



MEETING : EXECUTIVE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 10 FEBRUARY 2026
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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<https://www.youtube.com/user/EastHertsDistrict>

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- must not participate in any discussion of the matter at the meeting;
- must not participate in any vote taken on the matter at the meeting;
- must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
- if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
- must leave the room while any discussion or voting takes place.

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AGENDA

1. Apologies

To receive any apologies for absence.

2. Leader's Announcements

To receive any announcements from the Leader of the Council.

3. Minutes - 13 January 2026 (Pages 6 - 20)

To approve as a correct record the Minutes of the meeting held on 13 January 2026.

4. Declarations of Interest

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

5. Budget 2026/27 & Medium Term Financial Plan 2026 -2031 (Pages 21 - 86)

6. Capital Strategy, Minimum Revenue Provision Policy and Treasury Strategy 2026/27 (Pages 87 - 125)

7. 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.

Exclusion of Press and Public

No Part II business has been notified for this meeting. If Part II business is notified and the procedures set out in the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 have been complied with, the Chairman will move: -

That under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the discussion of item XX

on the grounds that it involves the likely disclosure of exempt information as defined in paragraph XX of Part 1 of Schedule 12A of the said Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Agenda Item 3

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MINUTES OF A MEETING OF THE EXECUTIVE HELD IN THE COUNCIL CHAMBER, WALLFIELDS, HERTFORD ON TUESDAY 13 JANUARY 2026, AT 7.00 PM

PRESENT: Councillor B Crystall (Chairman/Leader)
Councillors M Goldspink, A Daar, J Dumont,
S Hopewell and T Hoskin.

ALSO PRESENT:

Councillors B Deering, T Deffley and
I Devonshire .

OFFICERS IN ATTENDANCE:

James Ellis	- Director for Legal, Policy and Governance and Monitoring Officer
Brian Moldon	- Director for Finance, Risk and Performance
Helen Standen	- Interim Chief Executive
Stephanie Tarrant	- Assistant Director for Democracy, Elections and Information Governance

283 APOLOGIES

Apologies for absence were received from Councillor C
Brittain, Councillor V Glover-Ward and Councillor C
Wilson.

284 LEADER'S ANNOUNCEMENTS

The Leader welcomed everyone to the meeting and

reminded attendees that the meeting was being webcast. The full webcast of the meeting can be viewed here: [Executive – 13 January 2026](#).

The Leader acknowledged the sad passing of former Councillor Alder over the Christmas period. In addition, it was recognised that an officer from East Herts had also passed away just before Christmas. The Leader expressed sadness at the news and sent condolences and best wishes to their families and friends.

285 MINUTES – 18 NOVEMBER 2025

The Executive Member for Neighbourhoods proposed, and the Executive Member for Communities seconded a motion that the Minutes of the meeting held on 18 November 2025 be approved as a correct record and be signed by the 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 18 November 2025 be approved as a correct record and signed by the Leader.

286 DECLARATIONS OF INTEREST

There were no declarations of interest.

287 PARKING STRATEGY - OFF STREET TRAFFIC REGULATION ORDERS (TROS) - OBJECTIONS REPORT

The Executive Member for Environmental Sustainability presented the report. The report sought approval for changes to East Herts' off-street parking arrangements following a public consultation held between October and November 2025. Feedback led Officers to amend several proposals, which aimed to improve parking capacity, standardise operational hours and create a consistent charging approach across rural and urban car parks in

line with the Council's parking strategy.

The consultation received 636 responses, along with formal objections from local town councils and business representatives. In response to feedback, the proposals removed CPI increases for rural car parks, reduced the proposed all-day Sunday charge and allowed Blue Badge holders to extend their stay remotely beyond three hours. Members heard that the changes would improve consistency, support better management of demand, align with strategic objectives and help address financial pressures whilst maintaining local services.

The Executive Member for Environmental Sustainability proposed the recommendations as detailed in the report. The Executive Member for Neighbourhoods seconded the proposal.

Members welcomed the change to enable disabled Blue Badge holders to use parking apps to extend parking stays and queried whether this aligned to what other councils were doing in relation to Blue Badge charging in car parks. It was explained that Appendix A highlighted how practices varied across Hertfordshire. Members heard that the Council had been an early adopter of the National Parking Platform, which allowed drivers to use any parking app installed on their phone to pay for car parking across East Herts.

In response to a question from a non-executive Member in relation to the £2 all day parking fee on Sundays at the Bishop's Stortford police-station car park, when it had been stated that fees were rising to £1.50, Members heard that the £1.50 figure related only to rural car parks, whereas the Bishop's Stortford site was an urban car park. It was highlighted that Appendix B contained a full breakdown of charges.

Gratitude was expressed to the Executive Member for Environmental Sustainability and the Officer team for their hard work, acknowledging the effort made to be fair whilst

covering costs and raising awareness of limited parking space and the wider impact of travel.

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 (A) Executive:

approve the extension of operational hours at Bowling Green Lane, Buntingford, to 7:30 am - 6:30 pm and the introduction of weekend charging, subject to the following mitigation:

- Retention of the proposed Monday to Friday tariffs with no inflationary increase over the existing structure currently applied in Stanstead Abbotts.
- Introduction of Saturday charging at the same tariff levels as Monday to Friday, to ensure consistency across rural car parks.
- Introduction of a flat £1.50 all-day charge on Sundays and Public Holidays.

(B) Approved the introduction of weekend charging at Bell Street, Sawbridgeworth, aligned with existing weekday tariff levels, subject to the following mitigations:

- Retention of existing Monday to Friday tariffs with no inflationary increase.
- Introduction of Saturday charging at the same tariff levels as Monday to Friday, to ensure consistency across rural car parks.
- Introduction of a flat £1.50 all-day charge on Sundays and Public Holidays.

(C) Approved the introduction of a maximum stay

of 3 hours for all customers at Gascoyne Way
Level A, Hertford.

- (D) Approved amendments at Old London Road, Hertford, to provide both short-stay and long-stay parking.
- (E) Approved the introduction of a 2.5-hour parking charge at Grange Paddocks A, Bishop's Stortford.
- (F) Approved the extension of operational hours to 8:00 pm at Grange Paddocks B and C, Bishop's Stortford.
- (G) Approved the merger of Kibes Lane North and Kibes Lane South, Ware, into a single car park, operating as short-stay parking Monday to Saturday and long-stay parking on Sundays and public holidays.
- (H) Approved the renaming of the Library Car Park, Ware, to Burgage Lane, and the reduction of the maximum stay to three hours.
- (I) Approved the merger of Amwell End East and Amwell End West, Ware, into a single Amwell End Car Park.
- (J) Approved the conversion of several under-utilised disabled bays to Parent and Child bays at Northgate End, Bishop's Stortford.
- (K) Approved corrections to administrative and operational arrangements at Link Road and Jackson Square, Bishop's Stortford, including car club bays and operational hours.
- (L) Approved the introduction of a maximum free parking period of 3 hours for Blue Badge holders across all Council-managed car parks in disabled

and regular bays, and allow vehicles to remain in excess of the 3 free hours, during chargeable periods, with payment made.

Note that the Order also provides for tariff increases from April 2026, in line with the Consumer Price Index (CPI), as previously agreed by the Council. Following feedback from the consultation, it is proposed that car parks in Buntingford, Sawbridgeworth, and Stanstead Abbotts are not subject to inflationary increases in the existing applicable tariffs for 2026/27.

288 DRAFT BUDGET 2026/27 AND MEDIUM-TERM FINANCIAL PLAN 2026-2031

The Leader of the Council presented the report on behalf of the Executive Member for Financial Sustainability. The report provided the draft budget for 2026/27 and the updated Medium-Term Financial Plan. It highlighted that whilst Government funding would continue to decline, it was less sharply than expected. Budget reviews identified new financial pressures, including costs linked to Local Government Reorganisation and slower than expected BEAM income, requiring additional contingencies. Savings from the positive pension fund revaluation significantly improved the financial position and supported a balanced 2026–27 budget, with some of the benefit placed in reserves to manage future risks. A new reserve was also to be created to give the council flexibility to respond to emerging priorities.

The Leader of the Council proposed the recommendations as set out in the report. The Executive Member for Wellbeing seconded the proposal.

A question was raised about section 3.13, noting that homelessness, rough sleeping and domestic abuse grants had been consolidated into a single grant and temporary accommodation funding had been moved into the Revenue Support Grant, which could result in less

money being available. Officers confirmed that approximately £400,000 had been previously allocated for temporary accommodation and that the Council would allocate the same amount in 2026/27. Officers reassured Members that work was ongoing with the service in relation to the grant for homelessness and rough sleeping and that the funding had been split 49% for temporary accommodation and 51% for other homelessness support.

In response to a question from a non-executive Member in relation to the BEAM contingency, Officers explained that the 2026/27 budget had included a planned £200,000 surplus from BEAM, however, the food and beverage facilities had only begun operating in September to October 2025 and was still in the early stages of growth. It was therefore recognised that BEAM might take longer than 2026/27 to deliver the surplus assumed in the business plan. A review of the business plan was planned to determine whether the original assumptions remained viable or needed adjustment. The £200,000 contingency was included to give the Council flexibility should BEAM's growth take longer than expected.

Following a question from a non-executive Member with regards to the £1m pension savings, officers explained that the pension fund was valued every three years by actuaries through the Hertfordshire Pension Fund, with the most recent valuation work completed during 2025. Based on the actuaries' assumptions regarding the fund's position over the next three years, contribution requirements were recalculated. The fund was around 107% funded, which allowed the council's primary contribution rate to fall from 19.8% to 17.1% for the next three years. The secondary rate, an annual lump sum linked to past early retirements or ill-health costs, was no longer required as the fund was fully funded. As a result, the Council no longer needed to make that payment, generating the significant savings. Recognition was given to the Pensions Team at Hertfordshire County Council.

A non-executive Member recognised that the employer contribution to the Local Government Pension Scheme was around 17%, which was unusually high compared with most sectors. Concern was expressed about whether the Council reported employment costs in a way that made them clearly visible to residents and taxpayers, especially given the additional pressure from a 4% salary increase and the overall significance of staffing costs. Officers explained that the Council did not currently present this information in a detailed way. Reporting was produced at a high level based on service expenditure and the budget papers did not break down employment costs in detail. Further consideration would be given to the reporting breakdown.

In response to a question from a non-executive Member with regards to fees to Broxbourne Borough Council, officers advised that £15,000 related to Broxbourne providing one day a week of support to monitor key performance indicators (KPIs) and the corporate plan, enabling more regular performance updates for Members and the leadership team to ensure transparency and maintain performance reporting. It was noted that the Council already shared other services, such as Human Resources (HR) and were exploring further reciprocal arrangements.

In response to a Member question regarding whether the three-year fair funding settlement was masking the ongoing decline in Central Government support and whether the additional pension funding risked giving a misleading sense of security when underlying financial pressures remained, officers confirmed that it was a fair assessment. The unexpectedly large pension fund contribution had enabled the Council to set a balanced budget for the current and following year. Officers emphasised that this did not remove the longer-term challenges. From 2027/28 onwards, further financial pressures were expected and the Council would still need to deliver significant savings or identify alternative options to remain sustainable.

Members commented on the source of the unexpected pension fund gains and queried whether it had arisen from stronger equity performance or higher interest rates compared with the COVID period. Officers confirmed that the actuaries considered a wide range of assumptions, including mortality projections, changes to pension rules, such as the retirement age rising from 55 to 57 in 2028 and the improved performance of pension fund investments. In addition, assumptions about future CPI, RPI and other rates also played a significant role and these factors contributed to the unexpected improvement in the pension fund's position.

A non-executive Member queried whether in relation to Local Government Reorganisation, the new authority might have to assume the existing debts of other councils and manage them indefinitely. Officers confirmed that any new body would become responsible for whatever debt was carried into the new structure. It was noted that most Chief Financial Officers across Hertfordshire were comfortable with the levels of general fund debt, which were not considered problematic. The greater concern related to Housing Revenue Account (HRA) debt, which was significantly higher.

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 - Executive agreed that:

- (A) The draft General Fund Budget for 2026/27 is proposed for consultation purposes and a Band D Council Tax of £207.03 (assuming a 2.99% Council Tax increase).
- (B) The updated position on the General Fund Medium Term Financial Plan (MTFP) as shown in Appendix A be noted.

- (C) the proposed fees and charges, as set out in Appendix B, be approved for consultation.
- (D) The minimum level of General Fund balance of £3.649 Million, based on the 2026/27 risk assessment of balances as shown in paragraph 6.3, is approved.
- (E) The pressures identified in section 4 of the report is noted.
- (F) The savings identified in section 5 of the report is noted.
- (G) The Section 25 Statement of Robustness of Estimates and Adequacy of Reserves as set out in Appendix D is noted.
- (H) The decisions taken on recommendations a) to g) above be referred to the Joint Meeting of Scrutiny Committees on 28 January 2026 for consideration.

289 TREASURY MANAGEMENT 2025/26 MID-YEAR REVIEW

The Leader of the Council presented the report on behalf of the Executive Member for Financial Sustainability. Members heard that the mid-year Treasury Management Review for 2025/26 reported a slight rise in the 10-year gilt rate, influencing borrowing costs. External borrowing reduced to £61.5m, whilst investments fell to £29.4m, increasing net borrowing by £1.7m due to capital programme demands. Most borrowing remained short-term in anticipation of future refinancing at lower rates. Since the report was drafted, gilt and base rates had begun to ease. It was noted that the Council completed its withdrawal from the Hermes property fund, reducing property investments to £2.6m.

The Leader of the Council proposed the recommendations as set out in the report. The Executive

Member for Environmental Sustainability seconded the proposal.

In response to a Member question in relation to whether there was a clear point at which the Council should stop relying on short-term loans, or whether it was safe to continue monitoring the market and wait for conditions to improve, officers advised that rates were monitored daily. It was noted that the Council held two £25 million Public Works Loan Board (PWLB) loans due for repayment in June and September 2026 and that Officers were working with treasury advisers to determine the best refinancing options and timing.

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 (A) Members examined and commented on the Mid-Year Treasury Management Review and Prudential Indicators for 2025/26 and recommended its approval to Council.

290 STRATEGIC RISK REGISTER QUARTER 2 MONITORING 2025/26

The Leader of the Council presented the report on behalf of the Executive Member for Financial Sustainability. Members heard that the Leadership Team had reviewed the corporate risk register and updated scores and mitigations. One new risk had been added concerning a potential shortage of election candidates due to uncertainty over the 2027 district elections. All other risks had remained unchanged, though the staff and skills risk had been significantly strengthened following reassessment.

The Leader of the Council proposed the recommendation as set out in the report. The Executive Member for Corporate Services seconded the proposal.

In response to a Member question regarding the risk of a lack of election candidates and whether this had come from wider practice or was specific to the council, officers explained that this had been a general concern for Councils facing potential all-out elections in 2027. Many councillors elected in 2023 had not expected to serve beyond 2027, however due to anticipated Local Government Reorganisation there was a strong possibility that the 2027 all-out elections would be cancelled and replaced with shadow elections for the new authority. If this occurred, some members who did not wish to continue beyond 2027 may resign and trigger by-elections. This had been viewed as a potential, though unproven, risk for the final shadow year. Officers had agreed that the risk was reasonable to include, as being asked at short notice to serve an additional year could be difficult for some Members.

Members discussed what could be done about the uncertainty surrounding the 2027 elections. The Chief Executive explained that a meeting had taken place with Ministry of Housing, Communities and Local Government (MHCLG) that afternoon, where an early decision for 2027 elections had been requested, so assurances could be given to Members and other authorities facing all-out elections. MHCLG had also promised to pass the concern on to Local Government Reorganisation (LGR) colleagues. It was noted that mitigation would be possible once the election timetable was known. Members acknowledged that no clear plan existed yet, with the priority remaining to reassure affected Members, as the situation remained uncertain. It was noted that political leaders had a responsibility to discuss risks and possible benefits with their groups, so that both officers and councillors could help manage and mitigate the situation from their respective sides.

Members commented on the quoracy of the Council, noting that a lack of candidates might not affect its ability to operate, even if some Members chose not to serve an additional year. Concerns were raised about the likelihood

and cost of multiple by-elections if Members did not wish to continue, as well as the wider expense of potentially running 2027 shadow elections. It was noted that these issues had also already been highlighted to MHCLG.

In response to a question from a non-executive Member regarding what proportion of time was taken up for the Chief Executive and other senior officers in relation to work for LGR rather than normal council work, Members heard that the Chief Executive continued to undertake her day job during normal hours, while most of LGR work had been undertaken in the evenings. It was noted that the impact on daytime duties had been less than expected due to the extra work being completed in time not usually working.

Members discussed whether LGR process would be delayed and considered whether concerns were being raised too early. Members considered that there was not a high risk of Members leaving early, acknowledging that this was something for group leaders to manage and that the overall risk remained small. It was noted that the idea of elected Members and shadow Members operating at the same time was not preferred, as it would create an unnecessary dynamic, particularly where some individuals held both roles.

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 (A) the 2025/26 quarter two corporate risk register and actions being taken to control and mitigate risk was considered and noted.

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FINANCIAL MANAGEMENT 2025/26 - QUARTER 2 FORECAST TO YEAR END

The Leader of the Council presented the report on behalf of the Executive Member for Financial Sustainability.

Members heard that the Quarter 2 forecast for 2025/26 had shown a £509,000 overspend. Over 90% of planned savings had already been delivered, though key pressures remained: a £270,000 income shortfall at BEAM and a £210,000 business-rates pressure under appeal. Interest movements had improved the position by £70,000. The Capital Programme reported a £722,000 underspend, mainly in transformation and ICT. It was noted that aged debt had reduced by £547,000, with work on older debt continuing.

The Leader of the Council proposed the recommendations as set out in the report. The Executive Member for Neighbourhoods seconded the proposal.

In response to a Member question regarding whether Recommendation B on page 126, related to a future award from the Heritage Lottery Fund or to phase two of the project and the work already completed, officers confirmed that they would seek clarification and provide a later response. It was noted that there had still been some involvement with the lottery fund, possibly due to the Council handling the matter on behalf of the Town Council.

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

RESOVLED – that Executive:

- A) Considered and noted the net revenue budget end of year projected overspend of £509k.
- B) Accepted the additional Heritage Lottery capital fund grant of £238k for Hertford Castle Greenspace renewal and this additional resource was to be reflected in the capital programme.
- C) Considered and noted the capital programme forecast outturn underspend of £722k.

292 URGENT BUSINESS

There was no urgent business.

The meeting closed at 8.02 pm

Chairman

Date

EAST HERTS COUNCIL REPORT

EXECUTIVE

DATE OF MEETING: TUESDAY 10 FEBRUARY 2026

REPORT BY: COUNCILLOR CARL BRITTAINE – EXECUTIVE MEMBER FOR FINANCIAL SUSTAINABILITY

REPORT TITLE: FINAL BUDGET 2026/27 & MEDIUM TERM FINANCIAL PLAN 2026-2031

WARDS AFFECTED: ALL WARDS

Summary – This report provides members with an updated Medium Term Financial Plan (MTFP) for the period 2026/27 to 2030/31, building on the version presented to Executive in October 2025 and January 2026. It reflects the implications of the December 2025 finance settlement and incorporates a range of other adjustments, including revised forecasts, updated assumptions, and budgetary refinements. The report also sets out how the funding gap identified in the October 2025 Executive MTFP has been addressed, detailing the savings and changes that have enabled a balanced position to be achieved for 2026/27. It also includes the fees and charges to be agreed. Finally, it presents the final budget proposed for recommendation to Council, following consultation at the Joint Scrutiny Committee on 28 January 2026, for Members' consideration.

The report sets out the proposed Capital Programme for 2026/27 to 2028/29, detailing the planned capital expenditure over this period and the associated financing requirements. It outlines how the programme will be funded through a combination of capital receipts, borrowing, and other available resources, ensuring that the Council's investment plans remain both affordable and sustainable within the overall financial framework.

