall not permit the sale, exchange or giving away of live animals, birds, fish, reptiles or other livestock on the marketplace.
- No firearms (real or imitation), air weapons, sheath knives, cut-throat razors, hunting/fighting knives, bows or crossbows may be available for sale (domestic cutlery is permitted).
- The sale of any item that may be deemed to be of a harmful, objectionable, or offensive nature, or that is prohibited by current Acts of Parliament, is not permitted.
- No goods may be displayed or sold which in the opinion of the council are inappropriate, or likely to cause offence to other traders or members of the public.
- Traders shall not bring onto the market any inflammable liquids, gases, fireworks, or similar articles which may cause fire or explosion. The exception being a gas supply for cooking food upon such conditions as the council may direct.
- No goods may be displayed or sold that are counterfeit or in breach of copyright or patent.
- On East Herts operated markets, no mains-powered electrical goods may be sold except for new items still in their original packaging. Second-hand or used electrical goods may not be sold, even if PAT-tested

Noise nuisance

- Loudspeakers, instruments or other noise generating appliances are not to be used or shall be so moderated as not to cause any nuisance, annoyance or disturbance.

Minimum clearance on the highway

- Clear routes of access along the highway must be maintained, considering the needs of disabled people, older people, and those with mobility needs. A width of 2m should be maintained but where this is not possible, 1.5m will be the minimum width allowed. Market stalls must be located to ensure that queues do not impede access routes.

Vehicles and parking

- Vehicles used to unload and load the market are not exempt from existing parking restrictions/taxi bays/disabled parking bays, therefore it is important to consider where they can park safely without having an impact on any other highway user.

- Where the market is held on the public highway, market vehicle parking should be considered as most locations cannot accommodate all day parking.
- Where the market is held on private land, the Market Operator must ensure that there is adequate parking on the market site for both sellers and buyers.
- Where applicable, the Market Operator must ensure that there are sufficient stewards on duty to control traffic entering and leaving the market site and to control parking on the site in a safe manner. The council may indicate that it thinks this appropriate on a case-by-case basis.

Market Stalls

- Traders/the Market Operator must supply their own stalls, including any tables and awnings. Awnings and stalls used must be stable in all weather conditions and not present a danger or trip hazard to other market/highway users.
- Market stalls should be allocated positions that ensure any queues do not block the footways.
- Stalls should not have goods spread across the footway in front of them.

Rubbish and waste disposal

- The Market Operator must provide suitable receptacles for the disposal of litter and ensure that all rubbish is removed from the vicinity of the market at the end of the day's trading.
- Traders must have appropriate provisions in place for the disposal of any commercial waste generated whilst trading.

All operators

- The Market Operator must ensure that all traders familiarise themselves with the conditions of the licence issued by the Council.
- All incidents, accidents and "near misses" involving traders, their staff or members of the public must be recorded and reported as soon as possible to the Council.

This list is not exhaustive, additional conditions may be added or removed to the licence dependant on the type and size of the event.

Agenda Item 8

East Herts Council Report

Executive

Date of meeting: Tuesday, 7 October 2025

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Provisional Outturn 2024/25 & Draft Statement of Accounts 2024/25

Ward(s) affected: (All Wards);

Summary – This report presents the provisional outturn for the General Fund Revenue Budget and the Capital programme outturn for the 2024/25 financial year. The outturn remains provisional as the figures are subject to external audit.

Also presented is the 2024/25 draft Statement of Accounts.

RECOMMENDATIONS FOR EXECUTIVE:

- a) Note the general fund revenue outturn of £132k overspend to be funded from the general reserve; and
- b) Note the capital outturn position and approve carry forward budgets of £358k; and
- c) Receive the 2023/24 draft statement of accounts.

1.0 Proposal(s)

- 1.1 To advise member on the 2024/25 revenue outturn position and provide explanations for significant variances against approved budgets.
- 1.2 To advise members of the final capital outturn position and financing arrangements for the 2024/25 capital programme.
- 1.3 To provide the 2024/25 draft statement of accounts.

2.0 Background

- 2.1 The 2024/25 budget was set at full Council in February 2024. Quarterly budget monitoring reports were presented to members during the year, this report provides the 2024/25 outturn position.
- 2.2 The provisional outturn forms part of the Council's closure of accounts process for 2024/25. The outturn is reported prior to the audit of the council's Accounts by the Council's external auditors, Azets, and therefore remains provisional until the audit is complete.
- 2.3 The draft 2024/25 Statement of Accounts were published on the Council's website by the statutory deadline of 30th June 2025.

3.0 Reason(s)

Revenue

- 3.1 An overspend of £132k is reported against the 2024/25 revenue budget. In line with the Councils financial procedure rules the Director of Finance, Risk & Performance has approved that the overspend be funded from the general reserve. Table 1 shows the position before this use of reserves.

Table 1: Summarised 2024/25 Outturn position

	2024/24 Original Budget	2024/25 Outturn	Variance
	£'000	£'000	£'000
Net Cost of Services	17,177	18,863	1,686
Corporate Budgets	6,424	6,884	460
Net (use)/Transfer to Reserves	(2,348)	(4,585)	(2,237)
Funding	(8,601)	(8,378)	223
Council Tax	(12,652)	(12,652)	-
2024/25 Overspend		132	132

Appendix A provides the provisional outturn position in more detail.

Variations against 2024/25 budget

- 3.2 The variances that make up the £1.686m overspend against Net Cost of services can be found in Appendix B.
- 3.3 The £460k variance against the corporate budgets is made up of the following movements:
- Review of Minimum Revenue Provision resulting in a £281k reduction against budget
 - Interest payment on loans was £587k lower than budgeted, partially due to lower interest rates on the Councils borrowing than those assumed at budget setting. Also a reduction of interest paid due to capitalisation of interest on the Councils capital projects, as approved in February 2025.
 - The interest that the Council received on its investments was £530k higher than budgeted due to better performance of the councils short term investments.
 - A £1.857k pressure is included in corporate budgets to represent the forecast loss on the Lothbury property fund, this has partially been funded through use of reserves, as per paragraph 3.4 and the overachievement of investment income.

- 3.4 The reserve position of the Council as at 31 March, is shown in table 2.

Table 2: 2024/25 General and earmarked reserve position

Usable reserves	2024	2025	2024/25 movement
	£'000	£'000	£'000
General Fund	3,854	3,854	-
Earmarked reserves	22,015	17,297	4,718
Capital grants unapplied	189	189	-

Total	26,058	21,340	4,718
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The calculated minimum level of general fund balance is £3.1m, as at 31 March 2025 the councils general fund balance was £3.854m, this is set aside to meet unforeseen risks.

In 2024/25 a net £4.718m was transferred from the Councils earmarked reserves, the main uses of reserves were:

- £3m to fund capital expenditure on BEAM, as approved by full Council.
- £132k to fund the 2024/25 overspend
- In 2024/25 a new provision was created in respect of anticipated loss on investment in the Lothbury Property Fund. The council has withdrawn from the fund in 2024/25 and as at 31 March £7m of the initial £10m invested had been redeemed. It is estimated that there will be a loss of £1.9m on this fund, £1.6m of this has been funded through a reserve specifically set aside for this purpose (interest equalisation reserve) in 2024/25.

Funding

- 3.5** The funding position shows an underachievement of income of £223k, this is due to government grants not being received in line with the budget set and growth on business rates being higher than budgeted.

Comparison of outturn position to Q3 monitoring

- 3.6** In the 2024/25 quarter 3 budget monitoring report presented to Audit and Governance committee in February 2025, an overspend of £955k was forecast. The outturn position is significantly lower than this at £132k. The main reasons for this movement are:
- A £323k movement in net cost of services (further details included in Appendix B);
 - The impact of capitalisation of interest wasn't included in the quarter 3 position, this has reduced the 2024/25 position by £340k from the Q3 forecast;
 - A review of MRP was undertaken in quarter 4 2024/25 by the interim Head of Strategic Finance and Property, in conjunction with the Councils treasury advisors, this review resulted in a reduction against budget of £281k.

Capital

- 3.7** The progress of the capital programme has been reported to Audit and Governance Committee throughout the year as part of the budget monitoring

process. Capital expenditure in 2024/25 was £7.065m, against a budget of £19.147m as set out in table 3.

Table 3: 2024/25 Capital outturn & budget carry forwards to 2025/26

	2024/25 revised budget	2024/25 Outturn	Variance	Carry forwards to 2025/26
	£'000	£'000	£'000	£'000
Land & Buildings	7,294	4,964	(2,330)	1,422
Infrastructure	347	345	(2)	-
Vehicles & Equipment	10,198	482	(9,716)	7,810
Community Assets	1,258	934	(324)	111
REFCUS	50	-	(50)	-
Capitalisation of interest	-	340	340	-
Total	19,147	7,065	(12,082)	9,343

A breakdown of expenditure against the capital programme is shown in Appendix C.

3.8 The 2025/26 capital programme, approved at full Council on 26th February 2025, included carry forwards of £8.985m. As at 31st March 2025 an additional £358k of carry forwards have been identified for approval where schemes were not completed by the end of the financial year. Of the £12.082m underspend, £2.7m will not be carried forward to 2026/27, this is due to a review of the budgets required, details are shown below:

- Refuse and recycling- vehicles, the original budget in the capital programme was estimated at £8m following procurement of the vehicles the required budget is £6.2m – a reduction of £1.8m
- The capital budgets for investment in operational assets, Hostels and Old River Lane were reviewed as part of the 2025/26 budget setting process and set at the level required therefore £900k of underspends in 2024/25 are not required to be carried forward

3.9 The 2024/25 capital programme has been financed from the following sources:

Table 4: 2024/25 Capital financing

	£'000
Capital receipts	372
Government grant	221
Third part contributions	1,756

Borrowing	1,618
Revenue	3,098
Total	7,065

2024/25 Draft Statement of Accounts

3.10 The 2024/25 draft Statement of Accounts are included as Appendix D, and are available on the Councils website, the period for public inspection opened on 27th June 2025 and closed on 8th of August 2025, no correspondence was received during this time. Officers are working with the councils external auditors (Azets) to complete the 2024/25 audit by the backstop date of 27th February 2026.

4.0 Options

4.1 The executive can chose not to carry forward capital budgets although this would cause budget shortfalls and overspends on projects. This is not recommended.

5.0 Risks

5.1 The Statement of Accounts and provisional outturn are subject to external audit and there is a risk that the accounts will need to be adjusted, which may affect the outturn position.

6.0 Implications/Consultations

Community Safety

None arising directly from this report.

Data Protection

None arising directly from this report.

Equalities

None arising directly from this report.

Environmental Sustainability

None arising directly from this report.

Financial

All financial implications are included in the report.

Health and Safety

None arising directly from this report.

Human Resources

None arising directly from this report.

Human Rights

None arising directly from this report.

Legal

Regular monitoring and forecasting of the revenue budget and capital programme are required to ensure that the council is managing its resources effectively and complies with section 28 of the Local Government Act 2003 and the Councils financial procedure rules.

Specific Wards

No.

7.0 Background papers, appendices and other relevant material

7.1

Appendix A	2024/25 Revenue outturn
Appendix B	2024/25 Net cost of services variances
Appendix C	2024/25 capital outturn
Appendix D	2024/25 Draft statement of Accounts

Contact Member

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DRAFT 2024/25 Revenue Outturn

		Original Budget 2024/25 £'000	Outturn £'000	Variance £'000
Net Cost of Services	Chief Executive & Directors	362	435	72
	Communications, Strategy & Policy	1,943	2,158	215
	HR & Organisational Development	597	575	(22)
	Strategic Finance & Property	2,212	2,725	512
	Corporate Budgets	96	917	822
	Housing & Health	2,252	2,103	(149)
	Legal and Democratic	1,571	1,547	(24)
	Planning & Building Control	2,238	2,353	114
	Operations	2,158	2,894	736
	Shared Revenues & Benefits Service	1,721	1,781	60
	Revenues & benefits retained costs	(465)	(516)	(52)
	Housing Benefit Subsidy	(371)	(405)	(34)
	Shared Business & Technology Services	2,774	2,329	(445)
	Capital Salaries	(150)	(177)	(27)
	CERA	238	145	(93)
Total Net Cost of Services	17,177	18,863	1,686	
Corporate Budgets	Minimum Revenue Provision	1,032	751	(281)
	Interest Payments on loans	2,955	2,368	(587)
	Interest & Investment income	(1,200)	(1,730)	(530)
	(Gain)/Loss on Property Funds	-	1,857	1,857
	Revenue contribution to capital	3,000	3,000	-
	Pension Fund Deficit contribution	637	637	-
	Corporate Budgets Total:	6,424	6,884	460
Use of Reserves	Contributions to Earmarked reserves	652	220	(432)
	New Homes Bonus Priority Spend	(3,000)	(3,000)	-
	Contributions from Earmarked reserves	-	(1,805)	(1,805)
	Use of General reserve	-	-	-
	Contributions to/from collection fund reserves	-	-	-
	Net Use of Reserves:	(2,348)	(4,585)	(2,237)
Net Cost of Services Total:		21,253	21,162	(92)
Non Departmental Budgets	NDR	(4,294)	(5,347)	(1,053)
	(Surplus)/Deficit on Collection fund	(500)	(617)	(117)
	Other General Grants	(1,999)	(599)	1,400
	Revenue support Grant	(111)	(118)	(7)
	New Homes Bonus	(1,697)	(1,697)	-
Non Departmental Budgets Total:		(8,601)	(8,378)	223
	Council Tax	(12,652)	(12,652)	-
Total:		0	132	Page 119

Variance against base operational budgets							
Budget area	2024/25 Budget	Qtr3 2024/25 Forecast		2024/25 Outturn Position			Reason for variance
		Forecast outturn	Variance	Outturn	Variance	Movement	
	£'000	£'000	£'000	£'000	£'000	£'000	
NNDR	1,588	1,843	255	1,896	308	53	National Non Domestic Rates bills for Multistorey car parks and Wallfields are significantly higher than budgeted due to the 2023 Business Rate Revaluation. The property team will engage agents to appeal the revaluation in an attempt to reduce the liability, however there is no guarantee of success.
Transformation, staff restructuring costs	-	160	160	160	160	-	Service restructuring under the Transformation programme has resulted in one-off costs of £160k.
Planning service – staffing costs & reduced planning income	2,238	2,549	311	2,353	115	(196)	<p>Planning is £115k overspent at year end. This is mainly due to planning application income and ongoing recruitment difficulties. Whilst the number of planning applications has been better than recent years, the pattern is not completely stable and is linked to market factors such as high construction costs. However, the set increase in planning applications fees from April 2025 has meant that there has been an increase in applications submitted in Q4 force which has helped reduce the pressure on income.</p> <p>In terms of recruitment, whilst the service has been successful since January 2023 in filling a number of planning vacancies, there remains a shortage of planners available at a principal level in development management to deal with the more complex planning applications. In order to mitigate this impact, the service has introduced a number of measures to support existing staff progress their careers and gain the necessary experience. However, this does mean that the use of agency planners is still required in the short term to assist with the more complex applications.</p>
BEAM	(548)	953	1,501	980	1,528	27	Overspend and under achievement of income against profiled budget. Main reasons include: delayed opening from May to August, NNDR estimate of £200k against budget of £30k, delayed IT infrastructure /lack of Wi-Fi has meant using an overnight security company.
Charringtons House	-	333	333	319	319	(14)	Charringtons House was closed to tenants on 31 March 2023, the council remains liable for costs in relation to business rates and utilities.
Buntingford Depot	268	476	208	410	142	(66)	A rent review has been undertaken in respect of Buntingford Depot which has resulted in additional costs of £118k.
Miscellaneous assets, rent	(329)	(414)	(85)	(403)	(74)	11	Rent reviews have been undertaken on council owned assets which has resulted in rental income overachieving the budget.
Legal & Democratic Services	513	445	(68)	442	(71)	(3)	Underspend against salary budget of £71k following restructure of Legal Services team.
Housing & Health, salaries	2,252	2,053	(199)	2,103	(149)	50	Underspend on salaries due to vacant posts.
Housing Benefits	(371)	(737)	(366)	(405)	(34)	332	Budgets overstated for Housing Benefit subsidy and payments resulting in an underspend.

Strategic Finance	733	672	(61)	722	(11)	50	Underspend against salary budgets as a result of vacant post, costs including staff apointment and agency to cover S151
Parking	(1,115)	(1,373)	(258)	(1,308)	(193)	65	Projected over achievement of income.
UK shared prosperity fund	-	(42)	(42)	(42)	(42)	-	4% admin fee to be retained by East Herts, not budgeted for.
Waste Service	3,817	3,443	(374)	3,174	(643)	(269)	Waste services are forecasting an underspend against budgets this relates to: · contract inflation being lower than budgeted, · higher than budgeted income received for sales of recyclable materials
Senior Management Restructure	(250)	(61)	189	(61)	189	-	
Ban on overtime payments	(200)	(36)	164	(36)	164	-	All overtime budgets have been removed and saving achieved for these lines. The £200k was an overestimate of the budgets to be removed.
Avoidable contacts	(24)	-	24	-	24	-	Savings to be realised following implementation of Corporate Support Hub
Wallfields – renting out part of building	(117)	-	117	-	117	-	Savings built in with assumption of rent received from part way through the year, due to ongoing negotiations this date hasn't been achievable therefore the saving won't be achieved in full in 2024/25
Xeroboxes	(20)	-	20	-	20	-	Removal of xeroboxes from Wallfields to be implemented following upgrade of wifi
Procurement Act 2023 changes	(50)	-	50	-	50	-	Discussions underway with Stevenage Borough Council
Intranet	(28)	(7)	21	(7)	21	-	Work on replacing the hosted intranet underway, full saving to be realised in 2025/26. 4 months worth of saving to be achieved in 2024/25
Advertising on Assets	(18)	-	18	-	18	-	An Invitation to Tender is going out on an ESPO framework on Friday 7th February 2025 with the intention to award a contact mid-March ready for implementation 1 April.
Launchpad	(15)	15	30	22	37	7	Forecast income is for 2024/25 is £160k. Expenditure forecast is £175k. This includes all running costs (salaries, utilities, rates', marketing) and rental income to the council (£73,500 p/a)
Not previously reported							
IT services	2,774	2,788	14	2,329	(445)	(459)	Underspend on shared IT services due to delay in recruitment to new roles.
Capital Expenditure funded from Revenue Account	238	238	-	145	(93)	(93)	Budget set too high - revised for 2025/26
Capital Salaries funding	(150)	(150)	-	(177)	(27)	(27)	Agency staff cost funded from Capital
Northgate End Residential/Comercial	-	-	-	64	64	64	No budget for Council tax, security, insurance.
Revenue items to be funded from reserves	-	-	-	125	125	125	£61k transformation costs, £33k uninsured losses & £30k healthy lifestyle promotions
Total	11,186	13,148	1,962	12,805	1,619	(343)	
Other minor balances	5,992	6,039	47	6,058	67	20	
Overall total	17,178	19,187	2,009	18,863	1,686	(323)	

Capital Forecast Outturn - March 2025

	Revised Budget	Outturn	Variance	Carry Forward
	2024/25	2024/25	2024/25	2024/25
	£'000	£'000	£'000	£'000
Land and Buildings				
Investment in operational assets	616	251	(365)	80
Buntingford Depot	681	-	(681)	681
Hertford Theatre	4,815	4,504	(311)	311
Old River Lane and Arts Centre	552	199	(353)	-
URC Church Hall	170	-	(170)	170
Hostels	270	-	(270)	-
Pinehurst Community Hall	180	-	(180)	180
Buntingford Public WC - UKSPF	10	10	-	-
Infrastructure				
Bridges	347	345	(2)	-
Vehicles, Equipment and Intangible Software				
Rolling programme to be utilised on ICT projects subject to ITSG review	450	414	(36)	-
Sports Equipment - Pool Cover - UKSPF	37	37	-	-
Air Quality Website - UKSPF	31	31	-	-
Refuse & Recycling - cleansing vehicles	8,000	-	(8,000)	6,130
Refuse & recycling - containers	1,680	-	(1,680)	1,680
Community Assets				
Replacement play equipment across the district	50	49	(1)	-
Bishops Stortford Castle Park - HLF	633	518	(115)	-
Bishops Stortford Castle Park - UKSPF	93	93	-	-
Hertford Castle Grounds - Development Phase - HLF	213	181	(32)	32
Parks & Open Spaces	219	60	(159)	79
Tree Planting - UKSPF	50	50	-	-
Year End Adjustments	-	(17)	(17)	-
Revenue Expenditure Funded as Capital Under Statute (REFCUS)				
Community Capital Grants	50	-	(50)	-
Capitalisation of Interest		340	340	-
Current Capital Programme Budget Total	19,147	7,065	(12,082)	9,343

Approved But Not Yet Committed	
Transformation Programme	2,500
Cannon Mill Lane, BS	30
Home Improvement Loans	140
Historic Building Loans	20
Capital Contingency - Major Projects	1,500
Current Capital Programme Budget Total	4,190

DRAFT STATEMENT OF ACCOUNTS 2024-25



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TABLE OF CONTENTS

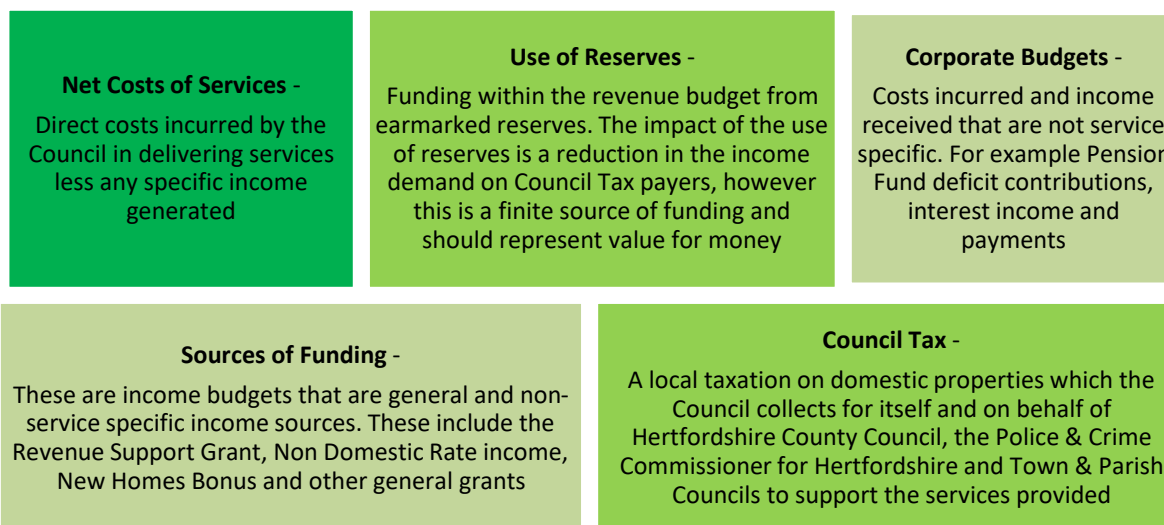
Narrative Statement	4
Explanation of Accounting Statements	8
The Core Accounting Statements	
Movement in Reserves Statement	9
Comprehensive Income and Expenditure Statement	10
Balance Sheet	11
The Cash flow Statement	12
Notes to the Financial Statements	
1. Accounting Policies	13
2. Expenditure and Funding Analysis	20
3. Accounting Standards issues not yet adopted	23
4. Assumptions made about the future and other major sources of estimation uncertainty	23
5. Adjustments between Accounting basis and Funding basis under regulation	26
6. Transfers to/from Earmarked Reserves	28
7. Property, Plant and Equipment	31
8. Analysis of Fixed Assets	35
9. Heritage Assets	35
10. Investment Properties	36
11. Intangible Assets	38
12. Financial Instruments	39
13. Financial Instruments Gains/Losses	43
14. Fair Value Assets and Liabilities at Amortised Cost	43
15. Debtors	44
16. Cash and Cash Equivalents	44
17. Assets held for Sale	45
18. Creditors	45
19. Provisions	45
20. Usable Reserves	46
21. Unusable Reserves	46
22. Nature of Expenses Disclosure	50
23. Jointly controlled Operations	51
24. External Audit Costs	52
25. Members Allowances	52
26. Officer Emoluments	53
27. Exit Packages	53
28. Senior Officer Remuneration	54
29. Grant Income	55
30. Related Party Transactions	56
31. Capital Expenditure and Capital financing	57
32. Leases	57
33. Pension Scheme	61

34. Nature and Extent of Risks arising from Financial Instruments	65
35. Capital Commitments	69
36. Contingent Liability	69
37. Post Balance Sheet events	69
The Collection Fund Income and Expenditure Account	70
Group Accounts	73
Group Movement in Reserves Statement	74
Group Comprehensive Income and Expenditure Statement	75
Group Balance Sheet	76
Group Cash Flow Statement	77
Notes to Group Accounts	78
Glossary of Financial Terms	80
Statement of Responsibilities for the Statement of Accounts	84
Auditor's Opinion	-

The Annual Governance Statement 2024/25 is published alongside the draft Statement of Accounts at www.eastherts.gov.uk

FINANCIAL PERFORMANCE IN 2024/25

The 2024/25 budget was set by Council in March 2024 as part of the budget report and Medium Term Financial Plan for 2024/25 to 2028/29. There are five major 'building blocks' to the Council's revenue budget. These are shown below:



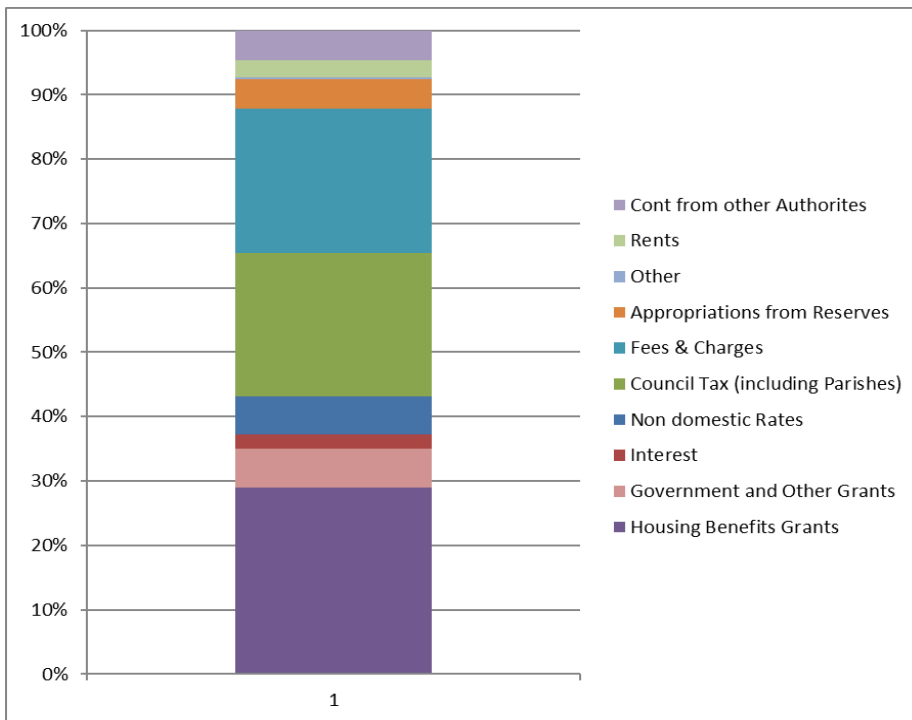
The table below details the Council's performance against the five major 'building blocks'. There was a £132K overspend in 2024/25, this has been funded from the General Reserve.

	Original Budget 2024/25	2024/25 Outturn	Variance
	£'000	£'000	£'000
Total Net Cost of Services	17,177	18,863	1,686
Corporate Budgets Total	6,424	6,884	460
Net Use of Reserves	(2,348)	(4,585)	(2,237)
Funding	(8,601)	(8,378)	223
Council Tax	(12,652)	(12,652)	0
Overspend	0	132	132

The Council's budget is monitored monthly by senior management and reported quarterly to the Executive. Further details on the 2024/25 outturn position will be presented to Audit and Governance Committee in September 2025.

2024/25 Income streams

The chart below shows the £81.2m of income that the Council received in 2024/25. The largest source of income was Housing Benefits subsidy (from Central Government) which is used to fund the payment of Housing Benefits to claimants.



Fees and charges are the second largest source of funding for the Council, highlighted below are some of the largest income generating activities of the Council;

- £4.2m Income collected through the Council's 25 pay and display car parks
- £2m income from planning applications
- £4.3m income from waste and recycling, from the sale of recyclable materials and credits from the County Council for waste diverted from landfill and income from garden waste.

Included in the £5m of government and other grants income are:

- £1.7m of New Homes Bonus, which is a Government scheme aimed at encouraging local authorities to grant planning permission in return for additional revenue.
- £0.7m General government grants (Revenue Support Grant, Funding Guarantee & Services grant) to fund service provision
- £0.7m grants received to support homelessness
- £1.5m grants received in relation to UK Shared Prosperity Fund

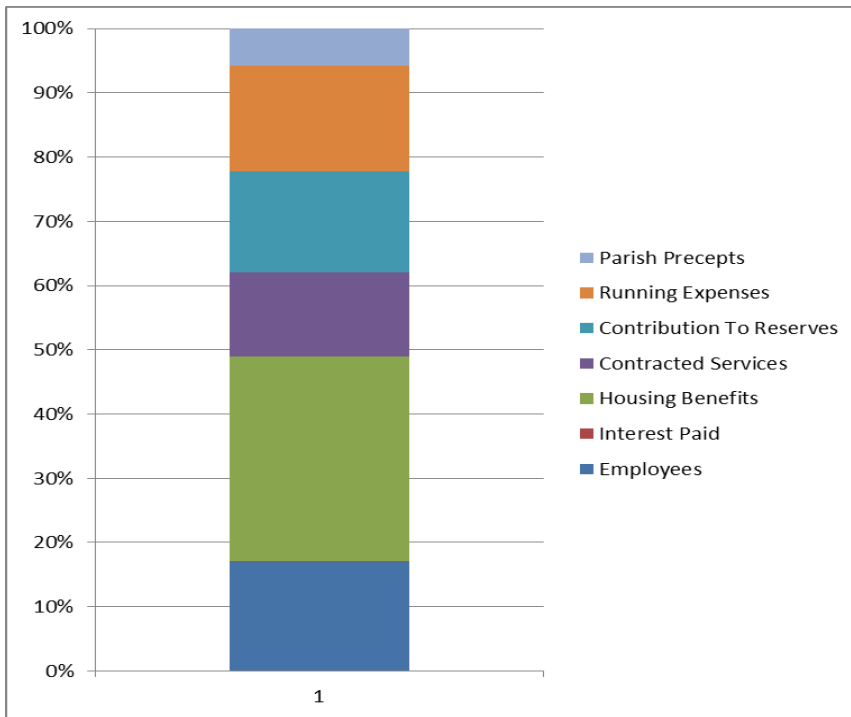
East Herts Council is the billing authority for Non Domestic Rates (Business Rates) collected from businesses across the district. This is then distributed to Central Government, East Herts Council and Hertfordshire County Council. After distribution the income attributable to East Herts including section 31 grant income totalled £1.1m in 2024/25.

As the billing authority, East Herts Council collects Council Tax income from residents of the district; this is then distributed between Hertfordshire County Council, East Herts Council and the Police and Crime Commissioner. Of the income collected the Council's share in 2024/25 was £18.8m; £6m of which was distributed to Town and Parish Councils across the district. The remaining Council Tax income is used to fund services in the year.

The Council earned Interest and Investment income of £1.7m in 2024/25 on its portfolio of investments and holdings in property funds.

2024/25 Expenditure

The chart below shows the £81.2m that the the Council spent in 2024/25. Housing benefits make up the largest outgoing (£22.1m) of the Council.



Included in the Council's running expenses figure of £81.2m are the following expenditure:

- £4.7m of premises related costs, including ongoing maintenance of the Council's operational buildings, business rates, insurance and utilities costs for all the Council's buildings, car parks, theatre and leisure facilities;
- £11.7m direct costs of providing Council services throughout the year including, public and environmental health, planning, sports, leisure and parks.

The cost of the Council's main contracts are included in the contracted services figure (£10.5m) are as follows:

- £4.6m Refuse & Recycling
- £1.4m Grounds maintenance
- £0.9m Parking enforcement
- £0.9m Cleansing

FINANCIAL MANAGEMENT

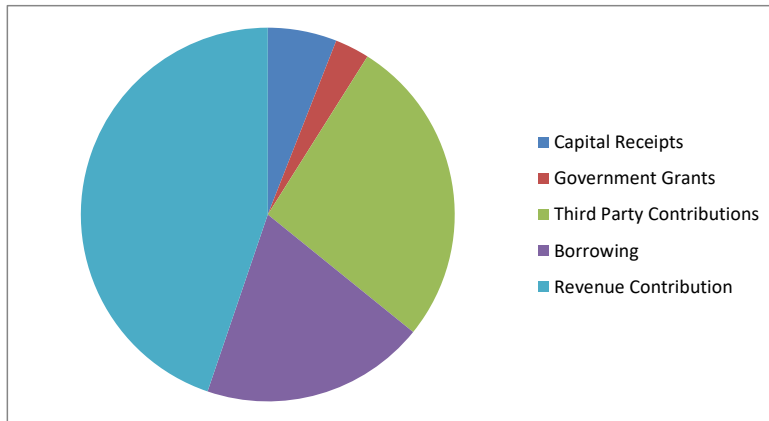
Capital

Capital expenditure relates to the acquisition or enhancement of assets which generates a benefit for a period greater than one year. This differs to the Revenue expenditure, discussed previously, which is defined as money that the authority spends or receives in the same year that the services are delivered.

During 2024/25 the Council incurred expenditure of £6.7m on capital projects, compared with a capital programme budget of £19m. A total budget of £9.4m has been carried forward to 2025/26 to match ongoing schemes which didn't commence in 2024/25 or where works are ongoing. A selection of the capital schemes undertaken this year are shown below:

- £4.5m final build costs for BEAM (Hertford Theatre)
- £0.8m investment in parks and open spaces
- £0.4m improvements to information, communication and technology infrastructure

A combination of capital grant income, receipts from disposal of assets, third party contributions and revenue contributions were used to fund the 2024/25 capital programme. The split is shown in the following pie chart:



MEDIUM TERM FINANCIAL PLAN

East Herts' approach to setting the revenue and capital budget for the four years commencing 2024/25 was to improve the organisational financial sustainability and resilience in the forthcoming years.

The budget report sets out the proposals and outcomes that Officers and Members had arrived at to ensure that the Council maintains a sustainable budget position for the future.

The MTFP provides the framework for the development of annual budgets in line with the aims of the Council's Corporate Strategy.

Reserves are an essential part of good financial management. They help councils cope with unpredictable financial pressures, help them smooth the impact of known spending requirements over time, and help to fund any in-year overspending. In 2024/25 the Council contributed a net £4.7m to general and earmarked reserves; the balance held in earmarked at the end of the year is £17.3m.

Details of the Council's earmarked reserves (set aside for a defined purpose to meet known or predicted future liabilities) and General Reserve (to manage cash flows and limit the need for temporary borrowing and to provide a contingency for unforeseeable events and emergency spending) can be found within the Statement of Accounts.

PENSION FUND

The Council participates in the Local Government Pension Scheme which is administered by Hertfordshire County Council. Under current accounting standards the impact of any pension liability must be shown in the balance sheet.

Further information is given in note 33, on page 61.

EXPLANATION OF ACCOUNTING STATEMENTS

Statement	Explanation
Movement in Reserves Statement	Shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves
Comprehensive Income & Expenditure Statement	A summary of the resources generated and consumed by the Council in the year
Balance Sheet	Sets out the financial position of the Council on 31 March 2025
Cash Flow Statement	Summarises the Council's inflows and outflows of cash for the year 2024/25
Notes to the Accounts	Provides support to the core financial statements, which informs and gives sufficient information to present a good understanding of the Council's activities. The notes include a Statement of Accounting Policies which details the legislation and principles on which the Statement of Accounts have been prepared. The purpose is to explain the basis for recognition, measurement and disclosure of transactions and other events in the Statement of Accounts
Supplementary Financial Statements – The Collection Fund	Shows the level of Non Domestic Rates and Council Tax that has been received by the Council, as billing authority, during the period
Glossary of Financial Terms	Explains some of the key terms used in the Statement of Accounts
Statement of Responsibilities for the Statement of Accounts	Identifies the officer who is responsible for the proper administration of the Council's financial affairs. The purpose is for the Chief Finance Officer to sign under a statement that the Statement of Accounts present a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March 2025

The Core Accounting Statements

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the economic cost of providing the Council's services with more details shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

		General Fund Balance	Earmarked General Fund Reserves	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
		£000	£000	£000	£000	£000	£000
Balance at 31 March 2024		3,854	22,016	189	26,058	92,478	118,536
Movement in reserves during 2024/25		(12,371)	-	-	(12,371)	-	(12,371)
Other Comprehensive Income & Expenditure		0	-	-	-	(11,045)	(11,045)
Total Comprehensive Income and Expenditure		(12,371)	-	-	(12,371)	(11,045)	(23,416)
Adjustments between accounting basis and funding basis under regulations	Note 5	7,653	-	-	7,653	(7,653)	0
Net Increase/Decrease before Transfers to Earmarked Reserves		(4,718)	-	-	(4,718)	(18,698)	(23,416)
Transfers to/(from) Earmarked Reserves	Note 6	4,718	(4,718)	-	-	-	-
Increase/Decrease in Year		0	(4,718)	-	(4,718)	(18,698)	(23,416)
Balance as at 31 March 2025 carried forward		3,854	17,298	189	21,340	73,780	95,120

		General Fund Balance	Earmarked General Fund Reserves	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
		£000	£000	£000	£000	£000	£000
Balance at 31 March 2023		3,854	19,567	224	23,645	94,935	118,580
Movement in reserves during 2023/24		(15,000)	-	-	(15,000)	-	(15,000)
Other Comprehensive Income & Expenditure		-	-	-	-	18,576	18,576
Total Comprehensive Income and Expenditure		(15,000)	-	-	(15,000)	18,576	3,576
Adjustments between accounting basis and funding basis under regulations	Note 5	17,448	-	(35)	17,413	(21,033)	(3,620)
Net Increase/Decrease before Transfers to Earmarked Reserves		2,448	-	(35)	2,413	(2,457)	(44)
Transfers to/(from) Earmarked Reserves	Note 6	(2,448)	2,449	-	-	-	-
Increase/Decrease in Year		-	2,449	(35)	2,413	(2,457)	(44)
Balance as at 31 March 2024 carried forward		3,854	22,016	189	26,058	92,478	118,536

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices (GAAP), rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations, generally this will be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

	2024/25		2023/24	
	Gross	Gross	Net	Net
	Expenditure	Income	Expenditure	Expenditure
	£000	£000	£000	£000
Chief Executive, PA's & Directors	543	0	543.00	563
Communications, Strategy & Policy	3,952	(1,957)	1,995.00	1,512
Human Resources & Organisation Development	592	(15)	577.00	611
Strategic Finance & Property	6,151	(1,701)	4,450.00	5,028
Democratic & Legal Services	2,019	(454)	1,565.00	1,692
Housing & Health	4,407	(2,143)	2,264.00	3,306
Planning & Building Control	4,475	(2,111)	2,364.00	2,676
Operations	30,097	(14,566)	15,531.00	20,055
Shared Revenues & Benefits Service	25,349	(24,474)	875.00	973
Shared Business & Technology Services	2,778	(446)	2,332.00	2,239
NET COST OF SERVICES			32,496	38,655
Payments of precepts to parishes			6,045	5,351
Gain on disposal of non current (fixed) assets			(372)	(974)
Minimum Revenue provision			751	600
OTHER OPERATING EXPENDITURE			6,424	4,977
Interest payable and similar charges			2,369	541
Net Interest on the net defined benefit liability & remeasurements of the defined benefit liability for long term employee benefits			(491)	189
Interest receivable and similar income			(1,729)	(1,774)
Income from investment properties (Note 10)			(432)	(501)
Direct expenditure incurred on investment properties (Note 10)			320	364
Changes in Fair Value of Investment Properties			(364)	740
Other Investment			1,857	-
FINANCING AND INVESTMENT EXPENDITURE			1,530	(441)
Recognised capital grants and contributions			(1,977)	(3,423)
Council tax income			(18,844)	(17,722)
Non domestic rates			911	322
Non service related government grants			(8,078)	(7,298)
Renewable energy			(91)	(70)
TAXATION AND NON-SPECIFIC GRANT INCOME (Note 29)			(28,079)	(28,191)
(SURPLUS) / DEFICIT ON PROVISION OF SERVICES			12,371	15,000
(Surplus) or Deficit on revaluation of Fixed assets			(1,762)	(12,637)
Remeasurements of the net defined benefit liability (Note 33)			14,835	(7,656)
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			13,073	(20,293)
(Surplus) / Deficit on revaluation of financial instruments (Note 12)			(2,028)	1,717
ITEMS THAT MAY BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			(2,028)	1,717
OTHER COMPREHENSIVE INCOME AND EXPENDITURE			11,045	(18,576)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE			23,416	(3,576)

BALANCE SHEET

These financial statements are authorised by Brian Moldon - Director for Finance, Risk and Performance 26/06/2025

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

		31 March '25		31 March '24
		£000	£000	£000
Property, Plant & Equipment	<i>Note 7</i>			
- Other land and buildings		110,754		89,854
- Vehicles, plant, furniture and equipment		1,936		1,884
- Infrastructure assets		1,270		1,140
- Community assets		7,481		6,625
- Surplus assets		1,739		4,886
- Assets under Construction		3,595		31,328
			126,775	
Investment Properties	<i>Note 10</i>	4,292		7,853
Intangible Assets	<i>Note 11</i>	259	4,551	199
			131,326	143,769
Long Term Investments	<i>Note 12</i>	11,524		17,838
Long Term Debtors	<i>Note 15</i>	3,530	15,054	5,188
TOTAL LONG TERM ASSETS			146,380	166,795
Assets Held For Sale	<i>Note 17</i>	12,294		4,441
Short Term Investments	<i>Note 12</i>	2,942		6,500
Short Term Debtors	<i>Note 15</i>	16,575		12,433
Cash and Cash Equivalents	<i>Note 16</i>	21,294		4,156
CURRENT ASSETS			53,105	27,530
Provisions	<i>Note 19</i>	(2,106)		(249)
Short Term Creditors	<i>Note 18</i>	(17,592)		(18,200)
Short Term Borrowing	<i>Note 12</i>	(63,000)		(52,120)
CURRENT LIABILITIES			(82,698)	(70,569)
Provisions	<i>Note 19</i>	(995)		(997)
Long Term Borrowing	<i>Note 12</i>	(1,500)		(1,500)
Net Pension Liability	<i>Note 33</i>	(9,111)		5,266
Grant Receipts in Advance	<i>Note 29</i>	(3,868)		(2,066)
- Capital				
- Revenue		(6,193)		(5,923)
LONG TERM LIABILITIES			(21,667)	(5,220)
NET ASSETS			95,120	118,536
USABLE RESERVES				
- General Fund	<i>Note 20</i>	3,854		3,854
- Earmarked Reserves	<i>Note 6</i>	17,297		22,015
- Capital Receipts Reserve	<i>Note 20</i>	0		0
- Capital grants Unapplied	<i>Note 20</i>	189		189
			21,340	26,058
UNUSABLE RESERVES				
- Revaluation Reserve	<i>Note 21</i>	32,128		31,032
- Financial Instrument Revaluation Reserve	<i>Note 21</i>	(132)		(2,160)
- Pensions Reserve	<i>Note 21</i>	(9,111)		5,250
- Capital Adjustment Account	<i>Note 21</i>	51,445		57,999
- Deferred Capital Receipts	<i>Note 21</i>	139		142
- Collection Fund Adjustment Account	<i>Note 21</i>	(482)		491
- Short-term Accumulating Compensated Absences Account	<i>Note 21</i>	(207)		(276)
			73,780	92,478
TOTAL RESERVES			95,120	118,536

THE CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period.

	2024/25		2023/24
	£000	£000	£000
OPERATING ACTIVITIES			
Cash Inflows			
Council Tax receipts	(13,856)		(12,985)
NNDR Receipts	(19,172)		(16,025)
DWP grants for benefits	(21,137)		(24,370)
Other Government grants	(10,840)		(9,330)
Cash received for goods and services	(29,218)		(18,365)
Interest received	(1,826)		(1,774)
Cash inflows generated from operating activities	(96,049)		(82,849)
Cash Out Flows			
Cash paid to and on behalf of employees	16,981		15,754
Housing Benefit paid out	21,333		22,705
Other operating cash payments	30,231		40,107
Precepts paid to other authorities	6,045		5,351
Interest paid	2,986		1,306
Cash outflows generated from operating activities	77,576		85,223
Net Cash Inflow from operating activities		(18,473)	2,374
INVESTING ACTIVITIES			
- Purchase of property plant and equipment, investment property and intangible assets	3,926		24,149
- Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(206)		(1,722)
- Capital grants	(2,262)		(3,917)
- Proceeds from short-term and long-term investments	(7,056)		(4,000)
Net cash outflow from investing activities		(5,598)	14,510
FINANCING ACTIVITIES			
- Cash receipts of short and long-term borrowing	(10,880)		(18,500)
- Cash Payments for the reduction of the outstanding liabilities relating to finance leases (Principal)			
- Other payments for financing activities	17,813		6,405
Net cash outflow from financing activities		6,933	(12,095)
Net increase in cash and cash equivalents		(17,138)	4,789
Cash and cash equivalents at the beginning of the reporting period		(4,155)	(8,944)
Cash and cash equivalents at the end of the reporting period		(21,293)	(4,155)

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

	General Policies
i.	The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Accounts and Audit (England) Regulations 2015 require the Council to prepare the Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2024/25 and the Service Reporting Code of Practice (SeRCOP) 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.
ii.	The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.
iii.	Accruals of income & expenditure
	Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:
	<ul style="list-style-type: none"> Income from the provision of services in the form of sales, fees, charges and rents is recognised and accounted for in the period to which they relate.
	<ul style="list-style-type: none"> Expenses in relation to services received (including services provided by employees, transport related, premises related, and supplies and services related expenditure) are recorded as expenditure when the services are received rather than when payments are made, with the exception of quarterly utility payments where no actual apportionment is made for bills spanning two financial years.
	<ul style="list-style-type: none"> Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
	<ul style="list-style-type: none"> Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Provision is made for doubtful debts and known uncollectable debts are written off in accordance with the Council's agreed policy.
iv.	Cash and cash equivalents
	Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three weeks or less that are readily convertible to known amounts of cash with insignificant risk of change in value and are used to meet short term liquidity requirements.
	In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash

v.	Prior period adjustments, changes in accounting policies and estimates and errors
	Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.
	Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.
vi.	Charges to revenue for non-current assets
	Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year;
	<ul style="list-style-type: none"> · Depreciation attributable to the assets used by the relevant service
	<ul style="list-style-type: none"> · Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
	<ul style="list-style-type: none"> · Amortisation of intangible fixed assets attributable to the service.
	The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. Depreciation, revaluation, impairment losses and amortisations are therefore transferred to the Capital Adjustment Account in the Movement in Reserves Statement.
vii.	Employee benefits
	Benefits payable during employment
	Short-term employee benefits are those due to be settled within 12 months of the year- end. They include such benefits as salaries, paid annual leave and paid sick leave, and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements and flexi time earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday

Post employment benefits (pensions)	
	The Council participates in one scheme, the Local Government Pension Scheme, which is a defined benefit final salary scheme administered by Hertfordshire County Council.
	The liabilities of the Hertfordshire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of future earnings for current employees.
	Liabilities are discounted to their value at current prices, using a discount rate. The discount rate has been determined as the long-term government bond yield plus an allowance for the average difference between the yield on corporate bonds and government bonds. This difference in yields is a result of the difference in the risk of default. This approach has been adopted as government bonds have a long enough term to match the term of the liabilities whereas corporate bonds have shorter terms.
	The assets of Hertfordshire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value as required under IAS19.
	The change in the net pensions' liability is analysed into seven components:
	<ul style="list-style-type: none"> · Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
	<ul style="list-style-type: none"> · Past service cost / gain – the increase / decrease in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited / credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs;
	<ul style="list-style-type: none"> · Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
	<ul style="list-style-type: none"> · Expected return on assets – the annual investment return on the pension fund assets attributable to the Council, based on an average of the expected long-term return, credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
	<ul style="list-style-type: none"> · Gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs;
	<ul style="list-style-type: none"> · Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve;
	<ul style="list-style-type: none"> · Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense

	In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.
	In line with the requirements of the Code the past service contribution is no longer a current revenue item but is included as part of the payments to the pension fund (in accordance with pension scheme regulations) and is treated as a cash flow item which reduces the pensions liability. This is also in line with the requirements of the Code.
	Further information can be found in Hertfordshire County Council's Pension Fund's Annual Report, which is available upon request from LPP, Hertfordshire County Council, Post point CHO 033, County Hall, Pegs Lane, Hertford, SG13 8DQ.
viii.	Events after the balance sheet date
	Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:
	<ul style="list-style-type: none"> · Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted where material to reflect such events
	<ul style="list-style-type: none"> · Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.
	Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

ix.	Government grants and contributions - revenue and capital
	Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis and recognised in the accounts when there is reasonable assurance that the Council will comply with any conditions attached to the payments, and the grants or contributions will be received.
	The grant or contribution is recognised immediately within the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition relating to the initial recognition that the Council has not satisfied.
	Monies received as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as a liability within the Grants Receipts in Advance Account. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.
	Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund expenditure.
	Revenue grants specific to service provision are shown against the relevant service in the Comprehensive Income and Expenditure Statement. General grants allocated by central government directly to local authorities as additional revenue funding which are non- ring fenced are credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.
x.	Minimum revenue provision
	In accordance with current legislation the minimum revenue provision (MRP) for the redemption of debt is required to be calculated on a prudent basis having regard to guidelines set out for application of the prudential code.
xi.	Overheads and support services
	As the Council does not include the recharge of overheads and support services in how they monitor and manage financial performance they are no longer included in the year end accounts.
xii.	Provision for bad debt
	The value of receivables (debtors) shown on the Balance Sheet is adjusted for doubtful debts. The level of bad debt provision is reviewed annually. Uncollectable debts are written off against the provision. The following methods are used:
	Trade Accounts Receivable - Age and Collectability
	Housing Benefits Overpayments - Age and Collectability
	National Non-Domestic Rates - Currently 100% of outstanding arrears
	Council Tax - 0.52% against the net debit due reviewed against sums written off and opening yearly balances

xiii.	Revenue Expenditure Funded from Capital under Statute (REFCUS)
	Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account is made which reverses out the amounts charged so that there is no impact on the level of council tax.
xiv.	Capital receipts
	Capital Receipts arise from the sale of non-current assets (Property, Plant and Equipment and Investment Properties). Further to the introduction of the Prudential Capital Finance System on 1 April 2004, capital receipts are all deemed to be "usable" and are held within the Capital Receipts Reserve.
	Prior to this date, in accordance with Government legislation, a proportion of certain receipts had to be "set aside" and are retained within the Capital Adjustment Account as provision for the repayment of debt.
xv.	VAT
	Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenues & Customs and in most circumstances all VAT paid is recoverable from them. VAT has been included in the income and expenditure accounts only to the extent that it is irrecoverable.
xvi.	Tax Income (Council Tax, Non-Domestic Rates (NDR))
	The Council Tax and NDR income in the CIES is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NDR that must be included in the Councils General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement
	The Balance Sheet includes the Council's share of the end of year balances in respect of the Council Tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments, prepayments, and appeals.
	Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line within the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

xvii.	Interests in other entities
	The Council has set up a wholly owned subsidiary called Millstream Property Investments Ltd, which has the principal activity of acquiring, developing and refurbishing properties. The Company's accounts are consolidated into the Council's accounts and the consolidated accounts are included in the Council's Statement of Accounts.
	In addition, the Council also has an interest in Hertfordshire Building Control Limited, a company which is equally owned by seven Hertfordshire authorities.
xviii.	Capitalisation of interest
	The Council capitalises borrowing costs incurred whilst qualifying assets are under construction. Qualifying assets are where there is a 'substantial period of time' from the first capital expenditure financed from borrowing until the asset is ready to be brought into use. A substantial period of time is considered to mean in excess of two years.

2. Expenditure and Funding Analysis

The object of the Expenditure and Funding Analysis is to demonstrate to Council Taxpayers how the funding available to the authority (ie government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with general accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2024/25	Net Expenditure chargeable to the General Fund		
	balance £000	Adjustments between Funding & Accounting basis £000	Net Expenditure in CIES £000
Chief Executive, PA's & Directors	543	108	652
Communications, Strategy & Policy	1,994	14	2,008
Human Resources & Organisation Development	577	2	578
Strategic Finance & Property	4,451	706	5,157
Legal & Democratic Services	1,566	19	1,584
Housing & Health	2,264	161	2,424
Planning & Building Control	2,364	11	2,375
Operations	15,531	12,636	28,167
Shared revenues & Benefits Service	875	16	891
Shared Business & Technology Services	2,332	3	2,335
Net cost of services	32,496	13,676	46,172
Other income and Expenditure	(31,307)	(2,494)	(33,801)
(Surplus) or Deficit on Provision of Services	1,189	11,182	12,371
Operating General Fund balance at 1 April 2024	26,058		
Transfers to/(from) Earmarked Reserves	(4,717)		
Closing General Fund Balance at 31 March 2025	21,341		

2023/24	Net Expenditure chargeable to the General Fund		
	balance £000	Adjustments between Funding & Accounting basis £000	Net Expenditure in CIES £000
Chief Executive, PA's & Directors	402	161	563
Communications, Strategy & Policy	1,435	75	1,510
Human Resources & Organisation Development	595	16	611
Strategic Finance & Property	4,083	613	4,696
Legal & Democratic Services	1,627	64	1,691
Housing & Health	3,877	1,524	5,401
Planning & Building Control	2,590	85	2,675
Operations	2,568	17,486	20,054
Shared revenues & Benefits Service	823	150	973
Shared Business & Technology Services	2,235	4	2,239
Net cost of services	20,235	20,178	40,413
Other income and Expenditure	(24,311)	(1,102)	(25,413)
(Surplus) or Deficit on Provision of Services	(4,076)	19,076	15,000
Operating General Fund balance at 1 April 2023	23,644		
Transfers to/(from) Earmarked Reserves	2,414		
Closing General Fund Balance at 31 March 2024	26,058		

Note to the Expenditure and Funding Analysis - Adjustments between Funding and Accounting Basis

2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for	Net change for	Other	Total
	Capital Purposes	the Pensions	Differences	Adjustments
	(Note 1)	(Note2)	(Note 3)	Adjustments
	£000	£000	£000	£000
Chief Executive, PA's & Directors	108	0	(0)	108
Communications, Strategy & Policy	20	2	(8)	14
Human Resources & Organisation Development	3	0	(2)	2
Strategic Finance & Property	713	2	(9)	706
Legal & Democratic Services	22	1	(5)	19
Housing & Health	173	3	(15)	161
Planning & Building Control	17	3	(8)	11
Operations	12,642	2	(7)	12,636
Shared Revenues & Benefits Service	28	4	(16)	16
Shared Business & Technology Services	3	0	0	3
Net cost of services	13,729	16	(70)	13,676
Other income and expenditure from the Funding Analysis	(2,339)	(1,128)	973	(2,494)
Difference between General Fund (surplus) or deficit and Comprehensive Income & Expenditure Statement (surplus) or deficit	11,390	(1,112)	903	11,182

2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for	Net change for	Other	Total
	Capital Purposes	the Pensions	Differences	Adjustments
	(Note 1)	(Note2)	(Note 3)	Adjustments
	£000	£000	£000	£000
Chief Executive, PA's & Directors	147	10	4	161
Communications, Strategy & Policy	33	38	6	77
Human Resources & Organisation Development	4	11	1	16
Strategic Finance & Property	562	40	11	613
Legal & Democratic Services	30	30	5	65
Housing & Health	1,436	72	13	1,521
Planning & Building Control	18	59	8	85
Operations	17,448	31	7	17,486
Shared Revenues & Benefits Service	36	97	17	150
Shared Business & Technology Services	4	0	0	4
Net cost of services	19,718	388	72	20,178
Other income and expenditure from the Funding Analysis	(2,040)	(428)	1,366	(1,102)
Difference between General Fund (surplus) or deficit and Comprehensive Income & Expenditure Statement (surplus) or deficit	17,678	(40)	1,438	19,076

Note 1 – Adjustments for Capital Purposes

Adjustments for capital purposes for this column add in depreciation and impairment and revaluation gains and losses in the services line and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those asset;
- Financing and investment income and expenditure – the statutory charges for capital financing and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices;
- Taxation and non-specific grant income and expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those received in the year to those receivable without conditions or for which conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions were satisfied in the year.

Note 2 – Net change for the pensions' adjustments

Net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- For Services – this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past services costs;
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Note 3 – Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council Tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

3. Accounting Standards Issued not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the Council to disclose information relating to accounting standards that have been issued but have not yet been adopted that could have a material impact on the accounts.

For this disclosure the standards introduced by the 2024/25 Code are:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

4. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future that are otherwise uncertain. Estimates are made taking into account professional advice (e.g. actuarial advice), historical experience, current trends and other relevant information. Items included within the Council's Balance Sheet at 31 March 2025 for which there is a risk of material adjustment in the forthcoming year are as follows:

Pension Liability

The value of the pension liability as at 31st March 2025 is £112.362m. This liability depends on a number of factors, including discount rates, changes in retirement age, mortality rates and expected return on pension's assets. These are determined on an actuarial basis by Hymans Robertson, the actuaries for the Hertfordshire pension fund.

Change in assumptions at 31 March 2025	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£m)
0.1% decrease in Real Discount Rate	2%	2
0.1% increase in the Salary Increase Rate	0%	1
0.1% increase in the Pension Increase Rate	2%	2

Property, Plant and Equipment

The Council's assets are shown in the accounts at either Fair Value, Fair Value (Existing Use) or Market Value (dependent on the class of asset. Further information can be found in Note 7). The valuations are carried out by our internal asset management team in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation professional standards and International Financial Reporting Standards (IFRS). These valuations are arrived at using recent comparable transactions and for specialised properties using depreciated replacement cost methodology.

The tables below show the 31 March 2025 value of the assets in the Statement of Accounts, the impact a 5% increase or decrease in asset value would have on the Balance Sheet and the depreciation charged to the Comprehensive Income and Expenditure statement.

	31/03/2025	-5%	Movement	5%	
	£000	Value		Value	Movement
		£000	£000	£000	£000
Other Land & Buildings	150,316	142,800	(7,516)	157,831	7,516
Vehicles, Plant, Furniture & Equip.	22,469	21,345	(1,123)	23,592	1,123
Infrastructure	8,978	8,529	(449)	9,427	449
Community Assets	7,572	7,194	(379)	7,951	379
Surplus Assets	1,739	1,652	(87)	1,826	87
	191,073	181,520	(9,554)	200,627	9,554

Depreciation

	31/03/2025	-5%	Movement	5%	
	£000	Value		Value	Movement
		£000	£000	£000	£000
Other Land & Buildings	39,562	37,584	(1,978)	41,540	1,978
Vehicles, Plant, Furniture & Equip.	20,533	19,506	(1,027)	21,559	1,027
Infrastructure	7,708	7,323	(385)	8,093	385
	67,803	64,412	(3,390)	71,193	3,390

Investment Properties

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. The Council's investment property has been valued as at 31 December 2024 (with a statement of professional opinion given that there has been no material change up to 31 March 2025) by the Council's Estates and Asset Manager, Anna Osborne (MRICS) and Principal Assets and Estates Surveyor Lucy Smith (MRICS) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Non Domestic Rates – Provision for outstanding appeals

Since the Retained Business Rate scheme was introduced on 1st April 2013 Local Authorities have assumed the liability for refunding business rate payers who successfully appeal against the rateable value of their property.

Appeals against the rateable value of a property are lodged by the rate payer with the Valuation Office Agency, who provides information of all the appeals that have been lodged to the Council.

An estimate of the potential impact of successful appeals has been calculated using analysis provided from Inform (a member of the Institute of Rating, Revenues and Valuation) and local knowledge.

The carrying amount of the provision at 31 March 2025 is £3.1m, of which the Council's share of £1.2m is reflected in the accounts. Higher success rates of appeals could result in a need for a larger provision. An increase of 5% would change the required provision by £60k affecting the surplus/deficit distribution to the Council, Hertfordshire County Council and Central Government.

Debtors - As at 31 March 2025 the authority had a balance of short term debtors of £19.6m. A review of the age and collectability of the debts outstanding has resulted in a bad debt provision of £3m. If collection rates were to deteriorate then an additional provision would be required.