RECOMMENDATIONS FOR EXECUTIVE:

That the following recommendations be submitted to Council for approval as part of the final Budget for 2026/27:

- a)** That the final General Fund Budget for 2026/27, including a Band D Council Tax of £207.03 (reflecting a 2.99% increase), be approved.
- b)** That the updated position on the General Fund Medium Term Financial Plan (MTFP), as set out in Appendix A, be noted.
- c)** That the proposed fees and charges for 2026/27, as detailed in Appendix B, be approved.
- d)** That the minimum level of General Fund balance of £3.649 million, based on the 2026/27 risk assessment of balances in paragraph 6.3, be approved.
- e)** That the budget pressures identified in Section 4 of the report be noted.
- f)** That the savings proposals identified in Section 5 of the report be noted.
- g)** That the Section 25 Statement on the Robustness of Estimates and Adequacy of Reserves, as set out in Appendix D, be noted.
- h)** That the Capital Programme for 2026 to 2029, as set out in Appendix E, be approved.
- i)** That the minutes and comments of the Joint Scrutiny Committee from 28 January 2026, as set out in Appendix F and paragraph 11.1, be noted.

1. Purpose

- 1.1. The Medium Term Financial Plan (MTFP) that was approved in March 2025 was updated to reflect the evolving financial landscape and key developments since its adoption. The latest (October 2025) refresh incorporated several significant changes:
 - The confirmed pay award for 2025/26 was 3.2% slightly above the 3% assumptions in the original MTFP, adding pressure to the staffing budget.
 - In-year pressure reported at Quarter 1 highlighted the impact of the recent revaluation of business rates on the council's assets.
 - The review of the savings programme over the medium-term resulted in the removal of over £0.5Million of savings from future years that are no longer considered achievable.

- Two new growth bids been incorporated – one for an additional HR Officer to support organisational resilience, and another reflecting a reduction in the projected BEAM surplus, reverting to the 2025/26 position.

1.2. These updates reflect the Council's commitment to maintaining a realistic and deliverable financial strategy amid ongoing inflationary pressures and constrained funding.

1.3. This work takes place against a backdrop of prolonged financial uncertainty, driven by one-year settlements that have limited strategic planning and hindered preparation for major structural changes, including Local Government Reorganisation (LGR). The recent announcement of a multi-year settlement through to 2028/29 is therefore a welcome development, providing stability and enabling Members to take a longer-term view in shaping priorities and preparing for governance transition.

1.4. The finalisation of the Fair Funding Review (FFR 2.0) also marks a significant milestone in funding distribution. While East Herts faces a reduction in allocation, the impact is less severe than projected in October 2025, allowing for more measured planning.

1.5. The Council's financial planning continues to be underpinned by the Corporate Plan and its LEAF priorities, ensuring decisions on spending and savings remain aligned with strategic objectives.

2. Economic Outlook and Policy Framework

2.1. The Autumn Budget 2025, delivered by the Chancellor on 26 November 2025, was set against a backdrop of persistent fiscal pressures, subdued economic growth, and historically high public debt. The Office for Budget Responsibility (OBR) forecasts GDP growth of 1.3% for 2025/26, with growth stabilising at 1.5% per year through to 2029/30. Inflation, while easing, is expected to remain above the Bank of England's 2% target in the near term, at 3.5% for

2025/26, before returning to target levels by 2027/28. Interest rates remain elevated, increasing borrowing costs across the economy.

2.2. To maintain the Government's fiscal rules, the Chancellor announced a further round of tax-raising measures worth £26 billion, following last year's £36 billion. Taxation as a share of GDP is set to reach an all-time high of 38% by 2029/30, while public spending remains elevated at around 44–45% of GDP. Despite these measures, the OBR suggests the government would have met its fiscal targets without further action, but the Chancellor opted to increase the fiscal headroom to £22 billion (0.6% of GDP) to provide greater resilience against economic shocks. The Budget's main focus was on restoring fiscal stability while maintaining investment in priority areas such as housing, energy transition, and public services.

Local Government Impact

2.3. For district councils, the Autumn Budget 2025 introduces a new High Value Council Tax Surcharge on properties over £2 million from April 2028, which will be collected by local authorities but ultimately benefit central government, with no increase in local spending power. Business rates reforms include reduced multipliers for retail, hospitality, and leisure properties, funded by a higher rate for high-value properties, alongside transitional reliefs and some extended retention pilots.

2.4. While the Budget also references a visitor levy for mayoral authorities and a transfer of SEND funding responsibilities to central government, these measures have little direct effect on district councils. Overall, the Budget offers limited new resources for districts and does not address the sector's core funding challenges.

Local Government Finance Settlement Policy Statement 2026/27 to 2028/29

- 2.5. On 20 November 2025, the Minister of State for Local Government and English Devolution published the policy statement for the 2026/27 to 2028/29 local government finance settlement. It sets out a new needs-based funding system following the Fair Funding Review 2.0, a multi-year settlement for greater certainty, and significant simplification of funding streams. The statement also confirms a full reset of the business rates retention system in 2026/27 and maintains existing council tax referendum principles, allowing shire districts to increase council tax by up to 3% or £5 (whichever is higher) per year without triggering a referendum.
- 2.6. For district councils, the Policy Statement is expected to result in a relative reduction in funding for most authorities, as updated needs formulas and changes to the tier split shift resources towards counties and metropolitan areas. While transitional protections will ensure that funding reductions are phased in over three years—typically with a 95% funding floor—many districts will still face a gradual decrease in their allocations.
- 2.7. Additionally, grants such as the Homelessness Prevention Grant will be rolled into new consolidated funding streams, though the precise allocations for each district remain unknown until the provisional settlement is published. Overall, there remains significant uncertainty for district councils until the detailed figures are released.

3. Local Government Finance Settlement and Funding Allocation

- 3.1. On 17 December 2025, the Government published the Provisional Local Government Finance Settlement for 2026/27, accompanied by indicative figures for 2027/28 and 2028/29. This marks the most significant redistribution of funding within the sector for at least 25 years, following the implementation of the Fair Funding Review 2.0 and a full reset of the Business Rates Retention System. The key headlines being:

- **Fair Funding Review 2.0:** Major changes to the funding formula now place greater weight on deprivation and population, with less emphasis on remoteness.
- **Grant Simplification:** Multiple grants have been consolidated into four main streams, aiming to simplify funding.
- **Business Rates Reset:** All accumulated business rates growth has been reset, redistributing resources based on the new formula.
- **Council Tax:** The settlement assumes councils will apply the maximum permitted increases, making council tax a larger share of local funding.
- **Transitional Protection:** New funding floors and phased arrangements will cushion the impact of changes.
- **Recovery Grant:** The Recovery Grant continues for three years.

- 3.2. The 2026/27 settlement provides a three-year funding framework, but only the first year is statutory, with subsequent years remaining indicative and subject to change. This means that while there is some increased certainty for medium-term planning, authorities must remain cautious, as future allocations could still be revised.
- 3.3. There is significant redistribution between authorities as a result of the new funding formula and business rates reset. More deprived and urban areas generally see larger increases in funding, while many shire districts and rural councils face below-average increases or even reductions in cash terms. This shift reflects the government's intention to target resources towards areas of greatest need, but it also creates challenges for councils that may experience a relative loss of funding.
- 3.4. The complexity and late timing of the settlement announcement have made budget-setting for 2026/27 particularly challenging. Authorities have had limited time to analyse the detailed figures and assess the impact of rolled-in grants, the business rates reset, and transitional protection arrangements. This ongoing uncertainty makes it difficult to plan with confidence, especially for services that

rely on multi-year investment or where funding streams have been consolidated or reallocated.

3.5. At the time of publishing this report, the Government's Final Local Government Finance Settlement had not yet been released. Should the Final Settlement be issued ahead of the Executive meeting, a verbal update will be provided. If it is published after Executive but before Council, an update will be incorporated into the Council report to confirm whether any changes have been made compared to the Provisional Settlement.

Core Spending Power (CSP)

3.6. Core Spending Power (CSP) is the Government's headline measure of the total resources available to a local authority each year. It brings together the main sources of council funding—such as government grants, retained business rates, and council tax—into a single figure, providing a consistent way to compare overall funding levels year-on-year.

3.7. East Herts' CSP is forecast to increase modestly over the next four years, rising from £20.60m in 2024/25 to £21.8m by 2028/29—a total increase of 5.8%. However, when council tax is excluded, CSP falls from £7.9m to £6.8m, a reduction of 14%. This reflects the growing reliance on council tax to maintain overall funding levels, as government grant and baseline funding continue to decline.

Year	CSP £M	CSP % change	Excl. CT £M	Excl. CT % change
2024/25	20.6		7.9	
2025/26	21.1	+2.2%	7.9	-0.2%
2026/27	21.5	+2.3%	7.8	-1.2%
2027/28	21.7	+0.7%	7.4	-5.8%
2028/29	21.8	+0.5%	6.8	-7.3%
Average 24/25 to 28/29		+5.85%		-14.0%

Baseline Funding Level

3.8. The Baseline Funding Level (BFL) is a key component of CSP. It represents the share of funding that a council receives through the Business Rates Retention System and is one of the main government grants included in the CSP calculation alongside council tax and other grants. The BFL is intended to reflect each authority's share of national business rates income, adjusted for local circumstances.

3.9. For 2026/27, East Herts' BFL within the settlement is £2.657 million. Because East Herts' assessed business rates capacity is higher than its assessed needs, this funding is paired with a significant tariff payment back to Government. The table below shows the settlement determination for East Herts.

3.10. It is important to note that these figures are provisional because, following the reset of the business rates system, the Government has had to make a number of assumptions about each authority's business rates position for 2026/27. Until the actual data is received—through the NNDR1 return in January 2026 and a bespoke data collection in summer 2026—the settlement figures are based on estimates. Once the true position is known, the Baseline Funding Level and tariff will be adjusted accordingly to ensure the final settlement accurately reflects East Herts' actual business rates income for the year. Any changes will be incorporated into the 2027/28 settlement and members will be updated as necessary.

	2026/27 £'000
Gross Rates Payable	74,537
Appeals and Bad Debt Provision	(3,242)
Cost of Collection	(204)
Renewables deduction	(91)
Business Rates Baseline (@ 40%)	28,400
Baseline Funding Level determined by Government	2,657
Tariff to be paid	25,743

Revenue Support Grant

3.11. Revenue Support Grant (RSG) is a general, non-ringfenced grant from central government and forms a key part of CSP. It helps fund local services and is allocated using a national formula based on each council's needs and resources.

3.12. For 2026/27, East Herts' RSG allocation is £4.27 million, as set out in the provisional multi-year settlement. This grant, together with the Baseline Funding Level (BFL) from business rates, makes up the Fair Funding Allocation within CSP.

£ Million	2026/27	2027/28	2028/29
RSG	4.274	3.672	3.041

3.13. It is important to note that the multi-year settlement sets out a planned reduction in RSG year-on-year, with funding levels decreasing to reflect the government's Fair Funding Review and the move towards the final Fair Funding position by 2028/29. This means that, over the settlement period, RSG will form a progressively smaller share of the council's total resources, increasing the reliance on council tax and other local income streams.

Homelessness, Rough Sleeping and Domestic Abuse

3.14. From 2026/27, the Government is consolidating major homelessness and rough sleeping grants into a single ring-fenced grant, supporting a shift from crisis response to prevention and holistic support. The grant is designed to give councils flexibility to address local needs, with funding certainty over three years. Temporary accommodation funding is now rolled into RSG, so the figures below focus on prevention, relief, staffing, and support for rough sleeping and domestic abuse. The allocation for East Herts is shown in the table below.

£'000	2026/27	2027/28	2028/29
Total Grant	901	987	1,022

Of which: Homelessness & Rough Sleeping	864	949	984
Domestic Abuse	37	38	38

3.15. The table below shows the provisional finance settlement allocations by grant.

£ Million	2026/27	2027/28	2028/29
Baseline Funding	2.657	2.718	2.773
Revenue Support Grant	4.274	3.672	3.041
Fair Funding Allocation	6.931	6.390	5.814
Council Tax	13.716	14.328	14.967
Homelessness, Rough Sleeping and Domestic Abuse	0.901	0.987	1.022
Total CSP	21.548	21.705	21.803

Council Tax Base

3.16. The Council Tax Base for 2026/27 has now been formally calculated and set at **65,819.15 Band D equivalents** for the district. This figure reflects the latest estimates of new properties coming into use, adjusted for discounts, exemptions, and the anticipated impact of the Council Tax Support Scheme.

3.17. In the MTFP presented in October, the baseline assumption for tax base growth from 2026/27 onwards was set at an annual increase of 500 Band D equivalent properties under the medium growth scenario.

3.18. This has resulted in the tax base being 5 band D equivalent properties higher against the MTFP and will generate an additional £1,000.

3.19. The policy statement confirms that the council tax referendum limit will remain at 2.99% for 2026/27, in line with the assumptions within the Medium-Term Financial Plan (MTFP). This results in a Band D council tax of £207.03 for 2026/27.

3.20. Based on the updated council tax base, the agreed council tax support scheme, and a proposed 2.99% increase in the East Hertfordshire precept for 2026/27, the total projected income from council tax will be £13.627 million. This is lower than the level assumed by the Government in its provisional finance settlement for 2026/27.

4. New Budget Pressures

4.1. As part of the ongoing budget review process, several emerging pressures have been identified and have now been incorporated into the latest iteration of the MTFP and the 2026/27 budget. These pressures reflect a combination of external factors, and local demand trends. The following tables shows the proposed new and existing pressures (within 2025/26 and on-going).

New Pressures	Cause of Pressure	Amount £
Members Allowance	Revised scheme was approved by Council in October 2025 following Independent Remuneration Panel review; changes effective April 2026	11,000
Cloud 9 App	A new mobile app that connects residents to the Council's waste service for bin collections and recycling, while also offering additional features such as reporting issues and accessing local information.	20,000
Interest charges	Borrowing costs expected to rise further; advisors recommend increasing projected average interest rate by 0.5% to reflect market conditions.	140,000

New Pressures	Cause of Pressure	Amount £
Broxbourne – Performance Support	A new growth pressure has arisen to fund Broxbourne Council's support for performance monitoring at East Herts, reflecting the need for dedicated resource to coordinate and report on key performance indicators and progress against the Corporate Plan.	15,000
Increase projected pay award budget	The pay award projection for 2026/27 has been increased from 3% to 4% to reflect the “higher for longer” position on inflation, ensuring the Council’s budget remains resilient against ongoing wage pressures.	170,000
Total New Pressures		356,000

Existing Pressures	Cause of Pressure	Amount £
Rapier House Income	No rental income is expected to continue due to the lack of prospective tenants. Consequently, the income budget will be removed, and a business case will be developed to explore alternative uses for the property.	115,000
Sale of Lime Kiln (Northgate End)	Upon completion of the sale of Lime Kiln, the council will no longer receive income from Launchpad, this will be offset by the costs we currently incur in operating the building.	64,000
IT Licences	With the continual reported pressure during 2025/26, a review of IT licences has been undertaken, and the resulting budget increase reflects the rising costs of essential software.	75,000
Contribution from Other	As income from other councils has ceased due to the service no	77,000

Existing Pressures	Cause of Pressure	Amount £
Authorities	longer being provided, the income budget will be removed within Licensing and Improvement & Insight services.	
Repayment of Grant	Following a review of the budget, no further grants were expected to be repaid therefore budget being deleted.	19,000
	Total Existing Pressures	350,000

4.2. The total of new pressures (£356,000) and existing pressures (£350,000) amounts to £706,000 before consideration of Local Government Reorganisation (LGR) costs. This £706,000 has been built into the MTFP under the cost of services. In addition, further provisions will be considered to address LGR-related costs as outlined in subsequent sections.

4.3. Following the submission of East Hertfordshire's proposal to government regarding options for Local Government Reorganisation (LGR), councils within Hertfordshire are now reviewing and determining the level of funding each authority will require for 2026/27 up to vesting day. It is anticipated that there will be further one-off costs associated with the implementation of LGR, including pension strain. The proposal is to provide an initial £1 million of funding over two years (2026/27 and 2027/28) for these LGR-related costs, with £250,000 per year from revenue and £250,000 per year from earmarked reserves.

4.4. In addition to the LGR-related funding, over the next two years £318,000 will be placed in a reserve each year—resulting in a total of £636,000—to help smooth out any future increases in pension costs arising from the next Triennial review, or to support any redundancy costs that may fall on the Council as a result of LGR.

4.5. Furthermore, a contingency of £203,000 is proposed for 2026/27 to address any additional pressures that may arise—such as those

relating to the BEAM service—until a new business plan is implemented.

5. Funding the Gap: Addressing Existing and Emerging Pressures

- 5.1. To address the current budget gap (from the October MTFP) of £531,000 for 2026/27, the Leadership Team has worked closely with services to identify a range of proposed savings and income generation initiatives. These proposals protect frontline services while ensuring financial sustainability. Members are asked to consider and approve these measures as part of the budget-setting process, and to consider how the further pressures identified above (in section 4) will be funded. The proposals include:
 - Income Generation: increased income from rental of assets, and additional government funding through Extended Producer Responsibility (EPR).
 - Fees and Charges Review: aligning charges with market rates and inflation.
 - Service Efficiency Reviews: savings through partnership working.
 - Pension Fund Outcome: incorporating the financial impact of the latest triennial valuation of the pension fund.

Income Generation

- 5.2. The Council has entered into two new arrangements to support income generation: leasing out the top floor of Northgate End Car Park and permitting the installation of lockers in several of the Council's car parks. These initiatives have generated an additional £66,000 per year in income for the Council.
- 5.3. The Council has received confirmation of its Extended Producer Responsibility (EPR) Grant for packaging grant allocation for 2026/27 and can increase the budget back to the 2025/26 level.

5.4. The latest MTFP had prudently assumed a 10% reduction in the EPR grant each year, reflecting the expectation that funding would decrease over time as producers improve their packaging and reduce waste. As a result of the confirmed allocation, an additional £143,000 has been included in the 2026/27 budget, compared to previous projections.

Fees and Charges

5.5. Fees and charges are set in accordance with key principles to ensure financial sustainability, transparency, and fairness. Charges are reviewed annually to reflect inflation and cost recovery, with an emphasis on simplicity, clarity, and alignment. Where full cost recovery is not applied, this is supported by a clear policy rationale. For 2026/27, fees and charges are presented in three distinct areas: garden waste, parking (including tariffs and Traffic Regulation Orders), and other service fees income. This approach ensures that each area is considered on its own merits, with adjustments made to support both the Council's financial objectives and the needs of residents and service users.

5.6. Garden Waste - In line with the Council's principles for setting fees and charges—cost recovery, inflation alignment, and transparency—the garden waste subscription fee is proposed to increase from £59 in 2025/26 to £61 in 2026/27, a 3.4% rise. This is below the inflation rate (September CPI being 3.8%) for 2026/27, reflecting a measured approach given anticipated cost pressure.

5.7. The MTFP had already assumed an additional £31K from this increase. The proposed change will generate a further £31K of new income for the 2026/27 budget and future years.

5.8. Parking - The Council's parking strategy, as approved in February 2025, set out a series of proposed changes to parking tariffs and Traffic Regulation Orders (TROs) for 2026/27. The underlying principles included applying an average inflationary increase of 3.8% across parking tariffs and introducing specific changes to

parking arrangements in line with the Council's broader strategy to manage demand, support local economies, and ensure fair access across all areas.

- 5.9. During the public consultation on these proposals, the Council received a significant volume of responses from residents and businesses. Many expressed concerns about the potential impact of increased charges on high street trade, accessibility for vulnerable groups, and congestion in residential areas. There was particularly strong feedback that rural towns, with limited public transport and distinct local economies, should not be treated in the same way as larger urban centres. For more detail on the consultation process and feedback, please refer to the parking strategy report included on this agenda for the Executive.
- 5.10. In response to this feedback, the Council has amended its approach for 2026/27. While the average 3.8% increase will apply to most parking tariffs, rural car parks in Stanstead Abbotts, Buntingford, and Sawbridgeworth will see weekday charges remain unchanged, and Sunday charges will be maintained at current levels (£1.50 per day). Weekend charges will still be introduced in Buntingford and Sawbridgeworth, with Saturday charges matching weekday rates. These changes are intended to support local businesses, maintain accessibility, and address the specific needs of rural communities.
- 5.11. Changes to the Traffic Regulation Orders (TROs) and parking tariffs (as detailed in Appendix Bi) are expected to generate an additional £277K of income, which will be built into the 2026/27 budget and across the MTFP.
- 5.12. Other Services Fees Income - This category covers all other fees and charges levied by Council services to residents and businesses for the provision of specific services. The Council maintains a strong focus on cost recovery, ensuring that charges reflect the true cost of service delivery wherever possible. While some fees are subject to Government restrictions on the level of

increase permitted, others are set locally by the Council. The principles outlined above, particularly around cost recovery, inflation alignment, and transparency have heavily influenced the proposed changes to individual charges for 2026/27.

- 5.13. A full listing of these charges is provided in Appendix Bii. The MTFP had projected an increase in income from these charges of £50,000. However, following a detailed review and in light of higher inflationary pressures on service provision, a further £79,000 will be generated within these fees and charges. In addition, some budget realignments have been undertaken within the overall financial position for these fees to ensure that budgets are achievable for 2026/27.

Service Efficiency Reviews

- 5.14. As part of the Council's ongoing service efficiency reviews, a saving of £14,000 has been identified within the Corporate Support Hub for 2026/27. This saving arises from a minor restructure, following a detailed review of task allocation between the Corporate Support Hub and the Licensing team.

Pension Fund Triennial Valuation

- 5.15. The Local Government Pension Scheme (LGPS) requires all participating employers to undergo a formal actuarial valuation every three years (triennially). The purpose of this valuation is to review the financial position of the pension fund and to set appropriate employer contribution rates for the following three-year period, ensuring the long-term sustainability of the scheme and compliance with statutory requirements.
- 5.16. The most recent triennial valuation was carried out as at 31 March 2025 for the Hertfordshire Pension Fund, of which East Hertfordshire District Council is a part. This valuation provides a snapshot of the Council's funding position and determines the employer contribution rates for the period from 1 April 2026 to 31 March 2029. The key outcomes of the valuation are:

- **Funding Position:** As at 31 March 2025, East Herts District Council had a funding level of 107.3%. This is an improvement from the previous valuation in 2022, which showed a funding level of 101.6%.
- **Employer Contribution Rates:** The employer contribution rate for the next three years (from 1 April 2026) is 17.1% of pay, with no additional secondary rate required, reflecting the improved funding position.

5.17. The outcome of the 2025 triennial valuation has a significant positive impact on the Council's financial position for 2026/27 and across the MTFP. The reduction in the primary employer contribution rate from 19.8% in 2025/26 to 17.1% from 2026/27 onwards—translates into a saving of £348,000 in 2026/27, with similar savings projected for subsequent years. In addition, the cessation of the secondary rate provides a further ongoing saving of £637,000 from 2026/27.

5.18. The results of the above savings are summarised in the table below:

Savings Area	2026/27 £'000
Income generation	209
Fees and Charges:	
• Garden Waste	32
• Parking	277
• Other	79
Service Efficiency Review	14
Pension Fund Triennial Valuation:	
• Primary Rate	348
• Secondary Rate	637
Total Savings found	1,596

5.19. Bringing together the provisional finance settlement, planned savings, and new pressures—including funding for LGR, redundancy contingency, and general contingencies—the MTFP currently forecasts a surplus of £250,000 for each of the next two

years. This surplus will be transferred into a new reserve, providing the Council with flexibility to respond to emerging priorities and pressures. The reserve will be available for Executive drawdown as and when proposals are brought forward and agreed in line with the Council's priorities. The table below summarises the overall financial position from 2026/27.

£'000	2026/27	2027/28	2028/29	2029/30	2030/31
Net Cost of Services	18,017	19,192	20,290	21,339	22,494
Corporate Budget	3,311	3,063	2,919	2,6650	2,615
Pressures	771	549	0	0	0
Savings	(890)	(1,538)	(1,748)	(1,748)	(1,748)
Total Costs	21,209	21,266	21,461	22,256	23,361
Settlement Funding	(7,832)	(7,377)	(6,835)	(6,835)	(6,835)
Council Tax Demand	(13,627)	(14,139)	(14,670)	(15,220)	(15,790)
Net Budget Requirement	(250)	(250)	(44)	200	735

6. General Fund Balances and Reserves

- 6.1. 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.
- 6.2. The projected General Fund balance within the MTFP remains unchanged at £3.854 million on the basis that the delivery of funding gap across the MTFP is achieved. Maintaining level of reserves is essential to support financial resilience and ensure the Council can respond to unforeseen pressures.
- 6.3. In determining the appropriate level of general fund balances, the Chief Finance 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 £3.649 million.

General Fund balances Minimum Level of Assessment	2026/27 £million
Annual Gross Revenue Expenditure (at 4%)	2.393
Annual Gross Capital Expenditure (at 3%)	1.256
Minimum General Fund Balance	3.649

6.4. A detailed review of the Council's earmarked reserves has been completed to ensure that resources are aligned with strategic priorities and financial resilience. This review examined the purpose of each reserve, confirmed amounts already committed for specific projects and obligations over the next two years, and incorporated these commitments into the MTFP. Earmarked reserves are essential for managing future risks, funding planned initiatives, and providing flexibility to respond to unforeseen pressures without impacting core services. Following this review, the projected balance of earmarked reserves is estimated to be £14.997 million by the end of March 2026 and £14.342 million by the end of March 2027, reflecting planned utilisation for approved commitments.

6.5. The table below summarises the forecast General Fund and Earmarked Reserves across the MTFP period, with a detailed list of reserves provided in Appendix C.

Financial Year	2024/25	2025/26	2026/27	2027/28
£'000	Actual balance	Forecast balance	Forecast balance	Forecast balance
Earmarked General	17,297 3,854	14,997 3,854	14,342 3,854	13,688 3,854
Total Usable	21,151	18,851	18,196	17,542

Section 25 Statement: Reserves Perspective

6.6. The Section 25 Statement of the Chief Financial Officer (CFO) is a statutory report that accompanies the annual budget for East Herts Council. It provides Members with an independent assessment of the robustness of the Council's budget estimates and the adequacy of its reserves, ensuring that financial decisions are made with a clear understanding of the risks, assumptions, and the Council's overall financial resilience. The report outlines the economic context, the rigorous budget-setting process, key financial assumptions, risk management, and the Council's approach to maintaining sufficient reserves. Further detail can be found in Appendix D.

6.7. In summary, the CFO concludes that the 2026/27 budget is both realistic and sustainable, with reserves considered adequate to manage foreseeable risks and support the Council's medium-term strategy. Members are therefore recommended to approve the budget and reserves strategy, note the underlying risks and assumptions, and support the ongoing delivery of savings.

7. Capital Programme 2026/27 to 2028/29

7.1. The 2026/27 to 2028/29 capital programme and funding is shown at Appendix E and a summary in table below.

Financial Year	2025/26	2025/26	2026/27	2027/28	2028/29
£'000	Revised Estimate	Forecast C/Fwd	Budget	Budget	Budget
Land & Building	413	532	170	1,500	0
Infrastructure	33	0	0	0	0
Vehicles & Equipment	8,180	18	300	300	0
Community Assets	754	314	0	0	0
Contingency	0	250	200	100	0
Total Expenditure	9,380	1,114	670	1,900	0
Borrowing	7,869	59	0	0	0
Capital Receipts	749	741	670	1,900	0
Grants & Contributions	762	314	0	0	0
Total Financing	9,380	1,114	670	1,900	0

7.2. Limited capital receipts mean the 2026/27 programme is restricted to priority schemes or schemes already approved. Further projects will be considered as receipts from asset disposals become available. The old River Lane public square has been deferred by at least one year, with timing to be reviewed in 2026/27 to align with updated project timetable.

8. Reasons

8.1. The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 requires the Council to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, in order

to determine a net budget requirement to be met by government grant, business rates and council tax.

9. Options

- 9.1. The MTFP currently shows a surplus for the first three years, with significant growth already built into the budget. However, it remains essential to sustain this position by continuing to increase council tax, fees, and charges in line with rising costs from pay awards and inflation. Any decision to reduce council tax, limit growth, or hold back on increases to fees and charges would create additional financial pressures in later years of the MTFP or result in increased budget monitoring challenges for 2026/27 and beyond.
- 9.2. If the Executive were to propose a lower rate of council tax, this would move the Council further away from the government's assumptions and expectations for local funding. Such a decision could be interpreted by government as evidence that there are no funding issues for district councils, despite the fact that core funding is projected to reduce by 14% up to 2028/29, as set out earlier in this report. It would also result in a permanent loss of revenue, increasing financial pressure in future years.
- 9.3. It is therefore important that the Council continues to review and adjust fees and charges across all services to ensure income keeps pace with rising costs. Any alternative approach—such as reducing fees and charges, limiting growth, or holding council tax below government expectations—would increase financial risk and could compromise the Council's ability to deliver services sustainably in future years.

10. Risks

- 10.1. Significant uncertainty continues to shape the financial environment in which the Council operates. While the confirmation of a multi-year financial settlement provides a welcome degree of stability and planning certainty, a number of material risks remain that could

impact the Council's ability to deliver a balanced and sustainable budget over the medium term.

- 10.2. Inflationary pressures remain a key concern, particularly in relation to energy, contract inflation and pay awards. Although inflation has moderated from recent peaks, volatility in global markets and domestic economic policy could result in renewed cost pressures. These risks are compounded by the potential for interest rate fluctuations, which may affect borrowing costs and investment returns.
- 10.3. Recruitment and retention difficulties persist, especially in areas where there are national shortages of professionally qualified staff. The Council continues to explore workforce strategies to reduce reliance on agency staffing and ensure service continuity. However, the competitive labour market and rising salary expectations present ongoing financial and operational risks.
- 10.4. The ongoing process of Local Government Reorganisation introduces structural and transitional risks, including potential changes to service delivery models, governance arrangements and funding allocations. These changes may have both short-term financial implications and longer-term strategic impacts that are not yet fully understood.

11. Implications/Consultations

Consultation

- 11.1. The draft budget and Medium Term Financial Plan were presented to the Joint Scrutiny Committee on 28 January 2026 for review and comment. Members considered the proposals in detail, including the updated forecasts, underlying assumptions, and the approach taken to closing the 2026/27 funding gap. The Committee's feedback will help inform the final budget recommended to Council.
- 11.2. In discussing the proposals, Members raised several points relating to fees and charges, the financial implications of Local

Government Reorganisation (LGR), and the allocation and use of reserves. Key issues included the impact of not increasing car parking charges—particularly in relation to the £277K forecast income—the potential effect of parking changes on Buntingford's High Street, and the anticipated costs and adequacy of the £1 million provision for LGR. Members also sought clarity on how the proposed £250K Executive Reserve would be used and whether it could be made available for wider Member priorities.

11.3. A full record of comments, officer responses, and recommended actions is provided in Appendix F.

Community Safety

The budget underpins delivery of the Council's policies and priorities in relation to community safety.

Data Protection

No

Equalities

The Council has a duty under the Equalities Act, 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 discharges 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

12. Background papers, appendices and other relevant material

12.1. Budget 2025/26 & Medium Term Financial Plan 2025-2035 – Council 26 February 2025.

12.2. Medium Term Financial Plan 2026-2031 – Executive 7 October 2025

12.3. Appendices:

- Appendix A MTFP 2026-2031
- Appendix B Fees and Charges 2026/27
- Appendix C Earmarked Reserves

- Appendix D Section 25 Report
- Appendix E Capital Programme 2026/27 to 2028/29
- Appendix F Minutes and comments of Joint Scrutiny Committee on 28 January 2026

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General Fund Revenue Budget and Medium Term Financial Plan 2026/27 to 2030/31

Appendix A

2025/26	Cost of Services	2026/27	2027/28	2028/29	2029/30	2030/31
		£000	£000	£000	£000	£000
305	Chief Executive's Office	313	323	333	343	353
1,855	Communications, Strategy & Policy	1,850	1,907	1,965	2,025	2,087
2,073	Housing and Health	3,482	3,655	3,779	3,872	3,970
700	Operations	1,203	1,622	1,887	2,155	2,420
(200)	Hertford Theatre	(200)	(375)	(350)	(324)	(304)
2,285	Planning & Building Control	2,373	2,471	2,572	2,677	2,784
844	Shared Revenues & Benefits Service	618	692	769	849	978
2,971	IT Shared Service	2,959	3,061	3,167	3,277	3,392
1,436	Legal & Democratic Services	1,527	1,579	1,632	1,687	1,728
519	Human Resources & Org Development	656	671	688	704	721
2,528	Strategic Finance & Property	2,319	2,647	2,876	3,101	3,393
705	Centrally Managed Costs	937	939	941	943	943
(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	18,017	19,192	20,290	21,339	22,494
2025/26	Corporate Budgets	2026/27	2027/28	2028/29	2029/30	2030/31
£000	£000	£000	£000	£000	£000	£000
(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	2,508	2,310	2,190	1,986	1,986
(1,000)	Investment Income	(600)	(600)	(600)	(600)	(600)
637	Pension Fund Deficit Contribution					
4,440	Total Corporate Budgets	3,311	3,063	2,919	2,665	2,615
(63)	Savings identified 2026/27	(436)	(436)	(436)	(436)	(436)
	Savings identified 2027/28		(648)	(648)	(648)	(648)
	Savings identified 2028/29			(210)	(210)	(210)
	Savings proposed 2026/27	(454)	(454)	(454)	(454)	(454)
	Pressures	771	549	0	0	0
	Savings to be found					
	Total Savings & Pressures	(119)	(989)	(1,748)	(1,748)	(1,748)
20,298	Total Costs	21,209	21,266	21,461	22,256	23,361

2025/26	Government Funding & Council Tax	2026/27	2027/28	2028/29	2029/30	2030/31
£000	£000	£000	£000	£000	£000	£000
(5,092)	Retained Business Rates - Business Rates	(2,657)	(2,718)	(2,773)	(2,773)	(2,773)
(1,193)	New Homes Bonus Grant	0	0	0	0	0
(141)	Revenue Support Grant	(4,274)	(3,672)	(3,041)	(3,041)	(3,041)
(403)	General Government Grants	0	0	0	0	0
(179)	NI grant					
	Homelessness, Rough Sleeping and Domestic Abuse	(901)	(987)	(1,022)	(1,022)	(1,022)
(13,131)	Council Tax Demand on the Collection Fund	(13,627)	(14,139)	(14,670)	(15,220)	(15,790)
	Collection Fund (Surplus)/Deficit					
(20,139)	Total Government Funding & Council Tax	(21,459)	(21,516)	(21,505)	(22,055)	(22,625)
159 Net Budget before Reserves movements		(250)	(250)	(44)	200	735
2025/26	Contributions to/(from) Reserves	2026/27	2027/28	2028/29	2029/30	2030/31
£000	£000	£000	£000	£000	£000	£000
0	Contributions to Earmarked Reserves	250	250	0	0	0
(164)	Contributions (from) Earmarked Reserves	0	0	0	0	0
	Contributions to General Fund					
	Contributions (from) General Fund					
(164)	Total Contributions to/(from) Reserves	250	250	0	0	0
(5) Net Budget Position		0	0	(44)	200	735



Parking Fees

Tariff
01 April 2025

Tariff
01 April 2026
Inclusive of VAT

CAR PARK - LOCATION - CHARGEABLE HOURS

Jackson Square - Bishop's Stortford

Mon – Sat (7.30am – 6.30pm)

Up to 1 hour

Up to 2 hours

Up to 3 hours

Up to 4 hours

Up to 5 hours

Public Holidays except Christmas Day Up to 11 hours (All Day)

Sunday Up to 11 hours (All Day)

£1.20
£2.40
£3.60
£4.80
£6.00
£2.00
£2.00

NO FREE
£1.25
£2.50
£3.70
£5.00
£6.20
£2.10
£2.10

Link Road - Bishop's Stortford:

Mon – Sat (7.30am – 8.00pm)

Up to 1 hour

Up to 2 hours

Up to 3 hours

Up to 4 hours

Up to 5 hours

Sunday Up to 12.5 hours (All Day)

Public Holidays except Christmas Day to 12.5 hours (All Day)

£1.20
£2.40
£3.60
£4.80
£6.00
£2.00
£2.00

NO FREE
£1.25
£2.50
£3.70
£5.00
£6.20
£2.10
£2.10

Northgate End MSCP - Bishop's Stortford

Mon – Sat (7.30am – 8.00pm)

Up to 1 hour

Up to 2 hours

Up to 3 hours

Up to 4 hours

Up to 5 hours

Up to 12.5 hours (All Day)

Sunday Up to 12.5 hours (All Day)

Public Holidays except Christmas Day 12.5 hours (All Day)

£1.00
£2.00
£2.60
£3.20
£3.70
£4.20
£1.60
£1.60

NO FREE
£1.05
£2.10
£2.70
£3.30
£3.80
£4.40
£1.70
£1.70

Apton Road, Basbow Lane, - Bishop's Stortford

Mon – Sat (7.30am – 8.00pm)

Up to 30 mins (Free)

Up to 1 hour

Up to 2 hours

Up to 3 hours

Up to 4 hours

Up to 5 hours

Up to 12.5 hours (All Day)

Sunday Up to 12.5 hours (All Day)

Public Holidays except Christmas Day up to 12.5 hours (All Day)

£0.00
£1.20
£2.40
£3.60
£4.80
£6.00
£7.80
£2.00
£2.00

£0.00
£1.25
£2.50
£3.70
£5.00
£6.20
£8.10
£2.10
£2.10

Crown Terrace A - Bishop's Stortford

Mon – Sat (7.30am – 8.00pm)

Up to 30 mins (Free)

Up to 1 hour

Up to 2 hours

Up to 3 hours

Sunday Up to 12.5 hours (All Day)

Public Holidays except Christmas Day up to 12.5 hours (All Day)

£0.00
£1.20
£2.40
£3.60
£2.00
£2.00

£0.00
£1.25
£2.50
£3.70
£2.10
£2.10

Tariff
01 April 2025

Tariff
01 April 2026
Inclusive of VAT

CAR PARK - LOCATION - CHARGEABLE HOURS
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Crown Terrace B - Bishop's Stortford
Mon – Fri (8.30am – 8.00pm)
Up to 30 mins (Free)
Up to 5 hours
Up to 12.5 hours (All Day)
Sat (8.30am – 8.00pm)
Up to 30 mins (Free)
Up to 1 hour
Up to 2 hours
Up to 3 hours
Up to 4 hours
Up to 5 hours
Up to 12.5 hours (All Day)
Sunday Up to 12.5 hours (All Day)
Public Holidays except Christmas Day up to 12.5 hours (All Day)

£0.00
£6.00
£7.20
£0.00
£1.20
£2.40
£3.60
£4.80
£6.00
£7.20
£2.00
£2.00

£0.00
£6.20
£7.50
£0.00
£0.00
£1.25
£2.50
£3.70
£5.00
£6.20
£7.50
£2.10
£2.10

Elm Road - Bishop's Stortford
Mon – Sat (7.30am – 8.00pm)
Up to 30 mins (Free)
Up to 5 hours
Up to 12.5 hours (All Day)
Sunday Up to 12.5 hours (All Day)
Public Holidays except Christmas Day up to 12.5 hours (All Day)

£0.00
£4.00
£5.00
£2.00
£2.00

£0.00
£4.20
£5.20
£2.10
£2.10

Grange Paddocks A - Bishop's Stortford
Mon – Sat (9.00am – 8.00pm)
Up to 2.5 hours
Up to 11 hours (All Day)
Sunday Up to 11 hours (All Day)
Public Holidays except Christmas Day up to 11 hours (All Day)