5. Adjustments between Accounting Basis and Funding Basis under Regulations

2024/25

Adjustments involving the Capital Adjustment Account:

Reversal of items debited or credited to the Comprehensive Income and Expenditure

Statement:

Charges for depreciation of non current assets

Revaluation / Impairment on Property Plant and Equipment

Movements in the market value of Investment Properties

Amortisation of intangible assets

Capital grants and contributions applied

Revenue expenditure funded from capital under statute

Revenue grants written down to the Capital Adjustment Account

Disposal of non current assets

Disposal of investment Properties

Insertion of items not debited or credited to the Comprehensive Income and Expenditure

Statement:

Statutory adjustment relating to capital element of principal repayment for finance lease

Capital expenditure charged against the General Fund

Adjustments involving the Capital Grants Unapplied Account:

Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement

Application of grants to capital financing transferred to the Capital Adjustment Account

Adjustments involving the Capital Receipts Reserve:

Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement

Use of Capital Receipts Reserve to finance new capital expenditure

Adjustments involving the Deferred Capital Receipts Reserve:

Statutory adjustment relating to capital element of principal payment for finance lease

Adjustments involving the Pensions Reserve:

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 33)

Employer's pensions contributions and direct payments to pensioners payable in the year

Adjustments involving the Collection Fund Adjustment Account:

Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements

Adjustment involving the Accumulated Absences Account

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements

Total Adjustments

	Usable Reserves			
	General Fund balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Charges for depreciation of non current assets	3,299	-	-	(3,299)
Revaluation / Impairment on Property Plant and Equipment	10,137	-	-	(10,137)
Movements in the market value of Investment Properties	(364)	-	-	364
Amortisation of intangible assets	137	-	-	(137)
Capital grants and contributions applied	(1,977)	-	-	1,977
Revenue expenditure funded from capital under statute	-	-	-	-
Revenue grants written down to the Capital Adjustment Account	-	-	-	-
Disposal of non current assets	-	-	-	-
Disposal of investment Properties	-	-	-	-
Statutory adjustment relating to capital element of principal repayment for finance lease	-	-	-	-
Capital expenditure charged against the General Fund	(3,000)	-	-	3,000
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	-	-	-	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(372)	372	-	-
Use of Capital Receipts Reserve to finance new capital expenditure	-	(372)	-	372
Statutory adjustment relating to capital element of principal payment for finance lease	2	-	-	(2)
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 33)	1,870	-	-	(1,870)
Employer's pensions contributions and direct payments to pensioners payable in the year	(2,982)	-	-	2,982
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	973	-	-	(973)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(70)	-	-	70
Total Adjustments	7,653	0	0	(7,653)

2023/24 comparative figure

Adjustments involving the Capital Adjustment Account:

Reversal of items debited or credited to the Comprehensive Income and Expenditure

Statement:

	General Fund balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Charges for depreciation of non current assets	3,002			(3,002)
Revaluation / Impairment on Property Plant and Equipment	14,653			(14,653)
Movements in the market value of Investment Properties	740			(740)
Amortisation of intangible assets	166			(166)
Capital grants and contributions applied	(3,423)			3,423
Revenue expenditure funded from capital under statute	1,883			(1,883)
Revenue grants written down to the Capital Adjustment Account	-			-
Disposal of non current assets	641			(641)
Disposal of investment Properties	-			-

Insertion of items not debited or credited to the Comprehensive Income and Expenditure

Statement:

Statutory adjustment relating to capital element of principal repayment for finance lease				-
Capital expenditure charged against the General Fund				-

Adjustments involving the Capital Grants Unapplied Account:

Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement

			35	35.00
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Application of grants to capital financing transferred to the Capital Adjustment Account

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Adjustments involving the Capital Receipts Reserve:

Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement

	(1,615)	1,615		-
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Use of Capital Receipts Reserve to finance new capital expenditure

		(1,615)		1,615
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Adjustments involving the Deferred Capital Receipts Reserve:

Statutory adjustment relating to capital element of principal payment for finance lease

	2			(2)
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Adjustments involving the Pensions Reserve:

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 33)

	2,754			(2,754)
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Employer's pensions contributions and direct payments to pensioners payable in the year

	(2,793)			2,793
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Adjustments involving the Collection Fund Adjustment Account:

Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements

	1,366			(1,366)
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Adjustment involving the Accumulated Absences Account

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements

	72			(72)
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Total Adjustments

	17,448	0	(35)	(17,413)
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6. Transfers to/from Earmarked Reserves

Amounts appropriated to / from reserves are distinguished from service expenditure disclosed in the Statement of Accounts. Reserves include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cashflow management.

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide funding for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/25

	Balance 1 April 2023 £000	Transfers Out/(In) 2023/24 £000	Balance 31 March 2024 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	Balance 31 March 2025 £000
General reserve	(878)	(225)	(1,103)	133	-	(970)
Interest Equalisation Reserve	(2,045)	(1,212)	(3,257)	1,680	-	(1,577)
Insurance Fund	(747)		(747)	33	-	(714)
Emergency Planning Reserve	(36)		(36)	-	-	(36)
LDF/Green Belt Reserve	(62)		(62)	-	-	(62)
Housing Condition Survey Reserve	(90)		(90)	-	-	(90)
Council Elections Reserve	(98)	(235)	(333)	-	-	(333)
Sinking fund - Leisure Utilities / Pension Reserve	(228)		(228)	-	-	(228)
Performance Reward Grant Reserve	(10)		(10)	-	-	(10)
Waste Recycling Income Volatility Reserve	(353)		(353)	-	(150)	(503)
Footbridge Reserve	(150)		(150)	-	-	(150)
DCLG Preventing Repossessions	(18)		(18)	-	-	(18)
New Homes Bonus Priority Spend	(7,938)	(931)	(8,869)	3,000	-	(5,869)
Collection Fund Reserve	(1,663)	(3,400)	(5,063)	-	-	(5,063)
DEFRA Flood Support	(4)		(4)	-	-	(4)
Neighbourhood Planning	(64)	(111)	(175)	-	-	(175)
IER	(80)	32	(48)	-	-	(48)
MTFP Transition Funding Reserve	(413)	98	(315)	61	(72)	(326)
Flexible Homelessness Grant	(354)		(354)	-	-	(354)
Preventing Homelessness New Burdens Reserve	(31)		(31)	-	-	(31)
Healthy Lifestyle Promotions Reserve	(33)		(33)	33	-	-
Land Charges New Burdens	(30)		(30)	-	-	(30)
HB Subsidy Volatility Reserve	(100)		(100)	-	-	(100)
Section 31 NNDR	(3,535)	3,535	-	-	-	-
Parks & Open Spaces Reserve	(306)		(306)	-	-	(306)
Revs & Bens New Burdens Reserve	(300)		(300)	-	-	(300)
Total	(19,566)	(2,449)	(22,015)	4,940	(222)	(17,297)

General reserve	This reserve was established to assist the Council in managing the impact of yearly over and underspends against the revenue budget. £133k was utilised from the reserve in 2024/25.
Interest Equalisation Reserve	This reserve was established to assist the Council in managing the financial implications of adverse interest rate fluctuations. £1.7m has been utilised from this reserve to create a provision to cover the forecast loss on property fund investment.
Insurance Fund	Its purpose is to support the Council's insurance and risk management process in anticipation of setting up a self-insurance fund in some areas to reduce future insurance premiums. £33k was utilised in 2024/25
Emergency Planning Reserve	The reserve was set up to support the work of an Emergency Planning Officer Group that has been established within the Council. There was no call on it in 2024/25.
Local Development Framework / Green Belt Reserve	This reserve was established to smooth expenditure over the Council's Medium Term Financial Plan (MTFP). There has been no call on the reserve in 2024/25.
Housing Condition Survey Reserve	This reserve was established to fund House Condition Surveys. There has been no movement on the reserve in 2024/25.
Council Elections Reserve	Established to smooth the cost of Elections over the MTFP. Further to the Council awarding a leisure contract to Sports and Leisure Management from January 2020, the Council provided guarantees in respect of utilities and employers pension costs. There was no call on it in 2024/25.
Sinking Fund – Leisure Utilities and Pension	The Council received revenue grant funding in respect of the Local Area Agreement (Performance Reward Grant) in 2009/10. There was no call on the reserve in 2024/25.
Waste Recycling Income Volatility Reserve	The reserve has been established to manage income volatility in recycling income. £150k was added to the reserve in 2024/25.
Footbridge Reserve	This reserve was created to manage potential maintenance costs or liabilities that may arise relating to the footbridge over the River Stort. There was no call on the reserve 2024/25.
DCL Preventing Repossessions	This reserve was established from unspent Government Grant monies. There were no appropriations in 2024/25.
New Homes Bonus Priority Spend	This reserve was established from unspent New Homes Bonus monies received from DCLG. Over the years, further amounts of New Homes Bonus monies have been transferred to this reserve. In 2024/25 £3m was used to part fund capital expenditure at Beam.

Collection Fund Reserve	This reserve was established to smooth the effect on the Council of income volatility from the Collection Funds. There was no call on this reserve in 2024/25.
DEFA Flood Support for Local Businesses	This reserve was established from the unspent element of a DEFRA grant received to enable the Council to support local businesses to repair damage following the flooding in 2013/14. There has been no call on this in 2024/25.
Neighbourhood Planning Grant	Created from unspent Neighbourhood Planning grant received from MHCLG to fund future spend. There has been no call on this reserve in 2024/25.
IER Grant	This reserve was created from unspent grant monies received from the Cabinet Office to fund the costs of additional work involved in the Individual Electoral Registration Scheme. Further unspent grant monies were added to the reserve in 2019/20. There was no call on this reserve in 2024/25.
MTFP Transition Funding Reserve	A new reserve established in 2016/17 from the Transition Grant awarded by MHCLG as part of the 2016/17 financial settlement. A net £11k was transferred into this reserve in 2024/25, this in part funded services in the year and an element to fund future one off costs in the MTFP.
Flexible Homelessness Grant	Established from unspent Government Grant monies in 2017/18 specifically to prevent and deal with homelessness. Further unspent grant monies have been added in 2019/20. No call on this reserve in 2024/25.
Preventing Homelessness New Burdens	This reserve contains unspent Government Grant to deal with Homelessness, to be utilised in future years towards the cost of dealing with homelessness. There was no call on this in 2024/25.
Healthy Lifestyle Promotions	A new reserve created in 2018/19 from unspent grant monies received to promote healthy living. This reserve has been fully utilised in 2024/25.
Land Charges New Burdens	This reserve was created from unused government grant received to cover costs of transferring the local land charges register to HM Land Registry. There has been no call on this in 2024/25.
HB Subsidy Volatility Reserve	This reserve was created to manage the financial implications of fluctuations in Housing Benefit subsidy. There has been no call on this in 2024/25.
NNDR Section 31 Reserve	A new reserve created in 2020/21, as a result of the Covid-19 pandemic, from Section 31 grants received in 2020/21 but for use in 2021/22 to fund NNDR Collection Fund transactions. This reserve was fully utilised in 2023/24.
Parks & Open Spaces Reserve	A new reserve created in 2021/22 from unspent contribution to be used to fund future works. No call made on this reserve in 2024/25.
Revs & Bens New Burdens	A new reserve established in 2021/22 from unspent Government Grant monies. No call made on this reserve in 2024/25.

7. Property, Plant & Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price;
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;

The Council capitalises borrowing costs incurred whilst assets are under construction. Assets are then carried in the Balance Sheet using the following measurement bases:

- Operational non-specialised property – fair value based on existing use value. The multi-storey car parks and surface car parks have been valued using the Existing Use Valuation method on the basis of income & expenditure, profit information;
- Operational specialised property (inc leisure centres and Hertford theatre) – depreciated replacement cost (DRC).;
- Community assets – nominal value or historical cost;
- Infrastructure and all other assets – depreciated historical cost;
- Surplus assets - fair value, estimated at highest and best use from a market participant's perspective.

In the event of a future disposal the market value at that time may realise more or less than the carrying value. Since April 2016 the Council has revalued its assets on an annual basis (formerly four year rolling basis). Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

The Valuations were carried out by the Council's Estates and Asset Manager, Anna Osborne (MRICS) and Principal Assets and Estates Surveyor Lucy Smith (MRICS) on the basis of standards of professional practice set out in the guidance below:

- Royal Institution of Chartered Surveyors (RICS) Valuation - Professional Standards ('The red Book')
- International Financial Reporting Standards (IFRS)
- Chartered Institute of Public Finance and Accounting Code of Practice on Local Authority Accounting ('The CIPFA Code')

The valuer has arrived at their opinion of Fair Value, Fair Value (Existing Use) and Market Value from referring to recent comparable transactions. For Specialised properties the Fair value (Existing Use) has been derived using Depreciated Replacement Cost methodology.

Where decreases in value are identified, they are accounted for:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account. The current asset values used in the accounts are based upon a certificate issued by the Council's Asset & Estates Manager, Anna Osborne MRICS and Lucy Smith MRICS as at 31 March 2025. Property, plant and equipment are classified in the Balance Sheet in line with current Accounting Codes of Practice.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

All Property, Plant and Equipment, other than freehold land and Community Assets (with two exceptions being recreational facilities with a building element) are depreciated on a straight line basis over the period of the assets useful economic life. The following periods are used:

Freehold Land	No depreciation
Council Buildings	20 to 60 years
Infrastructure	10 to 20 years
Equipment, Furniture and Fittings	5 to 20 years
Community Assets	No depreciation (30 years for exceptions)
Non-operational assets	40 to 60 years
Enhancement to Leased Properties	10 to 25 years
Plant	20 to 35 years

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Componentisation

In line with accounting requirements the Council considers the identification of individual asset components on a prospective basis following either the enhancement of an asset or its revaluation. The Council has determined that it will adopt a de-minimis value of £1m for individual assets.

Disposals

When an asset is disposed of the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The gain or loss on disposal is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are transferred from the General Fund Balance in the Movement in Reserves Statement to the Capital Adjustment Account (the carrying amount of the asset) and the usable Capital Receipts Reserve (the disposal proceeds).

Property, Plant & Equipment

Cost or Valuation	Other Land & Buildings	Vehicles, Plant, Furniture & Equip.	Infrastructure	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000
2023/24							
As at 01/04/2023	123,046	21,995	8,560	4,991	6,093	18,711.00	183,396
Additions	434	112	73	1,725		22,279	24,623
Disposals		(31)					(31)
Reclassifications	5,020					(9,662)	(4,642)
Revaluations	(1,826)				(1,207)		(3,033)
Total as at 31/03/2024	126,674	22,076	8,633	6,716	4,886	31,328	200,313
2024/25							
As at 01/04/2024	126,674	22,076	8,633	6,716	4,886	31,328	200,313
Additions	42	393	345	896	40	5,067	6,782
Disposals	-	-	-	-	-	-	0
Reclassifications	32,105	-	-	40	(3,191)	(32,802)	(3,927)
Revaluations	(8,505)	-	-	-	5	-	(8,500)
Total as at 31/03/2025	150,316	22,469	8,978	7,572	1,739	3,594	194,667
Depreciation & Impairment							
2023/24							
As at 01/04/2023	34,513	19,715	7,275	91	0	0	61,594
Charge for Year	2,308	476	218				3,002
Acc depreciation w/o on revaluation				-	-	-	0
Disposals				-	-	-	0
Impairment (reversal) recognised in the service				-	-	-	0
Revaluations				-	-	-	0
Total as at 31/03/2024	36,821	20,191	7,493	91	0	0	64,596
2024/25							
As at 01/04/2024	36,821	20,191	7,493	91	-	-	64,596
Charge for Year	2,741	342	215	-	-	-	3,298
Acc depreciation w/o on revaluation	-	-	-	-	-	-	0
Disposals	-	-	-	-	-	-	0
Impairment (reversal) recognised in the service	-	-	-	-	-	-	0
Revaluations	-	-	-	-	-	-	0
Total as at 31/03/2025	39,562	20,533	7,708	91	0	0	67,894
Net Book Value							
Balance Sheet as at 31/03/24	89,853	1,885	1,140	6,625	4,886	31,328	135,717
Balance Sheet as at 31/03/25	110,754	1,936	1,270	7,481	1,739	3,594	126,774

Reconciliation of Additions in the year to Capital Spend

	2024/25	2023/24
	£000	£000
Additions in the year (as above)	6,782	24,623
Intangible assets	198	74
Investment Properties	0	0
	6,980	24,697
plus CERA (not included in note 7)	84	0
Total Capital Spend	7,064	24,697

8. Analysis of Fixed Assets

	31 March '25	31 March '24
	Number	Number
Council Dwellings - Hostels	4	4
- Houses	2	2
Council Offices - Freehold	1	1
- Leasehold	1	1
Service Centre - Leasehold	1	1
Cash Offices	-	0
Off-Street Car Parks (incl. Leasehold)	35	35
Swimming Pools (including 3 joint-use pools)	5	5
Parks and Recreation Grounds/Open spaces	226Ha	226Ha
Public Halls/Community Centres (incl leasehold)	7	7
Commercial Property Rented Out	47	47
Land Awaiting Development	1.24Ha	1.24Ha
Public Convenience	2	2

9. Heritage Assets

In line with the 2012 Code and FRS 30, the Council has identified a number of assets that meet the definition of a heritage asset and are being preserved in trust for future generations because of their cultural, environmental or historical associations.

The Council's policy is to maintain Heritage assets in order to preserve them for future generations because of their cultural and historical associations. The Council does not consider that a commercial value can be placed upon these assets and its policy is, therefore, not to disclose on the balance sheet. They continue to be included within community assets with a nominal value. The assets are insured in order to protect the Council's interest in the event of damage or destruction.

The Heritage assets held within Community assets at a nominal sum are as follows; there is no value held for these assets.

- The Castle Wall (ancient flint), Hertford
- Monument, remains of Church of St Mary's, Old Cross
- Community land Obelisk, Bishop's Stortford
- Flowing River Sculpture, Bishop's Stortford
- Evolution sculpture at Hartham Common
- Hertford Theatre Wall Bronze Resin Sculpture
- Civic Regalia
- Oil Painting of Wallfields, Hertford
- Chainsaw sculpture Pishiobury Park, Sawbridgeworth

10. Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rents received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2024/25	2023/24
	£000	£000
Rental income from investment property	(432)	(501)
Direct operating expenses arising from investment property	320	364
Net gain	(112)	(137)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct, enhance or develop investment property. In some cases, the Council has repairing obligations which are met through revenue expenditure.

Authorities shall account for investment property in accordance with IAS 40 Investment Property and should be valued to 'Fair Value'.

Investment property is recognised at cost, including transaction costs but excluding operational components (PPE) where these can be measured reliably. Following recognition investment property is revalued on a fair value basis reflecting market state and circumstances on a given date.

The objective of this measurement approach is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under the current market conditions.

The following table summarises the movement through additions and re-classification of investment properties over the year:

	2024/25 £000	2023/24 £000
Balance at start of the year	7,854	8,594
Additions: Not transferred through re-classification	-	-
Additions: Transferred through re-classification	-	0
Disposals : Transferred through re-classification	(3,925)	0
Net gains / (losses) from fair value adjustments	363	(740)
Balance at end of the year	4,292	7,854

In addition to arriving at the fair values for the assets, IFRS 13 seeks to increase consistency and comparability within the valuation process which has been achieved through a 'fair value hierarchy'.

Fair Value Hierarchy

All the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes.

Valuation Techniques Used to Determine Level 2 Values for Investment Property

The fair value of investment property has been based on the market approach using current market conditions and recent sales prices, existing lease terms and rentals and other relevant information for similar assets in the local authority area. Market conditions for these asset types are such that the level of observable inputs are significant leading to the properties being categorised at Level 2 in the fair value hierarchy.

There has been no change in the valuation techniques used during the year for investment properties.

Highest and Best Use

In estimating the fair value of the Council's investment properties, the highest and best use is their current use.

Valuation Process for Investment Properties

The Council's investment property has been valued as at 31 December 2024 (with a statement of professional opinion given that there has been no material change up to 31 March 2025) by the Council's Estates and Asset Manager, Anna Osborne (MRICS) and Principal Assets and Estates Surveyor Lucy Smith (MRICS) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

11. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. In addition, the Council has agreed that all software will be treated as intangible assets.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation is not permitted to have an impact on the General Fund Balance. This is therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful life assigned to the major software applications used by the Authority is 5 years. The movement on Intangible Asset balances during the year is as follows:

	Software £000	2024/25 Other Intangible £000	Total £000	Software £000	2023/24 Other Intangible £000	Total £000
Balance at start of year:						
Gross carrying amounts	6,159	-	6,159	6,086	-	6,086
Accumulated amortisation	(5,960)	-	(5,960)	(5,794)	-	(5,794)
Net carrying amount at start of year	199	-	199	292	-	292
Additions:						
Purchases	199	-	199	74	-	74
Amortisation for the period	(138)	-	(138)	(166)	-	(166)
Net carrying amount at end of year	260	-	260	200	-	200
Comprising:						
Gross carrying amounts	6,358	-	6,358	6,160	-	6,160
Accumulated amortisation	(6,098)	-	(6,098)	(5,960)	-	(5,960)
	260	-	260	200	-	200

12. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at: amortised cost, fair value through profit or loss (FVPL), and fair value through other comprehensive income (FVOCI). The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Soft Loans

The Code requires that a discounted interest rate be recognised as a reduction in the fair value of the asset. Potential Council loans falling within this category relate to an assisted car purchase scheme and a cycle scheme. The Council currently has no loans under its assisted car purchase scheme and the amount advanced under the cycle scheme is considered immaterial.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services. The fair value measurements of the financial assets are based on the following techniques: instruments with quoted market prices – the market price Other instruments with fixed and determinable payments – discounted cash flow analysis.

Financial Assets Measured at Fair Value through Other Comprehensive Income

These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are accounted for through a reserve account, with the balance debited or credited to the Comprehensive Income and Expenditure Statement when the asset is disposed of. The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date;
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly;
- Level 3 inputs – unobservable inputs for the asset.

Financial Guarantees

The Code includes a requirement for financial guarantees to be recognised at fair value and charged to the Comprehensive Income and Expenditure Statement (amortised over the life of the guarantee). The levels of liability assessed at March 2025 are regarded as non material and therefore the accounting requirement has not been followed in respect of these guarantees. The Council has determined to set aside a reserve against potential liabilities under these guarantees as set out in Note 6 to the Notes to the Core Statements.

No other financial guarantees were identified in 2024/25.

Financial Instruments Balances

	Non-Current		Current	
	31 March '25 £000	31 March '24 £000	31 March '25 £000	31 March '24 £000
Financial Assets				
Investments				
At amortised cost - principal amount	-	-	-	6,500
- accrued interest	-	-	-	-
Fair Value through other comprehensive income - designated equity instruments	9,662	17,838	903	-
- accrued interest	-	-	-	-
Total Investments	9,662	17,838	903	6,500
Cash & Cash Equivalents				
At amortised cost - principal amount	-	-	21,294	4,156
At amortised cost - accrued interest	-	-	-	-
Total Cash & Cash Equivalents	-	-	21,294	4,156
Debtors				
Financial Assets at amortised cost	3,530	5,188	16,575	12,433
Less Non Financial Instruments Assets	-	-	(6,932)	(2,426)
Total Debtors	3,530	5,188	9,643	10,007
Total Financial Assets	13,192	23,026	31,840	20,663
Financial liabilities				
Borrowing				
At amortised cost	(51,500)	(1,500)	(13,000)	-
At amortised cost - accrued interest	-	-	-	-
Creditors	-	-	(17,592)	(18,200)
Non Financial instruments Liabilities	-	-	4,443	5,052
Total Financial liabilities	(51,500)	(1,500)	(26,149)	(13,148)

The portion of long-term liabilities and investments due to be settled within 12 months of the Balance Sheet date are presented in the Balance Sheet under 'current liabilities' or 'current assets'. This would include accrued interest on long term liabilities and investments that are payable/receivable in 2024/25.

Available for Sale Financial Assets are measured at fair value on a recurring basis. The valuation techniques used to measure them maximise the use of relevant observable inputs and minimise the use of unobservable inputs and are categorised as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability.

Recurring fair value measurements

	Input level in fair value hierarchy	Valuation technique used to measure fair value	2024/25 £000	2023/24 £000
Property Funds	Level 1	Unadjusted quoted prices in active markets	10,565	17,408
Balance at end of the year			10,565	17,408

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between input levels 1 and 2 during the year

The Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value disclosures are required)

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by loans and receivables and long term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments (Level 2), using the following assumptions:

- For loans from the PWLB payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price.
- For non-PWLB loans payable, PWLB premature repayment rates have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;

Financial Liabilities - fair value

	Input level in fair value hierarchy	Valuation technique used to measure fair value	2024/25 £000	2023/24 £000
Long Term Borrowing	Level 2	premature repayment rates	(2,135)	(2,455)
Short Term Borrowing			(63,412)	(49,016)
Balance at end of the year			(65,547)	(51,471)

Financial Instrument Revaluation Reserve

For financial instruments, there is a reserve to help manage the accounting requirements, the Financial Instruments Revaluation Reserve. This records unrealised revaluation gains/losses arising from holding available-for-sale investments and any unrealised losses that have not arisen from impairment of the assets. The table below sets out the transactions for the year:

	2024/25 £000	2023/24 £000
Balance at 1 April	(2,160)	(443)
Upward revaluation of investments	-	(1,717)
Downward revaluation of investments not charged to the Surplus/Deficit on the provision of Services	219	-
Accumulated Gains on assets sold and maturing assets written out to CI&E as part of Other Investment Income	1,809	-
	(132)	(2,160)

13. Financial Instruments Gains / Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Account in relation to financial instruments are made up as follows:

	2024/25		2023/24	
	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000
Net (gains) / losses on				
Financial Assets measured at fair value through profit or loss	-	-	-	-
Financial assets measured at amortised cost	-	-	-	-
Investments in equity instruments designated at fair value through other comprehensive income	-	219	-	(1,717)
Financial liabilities measured at fair value through profit or loss	-	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
Total net (gains)/losses	-	219	-	(1,717)
Interest Revenue				
Financial Assets measured at amortised cost	(1,289)	-	(967)	-
Other financial assets measured at fair value through other comprehensive income	(440)	-	(807)	-
Total interest revenue	(1,729)	-	(1,774)	-
Interest Expense				
Fee income:				
Financial assets or financial liabilities that are not at fair value through profit or loss	106	-	132	-
Fee expense:				
Financial assets or financial liabilities that are not at fair value through profit or loss	2,369	-	541	-
Total interest expense	2,475	-	673	-

14. Fair Value of Assets and Liabilities carried at Amortised Cost

Financial assets (represented by lending and receivables) and financial liabilities (represented by borrowings) are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instrument, using the following assumptions:

- Arlingclose has provided the Fair Value Calculation for the loans and investments.
- No early repayment or impairment is recognised.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount
- Where the instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.

The fair values are calculated as follows:

	31st March 2025		31st March 2024	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Liabilities	(74,649)	(78,696)	(63,148)	(64,709)

	31st March 2025		31st March 2024	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Loans and Receivables	48,933	47,071	43,689	43,259

For financial liabilities, the fair value is more than the carrying amount because the Council's portfolio of loans comprises fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. The commitment to pay interest above current market rates increases the amount that the Council would have to pay if the lender requested or agreed to early repayment of the loans.

The fair value is greater than the carrying amount due to the Council's investment in Property Funds. The Fund value per unit, less the exit fee, is higher than price paid.

15. Debtors

Short Term Debtors

	31 March '25 £000	31 March '24 £000
Central government bodies	1,343	1,214
Other local authorities	5,184	2,798
Bodies external to general government (ie all other bodies)	13,080	11,700
Bad debt provision	(3,032)	(3,279)
	16,575	12,433

Long Term Debtors

	31 March '25 £000	31 March '24 £000
Bodies external to general government (ie all other bodies)	3,530	5,188
	3,530	5,188

16. Cash and Cash Equivalents

	31 March '25 £000	31 March '24 £000
Short-term deposits with banks	21,294	4,156
Total Cash and Cash Equivalents	21,294	4,156

17. Assets Held for Sale

Assets held for sale as at 31 March 2025 include, 1 link Road & 1-15 Limekiln Close, (Bishops Stortford), land at Waitrose & Causeway (Bishops Stortford) and Rapier House (Ware).

Assets Held for Sale	31 March '25	31 March '24
	£000	£000
Balance at start of the year	4,441	408
Additions	-	-
Disposals	-	(609)
Re-Classifications	7,853	4,642
	12,294	4,441

18. Creditors

Short Term Creditors	31 March '25	31 March '24
	£000	£000
Central government bodies	(4,546)	(3,992)
Other local authorities	(1,035)	(2,929)
Bodies external to general government (ie all other bodies)	(12,011)	(11,279)
	(17,592)	(18,200)

19. Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year - where it becomes less than probable that a transfer of economic benefits will now be required the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

The provision held for Non Domestic Rate appeals, is charged as an expense to the relevant collection fund in the first instance. This charge either reduces the Council's surplus or increases the deficit due from the collection fund. These amounts are included in the Taxation and Non-specific Grant income section on the Comprehensive Income and Expenditure Statement.

A new provision was created in 2024/25 to recognise a potential loss in value on redemption of the units that the Council holds in a property fund. The expense has been charged to the Financing and Investment section on the Comprehensive Income and Expenditure Statement.

	Current Liabilities		Long Term Liabilities	
	2024/24 £000	2023/24 £000	2024/25 £000	2023/24 £000
Balance at 1 April	249	300	997	1,233
Additions/Reductions	1,915	(43)	230	(116)
Amounts used	(59)	(8)	(237)	(120)
Transferred	1	0	5	-
Balance at 31 March	2,106	249	995	997

20. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement, Note 5 Adjustments between accounting basis and funding basis under regulations and Note 6 Transfers to/from Earmarked Reserves.

21. Unusable Reserves

	31 March '25 £000	31 March '24 £000
Revaluation Reserve	32,128	31,032
Financial Instruments Revaluation Reserve	(132)	(2,160)
Capital Adjustment Account	51,445	57,999
Deferred Capital Receipts Reserve	139	142
Pensions Reserve	(9,111)	5,250
Collection Fund Adjustment Account	(482)	491
Accumulated Absences Account	(207)	(276)
Total Unusable Reserves	73,780	92,478

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2024/25		2023/24
	£000	£000	£000
Balance at 1 April		31,032	20,815
Downward revaluation of assets	10,150		10,647
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(8,500)		
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		1,650	10,647
Difference between fair value depreciation and historical cost depreciation	(554)		(430)
Amount written off to the capital adjustment account			0
Balance at 31 March		32,128	31,032

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains/losses made by the Council arising from increases/decreases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are revalued downwards or impaired and the gains are lost or disposed of and the gains are realised.

	2024/25		2023/24
	£000	£000	£000
Balance at 1 April		(2,160)	(443)
Upward revaluation of investments			
Downward revaluation of investments not charged to the Surplus/Deficit on the provision of Services	219		(1,717)
		219	(1,717)
Accumulated gains on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of Other Investment Income		1,809	-
Balance at 31 March		(132)	(2,160)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 5 provides details of the source of all transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2024/25		2023/24
	£000	£000	£000
Balance at 1 April		57,999	75,629
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
· Charges for depreciation of non current assets	(3,298)		(3,002)
· Charges for depreciation on revalued assets	554		319
· Movements in the market value of investment properties	364		(740)
· Revaluation/Impairment on Property, Plant and Equipment	(10,136)		(13,680)
· Amortisation of intangible assets	(138)		(166)
· Revenue expenditure funded from capital under statute	0		(1,883)
· Revenue grants written down to the Capital Adjustment Account	1,977		3,458
· Disposal of non-current assets	0		(530)
· Minimum Revenue Position	751		600
· Adjusting amounts written out of Revaluation Reserve			(3,620)
		(9,926)	(19,244)
Capital financing applied in the year:			
· Use of the Capital Receipts Reserve to finance new capital expenditure	372		1,614
· Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	3,000		0
· Application of grants to capital financing from the Capital Grants Unapplied Account			-
· Statutory adjustment for the capital element of finance lease repayments - Refuse trucks			-
· Capital expenditure charged against the General Fund	-		0
		3,372	1,614
Balance at 31 March		51,445	57,999

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2024/25 £000	2023/24 £000
Balance at 1 April	5,250	(2,862)
Actuarial gains or (losses) on pensions assets and liabilities	(15,484)	8,388
	4,265	
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement		(3,030)
	(3,142)	
Employer's pensions contributions and direct payments to pensioners payable in the year		2,754
Balance at 31 March	(9,111)	5,250

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2024/25 £000	2023/24 £000
Balance at 1 April	142	143
Transfer to the General Fund for the capital element of finance lease payments	(3)	(1)
Balance at 31 March	139	142

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and Non Domestic Rates income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax and Non Domestic tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2024/25 £000	2023/24 £000
Balance at 1 April	491	1,857
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax and Non Domestic Rate income calculated for the year in accordance with statutory requirements	(973)	(1,366)
Balance at 31 March	(482)	491

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2024/25 £000	2023/24 £000
Balance at 1 April	(276)	(205)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	69	(71)
Balance at 31 March	(207)	(276)

22. Nature of Expenses Disclosure

	2024/25 £'000	2023/24 £'000
Employee Benefits Expenses	18,256	17,415
Other Service Expenses	27,366	28,164
Housing Benefits Transfer Payments	21,333	22,705
Depreciation, amortisation and impairment	13,729	19,718
Precepts and levies	6,045	5,351
Interest payments	2,368	541
Changes in fair value of Investment Properties	-	740
Minimum revenue Provision	751	600
Loss on disposal on non current assets	-	-
Net interest on the net defined benefit liability & remeasurement of the defined benefit liability for long term employee benefits	-	188
Other Expenditure	1,857	-
Total Expenditure	91,705	95,422
Net interest on the net defined benefit liability & remeasurement of the defined benefit liability for long term employee benefits	(491)	0
Fees charges and other service income	(23,939)	(23,894)
Government grants	(32,529)	(32,958)
Interest and investment income	(1,730)	(1,774)
Income from council tax and non-domestic rates	(17,933)	(17,399)
Gain on disposal of non current assets	(372)	(974)
Changes in fair value of Investment Properties	(364)	0
Recognised capital grants and contributions	(1,977)	(3,423)
Total Income	(79,335)	(80,422)
(Surplus)/Deficit on Provision of Services	12,371	15,000

23. Jointly Controlled Operations

The Council operates four services under a 'Jointly Controlled Operation' arrangement:

- Revenues and Benefits Service, with Stevenage Borough Council which commenced on 1st August 2011
- IT Services, with Stevenage Borough Council, which commenced on 1 August 2013
- Waste and Street Cleansing Service, with North Herts District Council, which commenced on 8 May 2018 and
- Hertfordshire CCTV partnership, with Stevenage Borough Council, North Hertfordshire Council, East Hertfordshire Council and Hertsmeire Borough Council. Each member of the arrangement accounts for their share of the asset, liabilities and cash flows of the CCTV in their own accounts. This is considered de minimis and not included in the table below.