£2.00
£3.50
£2.00
£2.00

NO FREE
£2.10
£3.60
£2.10
£2.10

Grange Paddocks B - Bishop's Stortford
Mon – Sat (9.00am – 8pm)
Up to 2.5 hours (Free)
Up to 5 hours
Sunday Up to 8 hours (All Day)
Public Holidays except Christmas Day up to 8 hours (All Day)

£0.00
£3.50
£2.00
£2.00
£0.00

£0.00
£3.60
£2.10
£2.10
£0.00

Grange Paddocks C - Bishop's Stortford
Mon – Sun (9.00am – 8pm)
Up to 2.5 hours (Free)
Up to 5 hours
Sunday Up to 8 hours (All Day)
Public Holidays except Christmas Day up to 8 hours (All Day)

£0.00
£3.50
£2.00
£2.00
£0.00

New Standard Tariff Structure
£0.00
£1.25
£2.50
£3.70

Tariff
01 April 2025

Tariff
01 April 2026
Inclusive of VAT

CAR PARK - LOCATION - CHARGEABLE HOURS
St Andrew Street - Hertford

Mon – Sat (7.30am – 8.00pm)	
Up to 30 mins (Free)	
Up to 1 hour	
Up to 2 hours	
Up to 3 hours	
Up to 4 hours	
Up to 5 hours	
Sunday Up to 12.5 hours (All Day)	
Public Holidays except Christmas Day up to 12.5 hours (All Day)	

£0.00
£1.20
£2.40
£3.60
£4.80
£6.00
£2.00
£2.00

£0.00
£1.25
£2.50
£3.70
£5.00
£6.20
£2.10
£2.10

Gascoyne Way Multi Storey - Levels B,C,D; Hartham Lane; Hartham Common; Port Vale - Hertford

Mon – Sat (7.30am – 8.00pm)	
Up to 30 mins (Free)	
Up to 1 hour	
Up to 2 hours	
Up to 3 hours	
Up to 4 hours	
Up to 5 hours	
Up to 12.5 hours (All Day)	
Sunday Up to 12.5 hours (All Day)	
Public Holidays except Christmas Day up to 12.5 hours (All Day)	

£0.00
£1.20
£2.40
£3.60
£4.80
£6.00
£7.20
£2.00
£2.00

£0.00
£1.25
£2.50
£3.70
£5.00
£6.20
£7.50
£2.10
£2.10

Old London Road - Hertford

Mon – Sat (7.30am – 8.00pm)	
Up to 30 mins (Free)	
Up to 1 hour	
Up to 2 hours	
Up to 3 hours	
Up to 4 hours	
Up to 5 hours	
Up to 12.5 hours (All Day)	
Commercial Vehicles	
Sunday Up to 12.5 hours (All Day)	
Public Holidays except Christmas Day up to 12.5 hours (All Day)	

£0.00
£6.00
£16.00
£2.00
£2.00

New Standard Tariff Structure
£0.00
£1.25
£2.50
£3.70
£5.00
£6.20
£7.50
£17.00
£2.10
£2.10

Wallfields - Hertford

Mon – Fri (9.00am – 5.00pm)	
Up to 2 hours (Free)	
Up to 3 hours	
Up to 4 hours	
Up to 5 hours	
Sat (9.00am – 5.00pm)	
Up to 2 hours (Free)	
Up to 3 hours	
Up to 4 hours	
Up to 5 hours	
Up to 8 hours (All Day)	
Sunday Up to 8 hours (All Day)	
Public Holidays except Christmas Day up to 8 hours (All Day)	

£0.00
£1.20
£2.40
£3.60
£0.00
£1.20
£2.40
£3.60
£7.20
£2.00
£2.00

£0.00
£1.25
£2.50
£3.70
£5.00
£6.20
£7.50
£2.10
£2.10

Tariff
01 April 2025

Tariff
01 April 2026
Inclusive of VAT

CAR PARK - LOCATION - CHARGEABLE HOURS
Kibes Lane - Ware

Mon – Sat (7.30am – 8.00pm)
Up to 30 mins (Free)
Up to 1 hour
Up to 2 hours
Up to 3 hours
Up to 4 hours
Up to 5 hours
Sunday Up to 12.5 hours (All Day)
Public Holidays except Christmas Day up to 12.5 hours (All Day)

£0.00
£1.20
£2.40
£3.60
£4.80
£6.00
£2.00
£2.00

New Standard Tariff Structure
£0.00
£1.25
£2.50
£3.70
£5.00
£6.20
£2.10
£2.10

Amwell End - Ware

Mon – Sat (7.30am – 8.00pm)
Up to 30 mins (Free)
Up to 1 hour
Up to 2 hours
Up to 3 hours
Up to 4 hours
Up to 5 hours
Up to 12.5 hours (All Day)
Sunday Up to 12.5 hours (All Day)
Public Holidays except Christmas Day up to 12.5 hours (All Day)

£0.00
£1.20
£2.40
£3.60
£4.80
£6.00
£7.80
£2.00
£2.00

£0.00
£1.25
£2.50
£3.70
£5.00
£6.20
£8.10
£2.10
£2.10

Baldock Street, Priory Street - Ware

Mon – Sat (7.30am – 8.00pm)
Up to 30 mins (Free)
Up to 1 hour
Up to 2 hours
Up to 3 hours
Up to 4 hours
Up to 5 hours
Up to 12.5 hours (All Day)
Sunday Up to 12.5 hours (All Day)
Public Holidays except Christmas Day up to 12.5 hours (All Day)

£0.00
£1.20
£2.40
£3.60
£4.80
£6.00
£7.20
£2.00
£2.00

£0.00
£1.25
£2.50
£3.70
£5.00
£6.20
£7.50
£2.10
£2.10

Burgage Lane - Ware

Mon – Sat (7.30am – 8.00pm)
Up to 30 mins (Free)
Up to 1 hour
Up to 2 hours
Up to 3 hours
Sunday Up to 12.5 hours (All Day)
Public Holidays except Christmas Day up to 12.5 hours (All Day)

£0.00
£1.20
£2.40
£3.60
£2.00
£2.00

New Standard Tariff Structure
£0.00
£1.25
£2.50
£3.70
£5.00
£6.20
£2.10
£2.10

Bowling Green Lane - Buntingford
Mon – Sat (7.30am – 6.30pm)

Up to 30 mins (Free)
Up to 1 hour
Up to 2 hours
Up to 3 hours
Up to 4 hours
Up to 5 hours
Up to 11 hours (All Day)
Sunday Up to 11 hours (All Day)
Public Holidays except Christmas Day Up to 11 hours (All Day)

2025-2026
£0.00
£2.10
£4.20
£2.00

New Standard Tariff Structure
£0.00
£0.70
£1.40
£2.10
£2.80
£3.50
£4.20
£1.50
£1.50

Tariff
01 April 2025

Tariff
01 April 2026
Inclusive of VAT

CAR PARK - LOCATION - CHARGEABLE HOURS

Bell Street - Sawbridgeworth
Mon – Sat (7.30am – 6.30pm)
Up to 30 mins (Free)
Up to 1 hour
Up to 2 hours
Up to 3 hours
Up to 4 hours
Up to 5 hours
Up to 11 hours (All Day)
Sunday Up to 11 hours (All Day)
Public Holidays except Christmas Day up to 9.5 hours (All Day)

£0.00
£0.70
£1.40
£2.10
£2.80
£3.50
£4.20
£2.00

New Standard Tariff Structure
£0.00
£0.70
£1.40
£2.10
£2.80
£3.50
£4.20
£1.50
£1.50

High Street - Stanstead Abbotts
Mon – Sat (7.30am – 6.30pm)
Up to 30 mins (Free)
Up to 1 hour
Up to 2 hours
Up to 3 hours
Up to 4 hours
Up to 5 hours
Up to 11 hours (All Day)
Sunday Up to 11 hours (All Day)
Public Holidays except Christmas Day Up to 11 hours (All Day)

£0.00
£0.70
£1.40
£2.10
£2.80
£3.50
£4.20
£1.50
£1.50

New Standard Tariff Structure
£0.00
£0.70
£1.40
£2.10
£2.80
£3.50
£4.20
£1.50
£1.50

CAR PARKS TIMES & HOURS
Market Trader Tariff - Apton Road & Link Road - Bishop's Stortford
Commercial vehicles Tariff - Old London Road - Hertford

Tariff
£4.80
£16.00

£5.00
£17.00



Basis of Charge	Unit of Charge
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2025/26 Charge Ex. VAT £

2026/27 Charge Ex. VAT £	VAT
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Environmental Health Charges

Animal licences - Grant or renewal cost of one licensable activity	Cost Recovery	Every 1 to 3 years	532.00	554.00	OS
Animal licences - Grant or renewal cost per additional licensable activity	Cost Recovery	Every 1 to 3 years	280.00	292.00	OS
Animal licences - Hiring of horses annual inspection fee (plus hiring of horses additional charge below) (invoiced after each annual inspection)	Cost Recovery	Every 1 to 3 years	255.00	265.00	OS
Animal Licences - Hiring of horses additional charge per horse	Cost Recovery	Every 1 to 3 years	15.00	17.00	OS
Animal licences - Minor variation of a current licence (no site visit)	Cost Recovery	per variation	127.00	132.00	OS
Animal licences - Variation of a current licence (involving site visit) (plus vet fees)	Cost Recovery	per variation	288.00	300.00	OS
Animal licences - Re-evaluation of a licenced premises star rating (plus vet fees)	Cost Recovery	per inspection	394.00	410.00	OS
Animal Licences - 'arrangers fee' for one licensable activity	Cost Recovery	Every 1 to 3 years	558.00	580.00	OS
Zoos - New Licence (plus vet fees)	Cost Recovery	per 4 year registration	2,912.00	3,030.00	OS
Zoos - Year 3 periodical inspection (plus vet fees)	Cost Recovery	per inspection	2,646.00	2,790.00	OS
Zoos - Year 6 renewal licence inspection (plus vet fees)	Cost Recovery	per 6 years	2,682.00	2,790.00	OS
Zoos - Transfer of Licence (plus vet fees)	Cost Recovery	per transfer	1,055.00	1,100.00	OS
Dangerous Wild Animals (plus vet fees)	Cost Recovery	per 2 years	442.00	460.00	OS
Registration for Skin Piercing (Premises)	Cost Recovery	per business	265.00	276.00	OS
Registration for Skin Piercing (Person) - when registered at the time of premises registration	Cost Recovery	per person	15.00	16.00	OS
Registration for Skin Piercing (Person) - when registered after/independently of premises registration	Cost Recovery	per person or premises	191.00	200.00	OS
Registration for Peripatetic Skin Piercing	Cost Recovery	per business	277.00	290.00	OS
Update to an existing Skin Piercing registration (minor update not needing site visit). If visit needed see registration of premises and/or person cost	Cost Recovery	per update	92.00	96.00	OS
Replacement of any environmental health licence, FHRS sticker or registration certificate	Cost Recovery	per licence	30.00	32.00	OS
Mobile homes sites - fit and proper person checks (exc DBS costs)	Cost Recovery	Per check	198.00	210.00	OS
	Cost Recovery	per hour or part	89.00	93.00	OS

532.00	554.00	OS
280.00	292.00	OS
255.00	265.00	OS
15.00	17.00	OS
127.00	132.00	OS
288.00	300.00	OS
394.00	410.00	OS
558.00	580.00	OS
2,912.00	3,030.00	OS
2,646.00	2,790.00	OS
2,682.00	2,790.00	OS
1,055.00	1,100.00	OS
442.00	460.00	OS
265.00	276.00	OS
15.00	16.00	OS
191.00	200.00	OS
277.00	290.00	OS
92.00	96.00	OS
30.00	32.00	OS
198.00	210.00	OS
89.00	93.00	OS

Food Hygiene & Safety

Issue of certificate following surrender of food - first hour (plus disposal costs)	Cost Recovery	per hour or part
Issue of certificate following surrender of food - additional hours (plus disposal costs)	Cost Recovery	per hour or part
Food export health certificate (first hour)	Cost Recovery	per hour or part
Food export health certificate (additional hours)	Cost Recovery	per hour or part
Letter confirming food premises registration	Cost Recovery	per certificate
Food Hygiene Rating Scheme Rescoring Visit	Cost Recovery	per visit

89.00	93.00	OS
59.00	62.00	OS
91.00	95.00	OS
59.00	62.00	OS
35.00	37.00	OS
214.00	223.00	OS



Basis of Charge	Unit of Charge
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2025/26 Charge Ex. VAT £

2026/27 Charge Ex. VAT £	VAT
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Miscellaneous Fees & Charges

Contaminated Land/ additional land charge enquiry (simple land search)	Cost Recovery	per enquiry
Contaminated Land/ additional land charge enquiry (detailed land search)	Cost Recovery	per enquiry
Statement of fact for civil cases (first hour)	Cost Recovery	First hour or part
Statement of fact for civil cases (additional hour)	Cost Recovery	per hour or part
Processing Section 61 notice application	Cost Recovery	per enquiry
Attendance at Exhumations (first hour)	Cost Recovery	First hour or part
Attendance at Exhumations (additional hours)	Cost Recovery	per hour or part
Public health burials (first hour)	Cost Recovery	First hour or part
Public health burials (additional hour)	Cost Recovery	per hour or part

87.00	91.00	OS
230.00	240.00	OS
93.00	97.00	S
59.00	62.00	S
91.00	95.00	OS
93.00	97.00	OS
59.00	62.00	OS
91.00	95.00	OS
59.00	62.00	OS

Private Water Supplies

Risk Assessment (first hour) (plus costs incurred by specialist inspector)	Cost Recovery	First hour or part
Risk Assessment (additional hour) (plus costs incurred by specialist inspector)	Cost Recovery	per hour or part
Risk Assessment (Desktop) - first hour	Cost Recovery	First hour or part
Risk Assessment (Desktop) - additional hours	Cost Recovery	per hour or part
Sampling Visit - first hour (plus analysis costs)	Cost Recovery	First hour or part
Sampling Visit - additional hours (plus analysis costs)	Cost Recovery	per hour or part
Sampling - Desktop review of results (first hour)	Cost Recovery	First hour or part
Sampling - Desktop review of results (additional hours)	Cost Recovery	per hour or part
Investigation - first hour (plus analysis costs)	Cost Recovery	First hour or part
Investigation - additional hours (plus analysis costs)	Cost Recovery	per hour or part
Granting of Authorisation -first hour	Cost Recovery	First hour or part
Granting of Authorisation - additional hours	Cost Recovery	per hour or part

89.00	93.00	S
52.00	55.00	S
89.00	93.00	S
52.00	55.00	S
82.00	86.00	S
52.00	55.00	S
82.00	86.00	OS
52.00	55.00	OS
82.00	86.00	OS
52.00	55.00	OS
121.00	126.00	OS
67.00	70.00	OS



Basis of Charge	Unit of Charge	2025/26 Charge Ex. VAT £	2026/27 Charge Ex. VAT £	VAT
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Private Sector Housing

Standards inspection for immigration	Cost Recovery	per inspection	201.00	210.00
Housing Notices (excluding any costs incurred for additional reports required to support notice service eg EICR, Structural Engineering Report, Damp Survey which will be charged separately)	Cost Recovery	fixed charge	450.00	470.00
Housing Notices Recovery of cost to arrange for professional reports (plus professional costs)	Cost Recovery	per professional report	85.00	89.00
Fixed penalty for failure to belong to an approved redress scheme	Cost Recovery	fixed charge	5,000.00	5,000.00
Licence for a HMO with no more than 5 bedrooms - full fee upon application	Cost Recovery	per licence	1,377.00	1,432.00
Licence for a HMO with no more than 5 bedrooms - Part 1 Fee	Cost Recovery	per licence	1,112.00	1,157.00
Licence for an HMO - Part 2 Fee	Cost Recovery	per licence - final before issuing licence	293.00	305.00
Additional bedrooms	Cost Recovery	each	29.00	31.00
Renewal of HMO Licence - Full fee upfront.	Cost Recovery	per licence	1,145.00	1,191.00
Renewal of HMO Licence - Two-part fee - Part 1	Cost Recovery	per licence - initial at application	880.00	916.00
Renewal of HMO Licence - Two-part fee - Part 2	Cost Recovery	per licence - final before issuing licence	293.00	305.00
HMO Confirmation Letters for licensable HMOs after application has been received	Cost Recovery	per letter	35.00	37.00
Housing Advice Visit	Cost Recovery	per visit	388.00	404.00

201.00	210.00	S
450.00	470.00	OS
85.00	89.00	OS
5,000.00	5,000.00	OS
1,377.00	1,432.00	OS
1,112.00	1,157.00	OS
293.00	305.00	OS
29.00	31.00	OS
1,145.00	1,191.00	OS
880.00	916.00	OS
293.00	305.00	OS
35.00	37.00	OS
388.00	404.00	S

Other Licenses

Sex Establishments		per annum	3,760.00	3,910.00
Sex Establishments		per renewal	3,330.00	3,460.00
Sex Establishments		transfer	108.00	112.00
Hypnotism Act 1952 - Occasional licensed premises			217.00	226.00
Hypnotism Act 1952 - Occasional unlicensed premises			835.00	870.00
Scrap Metal Site Licence		per licence granted	353.00	370.00
Scrap Metal Site Licence		per licence renewed	263.00	275.00
Scrap Metal Site Licence - Variation, Name Change, Change of Site		per change	63.00	65.00
Scrap Metal Collectors Licence		per licence granted	320.00	332.00
Scrap Metal Collectors Licence		per licence renewed	229.00	240.00
Scrap Metal Collectors Licence - Variation, Name Change		per change	63.00	65.00

3,760.00	3,910.00	OS
3,330.00	3,460.00	OS
108.00	112.00	OS
217.00	226.00	OS
835.00	870.00	OS
353.00	370.00	OS
263.00	275.00	OS
63.00	65.00	OS
320.00	332.00	OS
229.00	240.00	OS
63.00	65.00	OS



Basis of Charge	Unit of Charge
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2025/26 Charge Ex. VAT £

2026/27 Charge Ex. VAT £	VAT
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Taxi Licensing

Private Hire vehicle (new) - 1 year	Cost Recovery	per new licence
Private Hire vehicle (renewal) - 1 year	Cost Recovery	per renewal
Vehicle - either Hackney Carriage or Private Hire (new) HC only - 1 year	Cost Recovery	per new licence
Vehicle - either Hackney Carriage or Private Hire (renewal) HC only - 1 year	Cost Recovery	per renewal
Dual Driver or Private Hire Driver (new) - 3 year	Cost Recovery	per new licence
Dual Driver or Private Hire Driver (renewal) - 3 year	Cost Recovery	per renewal
Dual Driver or Private Hire Driver (new) - 1 year	Cost Recovery	per new licence
Dual Driver or Private Hire Driver (renewal) - 1 year	Cost Recovery	per renewal
Private Hire Operator - 5 year (new)	Cost Recovery	per new licence
Private Hire Operator - 5 year (renewal)	Cost Recovery	per renewal
Private Hire Operator - 1 year (new)	Cost Recovery	per new licence
Private Hire Operator - 1 year (renewal)	Cost Recovery	per renewal
Change of vehicle (new vehicle on old plate number)	Cost Recovery	Per vehicle
Change of vehicle (courtesy car)	Cost Recovery	Per vehicle
Vehicle Inspection (5 year check)	Cost Recovery	Per vehicle
Private Hire Driver converted to Dual Driver	Cost Recovery	Per driver
Private Hire Driver converted to Hackney Carriage vehicle	Cost Recovery	Per driver
Change of vehicle proprietor	Cost Recovery	Per vehicle
Change of DVLA details (registration number etc.)	Cost Recovery	Per vehicle
Change of Drivers address	Cost Recovery	Per driver
Knowledge test and training day (all new applicants)	Cost Recovery	Per driver
Resit of both routes and rules & regulations tests	Cost Recovery	Per driver
Resit of routes test only	Cost Recovery	Per driver
Update training for existing drivers	Cost Recovery	Per driver
Enhanced DBS Online	Cost Recovery	Per person
English Competency testing (in our offices)	Cost Recovery	Per person
English Competency testing (remote)	Cost Recovery	Per person
Roof light (complete)	Cost Recovery	per light
Roof light (top cover only)	Cost Recovery	per light
Roof Light (base)	Cost Recovery	per light
Replacement drivers badges	Cost Recovery	Each
Hackney Carriage Replacement plate (or additional for a trailer)	Cost Recovery	Each
Private Hire Vehicle replacement plate	Cost Recovery	Each
Roof light bulbs	Cost Recovery	Each
Magnets (sold as a pair)	Cost Recovery	Per pair
Executive Disc (private hire vehicles only)	Cost Recovery	Each

308.00	308.00	OS
287.00	287.00	OS
400.00	400.00	OS
318.00	318.00	OS
394.00	394.00	OS
284.00	284.00	OS
343.00	343.00	OS
234.00	243.00	OS
302.00	302.00	OS
296.00	296.00	OS
267.00	267.00	OS
267.00	267.00	OS
62.00	65.00	OS
96.00	100.00	OS
38.00	40.00	OS
32.00	33.00	OS
113.00	118.00	OS
43.00	45.00	OS
64.00	67.00	OS
13.00	14.00	OS
103.00	108.00	OS
55.00	57.00	OS
36.00	38.00	OS
65.00	68.00	OS
99.00	103.00	OS
102.00	106.00	OS
82.00	85.00	OS
68.00	71.00	S
47.00	49.00	S
32.00	33.00	S
20.00	21.00	S
21.00	22.00	S
23.00	24.00	S
3.00	3.00	S
19.00	20.00	S
14.00	15.00	S



Basis of Charge	Unit of Charge	2025/26 Charge Ex. VAT £	2026/27 Charge Ex. VAT £	VAT
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Premises Licenses

Application for premises, club premises certificate, variations (excluding change of name and address or designated premises supervisor) conversion/variation - Band A - rateable value £0-£4,300	Statutory Fee	per band A premises	100.00	100.00 OS
Application for premises, club premises certificate, variations (excluding change of name and address or designated premises supervisor) conversion/variation - Band B - rateable value £4,301-33,000	Statutory Fee	per band B premises	190.00	190.00 OS
Application for premises, club premises certificate, variations (excluding change of name and address or designated premises supervisor) conversion/variation - Band C - rateable value £33,001-£87,000	Statutory Fee	per band C premises	315.00	315.00 OS
Application for premises, club premises certificate, variations (excluding change of name and address or designated premises supervisor) conversion/variation - Band D - rateable value £87,001-£125,000	Statutory Fee	per band D premises	450.00	450.00 OS
Application for premises, club premises certificate, variations (excluding change of name and address or designated premises supervisor) conversion/variation - Band E - rateable value £125,000 and over	Statutory Fee	per band E premises	635.00	635.00 OS
PREMISES LICENCES (Holders of premises licences and club premises certificate) - Band A - rateable value £0-£4,300	Statutory Fee	per band A premises per	70.00	70.00 OS
PREMISES LICENCES (Holders of premises licences and club premises certificate) - Band B - rateable value £4,301-33,000	Statutory Fee	per band B premises per	180.00	180.00 OS
PREMISES LICENCES (Holders of premises licences and club premises certificate) - Band C - rateable value £33,001-£87,000	Statutory Fee	per band C premises per	295.00	295.00 OS
PREMISES LICENCES (Holders of premises licences and club premises certificate) - Band D - rateable value £87,001-£125,000	Statutory Fee	per band D premises per	320.00	320.00 OS
PREMISES LICENCES (Holders of premises licences and club premises certificate) - Band E - rateable value £125,000 and over	Statutory Fee	per band E premises per	350.00	350.00 OS
PERSONAL LICENCE	Statutory Fee	per licence	37.00	37.00 OS
Supply of copies of information contained in register		per black & white A4 sheet	0.16	0.17 S
Supply of copies of information contained in register		per black & white A3 sheet	0.32	0.33 S
Supply of copies of information contained in register		per black & white A0 sheet	2.10	2.18 S
Supply of copies of information contained in register		per colour A4 sheet	0.32	0.33 S
Supply of copies of information contained in register		per colour A3 sheet	0.63	0.66 S
Supply of copies of information contained in register		per colour A0 sheet	2.42	2.52 S
Application for copy of licence or summary on theft, loss etc. of premises licence	Statutory Fee	per application	10.50	10.50 OS
Notification of change of name or address (holder of premises licence)	Statutory Fee	per change	10.50	10.50 OS
Application to vary or to specify individual as premises supervisor	Statutory Fee	per application	23.00	23.00 OS
Application to transfer premises licence	Statutory Fee	per application	23.00	23.00 OS
Interim authority notice	Statutory Fee	per notice	23.00	23.00 OS
Application for making of a provisional statement	Statutory Fee	per statement	315.00	315.00 OS
Application for copy of certificate or summary on theft, loss etc. of certificate or	Statutory Fee	per copy	10.50	10.50 OS
Notification of change of name or alteration of club rules	Statutory Fee	per change	10.50	10.50 OS
Change of relevant registration address of club	Statutory Fee	per change	10.50	10.50 OS

Temporary event notice	Statutory Fee	per notice	21.00	21.00	OS
Application of copy of notice on theft, loss etc. of temporary event notice	Statutory Fee	per copy	10.50	10.50	OS
Application of copy of licence on theft, loss etc. of personal licence	Statutory Fee	per copy	10.50	10.50	OS
Notification of change of name or address (personal licence)	Statutory Fee	per change	10.50	10.50	OS
Notice of interest in any premises	Statutory Fee	per notice	21.00	21.00	OS



Basis of Charge	Unit of Charge

2025/26 Charge
Ex. VAT
£

2026/27 Charge
VAT
£

Gambling Act

Bingo Premises		per licence
Bingo Premises		per variation
Bingo Premises		per transfer
Bingo Premises		Annual Fee
Adult Gaming Centre Premises		per licence
Adult Gaming Centre Premises		per variation
Adult Gaming Centre Premises		per transfer
Adult Gaming Centre Premises		Annual Fee
Betting Premises (Track)		per licence
Betting Premises (Track)		per variation
Betting Premises (Track)		per transfer
Betting Premises (Track)		Annual Fee
Betting Premises (Other)		per licence
Betting Premises (Other)		per variation
Betting Premises (Other)		per transfer
Betting Premises (Other)		Annual Fee
Family Entertainment Centre Premises		per licence
Family Entertainment Centre Premises		per variation
Family Entertainment Centre Premises		per transfer
Family Entertainment Centre Premises		Annual Fee
Temporary Use Notices		per notice
Temporary Use Notices		per copy
Gaming Machine Permit 10 years (Up to 2 machines)	Statutory Fee	per permit
Gaming Machine Permit 10 years (Up to 2 machines)	Statutory Fee	per variation
Gaming Machine Permit 10 years (Up to 2 machines)	Statutory Fee	per transfer
Notification 2 gaming machines	Statutory Fee	per notice
Club Gaming Machine Permit 5 years (Up to 3 machines)	Statutory Fee	per permit
Club Gaming Machine Permit	Statutory Fee	Annual Fee
Small Lotteries	Statutory Fee	per setup
Small Lotteries	Statutory Fee	per renewal

3,421.00	3,500.00	OS
1,711.00	1,750.00	OS
1,173.00	1,200.00	OS
978.00	1,000.00	OS
1,977.00	2,000.00	OS
978.00	1,000.00	OS
1,150.00	1,200.00	OS
978.00	1,000.00	OS
2,444.00	2,500.00	OS
1,223.00	1,250.00	OS
929.00	950.00	OS
978.00	1,000.00	OS
2,939.00	3,000.00	OS
1,467.00	1,500.00	OS
1,173.00	1,200.00	OS
383.00	400.00	OS
1,955.00	2,000.00	OS
978.00	1,000.00	OS
929.00	950.00	OS
733.00	750.00	OS
525.00	525.00	OS
26.00	26.00	OS
150.00	150.00	OS
100.00	100.00	OS
25.00	25.00	OS
50.00	50.00	OS
100.00	100.00	OS
50.00	50.00	OS
40.00	40.00	OS
20.00	20.00	OS

Business & Planning Act 2024

Pavement License New (2 Years)		2 years
Pavement License Renewal (2 years)		2 Years
Removal of unauthorised Furniture		Per notice
Storage per week		Per notice
Disposal of furniture		per notice
Distribution of free literature - 1 year		Per license

500.00	500.00	OS
350.00	350.00	OS
210.00	210.00	OS
175.00	175.00	OS
295.00	295.00	OS
34.00	36.00	S



Basis of Charge	Unit of Charge	2025/26 Charge Ex. VAT £	2026/27 Charge Ex. VAT £	VAT
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Street Trading

Street Trading: Occasional Registered Charity (up to one month)	Cost Recovery	per month
Street Trading: Occasional (up to one month)	Cost Recovery	per month
Street Trading: Peripatetic (e.g. ice cream van)	Cost Recovery	per annum
Street Trading: Static (e.g. burger van)	Cost Recovery	per annum
Transfer of street trading consent	Cost Recovery	per transfer
Variation of street trading consent	Cost Recovery	Per variation
Street trading consent refund - greater than 6 months left on consent	Cost Recovery	per consent
Street trading consent refund - between 3 and 6 months left on consent	Cost Recovery	per consent

88.00	92.00	OS
172.00	180.00	OS
497.00	517.00	OS
505.00	526.00	OS
69.00	72.00	OS
69.00	72.00	OS
25% of fee paid	-	OS
10% of fee paid	-	OS

Markets

Hertford commercial (Friday or Saturday)		Annual
Hertford commercial (Friday or Saturday)		6 Months
Hertford commercial (Friday or Saturday)		Quarterly
Ware commercial (Friday or Saturday)		Annual
Ware commercial (Friday or Saturday)		6 Months
Ware commercial (Friday or Saturday)		Quarterly
Commercial Markets (Any two) note 1		Annual
Commercial Markets (Any two)		6 Months
Commercial Markets (Any two)		Quarterly
Commercial Markets (All three) note 2		Annual
Commercial Markets (All three)		6 Months
Commercial Markets (All three)		Quarterly
Hertford Farmers Market note 3		Annual
Hertford Farmers Market		6 Months
Hertford Farmers Market		Quarterly
Hertford Farmers Market (additional stall)		Daily
Electricity (lights & till only)		Per day
Electricity (lights & till & cooking)		Per day
Comercial Market Incentive Discount		Annual
Comercial Market Incentive Discount		6 Months
Comercial Market Incentive Discount		Quarterly

-	460.00	OS
-	240.00	OS
-	150.00	OS
-	460.00	OS
-	240.00	OS
-	150.00	OS
-	880.00	OS
-	460.00	OS
-	275.00	OS
-	1,260.00	OS
-	660.00	OS
-	400.00	OS
-	360.00	OS
-	190.00	OS
-	100.00	OS
-	11.00	OS
4.50	4.50	S
7.50	7.50	S
-	26.00	
-	13.00	
-	6.50	

Note 1 - Can be any two from Hertford Commercial Saturday, Hertford Commercial Friday and Ware Commercial

Note 2 - Hertford Commercial Saturday, Hertford Commercial Friday and Ware Commercial.

Note 3 - One market per month but includes stall and table.



Basis of Charge	Unit of Charge
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2025/26 Charge
Ex. VAT £

2026/27 Charge
Ex. VAT £

Hostels

Rectory & Hillcrest Hostels Single room (exc. Service charges)		per week
Rectory & Hillcrest Hostels Double room (exc. Service charges)		per week
Rectory & Hillcrest Hostels Family room (exc. Service charges)		per week
Cedar Cottage Support Hostel Self Contained Unit		per week
Bed & Breakfast - Single person		per week
Bed & Breakfast - Single person		per day
Bed & Breakfast - Single person and one child		per week
Bed & Breakfast - Single person and one child		per day
Bed & Breakfast - Single person and two children		per week
Bed & Breakfast - Single person and two children		per day
Bed & Breakfast - Couple		per week
Bed & Breakfast - Couple		per day
Bed & Breakfast - Couple and one child		per week
Bed & Breakfast - Couple and one child		per day
Bed & Breakfast - Couple and two children		per week
Bed & Breakfast - Couple and two children		per day
Bed & Breakfast - Additional children up to 16		per week
Bed & Breakfast - Additional children up to 16		per day

250.00	260.00	Z
330.00	343.00	Z
375.00	390.00	Z
377.00	392.00	Z
129.33	134.50	Z
15.80	16.43	Z
146.40	152.26	Z
20.90	21.74	Z
159.00	165.36	Z
22.80	23.71	Z
146.40	152.26	Z
20.90	21.74	Z
171.80	178.67	Z
24.50	25.48	Z
181.10	188.34	Z
26.60	27.66	Z
15.10	15.70	Z
2.10	2.18	Z

Landcharges

Registration of a charge in Part II of the register	Statutory Fee	per charge
Filing a definite certificate of the Lands Tribunal under rule 10 (3)	Statutory Fee	per certificate
Filing a judgement or order, or written request for the variation or cancellation of any entry in Part 11 of the register	Statutory Fee	per item
Inspection of documents filed in the register under rule 10, in respect of each parcel of land	Statutory Fee	per parcel of land
Office copy of any plan or other document filed pursuant to the rules	Statutory Fee	per copy
Standard search fee (CON29) VAT inclusive price	Cost Recovery	Per search
Extra parcel fee with standard search (CON29)	Cost Recovery	Per search
Standard search including all CON290 questions	Cost Recovery	Per search
CON29	Cost Recovery	Per search
Con290 Qu.4 -21	Cost Recovery	Per search
Con290 Qu.22	Cost Recovery	Per search
Extra parcel fee (Con29)	Cost Recovery	Per search
Expedited search fee	Cost Recovery	Per search

67.00	67.00	OS
2.50	2.50	OS
7.00	7.00	OS
2.50	2.50	OS
Individual Charge		OS
140.00	117.50	S
20.50	11.00	S
305.25	287.40	S
105.00	117.50	S
7.00	7.25	S
39.25	39.40	S
10.25	11.00	S
40.00	41.00	S



Basis of Charge	Unit of Charge
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2025/26 Charge
Ex. VAT £

2026/27 Charge
Ex. VAT £

Legal Charges

External legal advice (Non Public Law Partnership member)	Discretionary	Per hour	255.00	265.00	S
Authorised Guarantee Agreement	Discretionary	Fixed	628.00	653.00	S
Commercial lease assignment	Discretionary	Fixed	850.00	884.00	S
Leases	Discretionary	Fixed	981.00	1,020.00	S
Licences	Discretionary	Fixed	459.00	477.00	S
Deed of covenants	Discretionary	Fixed	511.66	532.00	S
Landlord licence	Discretionary	Fixed	717.00	746.00	S
Deed of variation (complex)	Discretionary	Fixed	1,307.00	1,359.00	S
Easements	Discretionary	Fixed	1,307.00	1,359.00	S
Drafting Rent Reviews	Discretionary	Fixed	327.00	340.00	S
s.106 TCPA 1990 – simple	Discretionary	Fixed	255.00	265.00	S
s.106 TCPA – complex	Discretionary	Per Hour	255.00	265.00	S

255.00	265.00	S
628.00	653.00	S
850.00	884.00	S
981.00	1,020.00	S
459.00	477.00	S
511.66	532.00	S
717.00	746.00	S
1,307.00	1,359.00	S
1,307.00	1,359.00	S
327.00	340.00	S
255.00	265.00	S
255.00	265.00	S

Legal Charges continued

Deed of Surrender	Discretionary	Fixed	784.00	815.00	S
Transfer of Open Space	Discretionary	Fixed	1,046.00	1,088.00	S
Licence of alterations	Discretionary	Fixed	915.00	952.00	S
Licence to assign leasehold premises	Discretionary	Fixed	915.00	952.00	S
Notice of Assignment	Discretionary	Fixed	107.00	111.00	S
Nomination Agreement	Discretionary	Fixed	826.00	859.00	S
Leasehold Enquiry Forms	Discretionary	Fixed	193.00	201.00	S
Letter and Consent	Discretionary	Fixed	39.00	41.00	S
Residential Lease Extension	Discretionary	Fixed	551.00	573.00	S
Notice of charge	Discretionary	Fixed	130.00	135.00	S
Postponement of Charge	Discretionary	Fixed	130.00	135.00	S
Sale of land	Discretionary	Fixed	1,190.00	1,238.00	S
Footpath/Bridleway Creation or Diversion Agreement	Discretionary	Fixed	2,368.00	2,463.00	S

784.00	815.00	S
1,046.00	1,088.00	S
915.00	952.00	S
915.00	952.00	S
107.00	111.00	S
826.00	859.00	S
193.00	201.00	S
39.00	41.00	S
551.00	573.00	S
130.00	135.00	S
130.00	135.00	S
1,190.00	1,238.00	S
2,368.00	2,463.00	S

Street Name & Numbering

Change of house name or adding alias name	Discretionary	Per address	100.00	104.00	Z
Registering 1 plot	Discretionary	Per address	100.00	104.00	Z
Registering 2-24 plots	Discretionary	Per address	75.00	78.00	Z
Registering 25-49 plots	Discretionary	Per address	65.00	68.00	Z
Registering 50-74 plots	Discretionary	Per address	55.00	57.00	Z
Registering 75-99 plots	Discretionary	Per address	45.00	47.00	Z
Registering 100+ Plots	Discretionary	Per address	35.00	36.00	Z
Naming a new street/block where the Council Chooses a Name	Discretionary	Per road name	300.00	310.00	Z
Naming a new street/block where the developer chooses a name (Three names to be submitted with local connection and must conform to policy)	Discretionary	Per road name	400.00	425.00	Z
Renaming of street where requested by residents and/or the Town/Parish Council	Discretionary	Per address	100.00	104.00	Z
Change to new addresses due to development changing after the schedule has been issued (applies to all amended plots)	Discretionary	Per address	100.00	104.00	Z

100.00	104.00	Z
100.00	104.00	Z
75.00	78.00	Z
65.00	68.00	Z
55.00	57.00	Z
45.00	47.00	Z
35.00	36.00	Z
300.00	310.00	Z
400.00	425.00	Z
100.00	104.00	Z
100.00	104.00	Z



Basis of Charge	Unit of Charge
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2025/26 Charge
Ex. VAT
£

2026/27 Charge
Ex. VAT
£

Electoral Registration Fees

Fee for sale of the full register and notices of alteration	Statutory Fee	per sale provided electronically	20.00	20.80	Z
and an additional	Statutory Fee	per thousand or part thousand entries	1.50	1.56	Z
Fee for sale of the full register and notices of alteration	Statutory Fee	per sale printed	10.00	10.40	Z
and an additional	Statutory Fee	per thousand or part thousand entries	5.00	5.20	Z
Fee for sale of the open Register	Statutory Fee	per sale provided electronically	20.00	20.80	Z
and an additional	Statutory Fee	per thousand or part thousand entries	1.50	1.56	Z
Fee for sale of the open Register	Statutory Fee	per sale printed	10.00	10.40	Z
and an additional	Statutory Fee	per thousand or part thousand entries	5.00	5.20	Z
Fee for sale of the list of overseas electors	Statutory Fee	per sale provided electronically	20.00	20.80	Z
and an additional	Statutory Fee	per hundred or part hundred entries	1.50	1.56	Z
Fee for sale of the list of overseas electors	Statutory Fee	per sale printed	10.00	10.40	Z
and an additional	Statutory Fee	per hundred or part hundred entries	5.00	5.20	Z
Fee for sale of the marked document (register or absent voters list)	Statutory Fee	per sale provided electronically	10.00	10.40	Z



Basis of Charge	Unit of Charge
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2025/26 Charge Ex. VAT £