The Council is lead authority for the Revenues and Benefits shared service and Stevenage is lead for the Business and Technology service and North Herts is lead for the Waste and Street Cleansing service. All three arrangements are governed by separate Joint Partnership Boards comprising of Council officers. Each authority has equal representation on both Boards. These Boards report to each Authority's Executive Committee. The Revenues and Benefits Shared Service also operates a joint Committee with equal numbers of Councillors from both Authorities to scrutinise the operational management of the service.

In line with the Accounting Code of Practice this arrangement is accounted for as a jointly controlled operation. A jointly controlled operation uses the assets and resources of the two partner councils without the establishment of a separate legal entity. Under these arrangements each council accounts separately for its own transactions including use of assets, liabilities, income, expenditure and cash flows.

This note sets out details of the income & expenditure of the joint arrangements and the apportionments between the councils in accordance with the agreement entered into. For information purposes only and where relevant, other notes to the accounts show amounts relating to these arrangements.

	2024/25			2023/24		
	Waste and Street Cleansing Service £000	IT Services £000	Revenues & Benefits Service £000	Waste and Street Cleansing Service £000	IT Services £000	Revenues & Benefits Service £000
Expenditure						
Employees	592	1,763	3,531	528	1,695	3,726
Transport Related Expenses	7	33	9	20	30	12
Supplies and Services	30	1,952	315	24	1,740	286
Support Services	-	469	1,354	-	468	1,034
Total Expenditure	630	4,217	5,209	572	3,933	5,058
Income						
Stevenage Borough Council	-	2,536	2,086	-	1,834	2,117
East Herts District Council	313	1,681	3,123	276	2,099	2,941
North Herts District Council	317	-	-	296	-	-
Total Income	630	4,217	5,209	572	3,933	5,058
Net Expenditure	-	-	0	-	-	-

The contribution made by the Council has been incorporated into the Comprehensive Income and Expenditure Statement in the Net Costs of Service.

Additionally the Council partnered with 7 other local authorities across Hertfordshire to create a new fully integrated building control service, which was launched in August 2016. An additional local authority joined in 2019, so eight local authorities have equal control. The Council holds 13% of the share capital (£8) and is represented on the board. The company aims to provide a more flexible and efficient response to building control issues across the county. In 2016/17 the Council made a loan to the company of £107k, which is held under Long Term Debtors on the balance sheet.

24. External Audit Costs

This note discloses the amounts that East Herts Council has paid to its external auditors for work carried out in performing statutory functions and in providing any additional services.

In 2024/25 East Herts Council incurred the following fees relating to external audit and inspection:

	2024/25 £000	2023/24 £000
Fees payable to Azets with regard to external audit services carried out by the appointed auditor	165	165
Fees payable to Azets for the certification of grant claims and returns	28	28
Prior Year additional fees	-	0
	193	193

25. Members Allowances

The total payments made to elected Members of East Herts Council, under its Members' Allowance Scheme for the year ending 31 March, was as follows:

	2024/25 £000	2023/24 £000
Basic Allowances	284	284
Special Responsibility Allowances	146	144
Travel and Subsistence expenses	1	2
	431	430

A full disclosure of payments is available on the Council's website.

26. Officer Emoluments

The number of employees, excluding senior officers disclosed in note 28, whose remuneration, was £50,000 or more in bands of £5,000 are shown below. The previous year has been restated to exclude officers disclosed in note 28.

Remuneration Band	Number of Employees	
	2024/25	2023/24
	Total	Total
£50,000 to £54,999	18	12
£55,000 to £59,999	11	6
£60,000 to £64,999	6	2
£65,000 to £69,999	5	8
£70,000 to £74,999	2	-
£75,000 to £79,999	-	-
£80,000 to £84,999	-	1

27. Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other departures are set out in the table below.

Exit package cost band (including special payments)	Number of Redundancies		Number of other departures		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
							£	£
£								
0-20,000	2	4	6	4	8	8	66,017	104,450
20,001-40,000	2	-	-	1	2	1	62,249	33,807
40,001-60,000	1	2	-	-	1	2	48,585	90,838
60,001-80,000	-	-	-	-	-	-	-	-
80,001-100,000	-	-	1	-	1	-	91,873	-
100,001-150,000	-	-	-	-	-	-	-	-
Total	5	6	7	5	12	11	268,724	229,095

28. Senior Officer Remuneration

An additional disclosure is required for Senior Officer's Remuneration (the Chief Executive and those reporting directly to the Chief Executive), whose salary is more than £50,000 per year:

	Salary (inc expense allowance) £	Expenses Allowances £	Total Remuneration excluding pension contributions £	Pension Contributions £	Total Remuneration including pension contributions £
2024/25					
Chief Executive - Left part way through the year	60,978	-	60,977.67	11,864	72,841.23
Deputy Chief Executive	123,789	-	123,789.05	24,510	148,299.30
Interim Head of Revenues & Benefits Shared Service	66,290	-	66,289.74	13,126	79,415.63
Head of HR & Organisational Development - Started from June 2024	58,239	-	58,239.33	11,531	69,770.73
Head of Strategic Finance & Property - Left part way through the year	61,876	-	61,876.26	12,252	74,127.76
Interim Head of Strategic Finance & Property (Agency) - Nov 24 - April 25	78,216	-	78,216.00	-	78,216.00
Head of Communications, Strategy & Policy	85,355	-	85,355.01	16,703	102,057.93
Head of Legal & Democratic Services	92,243	-	92,242.97	18,264	110,507.07
Head of Housing & Health	86,758	-	86,758.01	17,178	103,936.13
Head of Operations - Left towards the end of the year	75,264	-	75,263.98	-	75,263.98
Head of Planning & Building Control	82,243	-	82,243.01	16,284	98,527.01
2023/24					
Chief Executive	130,728	-	130,728	25,884	156,612
Deputy Chief Executive	109,672	-	109,672	21,715	131,387
Head of Revenues & Benefits Shared Service	65,172	-	65,172	12,904	78,076
Head of HR & Organisational Development - left part way through the year	28,692	-	28,692	5,388	34,080
Head of Strategic Finance & Property	85,237	-	85,237	16,877	102,114
Head of Communications, Strategy & Policy	82,301	-	82,301	16,296	98,597
Head of Legal & Democratic Services	88,271	379	88,650	17,478	106,128
Head of Housing & Health	82,301	-	82,301	16,296	98,597
Head of Operations - on maternity leave for part of the year	32,183	-	32,183	-	32,183
Head of Planning & Building Control	82,925	-	82,925	15,498	98,422

29. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25:

	2024/25 £000	2023/24 £000
Credited to Taxation and Non Specific Grant Income		
Council Tax	18,845	17,722
Non-Domestic Rates & Section 31 Business Rate Support	4,844	4,780
New Homes Bonus	1,697	931
Other Capital Grants	1,977	3,423
Other Revenue Grants	625	1,265
Renewable Energy	91	70
	28,079	28,191
Credited to Services		
<u>Grants</u>		
DWP	22,010	23,386
DCLG	2,286	1,846
DEFRA	27	154
Home Office	65	194
Office of National Statistics	-	-
Department of Education	15	9
	24,403	25,589
<u>Other Contributions</u>		
Contributions from Other Authorities*	3,570	3,555
Income from Other Bodies	2,097	1,466
	5,667	5,021

* includes the contribution from Stevenage Borough Council for the Shared Revenues and Benefits Service

The Council has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the funding body if not used for the purpose provided. The balances at year end are as follows:

	2024/25 £000	2023/24 £000
Grants Receipts in Advance		
Capital		
Other Capital Grants	1,869	411
Developer Contributions	1,999	1,655
	3,868	2,066
Revenue		
Developer Contributions	5,915	5,609
Other Revenue Grants	278	314
	6,193	5,923

30. Related Party Transactions

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made.

Related parties to this authority would include:

Central government; local authorities and other bodies precepting or levying demands on the Council Tax; its members; its chief officers; and its pension fund. Members of close family, or the same household of an individual identified as a related party are also assumed to be related parties.

All significant material transactions with related parties, such as parish precepts, precepts, pension fund contributions etc, have been disclosed in the Comprehensive Income and Expenditure Statement.

The UK government exerts significant influence through legislation and grant funding, which has been disclosed in the Comprehensive Income and Expenditure Statement.

Four senior officers of the Council held a position of director at Millstream Property Investments Ltd in 2024/25, a company wholly-owned by East Herts. The Council has advanced loans to this company and receives annual income of £140k in interest.

A senior officer of the Council held a position of Director at Hertfordshire CCTV Partnership Ltd. The Council paid this company £9k during 2024/25

A number of District Council members are also members of Town and Parish Councils that receive funding from this Council. Precept payments are disclosed in the Comprehensive Income and Expenditure Statement. Any grants made to these bodies were made with proper consideration of declarations of interest.

Hertfordshire County Council is a related party in respect of various transactions including pension's contributions and precepts. Additionally they act as the "accountable body" for the Hertfordshire Local Area agreement.

Shown in the Balance Sheet are totals for debtors and creditors which represent amounts due to or from related parties. The principal year end balances with related parties included in these totals are shown within Notes 15 & 18.

31. Capital Expenditure and Capital Financing

	2024/25 £000	2023/24 £000
Opening Capital Financing Requirement	60,939	40,065
Capital investment		
Property, Plant & Equipment	435	507
Infrastructure	345	73
Community Assets	895	1,723
Intangible Assets	199	74
Assets Under Construction	4,727	21,303
Revenue Expenditure Funded from capital under Statute	84	1,883
Surplus	40	-
Capitalisation of interest	340	1,017
Sources of finance		
Capital receipts	(372)	(1,615)
Government grants and other contributions	(1,977)	(3,458)
Sums set aside from Revenue:		
Direct revenue contributions	(3,098)	(33)
Minimum Revenue Provision	(751)	(600)
Loan/ finance lease principal repayments		
Closing Capital Financing Requirement	61,806	60,939
Explanation of movements in year		
Increase in underlying need to borrowing (unsupported by government financial assistance)	(867)	(20,874)
Decrease in Surplus in Capital Resource	(867)	(20,874)

32. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment (embedded leases) are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as a Lessor

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

Depreciation is applied in the year of acquisition.

The Council is not required to raise council tax to cover depreciation, impairment and gains and losses on revaluation arising on leased assets. Any such costs that have been charged to the Surplus or Deficit on the Provision of Services are not proper charges to the General Fund. Such amounts are transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.

Operating Leases

Rents paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease.

The Council as a Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Investment Properties) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement.

Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Finance leases

As at 31 March 2025, the Council did not hold any leases that fell into the category of a finance lease.

Council as a lessee

Operating leases

The Council leases the Buntingford Service Centre.

The future minimum lease payments due under non-cancellable leases in future years are:

	31 March '25 £000	31 March '24 £000
Not later than one year	300	300
Later than one year and not later than five years	1,200	1,200
Later than five years	3,900	1,200
	5,400	2,700

The expenditure charged to Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2024/25 £000	2023/24 £000
Minimum lease payments	300	300
Lease payments receivable	-	-
	300	300

Council as a lessor

Finance leases

The Council leases out Pindars Lodge.

Following the introduction of IFRS 1 and this asset's transfer from an operating lease to finance lease, a lease term of 50 years from March 1997 was set.

The Council has a gross investment in the lease, made up of the minimum lease payments expected to be received over the remaining term. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Council in future years whilst the debtor remains outstanding. The gross investment is made up of the following amounts:

	2024/25 £000	2023/24 £000
Finance lease debtor as at 31 March	139	142
Unearned finance income	167	179
Gross investment in lease as at 31 March	306	321

The gross investment in the lease which are the minimum lease payments, will be received over the following periods:

	Gross investment in lease 31 March '25 £000	Gross investment in lease 31 March '24 £000
Not later than 1 year	14	14
Later than 1 year and not later than 5 years	56	56
Later than 5 years	236	251
	306	321

Operating Leases

The council receives income from a variety of properties ranging from Industrial and Commercial ground leases, to a small number of commercial premises including shops and other miscellaneous properties. Each is subject to individual agreements and reviews. The terms are dependent upon a number of criteria; the corporate priorities of the Council, options that are available, historic and legal agreements. The future minimum lease payments receivable under non-cancellable leases in future years are:

	31 March '25 £000	31 March '24 £000
Not later than one year	1,542	1,346
Later than 1 year and not later than 5 years	4,826	5,136
Later than 5 years	64,455	58,156

33. Pension Scheme

As part of the terms and conditions of employment the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until the employee retires, the Council has a commitment to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme which is administered by Hertfordshire County Council. This is a funded defined benefit scheme which means that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets in the long term. Under the Scheme members' retirement benefits are not affected by the Fund's performance.

Pension contributions are based on rates determined by the Fund's professionally qualified actuary based on triennial reviews. The most recent review was undertaken in January 2022. A review is being undertaken in 2025/26.

Transactions Relating to Post Employment benefits

The Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against council tax is based on the cash payable in the year, the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund balance via the Movement in Reserves during the year.

	2024/25 £000	2023/24 £000
Comprehensive Income & Expenditure Statement:		
<i>Service Cost comprising:</i>		
Current service cost	2,276	2,457
Past Service Cost	85	108
<i>Financing and Investment Income and Expenditure</i>		
Net Interest Expense	(491)	131
Total post employment benefit charged to surplus or deficit on the provision of services	1,870	2,696
<i>Other post employment benefit credited to the Comprehensive Income and Expenditure Statement</i>		
<i>Remeasurement of the net defined benefit liability comprising:</i>		
Return on plan assets (excluding the amount included in net interest expense)	5,891	(5,393)
Actuarial gains/(losses) arising on changes in demographic assumptions	(16,245)	(5,790)
Actuarial gains/(losses) arising on changes in financial assumptions	(2,172)	(812)
Other actuarial gains or losses	(843)	3,972
Impact of asset ceiling	28,853	0
Total post employment benefits charged to the Comprehensive Income and Expenditure Statement	15,484	(8,023)
Movement in Reserve Statement		
Reversal of net charges made to the surplus or deficit on the provision of services for post employment benefits in accordance with the code		
<i>Actual amount charges against the general fund balance for pensions in the year:</i>		
Employers contributions payable to scheme	2,982	2,680

Pensions Assets and Liabilities recognised in the Balance Sheet

	2024/25 £000	2023/24 £000
Opening Fair Value of scheme assets	133,020	123,799
Interest income	6,626	5,833
Remeasurement gain/(loss):		
Other Experience		
Return on plan assets, excluding the amount included in the net interest expense	(5,891)	5,393
Contributions from employer	2,992	2,786
contributions from employees into the scheme	784	739
Benefits paid	(5,427)	(5,530)
31 March	132,104	133,020

Reconciliation of present value of scheme liabilities

Balance at 1 April	127,769	126,661
Current service cost	2,276	2,457
Past service cost	85	108
Interest cost	6,135	5,964
Contributions by scheme participants	784	739
<i>Remeasurment (gain) and losses:</i>		
Actuarial gains/(losses) arising on changes in demographic assumptions	(16,245)	(5,790)
Actuarial gains/(losses) arising on changes in financial assumptions	(2,172)	(812)
Other actuarial gains or losses	(843)	3,972
Benefits paid	(5,427)	(5,530)
31 March	112,362	127,769

	2024/25 £000	2023/24 £000
Scheme history		
Present value of the defined benefit obligation	(112,362)	(127,769)
Fair value of assets	132,104	133,020
Impact of asset ceiling	(28,853)	0
Surplus/(Deficit) in the scheme	(9,111)	5,251

Impact on the net worth of the Council

Statutory arrangements for funding the deficit means that the financial position of the Council remains healthy as:

the deficit on the Local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions expected to be made to the pension scheme by the Council in the year to 31 March 2026 is £2.927m (£2.743m to 31 March 2025).

A breakdown of the Fund's assets including the prior financial year comparator is detailed below:

Asset breakdown	As at 31 March 2025		As at 31 March 2024	
	Total	% of Total Assets	Total	% of Total Assets
	£000	%	£000	%
Equities	78,905	60	79,025	59
Bonds	29,901	22	29,222	22
Property	19,990	15	16,029	12
Cash	3,308	3	8,744	7
Total	132,104	100	133,020	100

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Hertfordshire County Council Fund liabilities have been assessed by Hymans Robertson LLP (to 31 March 2024) and Barnett Waddingham (from 1 April

The principal assumptions used by the actuary have been:

	31 March '25	31 March '24
Long-term expected rate of return on assets in the scheme:		
Equity investments	2.5%	2.5%
Bonds	2.5%	2.5%
Property	2.5%	2.5%
Cash	2.5%	2.5%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	21.2 years	22.0 years
Women	24.1 years	24.5 years
Longevity at 65 for future pensioners:		
Men	21.9 years	22.8 years
Women	25.5 years	26.0 years
Rate of inflation/ Pension increase	2.9%	2.8%
Rate of increase in salaries	3.9%	3.3%
Discount Rate	5.8%	4.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes at each change that the assumption analysed changes while all the others remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme ie. on an actuarial basis using the projected cost method. The methods and types of assumptions used in preparing the sensitivity analysis did not change from those used in the previous period

Change in assumptions as at 31 March 2025:	Approximate %
Longevity (increase or decrease in 1 year)	4%
0.1% decrease in real discount rate	2%
0.1% increase in the salary increase rate	0%
0.1% increase in the Pension increase rate	2%

Impact on the Council's Cashflow

The objectives of the scheme is to keep employer contributions at as constant a rate as possible. The Council has agreed a strategy with the schemes actuary, to achieve a funding level of 100% over the next 25 years. Funding levels are monitored on an annual basis.

34. Nature and Extent of Risks arising from Financial Instruments

Key Risks

The Council's activities expose it to a variety of financial risks. The key risks are:

- ▮ **Credit risk** the possibility that other parties might fail to pay amounts due to the Council;
- ▮ **Liquidity risk** the possibility that the Council might not have funds available to meet its commitments to make payments;
- ▮ **Re-financing risk** the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- ▮ **Market risk** the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements.

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and to protect and maximise (given the identified level of risk) the financial resources available to fund services. The Council in the annual Treasury Management Strategy Statement provides written principles for overall risk management, as well as written policies (covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash).

1 Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

This Council uses the creditworthiness service provided by Arlingclose. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

The full Investment Strategy for 2024/25 was approved by Full Council on 28 February 2024 and is available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Authority's maximum exposure to credit risk in relation to its investments in financial institutions cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits, but there was no evidence at the 31 March 2025 that this was likely to crystallise.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Accounts Receivable

The Council does not generally allow credit facilities to customers in relationship to debts. The past due amount can be analysed by age as follows: (see policy xii)

	31 March '25 £000	31 March '24 £000
Less than three months	1,272	626
Three months to one year	318	516
More than one year	1,624	1,462
	3,214	2,604

The Council pursues all debts in line with its established debt recovery policy.

2 Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (setting and approval of prudential indicators and the approval of the treasury and investment strategy reports, as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to variety of short term borrowings from either the money markets to cover any day to day cashflow need. The PWLB and money markets provides the council access to long term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments

See Financial instruments Note 12

3 Refinancing and Maturity Risk

The Council maintains a debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

4 Market Risk

Interest rate risk

The Council is exposed to fluctuations in interest rate movements on its borrowings and investments. Fluctuations in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains or losses on fixed rate may have an impact on the Income and Expenditure account. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance. Movements in the fair value of fixed rate investments will be reflected in the Comprehensive Income & Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rates exposure. The treasury team regularly monitors money market and often forecast interest rates within the year to adjust exposures accordingly. For instance during periods of falling interest rates, where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

With low interest rates generally prevailing, the Council has an interest equalisation reserve that assists in managing interest rate fluctuations in the medium term. The balance as at 31 March 2025 is £1.58m.

Based on the current Treasury Management position at 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000
Increase in interest payable on variable rate borrowings	no variable borrowings
Increase in interest receivable on variable rate investments	130
Increase in government grant receivable for financing costs	de minimus
Surplus on the Provision of Services	de minimus

Impact on Comprehensive I & E Statement

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

5 Price Risk

The Council, does not generally invest in equity shares or marketable bonds.

However, it does hold units in property funds to the value of £12.8m. Whilst these holdings are generally illiquid, the Council is exposed to losses arising from movements in the price of the units.

To limit its exposure to price movements the council has set a property fund investment limit of £20m, at the time of investment.

These units are all classified as Available-for-Sale, meaning that all movements in price will impact on gains and losses recognised in the Financial Instruments Revaluation Reserve. A general shift of 5% in the general price of shares (positive or negative) would thus have resulted in a £0.64m gain or loss being recognised in the Financial Instruments Revaluation Reserve.

6 Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to risk arising from movements in exchange rates.

The Council also has no shareholdings or insurance investment fund, therefore has no exposure to any further risks.

35. Capital Commitments

At 31 March 2025, the authority has entered into one contract for the construction or enhancement of property, plant and equipment, the major commitments are:

- New Waste Contract - The Council has entered into a new waste contract, which includes the purchase on new Waste Vehicles and Bins at an estimated cost of £7.8m.

36. Contingent Liability

The Council has identified one contingent liability which may give rise to future costs.

Following the Municipal Mutual Insurance Scheme Arrangement being "triggered" the Council has paid a total levy of £34k as at 31 March 2025. A contingent liability of around £137,913 remains in respect of potential further exposure against existing claims. Further claims could be notified.

Given the level of General Reserves held by the Council and the uncertainty of the value of the potential liabilities identified it has not been considered appropriate to make specific financial provision within the accounts at this stage.

37. Post Balance Sheet Event

There are no post balance sheet events as at 27 June 2025.

THE COLLECTION FUND

INCOME AND EXPENDITURE ACCOUNT

		2024/25			2023/24		
		£000	£000	£000	£000	£000	£000
		Council Tax	NDR	Total	Council Tax	NDR	Total
Income collectable from Council Taxpayers	Note 2	146,438	-	146,438	136,973	-	136,973
S31 S13A(1)/ (c) transfer from General Fund		4	-	4	117	-	117
Income collectable from Business Ratepayers	Note 3	-	47,028	47,028	-	41,737	41,737
Total Income		146,442	47,028	193,470	137,090	41,737	178,827
Council Tax Precepts and Demands							
Hertfordshire County Council		109,253	-	109,253	102,588	-	102,588
East Herts Council		18,697	-	18,697	17,464	-	17,464
Hertfordshire Police		16,267	-	16,267	15,206	-	15,206
Business Rates Shares:							
Payments to Government		-	25,277	25,277	-	24,780	24,780
Payments to Hertfordshire County Council		-	5,055	5,055	-	4,956	4,956
Payment to East Herts Council		-	20,221	20,221	-	19,824	19,824
Charges to Collection Fund							
Costs of Collection		-	203	203	-	202	202
Bad Debt Provision - Increase:							
Council Tax		1,095		1,095	(164)	-	(164)
Non Domestic Rates		-	231	231	-	(178)	(178)
Non Domestic Rates Appeals Provision	Note 4	-	(8)	(8)	-	(716)	(716)
Transitional Protection Payment		-	(2,849)	(2,849)	-	(7,495)	(7,495)
Disregarded Amounts		-	156	156	-	113	113
Distribution of prior years' Fund balance		2,786	643	3,429	1,351	3,869	5,220
Total Expenditure		148,098	48,929	197,027	136,445	45,355	181,800
In year Movement in Fund		1,656	1,901	3,557	(645)	3,618	2,973
Balance as at 1 April		(2,860)	(303)	(3,163)	(2,215)	(3,921)	(6,136)
Balance as at 31 March		(1,204)	1,598	394	(2,860)	(303)	(3,163)
Allocated to :							
East Herts Council		(157)	639	482	(369)	(121)	(490)
Hertfordshire Police		(136)	160	24	(322)	(30)	(352)
Hertfordshire County Council		(911)		(911)	(2,169)	-	(2,169)
Government			799	799	-	(152)	(152)
Total		(1,204)	1,598	394	(2,860)	(303)	(3,163)

NOTES TO THE COLLECTION FUND INCOME AND EXPENDITURE ACCOUNT

1. General

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund.

The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and Government of Council Tax and Non-Domestic Rates.

There is no requirement for a separate Collection Fund Balance sheet, as the assets and liabilities of the fund belong to the various bodies and Government.

In 2013/14 the local government finance regime was revised with the introduction of the Retained Business Rates scheme. The main aim of the scheme is to give Council's a greater incentive to grow businesses in the district. It does, however, also increase the financial risk to the Council due to non collection and the volatility of the NDR tax base.

The retained income scheme allows the Council to retain a proportion of the total NDR income received. The Council's share is 40% with the remainder being split between Hertfordshire County Council (10%) and Government (50%).

2. Council Tax

The Council's tax base i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of Band D dwellings, is calculated as follows:-

The tax base for 2024/25 was approved at Full Council on 13 December 2024 and was calculated as follows:

Band	Estimated no. of taxable properties after effect of discounts	Ratio	Band D Equivalent dwellings
Disa A	0.00	5/9	0.00
A	703.30	6/9	468.87
B	4,394.89	7/9	3,418.25
C	12,882.07	8/9	11,450.73
D	14,547.52	9/9	14,547.52
E	11,058.35	11/9	13,515.76
F	7,692.88	13/9	11,111.94
G	5,647.61	15/9	9,412.68
H	802.44	18/9	1,604.88
	57,729.06		65,530.63
Estimated collection rate			98.9%
2024/25 Estimated Council Tax base			64,809.7
Council Tax Collection			£000
2024/25 estimated Council Tax due			144,217
64,809.7 x £2,225.24 (average band D charge)			
2024/25 Council Tax income			146,442
Surplus			(2,225)

3. Income from Business Ratepayers

The Council collects non-domestic rates for its area which are based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by the standard multiplier, which for 2024/25 was 54.6p (2023/24 51.2p) or the small business multiplier, which for 2024/25 was 49.9p (2023/24 49.9p)

The total amount less certain reliefs and allowances is distributed to East Herts Council (40%), Hertfordshire County Council (10%) and Central Government (50%).

When the Retained Business Rates scheme was introduced, the Government set a baseline for each authority identifying the funding required. In order to ensure that each authority receives their base line amount, a top up or tariff amount is applied to each local authority.

East Herts is a tariff authority, which means that it doesn't keep its entire share but is subject to pay a tariff (£19.675m in 2024/25) to Central Government which is when used to fund 'top up' authorities.

The business rates retention scheme provides the opportunity for local authorities to share in the benefits of growth in the rates tax base i.e. provides an incentive for economic development and regeneration. Any income retained from growth is subject to a levy of 50%. Conversely if any Council suffers a significant drop in NNDR due to the loss of one or more major businesses, or a large number of smaller businesses, or a greater than expected loss from revaluations, then a safety net of 92.5% of the baseline applies.

4. Provisions

The Collection Fund account includes provisions for bad debts on arrears based on past years experience and the current years collection rate.

	2024/25			2023/24		
	£000 Council Tax	£000 NDR	£000 Total	£000 Council Tax	£000 NDR	£000 Total
Balance at 1 April	(3,613)	(1,594)	(5,207)	(4,012)	(2,099)	(6,111)
Additional provisions made in year	(1,152)	(231)	(1,383)	114	178	292
Provision applied	402	363	765	285	327	612
Balance at 31 March	(4,363)	(1,462)	(5,825)	(3,613)	(1,594)	(5,207)

In addition, a provision has been made for NDR appeals against the rateable valuations assessed and determined by the Valuation Office Agency (VOA) which have not been settled by 31 March 2025.

	2024/25 £000	2023/24 £000
Balance at 1 April	(3,116)	(3,832)
Change in provisions made	(288)	396
Provision applied in year	296	320
Balance at 31 March	(3,108)	(3,116)

Group Accounts

Introduction

In order to provide a full picture of the economic and financial activities of the Council, and its exposure to risk, the accounting statements of its subsidiary are consolidated with those of the Council. The resulting Group Accounts are presented in addition to the Council's single entity accounts. They include the core accounting statements, similar in presentation and purpose to the Council's accounts, and any explanatory notes considered necessary to explain material movements from the single entity accounts. Where no notes are given, users of the accounts should refer to the notes in the single entity accounts.

Group accounts have been prepared under the requirements of the Code of Practice on Local Authority Accounting, consolidating any subsidiary over which the Council exercises control or influence.

Millstream Property Investments Ltd, is a wholly owned company formed in February 2018 by the Council. There are no minority shareholders and no restrictions on the Council's ability to access or use the assets or settle the liabilities of the group.

Millstream Property Investments Ltd was created to acquire, develop and refurbish homes to provide rental properties to tenants wishing to live in the private sector, but with the assurance that the accommodation is managed by a responsible landlord.

Acting as Millstream's sole shareholder, the Council agreed on 26th February 2025, to use its reserved power under the Shareholder Agreement with the company to resolve that the company disposes of its properties. Disposal will commence in 2025/26.

Accounting Policies

Millstream Property Investments Ltd has prepared its 2024/25 accounts using accounting policies consistent with those applied by the Council and no adjustments have been required to align accounting policies. Both entities have a financial year end of 31 March.

GROUP MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (ie those that can be applied to fund expenditure or reduce taxation) and other reserves.