2026/27 Charge Ex. VAT £	VAT
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Electoral Registration Fees - continued

and an additional	Statutory Fee	per thousand or part thousand entries
Fee for sale of the marked document (register or absent voters list)	Statutory Fee	per sale printed
and an additional	Statutory Fee	per thousand or part thousand entries
Photocopies of Election expense returns	Statutory Fee	Per side copied
Certificate of Registration	Discretionary	per elector per year
Voter Authority Certificate	Statutory Fee	per elector per year

1.00	1.04	Z
10.00	10.40	Z
2.00	2.08	Z
0.20	0.21	Z
22.00	22.88	Z
Free		Z

Animal Control

Stray dog with ID chip (unless first offence and dog is collected the same day)		per dog
Stray dog without ID chip	Statutory Fee	
Stray dog collected		
Kennel Charges		per night
Assistance to third party organisations		per hour
Provision of dog waste bag		per box of 5000
Dog Fouling Sign		per sign

35.00	36.40	n/a
60.00	60.00	n/a
25.00	26.00	n/a
27.50	28.60	n/a
Price on application	-	S
68.50	71.00	S
Price on application	-	S

Pest Control

Concessionary fee for residents in receipt of income related benefit - waived in cases of hardship at the discretion of the Head of Environmental Services		per job
		25.00

25.00	26.00	S
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Outdoor Exercise Group Activities

Organisations - per site		per site
Personal Trainers - per trainer		per trainer

1,995.00	2,075.00	S
745.00	775.00	S



Basis of Charge	Unit of Charge	2025/26 Charge Ex. VAT £	2026/27 Charge Ex. VAT £	VAT
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Waste Service Fees

Garden Waste - residential

Garden Waste Bin	Per bin per year	59.00	61.00	OS
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Trade Refuse - Commercial Customers

120 litre bin	Commercial charge	Per bin per year	7.35	7.64	OS
240 litre bin	Commercial charge	Per bin per year	11.91	12.39	OS
360 litre bin	Commercial charge	Per bin per year	13.24	13.77	OS
660 litre bin	Commercial charge	Per bin per year	22.43	23.33	OS
1100 litre bin	Commercial charge	Per bin per year	28.16	29.29	OS
EH Sacks - per 50 sacks	Commercial charge	Per 50 sacks	158.05	164.37	OS

Trade Refuse - Charities

240 litre bin	Commercial charge	Per bin per year	10.47	10.90	OS
360 litre bin	Commercial charge	Per bin per year	11.58	12.00	OS
660 litre bin	Commercial charge	Per bin per year	18.67	19.40	OS
1100 litre bin	Commercial charge	Per bin per year	22.93	23.80	OS
EH Sacks - per 50 sacks	Commercial charge	Per 50 sacks	146.44	152.00	OS

TRADE REFUSE - SCHOOLS

140 litre bin	Commercial charge	Per bin per year	7.31	7.60	OS
240 litre bin	Commercial charge	Per bin per year	8.64	9.00	OS
360 litre bin	Commercial charge	Per bin per year	10.86	11.30	OS
660 litre bin	Commercial charge	Per bin per year	15.84	16.50	OS
1100 litre bin	Commercial charge	Per bin per year	19.61	20.40	OS
EH Sacks - per 50 sacks	Commercial charge	Per 50 sacks	146.44	152.00	OS



Basis of Charge	Unit of Charge	2025/26 Charge Ex. VAT £	2026/27 Charge Ex. VAT £	VAT
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TRADE RECYCLING - CO-MINGLED RECYCLING

Box	Commercial charge	Per box per year	3.15	3.30	OS
140 litre bin	Commercial charge	Per bin per year	3.15	3.30	OS
240 litre bin	Commercial charge	Per bin per year	4.50	4.70	OS
360 litre bin	Commercial charge	Per bin per year	6.19	6.50	OS
660 litre bin	Commercial charge	Per bin per year	9.91	10.30	OS
1100 litre bin	Commercial charge	Per bin per year	12.38	12.90	OS

3.15	3.30	OS
3.15	3.30	OS
4.50	4.70	OS
6.19	6.50	OS
9.91	10.30	OS
12.38	12.90	OS

TRADE RECYCLING - PAPER RECYCLING

Box	Commercial charge	Per box per year	3.15	3.30	OS
140 litre bin	Commercial charge	Per bin per year	3.15	3.30	OS
240 litre bin	Commercial charge	Per bin per year	4.50	4.70	OS
360 litre bin	Commercial charge	Per bin per year	6.19	6.50	OS

3.15	3.30	OS
3.15	3.30	OS
4.50	4.70	OS
6.19	6.50	OS

TRADE CLINICAL WASTE

Site visit	Commercial charge	Per box per year	21.32	22.17	OS
Sharps container	Commercial charge	Per bin per year	13.63	14.18	OS
Clinical Waste Sacks - infectious	Commercial charge	Per bin per year	8.42	8.76	OS
Clinical Waste Sacks - offensive	Commercial charge	Per bin per year	5.10	5.30	OS
Extra sacks delivery	Commercial charge	Per bin per year	37.44	38.94	OS

21.32	22.17	OS
13.63	14.18	OS
8.42	8.76	OS
5.10	5.30	OS
37.44	38.94	OS

BULKY WASTE COLLECTION

Basic collection of 1 - 6 items	Cost Recovery	Per collection of 1 - 6 items	58.90	61.20	OS
Additional items - non electrical	Cost Recovery	Per item	16.30	17.00	OS
Additional items - electrical	Cost Recovery	Per item	54.30	56.50	OS
Additional items - Persistant Organic Pollutants	Cost Recovery	Per item	58.60	61.00	OS
Cancellation fee	Cost Recovery	Per cancellation	14.40	15.00	OS

58.90	61.20	OS
16.30	17.00	OS
54.30	56.50	OS
58.60	61.00	OS
14.40	15.00	OS



Basis of Charge	Unit of Charge
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2025/26 Charge
Ex. VAT £

2026/27 Charge
Ex. VAT £

Planning Fees

MISC DEVELOPMENT MANAGEMENT CHARGES

Copies of any documents	per black & white A4 side
Copies of any documents	per colour A4 side
Copies of any documents	per black & white A3 side
Copies of any documents	per colour A3 side
Copies of documents provided on an electronic disc	per disc provided
Historical Research (where records available)	per hour (or part)
Legal obligation agreements - confirmation of compliance by third parties or where the monitoring	per hour (or part of) after first hour
Retrieval of externally stored microfilmed records	per microfilmed record

0.16	0.17	n/a
0.33	0.34	n/a
0.33	0.34	n/a
0.66	0.69	n/a
19.95	20.75	n/a
100.80	104.83	n/a
98.70	102.65	n/a
45.00 per hour	47.00 per hour	n/a

MINOR PRE-APPLICATION ADVICE

Householder proposals (written advice only)	Per request
Heritage advice only (minor scheme where site is within curtilage of Listed Building)	Per request
Small Commercial (written advice only)	Per request
Small Commercial (written advice and meeting)	Per request
Medium commercial (written advice only)	Per request
Medium commercial (written advice and meeting)	Per request
Other commercial or simple change of use (written advice only)	Per request
Other commercial or simple change of use (written advice, with meeting)	Per request
Simple Adverts (written advice only)	Per request
Simple Adverts (written advice with meeting)	Per request
10 or more adverts (written advice only)	Per request
11 or more adverts (written advice with meeting)	Per request
Other non-residential not covered by the above (written advice only)	Per request
Other non-residential not covered by the above (written advice and meeting)	Per request
Creation of new residential unit (written advice only)	Per request
Creation of new residential unit (written advice and meeting)	Per request
2-5 new residential units (includes meeting)	Per request
6-9 new residential units (written advice only)	Per request
6-9 new residential units (written advice and meeting)	Per request

218.75	227.50	S
450.00	468.00	S
454.80	478.00	S
-	728.00	S
909.59	955.00	S
	1,205.00	S
272.88	287.00	S
-	537.00	
181.92	191.00	S
-	441.00	
636.71	669.00	S
-	919.00	
272.88	287.00	S
-	537.00	
481.25	505.00	S
-	755.00	
960.49	1,009.00	S
1,152.59	1,210.00	S
-	1,610.00	S



Basis of Charge	Unit of Charge	2025/26 Charge Ex. VAT £	2026/27 Charge Ex. VAT £	VAT
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MAJOR PRE-APPLICATION ADVICE

Residential 10-24 units		Per request
Residential 25-49 units		Per request
Residential 50 - 99 units		Per request
Residential 100-200 units		Per request
Residential 200 units +		Per request
Small major commercial scheme		Per request
Medium major commercial scheme		Per request
Large major commercial scheme		Per request
Commercial chang of use		Per request
Other non-residential advice on major applications not covered by the above		Per request
Other non-residential advice on major applications not covered by the above (no floor area)		Per request

3,605.39	3,786.00	S
5,408.09	5,678.00	S
8,112.13	8,518.00	S
13,520.22	14,196.00	S
price on application	price on application	S
5,250.00	5,513.00	S
7,875.00	8,269.00	S
10,500.00	11,025.00	S
2,100.00	2,205.00	S
4,375.00	4,594.00	S
525.00	551.00	S

Planning Miscellaneous

High Hedges (Part 8 of the Anti-social Behaviour Act 2003)		Per request
Withdrawal of notice from Enforcement Register		Per request
Discretionary Meeting		Per request
Handling Fee for long-term invalid applications		Per request
Discussion of provision of habitat bank for Biodiversity Net Gain		Per request
Chargeable amendments to applications under consideration		Per request

700.00	735.00	S
450.00	473.00	S
200.00	210.00	S
62.00	65.00	S
-	2,500.00	S
-	204.17	S

SELF-BUILD AND CUSTOM HOUSEBUILDING REGISTER

Entry onto Part 1 of the Register (Individuals)		per officer rate
Entry onto Part 2 of the Register (Individuals)		per officer rate
Entry onto Part 1 of the Register (Groups and Associations)		per officer rate
Entry onto Part 2 of the Register (Groups and Associations)		per officer rate

150.00	25.00	S
150.00	25.00	S
150.00 + 75.00 per individual	25.00	S
150.00 + 75.00 per individual	25.00	S

Surrendering Vehicle for scrapping

Motorcycle - no storage	Cost Recovery	per vehicle
Vehicle less than 3.5 tonnes - no storage	Cost Recovery	per vehicle
Touring Caravan - no storage	Cost Recovery	per vehicle
Motorcycle - storage 7 days	Cost Recovery	per vehicle
Vehicle less than 3.5 tonnes - storage 7 days	Cost Recovery	per vehicle
Touring Caravan - storage 7 days	Cost Recovery	per vehicle

-	59.50	S
-	259.50	S
-	161.00	S
-	231.00	S
-	466.00	S



Basis of Charge	Unit of Charge	2025/26 Charge Ex. VAT £	2026/27 Charge Ex. VAT £	VAT
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Parking permits

Off Street Resident Season Ticket - Port Vale			341.71	S
Off Street Resident Season Ticket - Crown Terrace			1,536.00	S
Off Street Resident Season Ticket - Baldock Street - Ware			1,201.01	S
On Street Resident Season Ticket - 1st Permit			75.00	OS
On Street Resident Season Ticket - 2nd Permit			150.00	OS
On Street Resident Season Ticket - 3rd Permit (only available where possible in B1 (Stansted Rd, BS), B2 (Dunmow Rd, BS), B3 (Windhill BS), B7 Chantry BS), W2 (Coronation Rd Ware))			156.25	OS
On Street Resident Season Ticket - Motorcycle permit			27.00	OS
On Street Resident Season Ticket - Contractor permit	per week		26.00	OS
On Street Resident Season Ticket - Business permit	per annum		424.00	OS
On Street Resident Season Ticket - Carers/ Special permits (discretionary)			45.00	OS
On Street Resident Season Ticket - Charge for Temporary Dispensation from Parking Restrictions			26.00	OS
On Street Residents Parking Permits - Folly Island - 2nd Permit			75.00	OS
On Street Resident Season Ticket - Vistors Vouchers	per hour		0.17	OS
On Street Resident Season Ticket - Vistors Vouchers	per hour pensioners		0.08	OS
On Street Resident Season Ticket - Vistors Vouchers	Per Day		1.60	OS
On Street Resident Season Ticket - Vistors Vouchers	Per day pensioners		0.80	OS
On Street Resident Season Ticket - Vistors Vouchers	Per Week		3.40	OS
On Street Resident Season Ticket - Vistors Vouchers	Per week pensioners		1.70	OS
Parking Northgate House	Per space per annum		1,050.00	OS
Bishop's Stortford market traders' tariff - Link Road	per Thursday or Saturday		4.80	S
Bishop's Stortford market traders' tariff - Apton Road	per Thursday or Saturday		4.80	S
Old London Road - Hertford - Coach / Lorry tarriff	per visit		16.00	S
Fast chargers (up to 22 kWh)			0.44	I

PROJECTED BALANCES ON RESERVES

Appendix C

	2025/26 Balance 31 Mar '26 £000	2026/27 Balance 31 Mar '27 £000	2027/28 Balance 31 Mar '28 £000	2028/29 Balance 31 Mar '29 £000	2029/30 Balance 31 Mar '30 £000	2030/31 Balance 31 Mar '31 £000
General Fund	3,854	3,854	3,854	3,854	3,854	3,854
Other Earmarked Reserves						
Corporate						
General Reserve	481	481	481	481	481	481
Local Government Reorganisation	0	500	0	0	0	0
Provision for future whole Council elections	380	380	380	380	380	380
New Homes Bonus Priority Spend	4,006	3,006	3,006	3,006	3,006	3,006
Total Corporate	4,866	4,366	3,866	3,866	3,866	3,866
Risk						
Interest Equalisation Reserve	1,647	1,647	1,647	1,647	1,647	1,647
Insurance Fund	714	714	714	714	714	714
Emergency Planning Reserve	36	36	36	36	36	36
HB Subsidy Volatility	100	100	100	100	100	100
Waste recycling income volatility reserve	171	171	171	171	171	171
Sinking Fund - Leisure utilities / pension	228	228	228	228	228	228
Collection Fund Reserve	5,063	5,063	5,063	5,063	5,063	5,063
Total Risk	7,959	7,959	7,959	7,959	7,959	7,959
Service Specific						
Local Plan Reserve	387	232	77	0	0	0
Housing Condition Survey	90	90	90	40	40	40
Performance reward grant	0	0	0	0	0	0
Footbridge over the River Stort	150	150	150	150	150	150
Finance Systems	326	326	326	326	326	326
Neighbourhood Planning Grant	176	176	176	176	176	176
Flexible Homelessness Grant	354	354	354	354	354	354
Preventing Homelessness New Burdens	31	31	31	31	31	31
Land Charges New Burdens	30	30	30	30	30	30
Parks & Open spaces	306	306	306	306	306	306
Revenues & Benefits New Burdens	321	321	321	321	321	321
Total Service Specific	2,172	2,017	1,862	1,735	1,735	1,735
Total Earmarked Reserves	14,997	14,342	13,688	13,560	13,560	13,560
Total Reserves	18,851	18,196	17,542	17,414	17,414	17,414

Section 25 Statement of the Chief Financial Officer (CFO) – East Herts Council 2026/27

1. Introduction and Wider Economic Environment

The 2026/27 budget for East Herts Council has been prepared in the context of ongoing uncertainty in the wider economic environment, including persistent inflationary pressures, fluctuating interest rates, and continued volatility in staffing and other costs. The national and local economic climate continues to impact both the Council's income streams and expenditure, requiring prudent financial management and robust governance.

East Herts Council has a strong track record of sound financial management, compliance with statutory codes, and effective delivery of strategic objectives. The Council's financial planning is underpinned by regular review and challenge, ensuring that the budget is both realistic and sustainable.

2. Robustness of Estimates

Budget Process and Governance

The Council's budget-setting process is rigorous and collaborative, involving:

- **Enhanced challenge and scrutiny** by the CFO and Deputy CFO, who work closely with business partners, service managers, the Leadership Team, and the Executive to ensure all budget proposals are robust and evidence based.
- **Quarterly budget monitoring** and regular review of outturn positions, enabling early identification and management of variances.
- **Active engagement** of Members through the Scrutiny Committees, ensuring transparency and accountability.

Key Assumptions and Risks

- **Inflation and Pay:** The 2026/27 estimates incorporate prudent assumptions on inflation, pay awards, and contract costs, reflecting the latest forecasts and local intelligence.
- **Income and Grants:** Income projections are based on realistic assessments of demand and economic conditions. The budget includes the impact of Fair Funding 2.0.
- **Savings and Efficiencies:** The Council continues to deliver savings through efficiency programmes. The budget includes a significant asset disposal programme, notably the disposal of all properties within the Millstream company. These receipts are critical to reducing the Council's Minimum Revenue Provision (MRP) and interest costs.
- **Capital Programme:** The capital estimates have been reviewed for deliverability and risk. The Council's capital strategy is closely aligned with its asset management and treasury strategies, with clear governance arrangements in place.
- **Risk Management:** The Council has identified and mitigated key financial risks, including those associated with commercial income, asset disposals, and market volatility. Sensitivity analysis and scenario planning are embedded in the budget process.

Financial Controls

- The Council's Financial Regulations require all budget holders to manage within approved budgets, with clear procedures for variances and supplementary estimates.
- Where budget pressures arise, these are reported promptly to Members, with action plans developed to address significant variances.

3. Adequacy of Reserves

General and Earmarked Reserves

- The Council maintains a clear distinction between general, earmarked, and unusable reserves. The adequacy of reserves is

reviewed annually, taking into account service risks, transformation commitments, and the need for financial resilience.

- **Breakdown of Earmarked Reserves:** Work is completed on which reserves are committed and which may be available for future use. A breakdown of reserves is provided as an appendix to the final budget report.
- The Council's reserves are regularly reviewed to ensure that balances remain above the minimum risk-assessed level, providing a buffer against unforeseen events and timing differences between expenditure and income.

4. Statement of Accounts and Audit

- East Herts Council has caught up on all outstanding statements of accounts up to and including 2024/25. While these accounts are currently disclaimed, work is progressing with auditors to gain further assurance and move towards unqualified opinions.
- The Council's financial management and reporting arrangements remain robust, providing Members and the public with confidence in the integrity of the Council's finances.

5. Capital Programme

- The Council has a minimal capital programme, including a heavy asset disposal strategy. The disposal of Millstream company properties is a key element, with receipts earmarked to support reductions in MRP and interest costs.
- The capital programme is subject to rigorous review and governance, with risks and dependencies clearly identified and managed.

6. Conclusion and CFO Opinion

In my opinion as Chief Financial Officer, the budget estimates for 2026/27 are robust, and the level of reserves is adequate to support the Council's financial position and medium-term strategy. The latest MTFP has taken account of a greater proportion of the ongoing financial pressures anticipated to persist into future years, which should help to

reduce the budgetary challenges projected for 2026/27 and beyond.

Members are recommended to:

- Approve the budget and reserves strategy as set out,
- Note the risks and assumptions underpinning the estimates,
- Support the ongoing delivery of savings, transformation, and asset disposal plans,
- Note the Council's compliance with statutory and professional codes of practice.

EAST HERTS DISTRICT COUNCIL CAPITAL PROGRAMME 2026/27 TO 2028/29

APPROVED SCHEMES	2025/26 Revised Estimate £'000	Projected Carry Forward into 2026/27 £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000	Scheme Total from 2026/27 £'000
Land and Buildings						
Land and Buildings						
Investment in operational assets		392				392
Depot Upgrades	327					-
Hertford Theatre	19	81				81
Old River Lane	59	59				59
Town Centre Regeneration - Public Square				1,500		1,500
URC Church Hall			170			170
Buntingford Public WC - UKSPF						-
Pinehurst Community Hall	8					-
Total Land and Buildings	413	532	170	1,500	-	2,202
Infrastructure						
Infrastructure						
Bridge	33					-
Total Infrastructure	33	-	-	-	-	-
Vehicles and Equipment						
Vehicles and Equipment						
ICT Rolling programme	124		300	300		600
BEAM Website	51					-
Sports Equipment - Pool Cover - UKSPF						-
Air Quality Website - UKSPF						-
Refuse & Recycling - Cleansing vehicles	6,130					-
Refuse & Recycling - containers	1,680					-
Transformation Programme	195	18				18
Total Vehicles and Equipment	8,180	18	300	300	-	618
Community Assets						
Community Assets						
Replacement play equipment across the district						-
Bishops Stortford Castle Park - HLF & UKSPF						-

APPROVED SCHEMES	2025/26 Revised Estimate £'000	Projected Carry Forward into 2026/27 £'000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000	Scheme Total from 2026/27 £000
BEAM Solar Panel (UKSPF)		60				60
Hartham Decarbonisation (UKSPF)		50				50
Hertford Castle Grounds - Development Phase - HLF	270					-
Parks & Open Spaces		79				79
Warmer Homes	319					-
Tree Planting (UKSPF)						-
UKSPF - various	165	125				125
Total Community Assets	754	314	-	-	-	314
Capitalisation of Interest						-
Year End Adjustment						-
Contingency	-	250	200	100		550
TOTAL CAPITAL EXPENDITURE	9,380	1,114	670	1,900	-	3,684
FUNDED BY:						
Borrowing (Internal)	(7,810)					-
Borrowing (External)	(59)	(59)	-			-59
Capital Receipts	(749)	(741)	(670)	(1,900)		-3,311
Capital Grants Applied	(754)	(235)	-			-235
S106	(8)	(79)	-			-79
Reserve funded						-
TOTAL CAPITAL FUNDING	(9,380)	(1,114)	(670)	(1,900)	-	(3,684)

MINUTES OF A MEETING OF THE
JOINT MEETING OF SCRUTINY
COMMITTEES HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
WEDNESDAY 28 JANUARY 2026, AT 7.00
PM

PRESENT:

Councillor Martin Adams (Chair)
Councillors D Andrews, P Boylan, B Deering,
J Dunlop, R Carter, N Clements, C Hart,
C Horner, D Jacobs, S Nicholls, T Smith,
M Swainston, G Williams, G Williamson,
J Wyllie and Mr N Sharman

ALSO PRESENT:

Councillors C Brittain, B Crystall and
D Hollebon

OFFICERS IN ATTENDANCE:

Michele Aves	- Committee Support Officer
Peter Mannings	- Committee Support Officer
Brian Moldon	- Director for Finance, Risk and Performance
Stephanie Tarrant	- Assistant Director for Democracy, Elections and Information Governance

1

APPOINTMENT OF CHAIR

It was moved by Councillor Jacobs and seconded by Councillor Horner that Councillor Adams be appointed Chair of the Joint Meeting of Scrutiny Committees. After

being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that Councillor Adams be appointed Chair of the Joint Meeting of Scrutiny Committees.

2 APOLOGIES

There were apologies for absence from Councillors E Buckmaster, Cox and Willcocks. There was also an apology from an Independent Person – Mark Poppy.

3 CHAIR'S ANNOUNCEMENTS

The Chair welcomed all to the meeting and reminded all participants to use their microphones when speaking.

The webcast of the meeting can be viewed here [Joint Meeting of Scrutiny Committees - 28 January 2026](#).

The Chair reminded Members that their comments would be captured within the minutes of the meeting and by officers, who would feed these back to the Executive. He added that the minutes and any comments would be included as appendices to the Executive report.

4 DECLARATIONS OF INTEREST

There were no declarations of interest.

5 DRAFT BUDGET 2026/27 AND MEDIUM-TERM FINANCIAL PLAN 2026-2031

The Executive Member for Financial Sustainability introduced the report which set out an updated Medium Term Financial Plan for 2026/27 to 2030/31, which reflected the provisional Government settlement and several emerging financial pressures.

The Executive Member for Financial Sustainability said

that although the Fair Funding review outcome was more favourable than expected, Government support will still decline, leaving Council Tax growth as the main driver of a modest rise in core spending power - one that remains below inflation. He said that additional pressures included £706k in new budget demands, anticipated Local Government Reorganisation costs, and slower-than-expected BEAM income - all requiring prudent contingencies.

The Executive Member for Financial Sustainability said that savings from the Hertfordshire Pension Fund valuation - nearly £1 million annually, would enable a balanced budget and the creation of new reserves to strengthen resilience. He said that the plan emphasised continued efficiency, increased income from fees and charges, and careful reserve management to maintain financial sustainability amid ongoing uncertainty.

The Chair thanked the Executive Member for Financial Sustainability for his report.

Members raised questions and concerns in relation to the decision to not raise Sunday car parking charges (citing this as a potential lost avenue for raising revenue for the Council), versus the adverse reactions from residents which the agreed increases had received. It was clarified that the Sunday charge would be increased in all but the rural carparks within the district, and that the increases did provide a significant figure towards the Council being able to produce a balanced budget. Members heard that should the increases not occur in the current year the Council would fall behind, leading to higher than inflation increases being made in future years. It was also acknowledged that the regime needed to be equal and fair, and although the district's High Streets (with Buntingford being cited by ward Members) were under pressure, this was due to several factors such as the cost of Business Rates and the rise of online shopping.

Members debated the Council's reserves, as shown at

Appendix C of the report and it was confirmed that the presentation of the reserves earmarked for LGR over the next 2 years (as on page 53) would be amended from £500,000 for 2026/27 to show £250,000 for both 2026/27 and 2027/28. Discussion was had as to if the reserves earmarked for the costs of LGR were adequate, and Members heard that uncertainties/unknowns surrounding the reorganisation made an answer currently impossible.

Members agreed that LGR was both unwanted and a huge expense, which gave little benefit. They heard that the biggest LGR expenses would relate to officer resource, staff changes (including possible redundancies) and the harmonising of IT, all of which were advance costs, required to be in place from day 1. It was further explained that each of the proposed modules for LGR were expected to take somewhere between 3 – 6 years to yield savings or ‘break even’

Discussion around LGR continued, noting that there were currently 132 unitary local authorities in England – covering 71% of the population, with all authorities in Scotland, Wales and Northern Ireland unitary. It was heard that research on LGR had provided a mixed picture, with success reliant on implementation. It was also noted that previous unification was undertaken in less challenging times, with better Government funding, and when Councils had spare finances.

Clarification was sought as to the difference between the Government and the Council’s figures relating to Council Tax revenue. Members heard that this was due to the Government’s method of estimation, with the Council using their own, more specific and up to date data within the budget.

Members discussed the risks associated with having disclaimed accounts and were given assurance that this was managed as much as possible. Acknowledgement was given that the valuation of assets was a potential related area of risk, however this was mitigated by

reserves.

Members highlighted the Executive drawdown reserve and sought expansion on how this £250,000 would be used, ensuring that it be spent fairly across the whole district. Members heard that only initial discussions had been had, with the Executive welcoming Member's suggestions for consideration. Suggestion was made that this should be for collective membership (instead of the Executive) to decide how this reserve be used.

Members gave comments and asked questions relating to asset sales and heard that these were important to the budget. It was confirmed that the Council had approximately £15 million of assets to sell, and confidence was high that these would come to fruition. Members heard that Old River Lane made up more than half of this value, with progress with the developer ongoing. It was explained that as each Millstream tenancy expired the property would go to market - with 1 such property sold, 1 in the process of being sold and another actively on the market. This staggered approach also allowed the property team to manage the process with the resources available to them.

Members heard that multi-year settlements from the Fair Funding Review (FFR) were useful in the respect that they gave more clarity, allowing a balanced budget to be set, albeit they were monetarily less each year.

Members debated service efficiencies, with focus given to partnership working and minor restructure. Members heard that £14,000 of such savings were inbuilt into the budget, but Leadership Team were constantly looking for opportunities for efficiencies, with the recent recruitment of a shared Lead Human Resources Officer with Broxbourne Council and options surrounding the replacement of the outgoing Director of Legal, Policy and Governance cited as examples. It was explained that the Transformation Team was being disbanded - with monies being used instead on technology implementation.

Members discussed BEAM, and although recognised it as being a huge community asset expressed concerns regarding its ongoing loses and optimistic business plan in a climate where the arts were struggling. Members heard that although BEAM would show a loss this year, it was forecast to become self-sufficient, with improvements happening all the time under its new Director. They were told that year on year comparisons were now available for the venue and that a new business plan would also shortly come before Members. Members also heard that Hertford Theatre (as BEAM was before redevelopment) was subsidised by £300,000 per year, but it was felt that BEAM was a superior offering.

It was moved by Councillor Nicholls and seconded by Councillor Swainston, that the recommendations, as detailed, be approved. It was noted that Councillors T Smith and Andrews abstained from the vote. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that Members examine and comment on the Draft Budget 2026/27 and Medium-Term Financial Plan 2026-2031 contained within the reports.

6 CAPITAL STRATEGY, MINIMUM REVENUE PROVISION STATEMENT AND TREASURY MANAGEMENT STRATEGY 2026/27

The Director for Finance, Performance and Risk introduced the report which presented the Council's Capital Strategy, MRP Statement, and Treasury Management Strategy for 2026/27. The report set out the framework for how capital investment is planned, financed, and governed.

The Director for Finance, Performance and Risk said that with resources being extremely limited, the capital programme focused solely on essential health and safety

and business critical works, with future investment dependent on asset disposals. He said that the Treasury Strategy maintained a low-risk approach to managing cash, borrowing, and investments in line with CIPFA requirements, while the MRP Statement continued the prudent policy of repaying borrowing over the life of assets to ensure long-term affordability and sustainability.

The Chair thanked the Director for Finance, Performance and Risk for his report.

Members sought assurance that the Environmental, Social and Governance (ESG) Policy remained up to date. They heard that this was the case, and that the Policy was Treasury Advisor aligned.

It was moved by Councillor Dunlop and seconded by Councillor Nicholls, that the recommendations, as detailed, be approved. It was noted that Councillor Jacobs abstained from the vote. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that Members examine and comment on the Capital Strategy, Minimum Revenue Provision Statement and the Treasury Management Strategy 2026/27 including the Prudential Indicators contained within the reports.

7 EXCLUSION OF THE PRESS AND PUBLIC (IF REQUIRED)

There was no Part II business.

8 URGENT BUSINESS

There were no urgent items.

The meeting closed at 8.21 pm

Appendix F

Chairman

Date

Appendix F

Comment from Committee	Reasons from the Committee	Executive Member/Officer Comment	Recommended Action
If the car park charges were not increased (generating £277k) what impact would this have on the balanced budget	Feedback from residents	To not increase in line with inflation would erode the base budget and result in pressures in future years	Take no action
Impact on Buntingford town of increasing parking charges by 10%	High street is struggling, closure of businesses	All high streets are struggling, multitude of reasons for this (NNDR, high rents, online shopping). Buntingford charges inline with parking policy, charges reflect the situation of the town. Exception has been made for Buntingford, following consultation, which increases not being proposed	Action already taken (pay and display charges not increased)
Cost of LGR, what is the £1m anticipated to be used to fund.	Significant amount of expenditure to fund a change imposed by the government.	IT costs are the most significant, project management costs for implementation and costs relating to staffing	Keep under review, no action at present

Appendix F

Comment from Committee	Reasons from the Committee	Executive Member/Officer Comment	Recommended Action
		(employment of extra staff and pressure of redundancies).	
Is £1m enough to fund LGR	Impact on Council's reserves	Amounts unknown at present, will be determined by the configuration of the new authorities, following decisions from government	Keep under review, no action at present
Executive £250k reserve	How will the Executive ensure that this is spent fairly across the district	Process is still being worked on, as only became a possibility in the last month. Intention to make as fair as possible	Executive to review
Executive £250k reserve	Should this be designated for wider member use rather than just Executive.	Still open to ideas and suggestions	Executive to review

EAST HERTS COUNCIL REPORT

EXECUTIVE MEETING

DATE OF MEETING: TUESDAY 10 FEBRUARY 2026

**REPORT BY: COUNCILLOR CARL BRITTAINE, EXECUTIVE MEMBER
FOR FINANCIAL SUSTAINABILITY**

**REPORT TITLE: CAPITAL STRATEGY, MINIMUM REVENUE
PROVISION STATEMENT AND TREASURY MANAGEMENT
STRATEGY 2026/27**

WARDS AFFECTED: ALL

Summary – The report contains the Capital Strategy, Minimum Revenue Provision (MRP) statement and Treasury Management Strategy for 2026/27 for recommendation to Full Council to approve following consultation with the Joint Scrutiny Committee.

RECOMMENDATIONS FOR EXECUTIVE:

- a) That Executive recommends to Council that it approves the Capital Strategy, Minimum Revenue Provision Statement and the Treasury Management Strategy 2026/27, including the Prudential Indicators contained within the reports.

1. Proposal

- 1.1. This report sets out the Executive's recommended Capital Strategy, Minimum Revenue Provision Statement, and Treasury Management Strategy for 2026/27. These documents were reviewed by Joint Scrutiny, which offered no comments for consideration, and are now presented for Executive to recommend to Council for formal approval.

2. Background and Reasons

Capital Strategy

- 2.1. The East Herts Council Capital Strategy (as detailed at Appendix A) provides an essential opportunity for engagement with Full Council to ensure that the overall approach to capital investment, risk appetite,

and governance arrangements is fully understood by all Members and stakeholders. It sets the framework within which decisions on capital expenditure are made.

- 2.2. The Strategy is a corporate document that both influences and is influenced by wider policy and decision-making. It ensures that capital investment aligns with the Council's priorities and statutory responsibilities.
- 2.3. The Strategy will be reviewed and updated annually to remain responsive to changing circumstances, including external pressures, financial constraints, and the implications of Local Government Reorganisation (LGR). This annual refresh is necessary to maintain compliance with statutory guidance and to provide transparency on the Council's capital position.
- 2.4. Given the Council's very limited financial resources, the Capital Strategy for 2026/27 to 2028/29 will focus exclusively on schemes that are health and safety critical or essential to maintaining core business continuity. There is no scope for discretionary or aspirational projects within this period.
- 2.5. The Council will continue to deliver and monitor its capital programme within the context of its Climate Change commitments, including the ambition to become carbon neutral by 2030. A carbon assessment will remain an integral part of the business case for any new proposals.
- 2.6. The capital programme reflects the Council's compliance with statutory guidance that debt should remain below the Capital Financing Requirement. While the Council is currently compliant, there is no capacity for additional borrowing beyond the levels already proposed.

Treasury Management Strategy

- 2.7. The Council is required to operate a balanced budget, meaning that cash raised during the year broadly meets cash expenditure.

Treasury management Strategy 2026/27 (as detailed at Appendix B) ensures that cash flow is planned effectively so that funds are available when needed. Surplus cash is invested only with low-risk counterparties and instruments, consistent with the Council's low risk appetite, prioritising security and liquidity before considering investment return.

- 2.8. A second core function of treasury management is funding the Council's capital plans. These plans guide the Council's borrowing requirements and support longer-term cash flow planning to meet capital spending obligations. This may involve arranging short- or long-term loans or utilising longer-term cash surpluses. Where prudent and cost-effective, existing debt may be restructured to manage risk or reduce cost.
- 2.9. Treasury management makes a critical contribution to the Council's financial resilience. Balancing debt and investment operations ensures liquidity for day-to-day revenue commitments and major capital projects. Interest costs on borrowing and investment income from cash deposits directly affect the budget. As cash balances largely derive from reserves, maintaining the security of invested sums is paramount, as any loss of principal would impact the General Fund.
- 2.10. This Strategy complies with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities, ensuring that statutory requirements and best practice principles are met.
- 2.11. The Council's treasury activities are supported by its appointed independent advisors, Arlingclose Limited, who provide specialist guidance on borrowing, investment, and risk management.

Minimum Revenue Provision (MRP) Policy

- 2.12. Local authorities are required by statute to make a prudent provision for the repayment of borrowing undertaken to finance capital expenditure. This provision, known as the Minimum Revenue

Provision (MRP) (and detailed at Appendix C), ensures that the cost of capital investment is spread over the life of the asset and that borrowing is repaid in a sustainable manner.

- 2.13. The Council must approve an annual MRP Policy before the start of each financial year. This policy sets out the method by which the Council will calculate and charge MRP to its revenue account. Agreeing the policy provides transparency and assurance that the Council is complying with statutory requirements and the CIPFA Prudential Code, and that its approach remains prudent, affordable, and sustainable.
- 2.14. For 2026/27, the proposed policy continues to apply the principles adopted in previous years, ensuring that borrowing for capital purposes is repaid over an appropriate period, reflecting the useful life of the assets funded. This approach supports sound financial management and protects the Council's long-term financial resilience.

3. Options

- 3.1. The Executive may endorse the Capital Strategy, Minimum Revenue Provision Policy and Treasury Management Strategy as presented, agree amendments it considers necessary, or request further revisions. Whichever option is chosen; the Executive must ensure that final versions of these three documents are prepared for submission to Full Council for approval as part of the statutory budget-setting process.

4. Risks

- 4.1. Risks are set out in detail within the Capital Strategy, including the ongoing uncertainty around future funding and the Council's limited capacity for additional borrowing.
- 4.2. Compliance with tighter regulations on Minimum Revenue Provision (MRP) requires the Council to calculate its Capital Financing

Requirement accurately to ensure there is no underpayment of MRP and that borrowing remains affordable. Non-compliance with the Local Authorities (Capital Finance and Accounting) (England) Regulations 2024, as amended, would be unlawful.

- 4.3. Treasury risk management continues to operate within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (2021 Edition). The Code requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

5. Implications / Consultations

- 5.1. The proposed report was presented to the Joint Scrutiny Committee on 28 January 2026, where it was reviewed and considered. The Committee endorsed the report with no changes.

Community Safety

Building and refurbishment schemes design out crime and safety issues and public realm works are required to ensure that the community feel safe.

Data Protection

All investment in IT systems is required to check where data is held and that systems comply with data protection legislation.

Equalities

All capital schemes meet the necessary legislation and are subject to access audits. Design also considers dementia friendly design elements particularly around colour.

Environmental Sustainability

The council has established a carbon assessment tool that it is beginning to apply to existing capital projects. In the future, a carbon assessment of proposed capital projects will be included within the

overall business case so as to inform decision-making. To date, individual schemes have sustainability features designed into them and may include, for example: meeting BREEAM ratings for buildings and refurbishments; flood resilience and sustainable underground drainage systems; opportunities for renewable energy generation; and carbon reduction such as replacement of the council's internal combustion engine vehicles with battery electric vehicles.

Financial

The strategy guides the capital programme and detailed financial implications are included with that in the budget report.

Health and Safety

All contractors are required to have compliant health and safety policies. Where a health and safety issue require capital expenditure it will be fast tracked to deal with the issue.

Human Resources

None

Human Rights

None

Legal

A Capital Strategy is required under the CIPFA Prudential Code, which the Council must follow in accordance with the Local Government Act 2003. The Act also requires local authorities to have regard to the CIPFA Treasury Management Code of Practice and to approve a Treasury Management Strategy before the start of each financial year.

In addition, the Council is legally obliged to make a Minimum Revenue Provision (MRP) for the repayment of borrowing undertaken to finance capital expenditure. This requirement is set out in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended, and supported by statutory guidance issued by the Government. Failure to comply with these regulations would be unlawful.

The approval of an annual MRP Policy by Full Council ensures compliance with these statutory provisions and demonstrates that the Council's approach to debt repayment is prudent, affordable, and sustainable.