	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves	Share of Reserves of Subsidiaries	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024	3,854	22,016	0	189	26,058	92,478	118,536	2,209	120,745
Movement in reserves during 2024/25									
Total Comprehensive Income and Expenditure	(12,214)	-	-	-	(12,214)	(11,045)	(23,259)	(183)	(23,442)
Tax expenses for Millstream Property Investment		0	0	0	0	0	0	0	0
Adjustments between group accounts and authority accounts		-157	0	0	-157	0	-157	157	0
Adjustments between group accounts and authority accounts		7653	0	0	7,653	-7653	0	0	0
Net Increase/Decrease before Transfers	(12,214)	7,496	0	0	(4,718)	(18,698)	(23,416)	(26)	(23,442)
Transfers to/(from) Earmarked Reserves	4,718	(4,718)	-	-	-	-	-	-	-
Increase/Decrease in Year	- 7,496.00	2,778.00	-	-	- 4,718	- 18,698	- 23,416	- 26.00	- 23,442
Balance as at 31 March 2025 carried forward	(3,642)	24,794	-	189	21,340	73,780	95,120	2,183	97,303

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations, generally this will be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

	2024/25		2023/24	
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Net Expenditure £000
Chief Executive, PA's & Directors	543	0	543	563
Communications, Strategy & Policy	3,952	(1,957)	1,995	1,512
Human Resources & Organisation Development	592	(15)	577	611
Strategic Finance & Property	6,145	(1,659)	4,486	5,077
Democratic & Legal Services	2,019	(454)	1,565	1,692
Housing & Health	4,407	(2,143)	2,264	3,305
Planning & Building Control	4,475	(2,111)	2,364	2,676
Operations	30,097	(14,566)	15,531	20,055
Shared Revenues & Benefits Service	25,349	(24,474)	875	973
Shared Business & Technology Services	2,778	(446)	2,332	2,239
NET COST OF SERVICES	80,357	(47,825)	32,532	38,703
Payments of precepts to parishes			6,045	5,351
Gain on disposal of non current (fixed) assets			(372)	(974)
Minimum Revenue Provision			751	600
OTHER OPERATING EXPENDITURE			6,424	4,977
Interest payable and similar charges			2,369	541
Net Interest on the net defined benefit liability & remeasurements of the defined benefit liability for long term employee benefits			(491)	189
Interest receivable and similar income			(1,588)	(1,633)
Income from investment properties		Note 1	(703)	(763)
Direct expenditure incurred on investment properties		Note 1	434	447
Changes in Fair Value of Investment Properties			(364)	899
Other Investment			1,857	-
FINANCING AND INVESTMENT EXPENDITURE			1,514	(320)
Recognised capital grants and contributions			(1,977)	(3,423)
Council tax income			(18,844)	(17,722)
Non domestic rates			911	322
Non service related government grants			(8,078)	(7,298)
Renewable Energy			(91)	(70)
TAXATION AND NON-SPECIFIC GRANT INCOME			(28,079)	(28,191)
(SURPLUS) / DEFICIT ON PROVISION OF SERVICES			12,391	15,169
Millstream Capital contribution			0	0
Tax expenses of subsidiaries			0	(43)
GROUP (SURPLUS)/DEFICIT			12,391	15,126
(Surplus) or Deficit on revaluation of PPE assets			(1,762)	(12,637)
Remeasurements of the net defined benefit liability			14,835	(7,656)
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			13,073	(20,293)
(Surplus) / Deficit on revaluation of financial instruments			(2,028)	1,717
ITEMS THAT MAY BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			(2,028)	1,717
Millstream Other Operating Income			0	0
OTHER COMPREHENSIVE INCOME AND EXPENDITURE			11,045	(18,576)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE			23,436	(3,450)

All operations arise from continuing activities.

GROUP BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

		31 March '25	31 March '24
		£000	£000
Property, Plant & Equipment			
- Other land and buildings		110,754	89,854
- Vehicles, plant, furniture and equipment		1,936	1,884
- Infrastructure assets		1,270	1,140
- Community assets		7,481	6,625
- Surplus assets		1,739	4,886
- Assets under Construction		3,595	31,328
		126,775	
Investment Properties		9,799	13,360
Intangible Assets		259	199
		136,833	149,276
Long Term Investments		11,524	17,838
Long Term Debtors	Note 2	246	1,905
TOTAL LONG TERM ASSETS		148,603	169,019
Assets Held For Sale		12,294	4,441
Short Term Investments		2,942	6,500
Short Term Debtors	Note 2	16,415	12,244
Cash and Cash Equivalents		21,361	4,249
CURRENT ASSETS		53,012	27,434
Provisions		(2,106)	(249)
Short Term Creditors	Note 2	(17,655)	(18,234)
Short Term Borrowing		(63,000)	(52,120)
CURRENT LIABILITIES		(82,761)	(70,603)
Provisions		(1,066)	(1,068)
Long Term Borrowing		(1,500)	(1,500)
Long Term Creditors	Note 2	187	-
Net Pension Liability		(9,111)	5,266
Grant Receipts in Advance	- Capital	(3,868)	(2,066)
	- Revenue	(6,193)	(5,923)
LONG TERM LIABILITIES		(21,551)	(5,291)
NET ASSETS		97,303	120,559
USABLE RESERVES			
- General Fund		3,854.00	3,854
- Earmarked Reserves		17,297.00	22,015
- Capital Receipts Reserve		-	0
- Capital grants Unapplied		189.00	189
- Profit and Loss Reserve	Note 3	528.00	367
		21,868	26,425
UNUSABLE RESERVES			
- Revaluation Reserve		32,128	31,032
- Financial Instrument Revaluation Reserve		(132)	(2,160)
- Pensions Reserve		(9,111)	5,250
- Capital Adjustment Account		51,445	58,000
- Deferred Capital Receipts		139	142
- Collection Fund Adjustment Account		(482)	491
- Short-term Accumulating Compensated Absences Account		(207)	(276)
- Share capital		1,655	1,655
		75,435	94,134
TOTAL RESERVES		97,303	120,559

GROUP CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period.

	2024/25		2023/24
	£000	£000	£000
OPERATING ACTIVITIES			
Cash Inflows			
Council Tax receipts	(13,856)		(12,985)
NNDR Receipts	(19,172)		(16,025)
DWP grants for benefits	(21,137)		(24,370)
Other Government grants	(10,840)		(9,330)
Cash received for goods and services	(29,410)		(18,628)
Interest received	(1,685)		(1,633)
Cash inflows generated from operating activities	(96,100)		(82,971)
Cash Out Flows			
Cash paid to and on behalf of employees	16,981		15,754
Housing Benefit paid out	21,333		22,705
Other operating cash payments	30,418		40,282
Precepts paid to other authorities	6,045		5,351
Interest paid	2,845		1,165
Cash outflows generated from operating activities	77,622		85,257
Net Cash Inflow from operating activities		(18,478)	2,286
INVESTING ACTIVITIES			
- Purchase of property plant and equipment, investment property and intangible assets	3,926		24,149
- Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(206)		(1,722)
- Capital grants	(2,262)		(3,917)
- Proceeds from short-term and long-term investments	(7,056)		(4,000)
Net cash inflow from investing activities		(5,598)	14,510
FINANCING ACTIVITIES			
- Cash Payments for the reduction of the outstanding liabilities relating to finance leases (Principal)	(10,880)		(18,500)
- Other payments for financing activities	17,813		6,405
Net cash outflow from financing activities		6,933	(12,095)
Net decrease in cash and cash equivalents		(17,143)	4,701
Cash and cash equivalents at the beginning of the reporting period		(4,224)	(8,925)
Cash and cash equivalents at the end of the reporting period		(21,367)	(4,224)

Note 1 - Investment Property

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	31 March '25			31 March '24		
	£000	£000	£000	£000	£000	£000
	East Herts District Council	Millstream Property Investments Ltd	Group total	East Herts District Council	Millstream Property Investments Ltd	Group total
Income from investment property	501	271	772	(501)	(263)	(764)
Direct expenditure arising from investment property	- 364 -	30	(394)	364	30	394

Note 2 - Debtors and Creditors

The effect of transactions between the Council and its subsidiary Millstream Property Investments Ltd are eliminated in Group Accounts, therefore debtors and creditors between these parties have been excluded.

Note 3 - Financial Instruments

IFRS 9 requirement is to consider whether loans are made under market terms, especially those made between related parties.

During the year Millstream Property Investments Ltd did not receive any loans from its parent company East Herts Council. However loans were advanced to Millstream by the parent company in 2019/20 and 2020/21 but were deemed at below market rate as there was no interest charged.

Note 4 - Summary of Financial Position of Subsidiary

Millstream Property Investments Ltd has been consolidated in the group accounts as a 100% owned subsidiary. The summary of financial position of the company is shown below:

Statement of comprehensive income and expenditure	31 March 2025 £000	31 March 2024 £000
Revenue	271	263
Cost of sales	(41)	(60)
Gross profit	230	203
Administrative expenses	(68)	(66)
Other operating income	-	0
Operating profit	162	137
Interest payable	(188)	(148)
Other gains losses	-	(159)
Profit/(Loss) on ordinary activities before taxation	(26)	(170)
Tax on profit/(loss)	-	43
Profit/(Loss) and total comprehensive income for the financial year	(26)	(127)

Statement of financial position	31 March 2025 £000	31 March 2024 £000
Non current assets		
Investment properties	5,507	5,507
Current assets		
Trade debtor	3	3
Cash and Cash equivalents	67	93
Total Assets	5,577	5,603
Current liabilities		
Trade creditor	225	225
Non current liabilities		
Loans	3,097	3,097
Provision for liabilities	71	71
Total liabilities	3,393	3,393
Net Assets/Liabilities	2,184	2,210
Equity		
Share capital	1,656	1,656
Retained earnings	528	554
Total equity	2,184	2,210

GLOSSARY OF FINANCIAL TERMS

Accounting Policies

Those principles, bases, conventions, rules and practices applied by the Council that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- Recognising;
- Measuring bases;
- Presenting.

Accruals

Accruals The concept that Income & Expenditure are recognised as they are earned or incurred, not as money is received or paid.

Accumulated Absences

Accumulated Absences Holiday entitlements (or any form of leave such as time off in lieu) earned by employees but not taken before the year end which can be carried forward into the following year.

Actuarial Gains and Losses

Changes in the net pensions liability that arise because

- events have not coincided with assumptions made at the last actuarial valuation, or
- the actuarial assumptions have changed

Amortisation

The term used to refer to the charging of the value of a transaction or asset (usually related to intangible fixed assets) to the Income and Expenditure Account over a period of time, reflecting the value to the authority; similar to the depreciation charge for tangible fixed assets.

Asset

An item having value measurable in monetary terms. Assets can either be defined as fixed or current. A fixed asset has use and value for more than one year whereas a current asset (eg stocks or short term debtors) can readily be converted into cash.

Capital Expenditure

Capital Expenditure Expenditure on the acquisition of a fixed asset or works which have a long term value to the Council, either directly to the Council or indirectly in the form of grants to other bodies.

Capital Financing Requirement

It measures an authority's underlying need to borrow or finance by other long term liabilities for a capital purpose.

Capital Receipts

The proceeds from the disposal of land and other assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by government, but they cannot be used for revenue purposes.

CIPFA

CIPFA Chartered Institute of Public Finance and Accountancy. The principal accountancy body dealing with local government finance.

Code of Practice on Local Authority Accounting (The Code)

Code of Practice on Local Authority Accounting sets out the arrangements required to be followed in the Statement of Accounts. It constitutes 'proper accounting practice' and is recognised as such by statute.

Community Assets

Assets that a local authority intends to hold indefinitely, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

Consistency

The principle that the accounting treatment of like items within an accounting period and from one period to the next is the same.

Contingent Asset

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the Council's control.

Contingent Liability

A contingent liability is a possible liability arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the local authority's control.

Creditor

An amount owed by the Council for work done, goods received, or services provided within the accounting period and for which payments has not been made at the Balance Sheet date.

Current Service Cost (Pensions)

The increase in liabilities as a result of years of service earned this year.

Curtailment

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

Curtailments include:

- Termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business;
- Termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

Debtor

Sums of money due to the Council but not yet received at the Balance Sheet date.

Deficit

An excess of expenditure over income (or liabilities over assets).

Defined Benefit Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Depreciation

Charges reflecting the decline in the value (not cost) of assets as a result of their usage or ageing.

DEFRA

Department for Environment, Food and Rural Affairs.

DWP

Department for Work & Pensions.

Expected Rate of Return on Pensions Assets

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Earmarked reserve

These are funds that are set aside for a specific purpose, or a particular service, or type of service.

Financial Instruments

Any document with monetary value. For example, securities such as bonds and stocks which have value and may be traded in exchange for money.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, towards either revenue or capital expenditure incurred in providing local services.

International Financial Reporting Standards

International Financial Reporting Standards cover specific aspects of accounting practice and set out the correct accounting treatment. Compliance with them is mandatory.

Impairment

This is a reduction in value of a fixed asset as shown in the balance sheet to reflect its true value

Infrastructure Assets

Expenditure on works of construction or improvement but which have no tangible value, such as construction or improvement to highways and footpaths.

Intangible Asset

Non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the authority through custom or legal rights e.g. computer software.

Interest Cost (pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Investments (non-pensions fund)

A long term investment is one that is intended to be held for use on a continuing basis in the activities of the Council. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments, other than those in relation to the pension fund, that do not meet the above criteria should be classified as current assets.

Investment properties

Property that is used solely to earn rentals and/or for capital appreciation.

LAA

Local Area Agreement.

Liquid resources

Current asset investments that are readily disposal by the authority without disrupting its business.

MHCLG

Ministry of Housing, Communities and Local Government (formerly DCLG - Department for Communities and Local Government).

MTFP

Medium Term Financial Plan.

NDR

Non Domestic Rates.

Operating Lease

A lease whereby the ownership of the fixed asset remains with the lessor.

Past Service Cost

The increase / decrease in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years.

Revenue Expenditure

The day to day running costs incurred by the Council in providing its services.

REFCUS (Revenue Expenditure Funded from Capital Under Statute)

Capital expenditure which is allowable under statute to be funded from capital resources but which does not fall within the definition of a fixed asset. An example is a grant made to another party to finance capital investment.

Surplus

An excess of income over expenditure (or assets over liabilities)

Statement of Responsibilities for the Statement of Account

The Authority's Responsibilities

The Authority is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Financial Officer;
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- To approve the Statement of Accounts.

The Chief Financial Officers' Responsibilities

The Chief Financial Officer is responsible for the preparation of the authority's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In preparing this Statement of Accounts, the Chief Financial Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Make judgements and estimates that were reasonable and prudent;
- Complied with the local authority Code.

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

EAST HERTFORDSHIRE DISTRICT COUNCIL

Certificate of Responsible Finance Officer

I certify that this Statement of Accounts presents a true and fair view of the financial position of the Authority at the reporting date and its income and expenditure for the year ended 31 March 2025.



Signed

Date 26/06/2025

Brian Moldon

Director of Finance, Risk and Performance
East Hertfordshire District Council

Signed

Date

Councillor Martin Adams

Chairman of Audit and Governance Committee

East Herts Council Report

Executive

Date of meeting: Tuesday, 7 October 2025

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Financial Management 2025/26 - Quarter 1 Forecast to year end

Ward(s) affected: All

Summary –

- The net revenue budget for 2025/26 is £ 20.134m as set out in Table 1. The forecast yearend outturn as of 30th June 2025 predicts an overspend of £789k.
- The revised capital budget for 2025/26 is £11.247m, as set out in Appendix C. The forecast outturn is £10.610m giving a variance of £637k.

RECOMMENDATIONS FOR EXECUTIVE COMMITTEE:

- a) Note and consider the net revenue budget end of year projected overspend of £789k.
- b) Note and consider the capital programme forecast outturn of £637k.

1.0 Background

1.1 The 2025/26 Medium Term Financial Plan (MTFP), revenue budget and capital programme were approved by Council on 26th February 2025. The 2025/26 net revenue budget is £20.134m, the table below shows the budget alongside the 2025/26 forecast outturn as at quarter 1. A full breakdown of the revenue budget and forecast can be found in **Appendix A** and an explanation of key variances in **Appendix B**.

Table 1: Revenue Budget and End of Year Forecast Outturn	2025/26 Budget	2025/26 Forecast Outturn	Variance
	£'000	£'000	£'000
Net Cost of Services (NCS)	15,921	16,809	888
Total corporate budgets	4,377	4,278	(99)
Total reserve movements	(164)	(164)	-
Net Revenue Budget	20,134	20,923	789
Total funding	(7,008)	(7,008)	-
Funded by Council Tax	(13,131)	(13,131)	-
Overspend/Underspend	(6)	783	789

1.2 The Net Cost of Services (NCS) budget of £15.921m includes the saving proposals of £3.409m that were approved as part of the MTFP. The table below shows “RAG” rating of the savings as at quarter 1 –

RAG Rating	Numbers of Measures	£'000s
Red	6	129
Amber	3	192
Green	36	3,089
Total	45	3,409

A red rating is where the saving cannot be achieved and the value of that is shown in the table. Amber is where savings have in part been achieved and the value represents what is forecast to not be achieved in the current year, but most likely to be fully achieved in the following financial years due to timing, and green is where the savings have been achieved. Appendix B shows the key variances and picks up on where there are more significant savings variances.

Where savings are rated red, the service is reviewing whether they can be delivered. If following review, the savings are deemed unachievable, they will be considered as part of the Medium Term Financial Plan to be presented to Executive in October.

Capital Programme

1.4 The revised capital budget for 2025/26 is £11.247m. The forecast outturn shows a variance of £637k underspend on the year. A summary of the Capital Programme is provided below, with further detail available within Appendix C.

Table 2: Summary Capital Forecast

	Carry Forward from 2024/25	Revised Budget 2025/26	Forecast Outturn 2025/26	Variance 2025/26
	£'000s	£'000s	£'000s	£'000s
Land and Buildings	1,252	2,020	1,683	(337)
Infrastructure	0	37	37	0
Vehicles, Equipment and Intangible Software	7,810	8,760	8,460	(300)
Community Assets	111	111	111	0
Revenue Expenditure funded as Capital under Statute (REFCUS)	0	319	319	0
Current Capital Programme Total	9,173	11,247	10,610	(637)

1.5 An underspend of £637k is forecast, these are:

- Old River Lane project - there is no further expenditure in respect of the main scheme, the only expenditure in 2025/26 is in relation to the public square, with the majority of the expenditure planned in 2026/27 & 2027/28. Therefore, an underspend of £87k is reported.
- There is no call on the capital contingency forecast as at quarter one, an underspend of £250k is reported.
- There is a forecast underspend of £300k against the ICT rolling programme, the forecast outturn includes all forecast schemes for 2025/26. This budget will be reviewed as part of the 2026/27 budget setting.

Debtors

1.6 The outstanding debt as at the end of July was £2.515m which is an improving position from March 2025 that was £3.213m. Debt greater than 180 days is £1.053m 42% of the total. The debt when

compared to with position at the end of March has reduced in total by £698.4k a 22% reduction. A review of the aged debts has been carried out and, there have been write offs in line with the council's policy totalling £312k which have contributed to this. A longstanding debt was also settled for £692k. **Appendix D** shows the profile of the aged debt.

2.0 Reason(s)

2.1 Section 28 of the Local Government Act 2003 requires the council to monitor the budget and monitor and assess the adequacy of reserves and balances during the year. East Herts Council's financial management framework requires quarterly reports to Audit and Governance Committee and the Executive with forecasts to year end.

2.2 The Executive is required to consider the budget forecasts and ensure that action is taken in relation to any expenditure overspends or any underachievement of income so that the council's financial resources are not exceeded.

3.0 Options

3.1 Not applicable.

4.0 Risks

4.1 The risk implications are contained within the report.

5.0 Implications/Consultations

5.1 The finance implications are contained within the report.

Community Safety

None arising from this report.

Data Protection

None arising from this report.

Equalities

None arising from this report.

Environmental Sustainability

None arising from this report.

Financial

All financial implications are included in this report.

Health and Safety

None arising from this report.

Human Resources

None arising from this report.

Human Rights

None arising from this report.

Legal

Section 28 of the Local Government Act 2003 requires the council to monitor the budget and monitor and assess the adequacy of reserves and balances during the year. East Herts Council's financial management framework requires the quarterly reports to Audit and Governance Committee and the Executive with forecasts to year end.

Specific Wards

No

6.0 Background papers, appendices and other relevant material

Appendices	
A	2025/26 Revenue Budget & Forecast Outturn
B	2025/26 Significant variances
C	2025/26 Capital Programme and Forecast Outturn
D	Quarter 1 Debtors position

Contact Member

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2025/26 Revenue budget - Qtr 1 Forecast outturn position

		2025/26 budget	Forecast outturn	Variance
		£'000	£'000	£'000
Net Cost of Services	Chief Exec & Corp Support Team	305	272	(33)
	HR & Organisational Development	519	547	28
	Communities	5,562	5,772	210
	Centrally Managed Costs	779	840	61
	Legal Policy & Governance	1,747	1,752	5
	Place	4,132	4,131	(1)
	Regeneration Customer & Commercial Services	(2,183)	(1,454)	729
	Finance, Risk Performance	5,060	4,949	(111)
	Total Net Cost of Services	15,921	16,809	888
Corporate Budgets	Fees & charges annual review	(100)	(100)	-
	Minimum Revenue Provision	1,634	1,634	-
	Interest Payments on loans	3,269	3,095	(174)
	Interest & Investment income	(1,000)	(925)	75
	Pension Fund Deficit contribution	637	637	-
	Executive Savings approved 2024/25 budget round	(63)	(63)	-
	Corporate Budgets Total:	4,377	4,278	(99)
	Use of Reserves	Contributions to Earmarked reserves	-	-
Contributions from Earmarked reserves		(164)	(164)	-
Net Use of Reserves:		(164)	(164)	-
Net Cost of Services Total:		20,133	20,922	789
Funding	Retained Business Rates - Business Rates	(5,092)	(5,092)	-
	Retained Business Rates - Section 31 Grants	-	-	-
	Council Tax Demand on the Collection Fund	(13,131)	(13,131)	-
	(Surplus)/Deficit on collection fund	-	-	-
	General Government Grants	(582)	(582)	-
	Revenue Support Grant	(141)	(141)	-
	New Homes Bonus Grant	(1,193)	(1,193)	-
Non Departmental Budgets Total:		(20,139)	(20,139)	-
Total:		(6)	783	789

Appendix B - Summary of Significant Variances - Quarter 1 2025-2026

Budget Area	2025-2026 Budget £ 000's	Forecast Outturn £ 000's	Variance £ 000's	Reason for Variance
Chief Exec & Corp Support Team	305	272	(33)	Minor Staffing Variances
HR & Organisational Development	519	547	28	Minor Staffing Variances
Communities	5,562	5,772	210	
Strategic Property	1,163	1,438	275	Strategic property, pressure of £275k, of which £122k loss of rent relates to Rapier house currently occupied by Glendales, Plus £114k pressure on Northgate end flats, due to required security costs and council tax. There are also some pressures on property maintenance.
Housing Service	518	439	(80)	Hostels are forecasting a surplus on rental income against budget, this is due to low void rates than anticipated of lets across most of there sites.
Licensing & Enforcement	60	129	68	There is a £17k pressure on licence fees and £36k shortfall on a recharge for a staffing to another council where the arrangement is no longer active.
Community & Well being Partnership	450	395	(55)	This is due staff vacancies that are being held.
Other Variances	3,370	3,371	1	minor variances
Centrally Managed Costs	779	840	61	Centrally managed cost pressures from savings not currently being fully achieved from the LT restructure. This will be achieved following the outcome of the tier three review
Legal Policy & Governance	1,747	1,752	5	
Improvement and Insight	292	342	50	An income target of £60k for staff recharges to other councils for project work which is no longer achievable in full for 2025-2026 as the arrangement has now finished - £47k pressure.
Legal Services	427	380	(47)	The underspend is due to a vacant planning solicitor and a trainee post.
Other Variances	1,029	1,030	2	
Place	4,132	4,131	(1)	
Planning	2,354	2,335	(19)	There is no significant pressure forecast, however it is worth noting that there is a large net pressure on staffing costs due to the use of agency planners. Whilst there has been successful recruitment in other areas of planning, this is due to a shortage of experienced planners at a principal level in Development Management. Recruitment continues in this area, but in the interim the work is covered by agency staff similar to the position at the end of 2024-2025.
Other Variances	1,778	1,796	18	
Regeneration Customer & Commercial Services	(2,183)	(1,454)	729	
Carparking	(3,353)	(2,979)	374	There is a pressure of £99k for parking fees and charges, this is against a backdrop of a increased income target based on the increase on parking charges and the tariff structure, a £210k pressure on NNDR across the 3 multi storey carparks and a pressure on carpark cleansing as a result of the change in contractor.
Beam - Theatre	(200)	70	270	There is a pressure of £270k for the theatre overall. The majority of which (£184k) is showing against the Café. There have been delays in recruiting a Chef, a new appointment has been made and started in July. The food offering will start in early September once the kitchen is operational and has its regulatory H&S certification, plus the menus and logistics have been designed and planned. There is also a £47k pressure on ticket sales for the theatre, however it is worth noting that cinema tickets were £20k favourable in Q1. These are pressure's based on Q1 performance only, they are not being forecast for the remaining 9 months, due to the seasonal nature of the service. There is also a £22k pressure for membership sales and a £32k pressure on utilities which are forecast for the year.
Customer Services	967	999	32	Agency for temps to cover garden waste administration as a result of the new service arrangements being instigated.
Comms & Digital Media	397	455	58	A net pressure due to agency costs covering the ORL project manager role.
Other Variances	5	0	(5)	
Finance, Risk Performance	5,060	4,949	(111)	
ICT Shared Service	2,971	2,900	(71)	ICT underspend on shared service due to staffing vacancies
Other Variances	2,089	2,049	(40)	
Total Variances	15,921	16,809	888	

Capital Forecast Outturn Quarter 1 - June 2025

	Carry Forward from	Revised Budget	Forecast Outturn	Variance
	2024/25	2025/26	2025/26	2025/26
	£'000	£'000	£'000	£'000
Land and Buildings				
Investment in operational assets	80	393	393	-
Buntingford Depot	681	681	681	-
Hertford Theatre - BEAM	311	311	311	-
Old River Lane	-	205	118	(87)
Pinehurst Community Hall	180	180	180	-
Capital Contingency - Major Projects	-	250	-	(250)
Infrastructure				
Bridges	-	37	37	-
Vehicles, Equipment and Intangible Software				
Rolling programme to be utilised on ICT projects	-	410	110	(300)
BEAM Website replacement.	-	40	40	-
Refuse & Recycling - cleansing vehicles	6,130	6,130	6,130	-
Refuse & recycling - containers	1,680	1,680	1,680	-
Transformation Programme	-	500	500	-
Community Assets				
Hertford Castle Grounds - Development Phase - HLF	32	32	32	-
Parks & Open Spaces	79	79	79	-
Revenue Expenditure Funded as Capital Under Statute (REFCUS)				
Warmer Homes - WH:LG	-	319	319	-
Current Capital Programme Budget Total	9,173	11,247	10,610	(637)

	Carry Forward from 2024/25
	£'000
Land and Buildings	1,252.00
Infrastructure	-
Vehicles, Equipment and Intangible Software	7,810.00
Community Assets	111.00
Revenue Expenditure Funded as Capital Under Statute (REFCUS)	-
Current Capital Programme Budget Total	9,173.00

Revised Budget	Forecast Outturn	Variance
2025/26	2025/26	2025/26
£'000	£'000	£'000
2,020.00	1,683.00	- 337.00
37.00	37.00	-
8,760.00	8,460.00	- 300.00
111.00	111.00	-
319.00	319.00	-
11,247.00	10,610.00	- 637.00

Appendix D

EastHerts District Council - Aged Debt Analysis - July 2025

Outstanding Debt as at July 2025	Balance Outstanding	30 Days	30 - 60 Days	60 - 90 Days	90 - 120 days	120 - 180 Days	180+ days
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Outstanding Debt 31 July	2,515.1	765.9	370.8	142.7	42.6	140.5	1,052.6
Outstanding Debt 31 March	3,213.5	1,051.7	220.1	77.3	60.5	44.3	1,759.6
Increase / (Decrease) to March 2025	(698.4)	(285.8)	150.7	65.3	(17.8)	96.1	(707.0)
Percentage Spread of Debt Across Periods		30%	15%	6%	2%	6%	42%
Percentage (Reduction) / Increase in Debt from 31 March	(22%)	(27%)	68%	84%	(30%)	217%	(40%)

East Herts Council Report

Executive

Date of meeting: Tuesday 7 October 2025

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Treasury Management 2024/25 Outturn

Ward(s) affected: (All Wards); None

Summary – The report contains the Council's Treasury Management Outturn Position for 2024/25.

RECOMMENDATIONS FOR EXECUTIVE: That

a) Members examine and comment on the Treasury Management Outturn and Prudential Indicators for 2024/25

1.0 Proposal(s)

- 1.1 That Members examine and comment on the Treasury Management Outturn and Prudential Indicators for 2024/25 (Appendix A).

2.0 Background

- 2.1 Treasury management is defined as: 'The management of the Council's investments and cash flows, its banking arrangements, money market and capital transactions; the effective control of the risks associated with these activities; and the pursuit of optimum returns consistent with the Council's risk management policy for treasury management.
- 2.2 This activity was supported by the council's appointed independent advisors – Arlingclose.
- 2.3 This report has been written in accordance with the

requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021).

- 2.4 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

3.0. Reason(s)

- 3.1 This Council is required by regulations issued under the Local Government Act 2003 to produce a mid-year treasury management review of activities and the actual prudential and treasury indicators for 2024/25.

4.0 Options

- 4.1 Members can suggest amendments or additions to the Treasury Management Outturn 2024/25.

5.0 Risks

- 5.1 Risk management is embedded in treasury management operations through the adoption of the CIPFA Treasury Management Code. Credit ratings, other market intelligence and counterparty limits assist to assess and mitigate risk.

6.0 Implications/Consultations

None

Community Safety

None

Data Protection

None

Equalities

None

Environmental Sustainability

None

Financial

Yes

The costs of treasury operations, debt management expenses and investment income are included in the 2024/25 Medium Term Financial Plan.

Health and Safety

None

Human Resources

None

Human Rights

None

Legal

The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code for Capital Finance in Local Authorities and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Council also has to 'have regard' to the MHCLG's Guidance on Local Government Investments effective for financial periods commencing on or after 1st April 2018, and to CIPFA's Treasury Management in the Public Services: Code of Practice and Guidance Notes for Local Authorities.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 Appendix A – Treasury Management 2024-25 Annual Report

Contact Member

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Treasury Management 2024-25 Annual Report

Introduction

The Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.

This report includes the requirement in the 2021 Code, mandatory from 1st April 2023, of reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the Authority's normal revenue and capital monitoring report.

The Authority's treasury management strategy for 2024/25 was approved at Council on 28th February 2024. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

External Context

Economic background: Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook. The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 to 1% from 2%. However, it upgraded its predictions for the four subsequent years. Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before seen as falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions and President Trump.

After revising its interest rate forecast in November following the Budget, the council's treasury management advisor, Arlingclose, maintained its stance that Bank Rate will fall to 3.75% in 2025.

UK annual Consumer Price Index (CPI) inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices at 2.8% in February 2025, down from 3.0% in the previous month and below expectations. Core CPI also remained elevated, falling slightly in February to 3.5% from 3.7% in January, just below expectations for 3.6% but higher than the last three months of the calendar year.

The UK economy Gross Domestic Product (GDP) grew by 0.1% between October and December 2024, unrevised from the initial estimate. This was an improvement on the zero growth in the previous quarter, but down from the 0.4% growth between April and June 2024. Of the monthly GDP figures, the economy was estimated to have contracted by 0.1% in January, worse than expectations for a 0.1% gain.

The labour market continued to cool, but the ONS data still require treating with caution. Recent data showed the unemployment rate rose to 4.4% (3mth/year) in the three months to January 2025 while the economic inactivity rate fell again to 21.5%. The ONS reported pay growth over the same three-month period at 5.9% for regular earnings (excluding bonuses) and 5.8% for total earnings.

The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak. At the March MPC meeting, members voted 8-1 to maintain Bank Rate at 4.5%, with the one dissenter preferring another 25 basis points cut. The meeting minutes implied a slightly more hawkish tilt compared to February when two MPC members wanted a 50bps cut. In the minutes, the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%.

The February Monetary Policy Report (MPR) showed the BoE expected GDP growth in 2025 to be significantly weaker compared to the November MPR. GDP is forecast to rise by 0.1% in Q1 2025, less than the previous estimate of 0.4%. Four-quarter GDP growth is expected to pick up from the middle of 2025, to over 1.5% by the end of the forecast period. The outlook for CPI inflation showed it remaining above the MPC's 2% target throughout 2025. It is expected to hit around 3.5% by June before peaking at 3.7% in Q3 and then easing towards the end of the year, but staying above the 2% target. The unemployment rate was expected to rise steadily to around 4.75% by the end of the forecast horizon, above the assumed medium-term equilibrium unemployment rate of 4.5%.

Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall throughout 2025. From the cuts in August and November 2024 and February 2025, which took Bank Rate to 4.50%, May is considered the likely month for the next reduction, with other cuts following in line with MPR months to take Bank Rate down to around 3.75% by the end of 2025.

The US Federal Reserve paused its cutting cycle in the first three months of 2025, having reduced the Fed Funds Rate by 0.25% to a range of 4.25%-4.50% in December, the third cut in succession. Fed policymakers noted uncertainty around the economic outlook but were anticipating around 0.50% of further cuts in the policy rate in 2025. Economic growth continued to rise at a reasonable pace, expanding at an annualised rate of 2.4% in Q4 2024 while inflation remained elevated over the period. However, growth is now expected to weaken by more than previously expected in 2025, to 1.7% from 2.1%. The uncertainty that President Trump has brought both before and since his inauguration in January is expected to continue.

The European Central Bank (ECB) continued its rate cutting cycle over the period, reducing its three key policy rates by another 0.25% in March, acknowledging that monetary policy is becoming meaningfully less restrictive. Euro zone inflation has decreased steadily in 2025, falling to 2.2% in March, the lowest level since November 2024. Over the current calendar year, inflation is expected to average 2.3%. GDP growth stagnated in the last quarter of the 2024 calendar year, after expanding by 0.4% in the previous quarter. For 2025, economic growth forecasts were revised downwards to 0.9%.

Financial markets: Financial market sentiment was reasonably positive over most of the period, but economic, financial and geopolitical issues meant the trend of market volatility remained. In the latter part of the period, volatility increased and bond yields started to fall following a January peak, as the economic uncertainty around likely US trade policy impacted financial markets. Yields in the UK and US started to diverge in the last month of the period, with the former rising around concerns over the fiscal implications on the UK government from weaker growth, business sentiment and higher rates, while the latter started falling on potential recession fears due to the unpredictable nature of policy announcements by the US President and their potential impact.

The 10-year UK benchmark gilt yield started the period at 3.94% and ended at 4.69%, having reached a low of 3.76% in September and a high of 4.90% in January in between. While the 20-year gilt started at 4.40% and ended at 5.22%, hitting a low of 4.27% in September and a high of 5.40% in January. The Sterling Overnight Rate (SONIA) averaged 4.90% over the period.

The period in question ended shortly before US President Donald Trump announced his package of 'reciprocal tariffs', the immediate aftermath of which saw stock prices and government bond yields falling and introduced further uncertainty over the economic outlook.

Credit review: In October, Arlingclose revised its advised recommended maximum unsecured duration limit on most banks on its counterparty list to six months. Duration advice for the remaining five institutions, including the newly added Lloyds Bank Corporate Markets, was kept to a maximum of 100 days. This advice remained in place at the end of the period.

Fitch revised the outlook on Commonwealth Bank of Australia (CBA) to positive from stable while affirming its long-term rating at AA-, citing its consistent strong earnings and profitability.

Other than CBA, the last three months of the period were relatively quiet on the bank credit rating front, with a small number of updates issued for a number of lenders not on the Arlingclose recommended counterparty list.

On local authorities, S&P assigned a BBB+ to Warrington Council, having previously withdrawn its rating earlier in 2024, and also withdrew its rating for Lancashire County Council due to the council deciding to stop maintaining a credit rating. However, it still holds a rating with Fitch and Moody's. Moody's withdrew its rating of Cornwall Council after it chose to no longer maintain a rating.

Credit default swap prices generally trended lower over the period but did start to rise modestly in March, but not to any levels considered concerning. Once again, price volatility over the period remained generally more muted compared to previous periods.

Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

Local Context

On 31st March 2025, the Authority had net [borrowing / investments] of £[X]m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.24 Actual £m	31.3.25 Actual £m
General Fund CFR	60.1	61.8
Less: *Other debt liabilities	-	-
External borrowing**	53.6	64.5
Internal (over) borrowing	6.5	(2.7)
Less: Balance sheet resources	(34.0)	(32.2)
Net borrowing	19.6	32.3

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

The treasury management position at 31st March and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.24 Balance £m	Movement £m	31.3.25 Balance £m	31.3.25 Rate %
Long-term borrowing				
- PWLB	(1.5)	-	(1.5)	8.875%
- LOBOs	-	-	-	-
- Other	-	-	-	-
Short-term borrowing	(52.1)	(10.9)	(63.0)	5.275%
Total borrowing	(53.6)	(10.9)	(64.5)	
Long-term investments*	23.0	(7.9)	15.1	3.61%
Short-term investments	6.5	(3.6)	2.9	**
Cash and cash equivalents	4.2	17.1	21.3	5.07%
Total investments	33.7	5.6	39.3	
Net borrowing	(19.9)	5.3	(25.2)	

* Long-term investments includes balance of property fund not yet being wound down, shareholding in Millstream Property Company and long term loans to Herts Building Control and Millstream Property Company.

**Balance of 2nd property fund being wound down.

Short term borrowing increased to ensure cash liquidity around the major project spend, at year end, including the new waste vehicles and bins, originally estimated to be spent end of March 2025 but delayed to 2025/26, funds were invested to reduce the cost of carry, to a minimum.

Borrowing Strategy and Activity

As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriate risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. During the majority of the period short term interest rates have been higher than long term interest rates.

After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields were volatile but have increased overall during the period. Much of the increase has been in response to market concerns that policies introduced by the Labour government will be inflationary and lead to higher levels of government borrowing. The election of Donald Trump in the US in November is also expected to lead to inflationary trade policies.

The PWLB certainty rate for 10-year maturity loans was 4.80% at the beginning of the period and 5.42% at the end. The lowest available 10-year maturity rate was 4.52% and the highest was 5.71%. Rates for 20-year maturity loans ranged from 5.01% to 6.14% during the period, and 50-year maturity loans from 4.88% to 5.88%.

For the majority of the year the cost of short-term borrowing from other local authorities closely tracked Base Rate at around 5.00% - 5.25%. However, from late 2024 rates began to rise, peaking at around 6% in February and March 2025.

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Authority has no new plans to borrow to invest primarily for financial return.

The Authority currently holds £4.3m in commercial investments plus a further £11m currently being marketed for sale that were primarily purchased for financial return prior to the change in the CIPFA Prudential Code. Before undertaking further additional borrowing the Authority will review the options for exiting these investments.

Loans Portfolio: At 31st March 2025 the Authority held £64.5m of loans, an increase of £11.9m from 31st March 2024, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 31st March 2025 are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.24 Balance £m	Net Movement £m	31.3.25 Balance £m	31.3.25 Weighted Average Rate %	31.4.25 Weighted Average Maturity
Public Works Loan Board (long-term)	1.5	-	1.5	8.875%	30yrs
Public Works Loan Board (short-term)	15.0	35.0	50.0	4.85%	15mths
Local authorities (short-term)	37.1	(24.1)	13.0	5.70%	4mths
Total borrowing	53.6	10.9	64.5		

The Authority's short-term borrowing has continued to increase, as entering into any longer-term debt is on hold, due to long term PWLB interest rates remaining high. The average rate on the Authority's short-term PWLB loans of £50m, as at 31st March 2025 was 4.85%, this compares with 5.37% on the £15m loans held 12 months ago.

PWLB loans have a minimum maturity of 1 year. The authority uses inter local authority borrowing for loans less than 1 year. Rates are usually inflated at year end, due to higher demand for short term cash around this time. The two local authority loans held at 31st March 2025 had an agreed rate of 5.70%, this compares with rates of up to 6.90% on short term loans, entered into, at similar time, year ending 31st March 2024.

Loans restructuring: The authority did not enter into any long-term loan restructuring in the year ended 31st March 2025, but continues to review the position with its treasury advisory service, Arlingclose.

Other Debt Activity

The authority did not enter into any other debt activity, other than those listed above. It is undertaking a review of its assets, to identify surplus assets for potential sale, receipts from sales produce capital receipts, which can be used to fund the ongoing capital programme and it is hoped, reduce current debt levels.

Treasury Investment Activity

The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £21m and £42m , including property funds, due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.24 Balance £m	Net Movement £m	31.3.25 Balance £m	31.3.25 Income Return %	31.3.25 Weighted Average Maturity days
Banks & building societies (unsecured)	5.1	4.4	9.5	4.34%	Call
Local authorities and other govt entities	-	7.0	7.0	6.275%	1 mth
Money Market Funds	5.6	(0.8)	4.8	4.66%	Call
Property Funds	17.8	(5.0)	12.8	3.61%	N/A
Total investments	28.5	5.6	34.1		

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

Bank Rate reduced from 5.25% to 5.00% in August 2024, again to 4.75% in November 2024 and again to 4.5% in February 2025 with short term interest rates largely being around these levels. The rates on DMADF deposits ranged between 4.45% and 5.20% and money market rates between 4.66% and 5.17.

Externally Managed Pooled Funds: As at 31st March 2025, £12.8m of the Authority's investments was invested in externally managed strategic pooled property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an average total return of 3.61%, which is used to support services in year.

In financial markets the 2024/25 year was characterised by overall positive equity market performance, market volatility, elevated global yields, central bank interest rate cuts and uncertainties surrounding the impact of UK and European fiscal policy and particularly US President Donald Trump's tariff plans.

For UK and US government bonds, yields declined (and therefore prices rose) until September but then moved higher following the UK budget and strong US economic data. Government bond yields were then generally dragged upwards (prices down) globally by US market movements, given the uncertain trade policy outlook of Donald Trump's administration. Announcements of increased defence spending by governments in Europe and fiscal concerns in the UK saw yields spiking in January before easing somewhat, despite some divergence.

US, UK & European stock markets hit highs in early 2025 but started to decline towards the very end of the period, particularly in the US, reflecting investor concerns over escalating trade tensions and economic uncertainty. The FTSE All Share index was higher at the end of the 12-month period at 4,623 on 31/03/2025 versus 4,324 on 01/04/24. The MSCI All Countries World Index was higher at 3,629 on 31/03/2025 versus 3,425 on 01/04/24.

Having had a challenging time since 2022, UK commercial property generally experienced a recovery during the period, with improved investment activity, capital values stabilising or improving, particularly towards the end of the period, and income remaining relatively robust.

The period in question ended shortly before US President Donald Trump announced his package of 'reciprocal tariffs', the immediate aftermath of which saw stock prices and government bond yields falling and introduced further uncertainty over the economic outlook.

The change in the Authority's funds' capital values and income return over the 12-month period to 31st March is shown in Table 4.

Income from the Authority's property funds greatly reduced from one fund, due to the winding down and asset sales to return principal sums to investors. The 2nd fund had announced it would be wound down, but with a proposed merger to a pension fund. This had little impact on the rental distributions in 2024/25, due to fund not selling off major assets and wanting to generate good income returns to increase the success of the merger.

Statutory override: Further to consultations in April 2023 and December 2024 MHCLG wrote to finance directors in England in February 2025 regarding the statutory override on accounting for gains and losses in pooled investment funds. On the assumption that when published regulations follow this policy announcement, the statutory override will be extended up until the 1st April 2029 for investments already in place before 1st April 2024. The override will not apply to any new investments taken out on or after 1st April 2024. The Authority had set up a reserve to mitigate the impact of the statutory override not being extended.

Non-Treasury Investments

The definition of investments in the Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

Investment Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.

The Authority held £5.2m of such investments.

- shareholding in subsidiaries £1.7m
- loans to subsidiaries £3.5m

These investments generated £0.146m of investment income for the Authority, representing a rate of return of 2.8%.

Treasury Performance

The Authority produced a favourable outturn totalling £1.1m, on interest payments on Loans and interest receivable on investments.

Table 5: Treasury Performance against Budget

	Original Budget 2024/25 £m	Outturn £m	Variance £m
Interest Payments on Loans	2.955	2.368	(0.587)
Interest & Investment Income	(1.200)	(1.730)	(0.530)
Total Saving			(1.117)

MRP Regulations

On 10th April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). The majority of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7th May 2024 sufficient MRP must be charged so that the outstanding CFR in respect of the loan is no higher than the principal outstanding less the Expected Credit Loss (ECL) charge for that loan.

The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).

Compliance

The Director of Finance, Risk and Performance reports that all treasury management activities undertaken during the year complied fully with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	2024/25 Counterparty Maximum	31.3.25 Actual	2024/25 Sector Limit	Complied?
The UK Government	Unlimited	£19.6m	n/a	Yes
Local authorities & other government entities	£20m	£10.0m	Unlimited	Yes
Secured investments	£20m	-	Unlimited	Yes
Banks (unsecured)	£20m	£10.0m	Unlimited	Yes
Building societies (unsecured)	£20m	£9.6m	£60m	Yes
Registered providers (unsecured)	£5m	-	£30m	Yes

Money market funds	£20m	£9.6m	Unlimited	Yes
Strategic pooled funds	£20m	£17.8m	£20m	Yes
Real estate investment trusts	n/a	-	n/a	Yes
Other investments	£1m	-	£5m	Yes

Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 7 below.

Table 7: Debt and the Authorised Limit and Operational Boundary

	2024/25 Maximum £m	31.3.25 Actual £m	2024/25 Operational Boundary £m	2024/25 Authorised Limit £m	Complied? Yes/No
Borrowing	63	63	75	150	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Treasury Management Prudential Indicators

As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

1. Liability Benchmark:

This new indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £5m required to manage day-to-day cash flow.

	31.3.24 Actual £m	31.3.25 Actual £m
Loans CFR	60.1	61.8
Less: Balance sheet resources	(34.0)	(32.2)
Net loans requirement	25.1	29.6
Plus: Liquidity allowance	10.0	5.0
Liability benchmark	35.1	34.6
Existing borrowing	53.6	64.5

Whilst borrowing may be above the liability benchmark, strategies involving borrowing which is significantly above the liability benchmark carry higher risk, but 98% of borrowing was short term, pending the return of property fund receipts and asset sales.

2. Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	Upper Limit	Lower Limit	31.3.25 Actual	Complied?
Under 12 months	100%	0%	20%	Yes
12 months and within 24 months	100%	0%	78%	Yes
24 months and within 5 years	30%	0%	-	Yes
5 years and within 10 years	30%	0%	-	Yes
10 years and above	35%	0%	2%	Yes

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

3. **Long-term Treasury Management Investments:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2024/25	2025/26	2026/27	No fixed date
	£m	£m	£m	£m
Limit on principal invested beyond year end	20.0	20.0	20.0	20.0
Actual principal invested beyond year end	15.1	6.0	6.0	6.0
Complied?	Yes	Yes	Yes	Yes

Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Agenda Item 11

East Herts Council Report

Executive

Date of meeting: Tuesday, 7 October 2025

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Strategic Risk Register Monitoring Q1 2025/26 and Updated Risk Management Strategy

Ward(s) affected: All Wards

Summary – This report provides the Committee with the corporate risk register for quarter one of 2025/26 and details how East Herts manage these risks to the Council.

The Risk Management Strategy has been reviewed and updated.

RECOMMENDATIONS FOR EXECUTIVE:

- a) The 2025/26 quarter one corporate risk register and actions being taken to control and mitigate risk be noted.
- b) The Risk Management Strategy be reviewed and approved.

1.0 Background

- 1.1 The leadership team reviews the content of the corporate risk register quarterly and provides updates that are relayed within this monitoring report to Audit & Governance Committee.
- 1.2 The Corporate Risk Register is attached at Appendix A. The format concentrates on key risks and is very focussed on control and mitigation actions.
- 1.3 The Risk Management Strategy is reviewed annually. This report details amendments since the last update.

2.0 Risk Register results for quarter one

2.1 Leadership Team has set a risk tolerance level. Risks above the tolerance levels are actively managed and regularly reviewed to ensure that contingency and mitigation action is being taken. Risks below the tolerance line are managed by Services. Services are responsible for keeping all risks under review and taking action to reduce the impact of the risk on the Council.

		Likelihood			
		1	2	3	4
Impact	A				
	B			2	1, 6
	C		3, 4, 7	8	
	D		5		

Table 1 Risk Score

2.2 Details of how risks are scored can be found below. Appendix A shows the comprehensive breakdown of each risk.

	Score	Description	Likelihood of occurrence	Probability of occurrence	
Likelihood	4	High	Monthly	The event is expected to occur or occurs regularly	
	3	Medium	Annually	The event will probably occur	
	2	Low	1 in 5 years	The event may occur	
	1	Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances	

	Score	Description	Financial	Reputation	Service / operation
Impact	A	Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long-term disruption to services
	B	Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C	Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
	D	Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality

Table 2 Methodology of corporate risk scoring

2.3 The risk scores reflect control and mitigation measures (Residual scores) rather than the Inherent (before any action is taken to control) scores.

2.4 There has been one change to the risk register since the last review. Risk 4 (Key Contractor) has been reclassified from C3 to C2, reflecting the commencement of the new long-term waste contract. While some initial operational issues are being actively managed, the updated financial terms and strengthened contractual framework significantly reduce the likelihood of a complete service failure. This reclassification reflects increased certainty and resilience in our waste service provision.

2.5 All remaining risks remain unchanged.

3.0 Risk Management Strategy

- 3.1 The Risk Management Strategy is intended to be reviewed annually by the Leadership Team and the Audit & Governance Committee. However, it has not undergone formal review for a number of years, and this update provides an opportunity to reaffirm the Council's approach to risk management and ensure alignment with current best practice.
- 3.2 The Strategy outlines the Council's approach to identifying, assessing, and managing risk. Annual updates are presented to Members for approval, forming a key component of the Council's Annual Governance Statement (AGS).
- 3.3 The draft Risk Management Strategy for 2025/26 (at Appendix B) remains largely unchanged from the previous version. The only substantive update is the enhancement of the risk scoring framework, which has moved from a 3x3 matrix to a 4x4 matrix, allowing for more detailed evaluation of risk exposure.

4.0 Implications/Consultations

Community Safety

No

Data Protection

The topic features within the corporate risk register.

Equalities

The topic features within the corporate risk register.

Environmental Sustainability

Climate change features within the corporate risk register.

Financial

Not specific but risk management can provide protection of budgets from unexpected losses. Better governance can be demonstrated, and the annual audit plan is risk based.

Health and Safety

Not specific but risk management can provide a safer environment across the District and all services for the benefit of the public, staff and our contractors.

Human Resources

No

Human Rights

No

Legal

Not specific but legal matters feature within the corporate risk register.

Specific Wards

No

5.0 Background papers, appendices and other relevant material

5.1 Appendix A Corporate Risk Register

5.2 Appendix B Risk Management Strategy

Contact Member Councillor Carl Brittain, Executive Member for Financial Sustainability

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Reference	Risk Title	Impact	Likelihood	Likelihood reduction	LR Target Date	Impact Mitigation	IM Target Date	Residual Impact	Residual Likelihood	Progress Update	Risk Owner
1 - Financial Resources	Expenditure is likely to exceed the resources available to the council triggering a report in the public interest by the s.151 officer under section 114 (3) of the Local Government Finance Act 1988.	A	4	Medium Term Financial Plan which plans for further reductions in net expenditure to reflect real terms reduction in council funding Annual savings plan Transforming East Herts Programme to deliver efficiencies and enable customers to access services 24/7 on the web site Reductions in non-essential capital expenditure and agreement to sell assets to realise capital receipt which will be applied to pay down debt. Revised BEAM business plan aims to support the MTFP with £200k per year		s.114 Report leading to appointment of Commissioners but also access to Government support Requesting CIPFA support prior to reaching s.114 threshold Requesting Government support although flexibility on capital receipts and further borrowing would be counter-productive BEAM business plan kept under review in its first year of operation	On-going	B	4	Savings schedule being reviewed to ensure achieved Monthly budget meetings with Leadership Team MTFP refresh is underway Expedited asset disposal programme commenced	Brian Moldon
2 - Climate Change	Lack of mitigation of and adaptation to climate changes adversely impacts of service delivery	B	4	Declaration of Climate Emergency by Council Reducing carbon emissions from council operations - Climate Change Action Plan Seeking to influence residents to reduce carbon footprint for the district		Adaption Plan Business Continuity Plan Severe Weather section Emergency Plan including specific response plans to flooding etc. Health and Safety Policy details severe weather response Works to Great Amwell depot site taking account of flood risk assessment.		B	3	Adaption risk assessment substantially complete. Producing offsetting strategy and business case for carbon credits. All vehicles in council fleet now BEVs and in waste contract management that came in effect in May is using electric smaller vehicles and switching from diesel to hydrogenated vegetable oil (HVO) later in 2025/26 for the larger vegicles. Depot works due to go to Development Management Committee in summer 2025.	Jonathan Geall
3 - District Plan	District Plan not up to date leading to a developer led system, resulting in unsustainable, unplanned, piecemeal development across the district without the required supporting infrastructure such as roads, schools, healthcare facilities etc.	A	2	By Executive / Council Budget for evidence studies in place, including reserve. Evidence base updated in line with the National Planning Policy Framework and Planning Practice Guidance. Legal requirements including the Duty to Co-operate met.	Mar-26	Programme of work agreed for the preparation on the new District Plan. Resources in place to progress the new District Plan. Duty to Co-operate complied with. New District Plan is legally compliant and in conformity with the NPPF.	Mar-26	C	2	Formal work on the new District Plan will start in 2026 under the new planning system. In the meantime, we have undertaken the following preparatory work: •Agreed a revised timetable for the preparation of the new District Plan in the form of a Local Development Scheme (LDS). The LDS sets out the key plan-making stages and timetable for the new District Plan and takes account of the Government's plan-making reforms. •Undertaken a Call for Sites - an opportunity for landowners, developers, agents and site promoters to submit sites which may be considered to have the potential for future development. •Produced an updated Statement of Community Involvement. •Developed a Strategic Vision to chart a clear and ambitious course for the district's future which will serve as the golden thread for the new District Plan, informing policies and decision-making that will shape East Herts in the years to come. Community Engagement on the Vision was planned to take place in September/October 2025, however, this has been postponed pending publication of the secondary legislation which will implement the LURA's plan-making provisions. •Commenced work on a District Design Code. •Started work on updating our evidence base including – Green Belt Review, Employment Land Review, Buntingford Employment Study 2025, Open Space and Sports Facilities Assessment, Village Hierarchy Study, and LCWIP.	Sara Saunders
4 - Key Contractor	A key major contractor of the council fails meaning that services stop altogether e.g the refuse contractor fails and streets are not swept and bins are not emptied	C	3	Monitoring of major contractors for risks of business failure Parent Company Guarantee/Performance Bond Contract compliance procedure should note issues locally such as recruitment freeze or other issues that may indicate financial health issues with company		Local Authority Trading Company ready to activate to take over service provision Business Continuity Plans Performance Bonds or parent company guarantee	On-going	C	2	Continued monitoring of positions. The new waste contract with Veolia is currently in mobilisation, and the Council will continue to monitor this as the new service is rolled out.	James Ellis
5 - Governance	There is a governance failure caused by a lack of policies, procedures and internal controls leading to loss of legal cases on process and/or loss of assets	B	4	All Executive, Committee and Council reports require sign off by legal and finance to ensure Compliance with budget and policy framework and current legislation. List of policies maintained with review dates. Information Governance function strengthened to ensure compliance with data protection and Freedom of Information. Ensuring Equalities Impact Assessments are completed for all policies		In house legal staff in place with few vacancies therefore capacity available to address issues that arise unexpectedly. Internal audit provided by Shared Internal Audit Service using assurance mapping methodology which allows for all assurance levels to be seen and assessed. Monitoring Officer and s.151 officer work closely together and horizon scan for potential issues		D	2	Minor amendments to Constitution to reflect legislation changes made. HR policies have been amended for legislative change.	James Ellis
6 Ransomware attack deletes data	A successful ransomware attack would render the council's IT systems completely inoperative for an extended period. This would paralyze all council operations, preventing it from collecting revenues, calculating and paying benefits, paying staff and suppliers, and executing any regulatory or enforcement actions.	A	4	We patch all systems and have updated firewalls and anti-virus software for the network. Databases are moved, operating systems use support releases, and laptops are protected with AV and firewall systems. System access requires 2-factor authentication. Staff complete mandatory data protection and cyber security training.	WiFi - completed July 2025	Rubrik backs up our on-premises systems for a duration of 42 days. The most recent three backups are retained on the Rubrik appliance located in Daneshill, and all backups, including these three, are stored in the Rubrik Cloud Vault. Rubrik identifies indicators of compromise in our backups, allowing us to either revert to a clean backup (up to 42 days old) or recover the latest backup to an isolated network environment, remove the compromise, and then restore from the backup. We also maintain snapshots on the Pure arrays. A snapshot is created on the array volume every four hours, with all snapshots retained on the array volume for one week. Additionally, we keep a consolidated snapshot per day for an additional five days. This results in six snapshots per day, which are kept for five extra days beyond the current setup, totaling 42+5 (consolidated) snapshots.	On-going	B	4	Our systems are presently undergoing scheduled updates as we transition business platforms to the New Vision system. Office Wi-Fi networks have been upgraded to deliver enhanced coverage and strengthened security. As part of our IT restructuring initiative, a dedicated cybersecurity team has been established to bolster our protective measures; nevertheless, it should be acknowledged that ransomware threats cannot be entirely eliminated. In 2024/2025, a total of 588 cyberattacks were detected and prevented, with 371 incidents successfully intercepted to date this year.	Helen Standen
7 - Major Data Breach	A major data breach of sensitive personal data occurs causing reputational damage and the Information Commissioner to fine the Council	A	3	Mandatory staff training Laptop/mobile device security Confidential waste shredded		Mandatory staff training Data Protection and Privacy Statements Culture of reporting all breaches and learning from each breach		C	2	The Cyber Police training course has been well received and uptake has been very high. IT will provide a half yearly update on any non compliance.	James Ellis
8 - Staff and skills	The lack of the right staff to deliver services leads to service backlogs and failures. Staff are not skilled up to perform work in a digital environment and to work in an agile ways means that investment in systems and digital access channels is wasted	B	4	LGA have been commissioned to undertake a Decision Making Accountability Review to help inform the structure of the council. Commercial skills training requirements identified. Cultural change training requirements being worked on to cement Transforming East Herts investment as recognised in the July 2022 Business Case	LGA DMA report expected 24/05/2024 Culture Change training 31/03/2025	Introduction of new systems and moving transactions onto the web goes through a first stage of process review using Lean Six Sigma principles so wasteful processes are eliminated as well as maximising the technological capabilities. As far as possible human interventions in a process will be reduced or eliminated altogether. Training in skills is being worked up to deliver culture change to ensure investment is maximised. Managers have been trained as part of the Blueprint Programme and aspiring managers trained as part of the First Step Programme	Culture Change training 31/03/2025	C	3	The principles of the DMA findings have been applied and incorporated into the revised Leadership Team structure to ensure decision making is taken at the most efficient and cost effective level. New structure has been implemented and a further review is underway to apply the findings further down the organisation - Tiers 3 and 4 will be in place by autumn 2025	Helen Standen



Risk Management Strategy

2025/26 Review

Leadership Team
Audit and Governance Committee

9 September 2025
30 September 2025

Contents

		Page
Section 1 – Context	Policy statement	3
	Approval, communication, implementation and review	3
Section 2 – What is risk management	National drivers behind strategic risk management	4
	Benefits	4
Section 3 – Implementation	Risk management cycle	5
	Stage 1 Risk identification	5
	Stage 2 Analysing and evaluating risks Matrix	6
	Risk appetite	8
	Stage 3 Respond to risks	8
	Stage 4 Recording, monitoring and reporting	9
Section 4 – Risk management in projects and partnerships	Stage 5 Integrate with strategic and audit planning decision making	10
	Project / programme management Partnerships	11
Section 5 – Roles and Responsibilities	Members	11
	Executive	12
	Performance, Audit and Governance Oversight Committee	12
	Chief Executive and Leadership Team	12
	Heads of Service	12
	Senior Managers and Project Managers	12
	Strategic Finance and Property	13
	Shared Internal Audit Service	13
Appendix 1	Categories of Risk	14
Appendix 2	Risk register template	16

Section 1 - Context

Policy statement

Risk is present in everything that we do, so it is our policy to identify, assess and manage the key areas of risk.

East Herts Council recognises that risk management is an essential element of good governance and must be embedded in the culture of the Authority, particularly projects and strategic decisions, including procurement and contracting. It supports informed decision making thereby enabling opportunities to be exploited, or action to be taken to mitigate or manage risk to an acceptable level.

In order to obtain a clear picture of the risks that threaten the council's ability to achieve its objectives, it is important that the council determines its 'risk appetite' – the level of risk that is considered acceptable for the organisation to be exposed to. The Risk Management Strategy reflects our 'risk appetite', the size of the Authority and the nature of our operations.

The objectives of this strategy are:

- Define what risk management is about and what drives risk management within the council.
- Set out the benefits of risk management and the strategic approach to risk management.
- Outline how the strategy will be implemented.
- Identify the relevant roles and responsibilities for risk management within the council.
- Formalise the risk management process across the Council.

Approval, communication, implementation and review

The Risk Management Strategy is on the intranet and is specifically issued to all Members, Leadership Team and Senior Managers.

The strategy is reviewed each year, and following key changes in central or local policies. Risk management is also subject to frequent audit by the Shared Internal Audit Service (SIAS) and feeds in to the risk-based audit planning process.

Section 2 - What is risk management and why do we do it?

Risk Management can be defined as:

The process which aims to help organisations understand, evaluate and take action on all their risks with a view to increasing the probability of their success and reducing the likelihood of their failure. (Source: The Institute of Risk Management).

The council maintains two tiers of risk register:

- Strategic risks – the highest level ‘business’ risks.
- Operational risks – the day to day issues faced by services and Project Managers.

Once identified, the next stage is to prioritise risks to identify which are key to the Council moving forward. It is essential that steps are then taken to manage these effectively.

There should also be a consideration of the positive or ‘opportunity’ risk aspect. (For more information see Section 3, ‘risk identification’).

National drivers behind strategic risk management

- The CIPFA/SOLACE framework on Corporate Governance requires the Council to manage risks and performance through robust internal control and strong public financial management. Risk management and internal control are integral parts of a performance management system and are crucial to the achievement of outcomes. Robust and integrated risk management arrangements are required, and risk should be addressed as part of all decision making activities.
- Risk management is best practice in both the public and private sectors.

Benefits of risk management

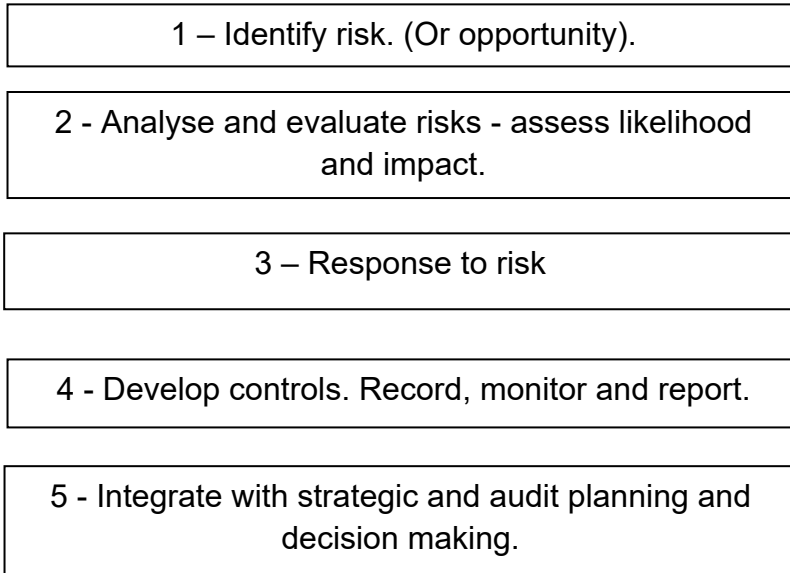
Public services are facing unprecedented challenges and the effective management of risk is needed more than ever. A risk-managed approach to decision making will help the council to achieve objectives and deliver services more efficiently, using innovative and cost-effective means.

Implementation of risk management produces many benefits for the Council including:

- Improved efficiency of operations.
- Protection of budgets from unexpected financial losses.
- Protection of reputation.
- Increased chance of achieving strategic / project objectives as key risks are minimised.
- The possibility of becoming less risk averse because risks are understood.
- Improved performance (accountability and prioritisation) - feeds into performance management framework.
- Better governance can be demonstrated to stakeholders.

Section 3 - Implementation of risk management

Implementing the strategy involves a 5-stage process:



Stage 1 – Risk identification

An inventory of risks is prepared of those events which might create, prevent, accelerate or delay the achievement of objectives. (A list of prompts is included at Appendix 1.)

It is important that those involved with the process clearly understand what the Council wants to achieve in order to be able to identify the barriers. A variety of people from across the organisation should input to ensure that all risks are identified.

Strategic risks are generally considered at an annual review with Leadership Team. Service or operational risks are identified through the service planning process, with service managers, at project meetings and / or through the committee reporting process.

The process for the identification of risk should be undertaken for projects (at the start of each project stage), partnerships, service planning and at a strategic / corporate level. Details of who contributes to these stages are explained further in the roles and responsibilities section.

It is important to remember that risk management is also about making the most of opportunities. For example:

- Making bids for funding.
- Taking a national or regional lead on policy development.
- Savings that may be achievable or income that may be generated.
- A 'spend to save' initiative.
- Tendering a large contract also provides an opportunity to reshape service delivery.

The risk should be given a clear and concise title and captured on the template in appendix 2. A fuller description to include the root cause and the possible consequences of the risk if it occurs should also be provided separately.

Stage 2 – Analysing and evaluating the risks

The likelihood of a risk occurring and its potential impact are scored using the criteria below. Thresholds have been set to ensure that scoring remains consistent across the authority including committee reports and project documentation. These thresholds will be reviewed annually.

	Score	Description	Likelihood of occurrence	Probability of occurrence
Likelihood	4	High	Monthly	The event is expected to occur or occurs regularly
	3	Medium	Annually	The event will probably occur
	2	Low	1 in 5 years	The event may occur
	1	Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances

	Score	Description	Financial	Reputation	Service / operation
Impact	A	Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long-term disruption to services
	B	Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C	Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
	D	Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality

		Likelihood			
		1	2	3	4
Impact	A				High
	B		Medium		
	C				
	D	Low			

Risk appetite

A material risk is deemed to be any risk scored A3, A4 or B4. These exceed the Council's 'risk appetite' i.e. the level of risk that it is prepared to tolerate without need for ongoing monitoring or reporting. Where a risk rating exceeds this area of tolerance, demonstrable

evidence of how risks are being mitigated will be required, together with proposals for future controls.

Increasing pressure on public finances means that Local Authorities are obliged to have more appetite for risk. The Council cannot deliver everything it would ideally like to deliver and tough choices are necessary. The Council is therefore open to considering all delivery options, accepting increased levels of risk in order to secure the successful outcomes or rewards.

Risk management is essential in supporting innovation and moving from a 'risk averse' to a more 'risk aware' approach. An example is the acquisition of Old River Lane, Bishop's Stortford. The financial commitment is significant but the acquisition provides an opportunity to shape the town centre, and an additional income stream.

Stage 3 – Respond to risks

Risks may be able to be:

Controlled - It may be possible to mitigate the risk by 'managing down' the likelihood, the impact or both. The control measures should, however, be commensurate with the potential frequency, severity and financial consequences of the risk event.

Accepted - Certain risks may have to be accepted as they form part of, or are inherent in, the activity. The important point is that these risks have been identified and are clearly understood.

Transferred - to another body or organisation i.e. insurance, contractual arrangements, outsourcing, partnerships etc. (Liabilities cannot be contracted out in their entirety. The Council will often retain overall accountability; and certainly for health and safety risks.)

Terminated - By ending all or part of a particular service or project.

It is important to recognise that, in many cases, controls will already be in place. It is therefore necessary to look at these controls before considering further action. They may be out of date or not complied with.

Most risks are capable of being managed, either by managing down the likelihood or impact or both. Relatively few risks have to be transferred or terminated.

Stage 4 – Recording, monitoring and reporting

Only risks that are considered to be at an unacceptably high level require monitoring, using the template at appendix 2. (All risk registers will be compiled in the corporate format to ensure consistency, of scoring in particular.)

Existing controls of strategic risks, their adequacy, new mitigation measures and associated action planning information are to be recorded on the Strategic Risk Register.

A target risk score will also be agreed at the beginning of each financial year to focus minds on risk mitigation and recording of actions planned and achieved.

The target risk score, planned and implemented controls and the associated cost will all be recorded on the risk register and updated quarterly.

Leadership Team is responsible for ensuring that strategic risks are managed and will receive a quarterly monitoring report. The report will subsequently be submitted to Performance, Audit and Governance Oversight Committee.

Project Managers will be required to maintain risk registers and key entries will feature on or contribute to the broader Strategic Risk Register.

The Operational Risk Register will comprise the highest level service and project risks and corporate issues that affect all services such as data management, health and safety and fraud. This register shall be reported quarterly to Leadership Team.

Stage 5 - Integrate with strategic and audit planning and decision making

In order to formalise and structure risk management at the Council, it is recognised that there are obvious and clear links between risk management and strategic planning; financial and audit planning; policy making and review and performance management. The linkages are as follows:

- Risk management is part of the business planning process. Guidance is issued annually to Leadership Team.
- Financial Procedure Rules apply to every Member and officer of the Council and anyone acting on its behalf. The council encourages innovation, providing this is within the framework laid down by the Financial Procedure Rules, and the necessary risk assessment and approval safeguards are in place.
- Risk registers will be shared with the Shared Internal Audit Service for the purposes of audit planning.
- Risk management process can lead to the development of corporate policies and monitoring of compliance. E.g. health and safety, data protection and land management.

Section 4 - Risk management in projects and partnerships

Risk management needs to be a key part of the ongoing management of projects and partnerships, including shared services.

Project / Programme management

There is a need for consistent and robust approach to risk management in significant projects, both at the initiation stage and throughout the entire project. Guidance is available on the intranet.

Risk management should feature regularly on meeting agendas.

Partnerships

Reduced funding is leading to more public services and community projects being delivered through partnerships between the public, private and third sectors. Partnerships are essential to deliver benefits to residents, businesses and visitors, but they bring risks as well as opportunities.

Assurance should be gained and evidenced on risks associated with delivering services through third parties, and accountability should be clear and recognised.

Section 5 - Roles and responsibilities

The following describes the roles and responsibilities that Members and officers have in introducing, embedding and owning the risk management process:

Members

Elected Members are responsible for governing the delivery of services to the local community. Members have a responsibility to understand the strategic risks that the Council faces.

All Members will have the responsibility to consider the risks associated with the decisions they undertake and will be informed of these risks in the reports that are submitted to them. They cannot seek to avoid or delegate this overall responsibility, as it is key to their stewardship responsibilities.

Additional responsibilities are:

Executive

- Allocate sufficient resources to address top risks.

Audit and Governance Committee

- To provide assurance of the effectiveness of the corporate risk assessment process and monitor the effective development and operation of risk management policies in the council, specifically including monitoring of the Risk Management Strategy and the Strategic Risk Register.

Chief Executive and Leadership Team

- To ensure that effective systems of risk management and internal control are in place to support the Corporate Governance of the Council.
- Take a leading role in identifying and managing the risks and opportunities to the council and to set the example and standards for all staff.
- Advise on the management of strategic and other significant risks.
- Ensure that the Policy and Strategy are communicated, understood and implemented by all Members, senior managers and staff.
- To ensure that the risk management process is part of all major projects, partnerships and change management initiatives.
- Create a culture where risk management is promoted, facilitated and appropriately undertaken by the council.

Assistant Directors

- To be individually responsible for their service risks.
- Ensure that all reports written for Members include risk commentary.
- To implement the detail of the Risk Management Strategy and risk related corporate policies, e.g. Health and Safety, Data Protection.

Senior Managers and Project Managers

- Manage and monitor key risks effectively in each area of their responsibility.
- Support production and monitoring of the operational risk register.

Strategic Finance and Property

- Advise on corporate risk profiling and management, including safeguarding assets, risk avoidance and insurance.
- Co-ordinate risk management activities, update and prepare related reports for Leadership Team and Members.
- Review, develop and promote the Risk Management Strategy and processes.
- Facilitate / arrange risk management training for staff and Members.
- Co-ordinate the Business Continuity Plan.
- Support the risk based audit planning process.

Shared Internal Audit Service

- To provide assurance to the Council through an independent and objective opinion on the control environment comprising risk management, control procedures and governance.
- To provide an annual Audit Plan that is based on a reasonable evaluation of risk, and to provide an annual assurance statement to the Council based on work undertaken in the previous year.
- Review and challenge the effectiveness of the risk management framework.

Appendix 1 – Categories of risk

Risk	Definition	Examples
Political	Associated with the local or central government policy or the local administration's manifesto commitment.	New political arrangements.
Finance	Affecting the ability of the Council to meet its financial commitments. These include internal budgetary pressures, external macro level economic changes or consequences of proposed investment decisions.	Financial climate. Financial sustainability and income streams. Budget overspends. Level of Council tax. Level of reserves. Changes in interest rates. Inflation.
Social	Relating to the effects of changes in demographic, residential or socio-economic trends on the Council's ability to meet its objectives.	Ageing population. Health statistics. Crime rates. Housing development. Employment sites and ability to influence growth. Cost of living. Deprivation indicators.
Technological	Associated with the capacity of the Council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. They may also include the consequences of internal technological failures on the Council's ability to deliver its objectives.	E-Gov. IT infrastructure. Staff/client needs. IT Security.
Legislative / Legal	Associated with current or potential changes in national or European law Or possible breaches of legislation.	GDPR. Human rights. TUPE regulations. Challenge to procurement exercise.
Continuity / service delivery	Ability to deliver services.	Loss of key staff, contractor, building, documents or IT.
Environmental	Relating to the environmental consequences of progressing the Council's strategic objectives.	Land use. Recycling. Pollution. Extreme weather events.
Competitive	Affecting the competitiveness of the service (in terms of cost or quality) and/or its ability to deliver best value.	Fail to win quality accreditation. Alternative service providers.
Customer / citizen	Associated with failure to meet the current and changing needs and expectations of customers and citizens.	Managing expectations. Extent of consultation.

Managerial / profession	Associated with the particular nature of each profession, internal protocols and managerial abilities.	Resources and ability to deliver services and key projects. Staff restructure.
Partnership / contractual	Associated with failure of contractors and partnership arrangements to deliver services or products to the agreed cost and specification.	Contractor fails to deliver. Partnership agencies do not have common goals. Shared services.
Physical	Related to fire, security, accident prevention and health and safety.	Land / facility management. Health and safety risks. Development sites.

Appendix 2 - Template

Code	Risk Title	Description	Current Likelihood	Current Impact	Target Likelihood	Target Impact	Managed By	Controls introduced and those planned for future. To include financial impact.
			Score each heading using the table on page 7					
	Concise title	Explanation of the risk, consequences, benefits etc. E.g. Failure to... Loss of... Inability to... Reduction of... Disruption to... etc	Score each heading using the table on page 7				Risk owner. (Strategic risks will be managed by a member of Leadership Team)	Describe the controls introduced and those considered / planned for the future. These are to be costed with the sum listed here.
1								
2								
3								
4								
5								

East Herts Council Report

Executive

Date of meeting: Tuesday, 7 October 2025

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Medium Term Financial Plan 2026-2031

Ward(s) affected:

Summary – The report outlines East Herts Council’s strategic financial planning framework for the five-year period from 2026/27 to 2030/31. It sets out the Council’s approach to forecasting core resources, including business rates, central government grants, and council tax, and models different scenarios based on national policy developments and local economic conditions. The report also details the assumptions used for inflation, tax base growth, and funding allocations, and presents a structured financial timetable for decision-making and budget-setting.

It also identifies key pressures and adjustments that will be incorporated into the financial model, including inflationary assumptions, service-level budget changes, and expenditure revisions. These are supported by a savings programme that lists proposals for each year.

Finally, the report sets out the projected budget gap for each year and the Council’s approach to managing this through further savings identification and reserve planning. It includes an assessment of the adequacy of general fund balances and earmarked reserves and describes the governance arrangements for monitoring financial performance and updating the MTFP as required.

RECOMMENDATIONS FOR EXECUTIVE:

- a)** To approve the Medium-Term Financial Plan (MTFP) 2026–2031 as set out in Appendix A, along with the financial assumptions and modelling used to forecast resources and pressures over the MTFP period.
- b)** To note the projected budget gap of £531k in 2026/27 and the cumulative gap of £2.41 million through to 2030/31.

- c) To note the adequacy of General Fund balances and the ongoing review of grants and reserves, with outcomes to be reported as part of the 2026/27 budget report later in the year.
- d) To note the financial planning framework and timetable for future reporting and decision-making.

1.0 Introduction

- 1.1 The Medium-Term Financial Plan (MTFP) is a strategic financial document that underpins the Council's decision-making and long-term financial sustainability of East Hertfordshire District Council (EHDC). It is core to the ongoing delivery of the Council's Corporate Strategy and Capital Programme, ensuring that financial resources are allocated effectively to meet service demands and transformation goals.
- 1.2 Using forecasting techniques, this strategy sets out the Council's most likely MTFP, alongside other potential scenarios surrounding known pressures, national policy and economic issues and local factors. Good and effective financial management and planning not only enables the Council to respond to pressures and changes but also is good practice.
- 1.3 While discussions around Local Government Reorganisation (LGR) are ongoing, the MTFP does not currently incorporate any assumptions related to LGR. This is due to the absence of a confirmed timeline, scope or financial framework for reorganisation. Including speculative impacts at this stage would risk undermining the robustness of the financial planning process. The Council will continue to monitor developments and update the MTFP accordingly when more concrete information becomes available.

2.0 Economic Outlook

- 2.1 The UK economy continues to navigate a complex and uncertain landscape. According to the Bank of England's August 2025 Monetary Policy Report, inflation has moderated significantly from its 2022 peak of over 11% but remains volatile. CPI inflation rose to 3.5% in Q2 2025, driven by increase in energy, food and administered prices and is expected to peak around 4% in September before gradually returning to the 2% target in the medium term.
- 2.2 The Bank Rate has been reduced to 4%, reflecting progress in controlling inflation. However, the Monetary Policy Committee (MPC) remains cautious. Noting that wage growth, currently around 5% and services inflation 4.7% could sustain inflationary pressures. The MPC has adopted a gradual and responsive approach to further rate cuts, contingent on continued disinflationary trends.
- 2.3 UK GDP growth remains subdued, with projections of 1.2% in 2025 Q3, rising to 1.7% by 2028. A margin of slack has emerged in the economy, particularly in the labour market, which is expected to loosen further before recovering. The unemployment rate is forecast to hover around 4.8-4.9% over the medium term.
- 2.4 The Office for Budget Responsibility's (OBR) 2025 Forecast Evaluation Report highlights the lingering effects of recent economic shocks, including the COVID-19 pandemic, energy price surges and geopolitical instability. These factors have reshaped fiscal planning and introduced greater uncertainty into long-term projections.
- 2.5 Public Sector borrowing and debt remain elevated and while government receipts have broadly aligned with forecasts, expenditure pressures – particularly in health, welfare and local services continue to challenge fiscal sustainability. The OBR emphasises the need for robust scenario planning and resilient budget frameworks to manage volatility.

- 2.6 For East Herts District Council, the national outlook presents several implications:
- **Inflationary Pressures:** Rising costs in energy, wages and services will affect operational budgets and contract renewals.
 - **Interest Rate Sensitivity:** Changes in Bank Rate influence borrowing costs and treasury returns, impacting capital financing strategies.
 - **Demand for Services:** Economic uncertainty may increase demand for council support services, including housing, benefits and hardship relief.
 - **Income Volatility:** Discretionary income streams (e.g., fees and charges) may be affected by reduced consumer spending and business activity.
- 2.7 This means the Council must remain agile in its financial planning, incorporating national trends into local forecast and maintaining a strong risk management posture.

3.0 Local Government Funding – Fair Funding Review 2.0

- 3.1 Since the end of the last multi-year local government finance settlement in 2019, East Herts, like many other, has operated under a series of one-year settlements, typically confirmed in December, just weeks before councils set the budget for the coming year. This late confirmation severely limits the Council's ability to plan strategically, invest confidently, and engage meaningfully with stakeholders on long-term priorities.
- 3.2 The lack of certainty has been compounded by the continued delay in key reforms, including the Review of Needs and Resources, the Business Rates Retention reset, and the future of the New Homes Bonus. Despite multiple consultations and calls for evidence, no definitive framework has emerged, leaving councils reliant on short-term allocations and transactional mechanisms such as the Funding Guarantee, which ensure a

minimum annual increase in Core Spending Power but does not address underlying structural issues.

- 3.3 The Government's Fair Funding Review 2.0, now underway, seeks to address these long-standing challenges by redistributing funding more equitably across local authorities. The review aims to ensure that resources are allocated based on assessed needs, with greater weight given to areas facing higher levels of deprivation, service demand and demographic pressures. The key proposals in the review:
- **Multi-year settlement** to improve financial planning certainty
 - **Grant simplification**, reducing reliance on competitive bidding and consolidating fragmented funding streams.
 - **Updated formula for assessing relative needs and local resource capacity**, including revised Area Cost Adjustments (ACA) and Relative Needs Formulas (RNFs) for services such as adult social care, children's services, temporary accommodation.
 - **Sales, fees and Charges reform**, offering councils greater flexibility to raise income locally.
 - **Business Rates Retention Reform**, including a long-awaited reset of the baseline to reflect actual growth since 2013.
 - **New Homes Bonus** transitional arrangements, with legacy payments phased out and no replacement scheme confirmed.
- 3.4 The government proposes a "cash flat floor" to ensure councils do not receive less funding in cash terms than the previous year. However, this does not protect against real-term reductions, and not all councils will qualify.
- 3.5 The Implications for East Herts:
- **Risk of reduced Core Spending Power** – as part of the consultation, the government has not issued any figures for individual councils, so councils are having to rely on advisors to best guess the impact on each council, with the likelihood East Herts will be worse off based on all scenarios considered.
 - **Business Rates Reset**. The Council will lose retained growth (as part of the existing scheme all authorities can retain 50% of

any growth), if the baseline is reset without adequate transitional support.

- **Council Tax Constraints.** While reform is proposed, referendum limits and exemptions remain in place, restricting local flexibility.
- **New Homes Bonus.** With this ending and no replacement scheme confirmed, the Council faces a reduction in grant income.

4.0 Core Resources

4.1 The Council is funded from three primary sources:

- Business Rates
- Central Government Grants
- Council Tax

4.2 **Business Rates (National Non-Domestic Rates – NDR)** – are collected locally but governed nationally. The Valuation Office Agency (VOA) sets rateable values, and councils retain a portion of the income under the Business Rates Retention Scheme. Currently, East Herts retains 50% of locally collected rates, subject to a tariff or top-up based on its assessed capacity to raise revenue. For East Herts, this is a tariff, which results in the Council only retaining circa 9% of locally collected rates, after Section 31 are added. However, the retention baseline, that was set in 2013, has not been updated, meaning councils like East Herts that have seen growth may lose out when the system is reset (2026).

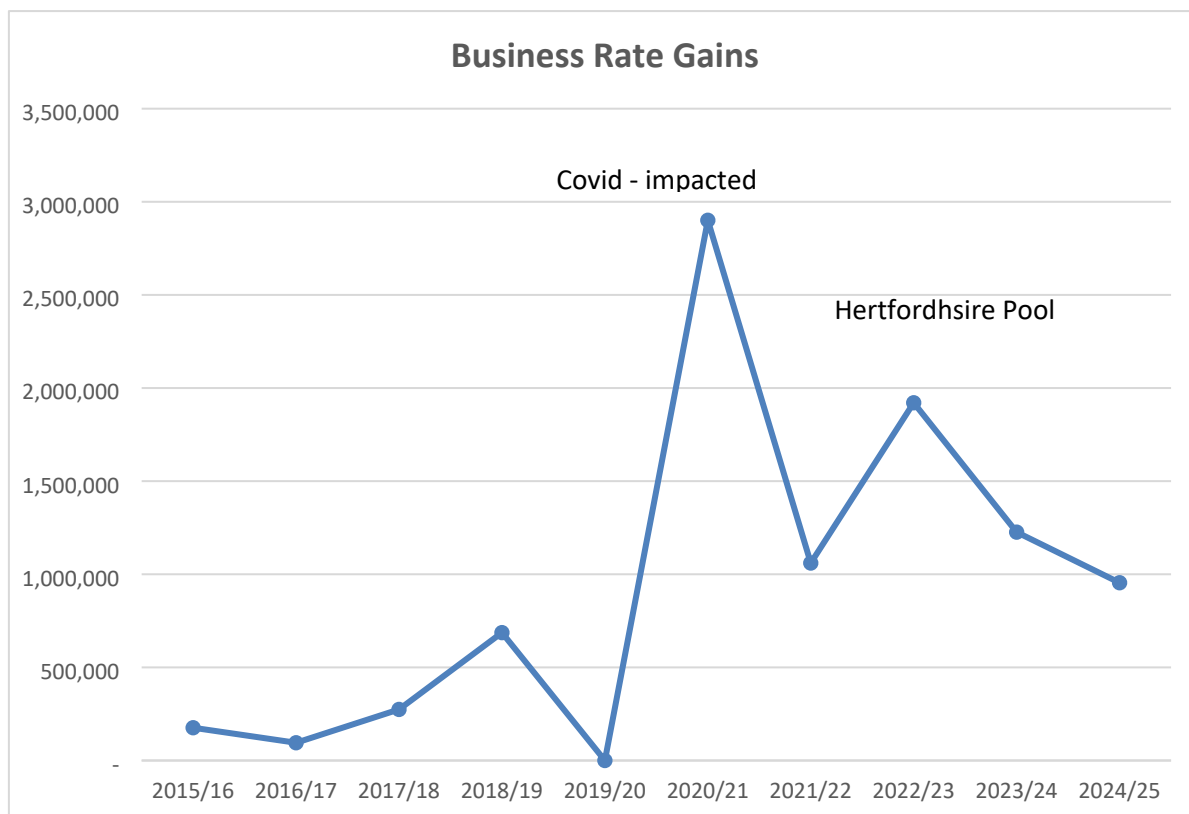
4.3 The MTFP assumes that the authority will continue to retain business rates at current levels, with a projected annual increase around 2%. This uplift reflects expected inflationary trends and modest growth in the local business base.

Business Rate Gains

4.4 The Council has historically seen gains from business rates. Opportunities such as pooling arrangements and pilot schemes, like the 2022/23 Hertfordshire pilot allowing councils to retain 75%

of business rates have provided occasional uplifts. However, East Herts have only participated in the Hertfordshire pool once, and the region has only been included in one pilot scheme. This makes projecting future income complex, especially as gains are typically realised based on prior year estimate rather than in-year performance.

- 4.5 Given the inherent volatility of business rate income, the Council has not relied on retained growth or pooling gains to fund ongoing service delivery. Instead, these surpluses have been used prudently to strengthen financial resilience and to support one-off in-year pressures, including unforeseen costs and strategic investments. The table below sets out the level of business rate gains received since 2015. These gains have provided a valuable source of flexible funding, enabling the Council to respond to emerging priorities without placing additional strain on core budgets. However, under the proposed Business Rates Retention Reform and baseline reset, the Council is at risk of losing access to this income stream. This would remove a key financial lever that has historically supported the Council's ability to manage risk and deliver responsive service.



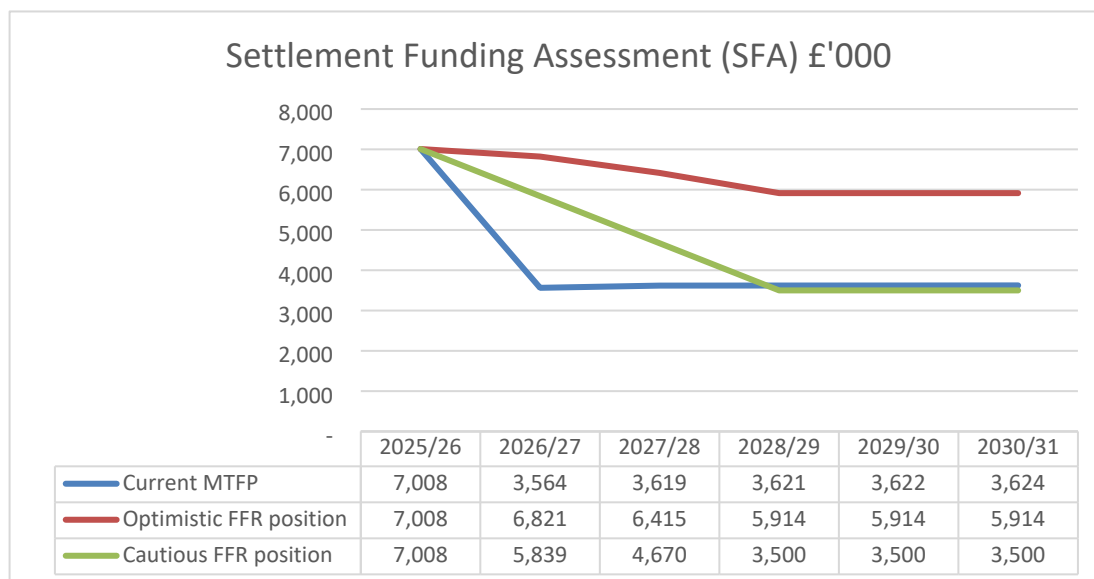
4.6 **Central Government Grants**- these includes general grants that contribute to core funding. Over the past decade, general grant funding, particularly the Revenue Support Grant (RSG) has significantly declined. While schemes like the New Homes Bonus previously rewarded housing growth, this has now ended, and future funding mechanisms remain uncertain pending the outcome of the Fair Funding Review 2.0.

4.7 The new proposed Fair Funding Review is using updated formulae and data including population projections and deprivation indices, to determine funding allocations.

4.8 For East Herts, the impact of FFR is significant. The optimistic case modelling by advisors suggests a 15.6% reduction in the authority's funding baseline, equating to a loss of £1.1million by 2028/29. This reduction is driven by a combination of factors, including East Herts' relatively high council tax base compared to its assessed level of need, and the effect of the new notional council tax level used in the resource adjustment calculation, with transitional arrangements phasing in the changes over three years.

4.9 However, a more cautious approach assumes that the Social Care Grant may be excluded from the funding pot to be redistributed to councils without social care responsibilities. Under this assumption, the Council share of redistributed resources would fall further, potentially resulting in a 50.1% reduction in Baseline Funding over the three-year transition period. This highlights the financial risk posed by future changes to the funding framework.

The table below outlines the expected funding from Business Rates and Central Government Grants via the Settlement Funding Assessment (SFA). The MTFP is based on a cautious approach due to ongoing uncertainty around future government allocations and the wider economic climate. This ensures the Council remains resilient, avoids overestimating its financial position, and is better prepared for potential funding reductions or cost pressures. Prudent assumptions provide a stable foundation for financial planning and help protect essential services over the medium term.



4.10 **Council Tax** – is levied on residential properties and includes precepts for Hertfordshire County Council, the Police and Crime Commissioner and local Parish councils. East Herts sets its own share, which has been capped by government referendum limits, currently the higher of 2.99% or £5 for district councils. While councils can propose higher increases, they must hold a local

referendum, which is often prohibitively expensive. Additionally, council have limited flexibility over exemptions and discounts, such as for students or single occupants.

4.11 The annual amount of council tax that can be raised is influenced by two key factors:

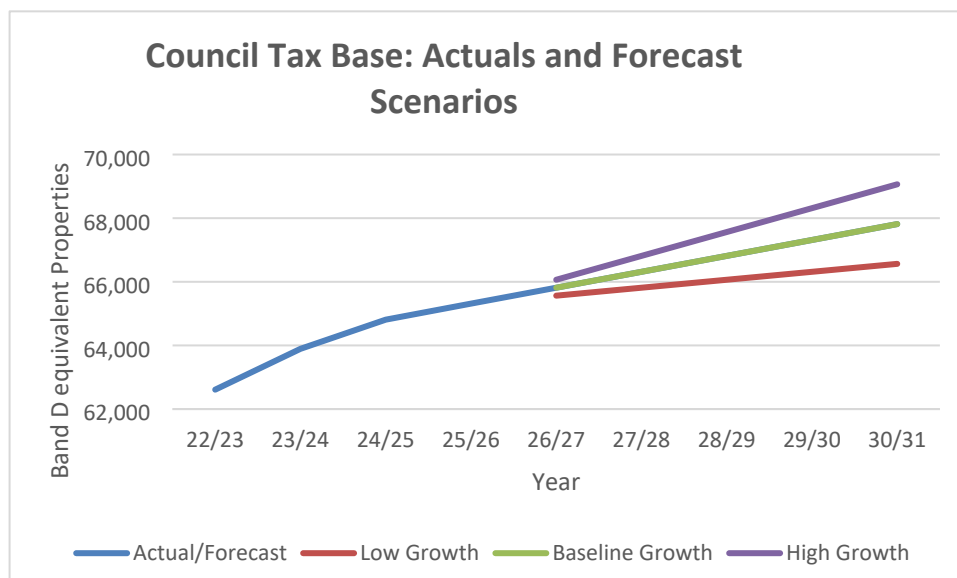
- Growth in the tax base, and
- The inflationary uplift applied each year

Tax Base

4.12 The tax base reflects the estimated number of new properties expected to come into use, converted into Band D equivalents. This includes all existing properties, adjusted for applicable discounts and exemptions.

4.13 The table below illustrates the movement in the tax base from 2022/23 to 2025/26, alongside forecasted figures through to 2030/31. To support financial planning, three growth scenarios have been modelled from 2026/27 onwards.

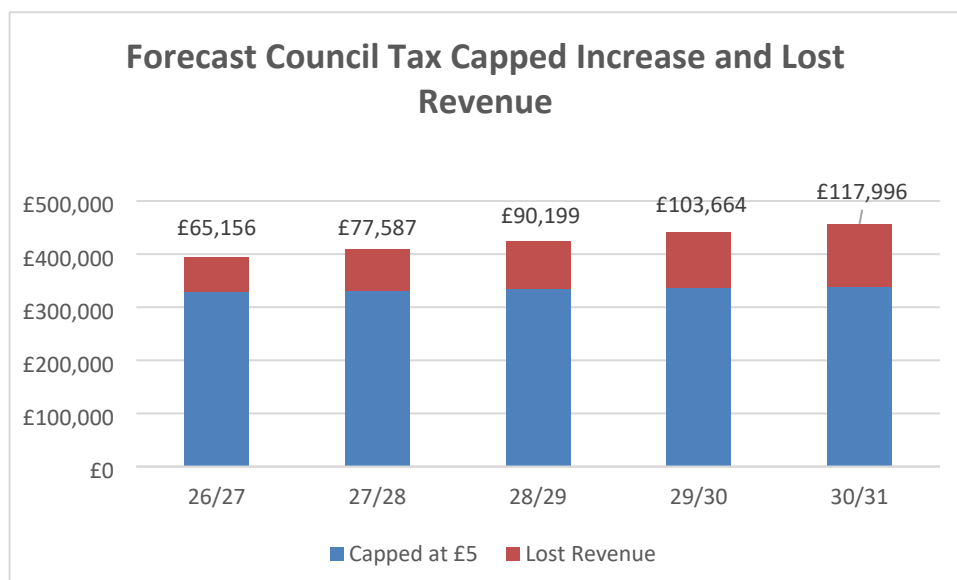
- Low Growth +250 Band D equivalent properties per Year
- Medium Growth + 500 properties per year (baseline assumption).
- High Growth +750 properties per year



4.14 The medium growth scenario of 500 Band D equivalent properties has been selected as the baseline assumption. While East Herts Council’s housing targets have been taken into account, it remains important to adopt a prudent approach to forecasting. Maintaining the 500-property assumption reflects recent trends and provides a balanced and realistic foundation for financial planning. This approach allows flexibility to respond to future changes in housing development and council tax support levels, without overcommitting resources.

Inflationary Uplift

4.15 Up until 2022/23, district councils could only raise council tax by up to 1.99% or £5, whichever was higher, without triggering a referendum. From 2023/24, this limit increased to 2.99%, allowing council more flexibility to manage inflation and raising service demands. The MTFP assumes this higher threshold will continue. If the government reverts to the previous limit (1.99% or £5), it will result in a notable reduction in resources as shown in the table below.



4.16 The table below summarises the Council’s core resource position for the medium-term, drawing on the assumptions set out in the preceding sections on Business Rates and Government Grants (SFA – settlement Funding Assessment)

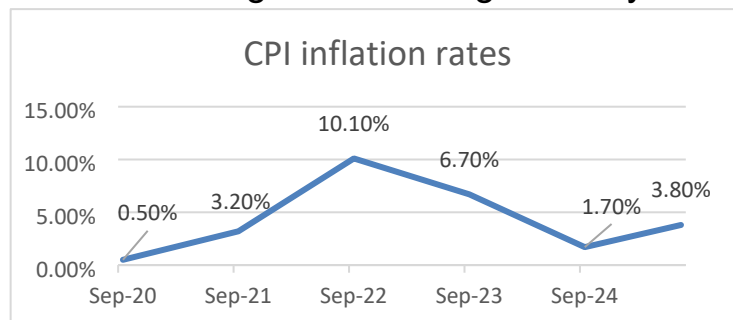
and Council Tax income. These resources represent the funding available to support service delivery and form the foundation of the Medium-Term Financial Plan.

Summary MTFP Resources	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000
SFA	5,839	4,670	3,500	3,500	3,500
Council Tax	13,625	14,138	14,669	15,219	15,789
Total Resources	19,464	18,808	18,169	18,719	19,289

5.0 Inflationary and Other Pressures and Savings

Inflationary Pressures

5.1 CPI is the tracked measure for inflation used by the government and also used for increases to business rates (September CPI). The historic CPI trend is shown below and the volatility with the impact of the cost-of-living crisis and higher utility costs.



5.2 The 2026/27 onwards inflation assumptions are summarised in the table below. The August Consumer Price Index (CPI) was 3.8% unchanged from July, the MTFP assumes that inflation will remain at this level for a number of months before start reducing back to the Government 2% level, however this remains uncertain. Lower inflation will reduce the financial pressure on the General Fund and in turn subject to other pressures being identified reduce the need to make further levels of savings.

Inflation – Applied to:	2026/27	2027/28	2028/29	2029/30	2030/31
Pay award	3%	3%	3%	3%	3%
Contract Inflation	3%	2%	2%	2%	2%
Business Rates increases based on September CPI	3%	2%	2%	2%	2%
Borrowing Interest	4.5%	4.25%	4.25%	4.25%	4.25%
Investment Interest	3.5%	3.25%	3.25%	3.25%	3.25%

5.3 The MTFP rationale and alternative scenarios are set out below.

Rationale for inflation assumption	
Pay Award	The employer pay offer for 2025/26 has been confirmed at 3.2%, reflecting ongoing inflationary pressures and the continued influence of the National Living Wage on pay negotiations. The Council has revised its planning assumptions from 2.5% to 3% throughout the MTFP. This assumption provides a more realistic and resilient basis for financial planning, offering protection against downside risk and aligning more closely with current CPI projections. Pay awards remain subject to national collective bargaining and outside the Council's direct control.
Contracted Inflation	The July CPI was 3.8% and the MTFP has modelled inflation at 3% for 2026/27 and then down to 2% for all future years, to reflect the Government long-term target of 2%.
Business Rate Increases	Business Rate is linked to September CPI, which is used by government to set annual uplifts. For 2026/27, the Council has assumed a 3% increase, reflecting current CPI forecast. The remaining years been reduced to 2% to reflect the government long-term inflation target.
Borrowing Interest	These rates based on current market forecast and treasury advisors' guidance, reflecting expected trends in interest rates and borrowing conditions. Assumptions aim to balance prudence with realism, while maintaining a deliverable financial position.
Investment Interest	These figures are based on current market forecast and reflect expected movements in interest rates and cash balances. The assumptions are closely linked to the Council's borrowing strategy, ensuring consistency between interest earned and paid projections.

General Pressures

5.4 In addition to the inflationary assumptions outlined above, the MTFP incorporates a range of other budget pressures identified through quarterly budget monitoring and engagement with service areas. These pressures reflect known changes in demand, service delivery requirements, and emerging financial risks. A summary of these pressures is provided in the table below.

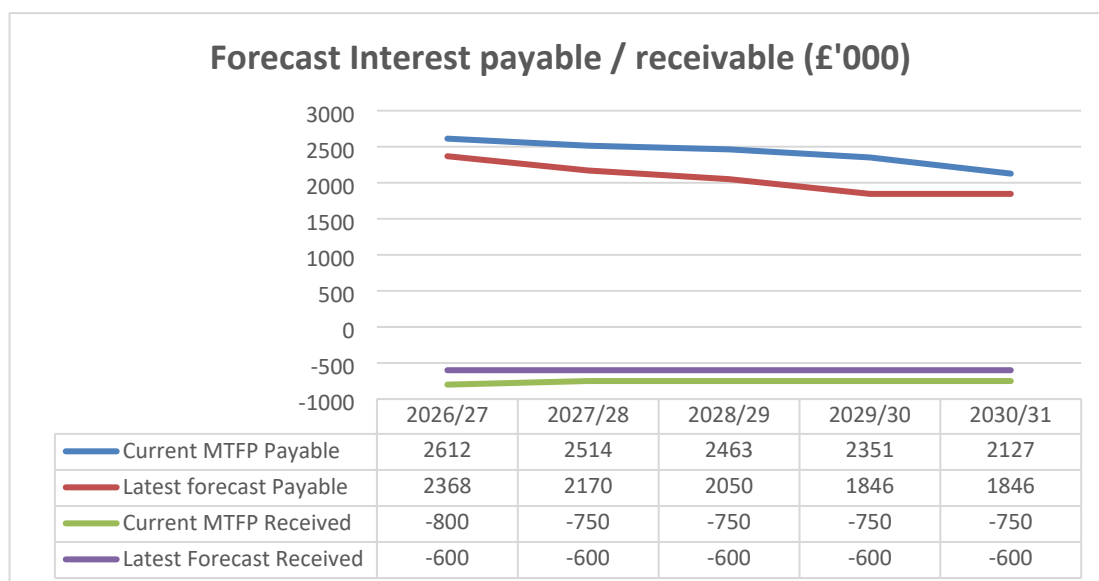
Additional MTFP Pressures	2026/27 £'000	Rationale
Business Rates – Council Property Liabilities	337	Following the latest revaluation of business rates on Council-owned properties, there is a requirement to increase budgets to reflect the updated charges. Work is currently underway

Additional MTFP Pressures	2026/27 £'000	Rationale
		to identify premises where the Council may have grounds to appeal the revised valuations. Where appropriate, appeals will be pursued through the formal process with the aim of reducing future liabilities and mitigating the financial impact
Fees and Charges Budget Realignment	100	A review of fees and charges budgets was undertaken as part of the Quarter 1 monitoring process. This identified a number of income lines where targets have consistently been underachieved over several years. As a result, proposals have been made to realign these budgets to better reflect actual service demand and usage patterns. This approach ensures a more realistic and sustainable income forecast within the MTFP.
Unachievable Savings	576	A number of savings previously included in the MTFP for 2026/27 have been removed following a review of deliverability. These include a £200K saving from the Shared Revenues and Benefits Service, which lacks a clear basis and duplicates existing targets; a £190K saving from Millstream property disposals, now captured through MRP and borrowing cost adjustments; and £100K from car park cleansing procurement, which will be reassessed once a detailed understanding of service requirements is established. Additionally, smaller items totalling £85K have been adjusted to reflect actual delivery.
New Human Resources Officer post	60	A new HR Officer post has been proposed to support the additional workload arising from the Local Government Reorganisation (LGR) and associated transformation programmes. The post will focus on delivering core HR functions that are essential to preparing staff for the transition, ensuring workforce readiness and supporting organisational change. This includes workforce planning, staff engagement, and change management activities aligned with the Council's strategic objectives. The additional capacity will help ensure that HR processes are robust and responsive during this period of significant change.
BEAM Theatre – Revised Surplus Forecast	75	The BEAM Theatre, which opened in 2024, is still in its early operational phase and gradually building towards full capacity. While the current projection for 2026/27 indicates a surplus above the 2025/26 target of £200,000, this has been reviewed in light of performance to date and the realistic expectations for a new

Additional MTFP Pressures	2026/27 £'000	Rationale
		venue. To support sustainable financial planning and provide a more achievable target, the surplus forecast for 2026/27 has been reduced to align with the 2025/26 level. This adjustment recognises the time needed for the theatre to establish its audience base and reach full operating potential

Expenditure Reductions and increased income

- 5.5 **Minimum Revenue Provision (MRP)** – A £250K reduction has been applied following a review of the Council’s MRP calculation, undertaken earlier in the year with support from treasury advisors. This reflects a more accurate provision against capital expenditure funded by borrowing, aligned with current regulations and guidance. The adjustment also takes into account anticipated capital receipts from Millstream and other asset disposals, which will be used to offset borrowing costs — particularly in relation to the waste vehicle procurement programme.
- 5.6 While there is an inherent risk around the timing and value of receipts, this is mitigated through realistic valuations and quarterly reviews with the officer led Asset Management Group to ensure assumptions remain up to date.
- 5.7 **Net Interest Cost** – A reduction in net interest costs has been applied, with a £44K saving in 2026/27 rising to approximately £194K in 2027/28. This reflects a revised approach to both interest payable on borrowing and interest receivable, following a review of budget assumptions. Previous figures lacked supporting documentation, so both budgets have now been recalibrated to reflect the latest position on forecast interest rates, expected capital receipts, and projected cash balances. This adjustment ensures a more accurate and transparent financial position.



5.8 Other Minor Adjustments - A number of smaller budget adjustments have been made, resulting in a net expenditure reduction of £48K. These reflect the latest forecast position across various service areas and are considered representative of the expected baseline going forward.

Savings

5.9 The MTFP includes a savings programme designed to address the projected budget gap over the period. While significant savings were front-loaded in earlier years, the later years of the MTFP still require targeted reductions to ensure financial sustainability. The original programme included a range of proposals, some of which lacked detailed workings or have since been reassessed for deliverability. The following section outlines the savings that remain in place for the MTFP.

	2026/27 £'000	2027/28 £'000	2028/29 £'000
Letting of Wallfields – to reflect the full year impact of the recent letting	29		
Agency model for leisure contract – full year impact	150		
EV Chargers on Council Premises – contract been procured with a projected increase in revenue over next two years	25	15	
Reducing BEAM costs	55		
Increase Garden Waste Charge by CPI	30	30	30
Efficiencies within Partnership team	73		
Efficiencies within Customer Services / Corporate Support	69		

	2026/27 £'000	2027/28 £'000	2028/29 £'000
Transformation – Review Programme		180	180
Civil Parking Enforcement		650	
Ground Maintenance Contract re-procurement		50	
Additional Market / Pavement licensing income	5		
Total	436	925	210

Fees and Charges

5.10 The Council is currently undertaking a review of how fees and charges are set, with a view to ensuring that the costs of services are appropriately recovered. This includes general fees and charges agreed annually by Members, as well as specific areas such as garden waste collections and car parking charges. The review will consider the assumptions underpinning current income forecasts and explore opportunities to strengthen the Council's financial position. A report outlining the findings and any proposed changes will be brought forward to Members at a future meeting once the review is complete.

Grants

5.11 As part of the MTFP update, a review of all grants currently embedded within the Net Cost of Services, excluding those classified as core resources is being undertaken. This exercise aims to assess the financial risks associated with the potential cessation of these grants and to develop appropriate exit strategies where necessary.

5.12 The most significant risk in this area relates to the Extended Producer Responsibility (EPR) scheme. EPR is a national initiative that shifts the financial burden of packaging waste management from taxpayers to producers, with local authorities expected to receive payments covering the net costs of collection, recycling, and disposal. While the government has guaranteed £1.1 billion in EPR funding for local authorities in 2025/26, the actual distribution will depend on data submissions and operational factors, introducing a degree of uncertainty. The current MTFP assumes a 10% reduction in EPR-related funding

year-on-year. Should actual receipts deviate from this forecast, further savings may be required to maintain budgetary balance.

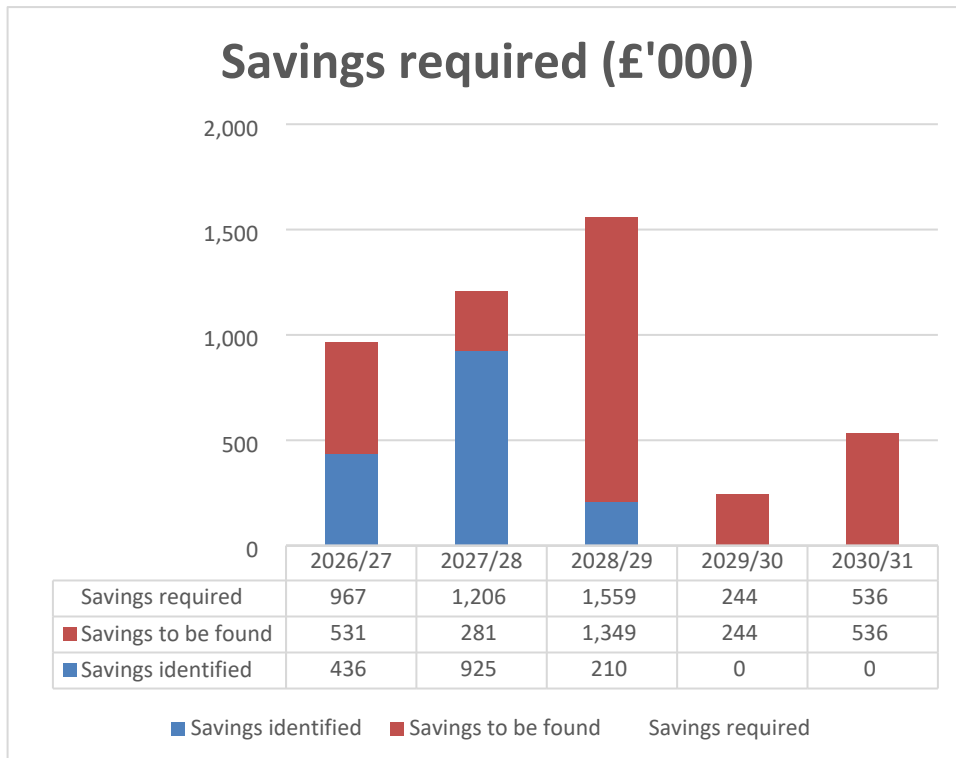
5.13 The outcome of the grants review exercise will be reported to Members later in the year as part of the 2026/27 budget report.

6.0 Budget Gap

6.1 The MTFP has identified a budget gap over the period 2026/27 to 2030/31, driven by reductions in funding and increased financial pressures as outlined throughout this report. To address this, annual savings targets have been set to support the delivery of a balanced budget.

6.2 In setting these targets, consideration has been given to the achievability of savings in each year, balanced against the need to minimise reliance on reserves. This approach ensures the Council can continue to deliver its priorities while maintaining a prudent level of balances and financial resilience.

6.3 The projected budget gap for 2026/27, net of savings identified to date (see paragraph 5.9), stands at £531K. Over the following four years, from 2027/28 to 2030/31, a further £2.41 million will need to be addressed to achieve a balanced budget. The profile of this gap is summarised below, with the full Medium-Term Financial Plan shown at Appendix A.



6.4 The Council’s Leadership Team has been tasked with going away to identify potential options to meet the gap currently identified for 2026/27. Members will have an opportunity to consider those options at a later Executive meeting.

7.0 General Fund Balances and Reserves

7.1 The Council’s General Fund reserves are classified as either general or earmarked for specific purposes. The General Fund balance serves as a financial buffer to absorb the impact of unexpected events, emergencies, or fluctuations in cash flow.

7.2 The projected General Fund balance within the MTFP remains unchanged at £3.854 million, contingent on the delivery of £2.9 million in savings over the MTFP period. Maintaining this level of reserves is essential to support financial resilience and ensure the Council can respond to unforeseen pressures.

7.3 Guidance issued by CIPFA reinforces the statutory responsibility of the Section 151 Officer, under the Local Government Act 2003, to report annually on the adequacy of reserves when

setting the Council Tax. The Act also provides the government with reserve powers to prescribe minimum reserve levels, although this has not been exercised to date. It is therefore expected that authorities will have regard to CIPFA’s guidance when assessing the sufficiency of balances and earmarked reserves.

- 7.4 In determining the appropriate level of general balances, the Chief Financial Officer has based their advice on a range of risk factors, as summarised in the table below. This assessment currently indicates a minimum requirement of **£3.632 million**. The figure is indicative and will be subject to further review as part of the annual budget-setting process to ensure it reflects the latest financial risks and operational context.

General Fund balances Minimum Level Assessment	2025/26 £million
Annual Gross Revenue Expenditure (at 4%)	2.896
Annual Gross Capital Expenditure (at 2%)	0.211
Adj. for Council Tax as a funding source (at 4%)	0.525
Minimum General Fund Balance	3.632

- 7.5 The Council is projected to hold **£17.297 million** in earmarked reserves at the end of March 2025. A review of these reserves is currently underway to assess the purpose and relevance of each reserve, and to determine whether the overall level is sufficient to support the Council’s financial strategy over the medium term. The outcome of this review will be reported to Members as part of the Budget Report in January.

8.0 Financial Planning Framework

- 8.1 To support the delivery of a balanced and sustainable Medium-Term Financial Plan, the Council has established a structured financial planning framework. This outlines the key milestones for reviewing assumptions, updating forecasts, and presenting proposals to Members. The framework ensures that financial decisions are timely, transparent, and aligned with the Council’s

strategic priorities. The timetable below sets out the planned reporting and decision-making points over the coming months.

Date	Meeting	Report
Oct-25	Executive	MTFP 2026/27 – 2030/31 – to approve assumptions
Nov-25	Audit & Governance	To review and comment on MTFP 2026/27 to 2030/31
Jan-26	Executive	Draft 2026/27 General Fund Budget, Council Tax and Council Tax Support
Jan-26	Joint Overview & Scrutiny and Audit & Governance	To Scrutinise the draft 2026/27 General Fund Budget, Council Tax and Council Tax Support
Feb-26	Executive	Final 2026/27 General Fund Budget, Council Tax and Council Tax Support for approval onto Council
Mar-26	Council	To approve the 2026/27 General Fund Budget, Council Tax and Council Tax Support

9.0 Risks

9.1 Risk and known uncertainties are highlighted in the body of the report.

10.0 Implications/Consultations

Community Safety

The budget underpins delivery of the council's policies and priorities in relation to community safety

Data Protection

None directly arising from this report.

Equalities

The Council has a statutory duty under the Equalities Act 2010, in particular s149. This includes the requirements on the Council to have due regard to the need to eliminate discrimination and harassment, to advance equality of opportunity, to foster good relations and to remove or minimise disadvantages suffered by persons who share protected characteristics. Compliance with these duties in the Equalities Act does permit the Council to treat some persons more favourably than others, but only to the extent that such conduct is not otherwise prohibited. In setting

the budget, decisions on some matters may be particularly relevant to the discharge of this duty, particularly fees and charges concessions and an equalities impact assessment will be undertaken to assess and ensure compliance with this duty.

Environmental Sustainability

The budget underpins delivery of the council's policies and priorities in relation to the environmental and sustainability areas.

Financial

All financial implications are contained within the report.

Health and Safety

None directly arising from this report.

Human Resources

The budget provides provision of a pay award for up to 3% in 2026/27, the actual award is subject to national NJC negotiations.

Human Rights

None directly arising from this report.

Legal

The council is required to set a balanced budget each year. The Local Government Finance Act 1992 (as amended by the Localism Act 2011) requires the council to estimate revenue expenditure and income for the forthcoming year from all sources, together with government grant and contributions from reserves, in order to determine a basic Council Tax Requirement.

Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the estimates and adequacy of reserves to the council when it is considering the budget.

Specific Wards

No

11.0 Background papers, appendices and other relevant material

11.1 Budget 2025/26 and Medium Term Financial Plan – 26 February 2025 Council Meeting

11.2 Financial Management 2025/26 – Quarter 1 Forecast to year end – Audit & Governance 30 September 2025

11.3 Appendices

Appendix A	Medium Term Financial Plan 2026/27 to 2030/31
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General Fund Revenue Budget and Medium Term Financial Plan 2026/27 to 2030/31

2025/26	Cost of Services	2026/27	2027/28	2028/29	2029/30	2030/31
£000		£000	£000	£000	£000	£000
305	Chief Executive's Office	314	324	333	343	353
1,855	Communications, Strategy & Policy	1,813	1,869	1,927	1,986	2,047
2,073	Housing and Health	2,188	2,276	2,367	2,460	2,559
700	Operations	1,346	1,621	1,886	2,154	2,418
(200)	Hertford Theatre	(275)	(452)	(428)	(403)	(383)
2,285	Planning & Building Control	2,500	2,599	2,701	2,805	2,913
844	Shared Revenues & Benefits Service	773	851	932	1,016	1,149
2,971	IT Shared Service	2,764	2,866	2,972	3,082	3,197
1,436	Legal & Democratic Services	1,532	1,583	1,636	1,690	1,729
519	Human Resources & Org Development	534	547	562	576	591
2,528	Strategic Finance & Property	2,272	2,452	2,681	2,905	3,197
705	Centrally Managed Costs	747	749	751	753	753
(150)	Revenue Costs Capitalised	(70)	(50)	(20)	(20)	(20)
50	Capital Expenditure Charged to a Revenue Account	50	50	50	50	50
15,921	Net Cost of Services	16,488	17,286	18,350	19,399	20,555
(100)	Fees and Charges Annual Review	(50)	(100)	(150)	(200)	(250)
1,634	Minimum Revenue Provision	1,453	1,453	1,479	1,479	1,479
3,269	Interest Payable on Loans	2,368	2,170	2,050	1,846	1,846
(1,000)	Investment Income	(600)	(600)	(600)	(600)	(600)
637	Pension Fund Deficit Contribution	637	637	637	637	637
4,440	Total Corporate Budgets	3,808	3,560	3,416	3,162	3,112
(63)	Savings identified 2026/27	(436)	(436)	(436)	(436)	(436)
	Savings identified 2027/28		(925)	(925)	(925)	(925)
	Savings identified 2028/29			(210)	(210)	(210)
	Pressures	135	135	135	135	135
	Total Savings & Pressures	(301)	(1,226)	(1,436)	(1,436)	(1,436)
20,298	Total Costs	19,995	19,620	20,330	21,124	22,230

2025/26 £000	Government Funding & Council Tax	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
(5,092)	Retained Business Rates - Business Rates	(3,296)	(3,330)	(3,367)	(3,367)	(3,367)
(1,193)	New Homes Bonus Grant	0	0	0	0	0
(141)	Revenue Support Grant	0	0	0	0	0
(403)	General Government Grants	(2,543)	(1,340)	(133)	(133)	(133)
(179)	NI grant	0				
(13,131)	Council Tax Demand on the Collection Fund Collection Fund (Surplus)/Deficit	(13,625)	(14,138)	(14,669)	(15,219)	(15,789)
(20,139)	Total Government Funding & Council Tax	(19,464)	(18,808)	(18,169)	(18,719)	(19,289)
159 Net Budget before Reserves movements		531	812	2,161	2,405	2,941
0	Contributions to Earmarked Reserves	0	0	0	0	0
(164)	Contributions (from) Earmarked Reserves	0	0	0	0	0
(164)	Total Contributions to/(from) Reserves	0	0	0	0	0
(5) Net Budget Position		531	812	2,161	2,405	2,941

Agenda Item 13

East Herts Council Report

Executive

Date of meeting: Tuesday, 7 October 2025

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Annual Procurement Report

Ward(s) affected: All Wards

Summary – An annual report of procurement activities.

RECOMMENDATIONS FOR EXECUTIVE:

- a) to approve delegated authority to the relevant Director in consultation with the Portfolio Holder to commence procurement for the forthcoming procurement activities listed in table in paragraph 2.2.
- b) to consider the actions and delivery against the procurement strategy to date.
- c) to consider the activities undertaken by procurement in 2025/26.

1.0 Proposal(s)

1.1 To consider the following items:

- Procurement scheduled to be commenced within the next 12 months.
- An update on the actions taken to support the procurement strategy
- Procurement and activities taken within the previous 12 months.

2.0 Background

2.1 The Forward plan requires all procurements over a value of £200k to be approved before procurement commences, otherwise this could delay the procurement process at a critical time, if approval not sought sufficiently in advance.

2.2 The following procurements are expected to be commence in within the next 12 months and request that member approve for the following projects to be commenced when required.

Name of project	Expected value	Reason for procurement	Directorate responsible
Tree risk assessment	£180k - £300k proposed 3-5 year contract	Current contract expiring	Place
Pantomime production	£1m total - over 5 years (this contract will be income producing)	Current contract expiring	Regeneration, Customer and Commercial
Temporary Staff	£1m pa - proposed 3-5 year contract	Current contract expiring	HR (Under Deputy Chief Executive)
Consultants for planning to support large infrastructure developments	£250k (this contract would be funded by developer contributions)	To support team on large specialist applications	Place
Business support in Bishop's Stortford	£120k -240K 2-4 year contract length to be determined	Current contract expiring	Communities (Economic Development)
Debt Recovery agency	Concession contract	To bring together multiple arrangements	Finance (Rev's and Ben's) & Regeneration, Customer and Commercial (Parking)
Weedspray	£120k -£240k proposed 2-4 year contract	Longer term contract to co terminus with main Grounds Maintenance	Place

Name of project	Expected value	Reason for procurement	Directorate responsible
Food and Beverage at BEAM	£200k + over 3 years (this contract will be income producing)	Current call of contract expiring	Regeneration, Customer and Commercial
Car park Cleaning	£150k -250k 3-5 year contract length to be determined.	Currently part of main Waste and street scene, intelligence suggests may be better as stand alone	Regeneration, Customer and Commercial

2.3 A longer term pipeline covering the following two years of procurement activity over £200k has been enclosed as an appendix to this report. It must be noted that confidence in the composition of the requirements and the likely values decreases the further into the future the procurement projects are.

2.4 The procurement strategy was approved in March 2025, which included an action plan for the Council. Below shows the current position for each of the outcome deliveries that have commenced.

Theme – Outcome Delivery	Actions taken
Increase the number of local, small, and voluntary suppliers used within East Hertfordshire	Contract register published quarterly
	Pre-market engagement being undertaken on more procurement exercises
	Officer training updated
Reduce waste through smarter procurement	New Waste contract has greener fleet
	Air quality monitoring website procured March 2025
Measure the delivery of social value	Councils updated Social Value policy adopted May 2025
Measure the delivery of contract savings	Collaboration being promoted strongly
	Framework agreements being considered where appropriate

Provide commercial intelligence to ensure we are achieving value for money	Updated training being delivered to officers
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2.5 The following activities were undertaken in the past year.

- a) Procurement strategy produced including updated social value policy.
- b) Updated Contract Procedure rules approved.
- c) Procurement Act 2023 went live February 2025, necessitating updated templates, guidance for officers and training.
- d) Support provided for over 20 procurement projects with various levels of support most intensively for Parking Enforcement Agents and Electric vehicle charging. Below table shows those with a value over £200k.

Name of project	Estimated or actual value	Reason for procurement	Directorate responsible
Agency Framework extension	£500k – six-month contract	Current contract ending extension to start from oct 25	HR (under the Deputy Chief Executive)
Warm homes	£1.4m - over 3 years (funded by grant)	New Project – contract awarded Aug 25	Communities
EV chargers (concession contract)	£30m - over 15 years (est. value to contractor not EHDC income)	New project – contract awarded Aug 25	Communities
Parking Enforcement Agents	£12m over 6 years (contract cost shared with WH and SBC)	Current Contract ending – contract awarded Aug 25	Regeneration, Customer and Commercial
Granicus renewal and expansion	£600k - over three years	Renewal land expansion of service Contract	Regeneration, customer and commercial

Name of project	Estimated or actual value	Reason for procurement	Directorate responsible
		awarded Nov 24	

3.0 Implications/Consultations

Community Safety

No implications as a result of this report.

Data Protection

No implications as a result of this report.

Equalities

The Council has committed itself to providing high quality services that are relevant to the needs and responsive to the views of all sections of the local community, irrespective of their race, gender, disability, culture, religion, age, sexual orientation or marital status. The General Equality Duty (Section 149 of the Equality Act 2010) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of its functions. These considerations are the duty of decision makers.

Environmental Sustainability

No implications as a result of this report.

Financial

It is anticipated that following best practice through the new Procurement Strategy will improve the Council's financial standing by adopting value for money procurement, efficiency gains and the mitigation of risk.

Health and Safety

No implications as a result of this report.

Human Resources

As procurement occasionally involves outsourcing of services, workforce matters involving the transfer of staff in line with the Transfer of Undertakings (Protection of Employment) Regulations 2006 is an area that procuring officers may need to consider.

Human Rights

The Council require all contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.

Legal

The Corporate Procurement Strategy 2025-2030 will be reviewed in light of changes that may arise as a result of updated procurement legislation passed during the term of this Strategy.

Specific Wards

No

4.0 Background papers, appendices and other relevant material

4.1 Procurement Strategy 2025-2030

4.2 Appendix A - Procurement Pipeline Oct 26- Oct 28

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East Herts Procurement Pipeline Oct 26 – 29

Contract	Current supplier	Contract end/ extension end	Notes
Finance system	Advanced	End Feb 27 but can be extended to Feb 28 or 29	Likely to be extended to suit LGR transition
Grounds Maintenance	Glendale	Dec 27 or extend to Dec 32	
Business Rates review	Inform CDI	Dec 26	County wide procurement previously led by Hertsmere
Energy supplies	EDF and Total Gas via CCS framework	Feb 27	Will continue to utilise CCS framework
Insurance	Various	May 27 can be extended to May 29	
Electric vehicles	Sinclair Finance	Jan 28	Likely to be leased via a Framework agreement
Waste permits	Permiserve	Jan 28	Procurement led by NHDC as part of Shared Waste Partnership
Customer Relationship Management	Granicus Firmstep	Nov 28	
Payments system	Adelante	Nov 27	