Specific Wards

None

6. Background papers, appendices and other relevant material

- 6.1. Appendix A – East Herts District Council Capital Strategy 2026/27
- 6.2. Appendix B – Treasury Management Strategy 2026/27
- 6.3. Appendix C – Minimum Revenue Statement 2026/27

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Capital Strategy

2026/27

www.eastherts.gov.uk



1. Introduction

- 1.1. This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.
- 1.2. Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

2. Capital Expenditure and Financing

- 2.1. Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.
- 2.2. In 2026/27, the Authority is planning capital expenditure of £0.670 million as summarised below. In addition, there is currently a forecast carry forward of £1.114 million into 2026/27, which will be finalised as part of the 2025/26 outturn report:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

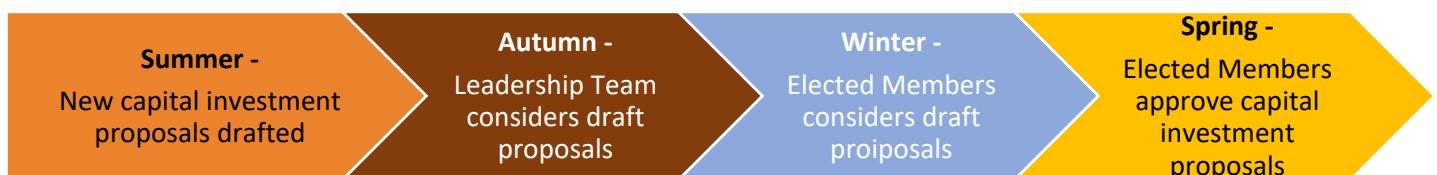
£Millions	2025/26 forecast	Forecast C/Fwd into 2026/27	2026/27 budget	2027/28 budget	2028/29 budget
General Fund services	9.380	1.114	0.670	1.900	0.0

- 2.3. Due to the limited capital receipts available and the Council's decision not to fund capital expenditure through borrowing, the capital programme for 2026/27 has significantly reduced. The main spends in 2026/27 will be Rolling Programmes (ICT), and URC Church Hall. However, as and when assets are sold and receipts become available, the Council will review its prioritised list of proposed programmes and bring forward recommendations to Members for approval during the year.
- 2.4. The delivery of the public square at Old River Lane has been deferred by at least one year. This is due to the recent submission of a planning application and the need to align the associated budget with the revised project timetable. The timing will be reviewed next year to determine whether delivery should take place in 2027/28 or be further deferred to 2028/29.

3. Governance

3.1. Service managers bid annually to include projects in the Authority's capital programme. Bids are collated by Finance, who calculate the financing cost (which can be nil if the project is fully externally financed). The Leadership Team appraises all bids based on a comparison of strategic priorities against financing costs and maintains a prioritised list of proposed programmes. However, due to the limited capital receipts currently available and the decision not to fund capital expenditure through borrowing, there is no immediate capacity to progress additional projects. As and when new receipts are received from asset sales, the Council will review this prioritised list and bring forward recommendations to Members for approval during the year.

Figure 1 Business Planning Process



Process for Developing Capital Investment Proposals

3.2. New proposals are drafted by Project Managers and approved at service level by the Head of Service. They are then reviewed by the Corporate Assets Group and Leadership Team before progressing for consideration and approval as part of the annual budget cycle.

3.3. Project and Service Managers should explore a range of options and prepare a business case using the standardised capital project bid form. This form must include estimated capital costs, revenue implications, funding sources, and demonstrate how the proposal aligns with Council plans and any relevant external strategies. It should also identify risks, outline mitigating actions, and set out timescales. Bid forms must be maintained throughout the project lifecycle to ensure accurate information and lessons learned are captured in closure reports.

Prioritising capital investment

3.4. Given the absence of immediate capital receipts and the Council's decision not to fund capital expenditure through borrowing, it is essential to prioritise investment proposals. The standardised capital project bid forms will be assessed through a consistent evaluation process, supported by a scoring mechanism, to create a prioritised capital investment programme. This approach ensures that, as and when new receipts become available from asset sales, the Council can review its prioritised list and bring forward proposals for Member approval. With ongoing financial challenges and a greatly reduced capital programme

compared to previous years, this process is critical to targeting resources effectively and aligning investment with strategic priorities.

4. Financing

4.1. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

£Millions	2025/26 forecast	Forecast C/Fwd into 2026/27	2026/27 budget	2027/28 budget	2028/29 budget
External sources	0.762	0.314			
Capital receipts	0.749	0.741	0.670	1.900	
Debt	7.869	0.059			
TOTAL	9.380	1.114	0.670	1.900	0.0

4.2. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

Table 3: Replacement of prior years' debt finance

	2025/26 forecast £'000	2026/27 budget £'000	2027/28 budget £'000	2028/29 budget £'000
Minimum revenue provision (MRP)	1,431	1,399	1,399	1,425
Capital receipts	0	6,563	0	0
TOTAL	1,431	7,962	1,399	1,425

4.3. The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase during 2026/27. Based on the above figures for expenditure and financing, the Authority's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	2025/26 forecast £m	2026/27 budget £m	2027/28 budget £m	2028/29 budget £m
TOTAL CFR	66.937	59.150	57.751	56.326

5. Asset Management

5.1. To ensure that capital assets continue to be of long-term use, the Authority has an asset management strategy in place. The council's assets are being regularly reviewed to identify assets for disposal to repay borrowing.

Asset Disposals

5.2. When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or used to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Authority plans to receive £6.9 million of capital receipts in the coming financial year as follows. However, this forecast takes into account a risk factor for potential delays in receiving these receipts or for the actual amounts being lower than anticipated. This uncertainty reinforces the need for a prioritised approach to capital investment, ensuring that projects are only brought forward for approval when funding is confirmed:

Table 5: Capital receipts receivable

	2025/26 forecast £m	2026/27 budget £m	2027/28 budget £m	2028/29 budget £m
Asset sales	5.757	5.541	0.162	0.499
Loans etc repaid	0.175	1.400	1.400	0
TOTAL	5.932	6.941	1.562	0.499

6. Treasury Management

6.1. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

6.2. Due to decisions taken in the past, the Authority currently has £1.5 million long term borrowing at a rate of 8.875% and £60 million in short term borrowing at an average interest rate of 4.58% and £34 million treasury investments at an average rate of 3.5%.

Borrowing Strategy

6.3. The Authority's main objectives when borrowing, are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.

6.4. The Authority does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

6.5. Projected levels of the Authority's total outstanding debt (which comprises borrowing, leases and transferred debt) are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31.3.2025 actual £m	31.3.2026 forecast £m	31.3.2027 budget £m	31.3.2028 budget £m	31.3.2029 budget £m
Debt (incl. PFI & leases)	64.5	59.0	56.5	56.5	54.9
Capital Financing Requirement	61.8	66.9	59.2	57.8	56.3

6.6. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Authority expects to comply with this in the medium term. The council was £2.7 million over borrowed as at 31st March 2025, to avoid risks to cashflow liquidity at year end. This position was only short term.

Liability Benchmark

6.7. To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £5 million.

Table 7: Borrowing and the Liability Benchmark in £ millions

	31.3.2025 actual £m	31.3.2026 forecast £m	31.3.2027 budget £m	31.3.2028 budget £m	31.3.2029 budget £m
Existing borrowing	64.5	59.0	56.5	56.5	54.5
Liability benchmark	32.7	46.1	40.1	39.4	38.0

6.8. The actual forecast borrowing is higher than the liability benchmark primarily to protect the Council's liquidity position and ensure resilience. Anticipated cash flows are expected to reduce significantly over the coming periods, which could create pressure on day-to-day operations and capital commitments. By borrowing earlier and maintaining a liquidity buffer,

the Council mitigates the risk of having to secure funds at short notice, which could result in higher costs and unfavourable market conditions. This proactive approach ensures that the Council can meet its obligations and deliver its capital programme without resorting to last-minute borrowing at potentially elevated interest rates.

Affordable borrowing limit

6.9. The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit & operational boundary for external debt

	2025/26 limit £m	2026/27 limit £m	2027/28 limit £m	2028/29 limit £m
Authorised limit - total external debt	100	100	100	100
Operational boundary - total external debt	75	75	75	75

Investment Strategy

6.10. Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

6.11. The Authority's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

Table 9: Treasury management investments

	31.3.2025 actual £m	31.3.2026 forecast £m	31.3.2027 budget £m	31.3.2028 budget £m	31.3.2029 budget £m
Near-term investments	21.3	7.0	15.0	15.0	15.0
Longer-term investments*	12.8	10.8	5.9	0	0
TOTAL	34.1	17.8	20.9	15.0	15.0

* 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.

Risk Management

6.12. The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

6.13. Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director for Finance, Risk & Performance and finance staff, who must act in line with the treasury management strategy approved by council. Half yearly reports on treasury management activity are presented to council. The audit and governance committee is responsible for scrutinising treasury management decisions.

7. Revenue Budget Implications

7.1. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP is charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream

	2024/25 actual	2025/26 forecast	2026/27 budget	2027/28 budget	2028/29 budget
Financing costs (£m)	3.120	4.903	3.961	3.763	3.669
Proportion of net revenue stream	13.7%	23.1%	18.6%	17.5%	16.5%

Sustainability

7.2. Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to [50] years into the future. The Director for Finance, Risk & Performance is satisfied that the proposed capital programme is prudent, affordable and sustainable because it has been reduced to a level where the borrowing remains affordable.

Knowledge and Skills

7.3. The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director for Finance, Risk & Performance is a qualified accountant with 26

years' post experience. The Authority pays for junior staff to study towards relevant professional qualifications including CIPFA, AAT etc.

- 7.4. Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly, and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

Appendix B

Treasury Management Strategy **2026/27**

Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. 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 financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

External Context

Economic background: The most significant impacts on the Authority's treasury management strategy for 2026/27 are expected to include: the influence of the government's 2025 Autumn Budget, lower short-term interest rates alongside higher medium- and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and geopolitical issues.

The Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 3.75% in December 2025, as expected. The vote to cut was 5-4, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that disinflation was established while those preferring to hold Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage.

Figures from the Office for National Statistics showed that the UK economy expanded by 0.1% in the third quarter of the calendar year, this was unrevised from the initial estimate. The most recent Monetary Policy Report (November) projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending. The view of modest economic growth going forward was echoed by the Office for Budget Responsibility in its Economic and fiscal outlook published in line with the Autumn Statement which revised down its estimate of annual real GDP to around 1.5% on average between 2025 and 2030.

CPI inflation was 3.2% in November 2025, down from 3.6% in the previous month and below the 3.5% expected. Core CPI eased to 3.2% from 3.4%, contrary to forecasts of remaining at 3.6%. Looking forward, the MPC continues to expect inflation to fall, to around 3% in calendar Q1 2026, before steadily returning to the 2% target by late 2026 or early 2027.

The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to October 2025, the unemployment rate increased to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%. Pay growth for the same period eased modestly, with total earnings (including bonuses) growth at 4.7% and while regular pay was 4.6%.

Credit Outlook

While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on (the authority's treasury management advisor) Arlingclose's counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.

Interest rate forecast 22nd December 2025: Arlingclose, the Authority's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate in 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications, and following the BoE MPC meeting held on 18th December.

Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.

A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix Bi.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 3.5%, and that new long-term loans will be borrowed at an average rate of 4.5%.

Local Context

On 31st December 2025, the Authority held £61m of borrowing and £34m of treasury investments. This is set out in further detail at *Appendix Bii*. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.25 Actual £m	31.3.26 Estimate £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
Capital financing requirement (CFR)	61.8	66.9	59.2	57.8	56.3
Less: Other debt liabilities *	-	-	-	-	-
Less: External borrowing **	64.5	59.0	56.5	56.5	54.5
Internal / (over) borrowing	(2.7)	7.9	2.7	1.3	1.8
Less: Balance sheet resources	(34.1)	(25.8)	(24.1)	(23.4)	(23.3)
Treasury investments	31.4	33.7	26.8	24.7	25.1

* leases and PFI liabilities that form part of the Authority's total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2026/27.

Liability benchmark:

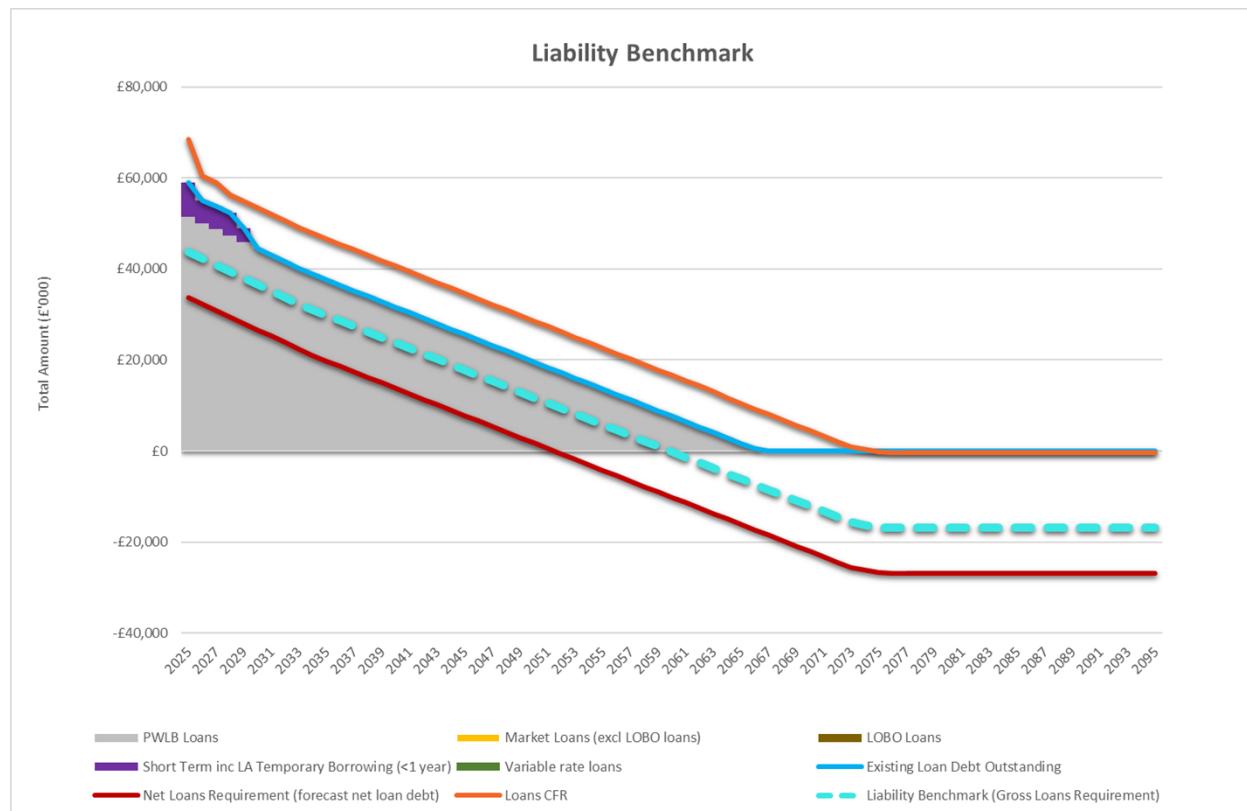
To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £5m at each year-end to maintain sufficient liquidity but minimise credit risk.

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. The liability benchmark itself 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 required to manage day-to-day cash flow.

Table 2: Prudential Indicator: Liability benchmark

	31.3.25 Actual £m	31.3.26 Estimate £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
Loans CFR	61.8	66.9	59.2	57.8	56.3
Less: Balance sheet resources	34.1	25.8	24.1	23.4	23.3
Net loans requirement	27.7	41.1	35.1	34.4	33.0
Plus: Liquidity allowance	5.0	5.0	5.0	5.0	5.0
Liability benchmark	32.7	46.1	40.1	39.4	38.0

Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes capital expenditure funded by borrowing of a maximum £59m a year, minimum revenue provision on new capital expenditure based on a 30 year asset life and income, expenditure and reserves all increasing by inflation of 2% a year. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing:



Borrowing Strategy

The Authority currently holds £61 million of loans, a decrease of £3 million on the previous year. The balance sheet forecast in table 1 shows that the Authority expects to borrow up to £59m in 2026/27. The Authority may also borrow additional sums to

pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £100 million.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates have fallen over the past year, and are expected to fall a little further, and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead. The risks of this approach will be managed by keeping the Authority's interest rate exposure within the limit set in the treasury management prudential indicators, see below.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of short term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2026/27 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Authority has previously raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- National Wealth Fund Ltd (formerly UK Infrastructure Bank Ltd)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Hertfordshire Local Government Pension Scheme)

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback
- similar asset based finance

Short-term and variable rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

Treasury Investment Strategy

The Authority holds currently significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £27m and £42m, and similar levels are expected to be maintained in the forthcoming year.

Objectives: The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest 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. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The

Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy: As demonstrated by the liability benchmark above, the Authority expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments.

The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Authority may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.

ESG policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business models: Under the IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

Table 3: Treasury investment counterparties and limits

Sector	Time limit †	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	3 years	£10m	Unlimited
Secured investments *	3 years	£10m	Unlimited
Banks (unsecured) *	13 months	£10m	Unlimited
Building societies (unsecured) *	13 months	£10m	25%
Registered providers (unsecured) *	3 years	£5m	10%
Money market funds *	n/a	£10m	Unlimited

Sector	Time limit †	Counterparty limit	Sector limit
Strategic pooled funds	n/a	£10m	25%
Other investments *	3 years	£1m	10%

This table must be read in conjunction with the notes below

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account. For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £500,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

† Time limits: These start on the earlier of date that the Authority is committed to make the investment and the date that cash is transferred to the counterparty.

UK Government: Sterling-denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government's ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Local authorities and other government entities: Loans to, and bonds and bills issued or guaranteed by, other national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk.

The counterparty limit for loans to local authorities will be increased to an unlimited amount where (a) the government has announced that this authority will merge with the borrowing authority and (b) the loan is scheduled to be repaid after the expected date of the merger.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds, secured deposits and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments. A higher limit applies for investments fully secured on UK or other government collateral.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds, including exchange traded funds, that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and unsecured loans to companies and universities. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £10m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices

document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects: The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government or other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: The Authority’s revenue reserves available to cover investment losses are forecast to be £19 million on 31st March 2026 and £18 million on 31st March 2027. In order that no more than 60% of available reserves will be put at risk in the case of a single default, the maximum that will be lent unsecured to any one organisation (other than the UK Government) will be £10 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £100,000 in operational bank accounts count against the relevant investment limits.

Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Additional investment limits

	Cash limit
Any group of pooled funds under the same management	£10m per manager
Investments held in a broker's nominee account	£10m per broker
Foreign countries	£10m per country

Liquidity management: The Authority uses cash flow spreadsheets to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

The Authority will spread its liquid cash over at least two providers (e.g. bank accounts and money market funds), of which at least one will be UK domiciled, to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Prudential Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average [credit rating / credit score] of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit	6.0

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£10m

Interest rate exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£490,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£490,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

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 borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	90%	0%

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.

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 investments will be:

Price risk indicator	2026/27	2027/28	2028/29	No fixed date
Limit on principal invested beyond year end	£0m	£0m	£0m	£10m

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts as these are considered short-term.

Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

Financial derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Director of Finance, performance and Risk believes this to be the most appropriate status.

Financial Implications

The budget for investment income in 2026/27 is £0.6 million, based on an average investment portfolio of £17 million at an interest rate of 3.5%. The budget for debt interest paid in 2026/27 is £2.5 million, based on an average debt portfolio of £55 million at an average interest rate of 4.5%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecasts, performance against budget will be correspondingly different.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director for Finance, Risk and Performance, having consulted the Executive Member for Financial Sustainability, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Economic and Interest Rate Forecast

22nd December 2025

Economic and Interest Rate Forecast

22nd December 2025

- The Bank of England duly delivered on expectations for a December rate cut, but, despite softer economic data over the past two weeks, the minutes highlighted increased caution surrounding both the inflation outlook and the speed of future easing. With a close vote of 5-4 in favour of a rate reduction, this suggests that the bar for further monetary easing may be higher than previously thought despite the possibility of the CPI rate falling to target in 2026.
- Budget policies and base effects will mechanically reduce the CPI rate in 2026, on top of the downward pressure arising from soft economic growth and the looser labour market. However, many policymakers appear concerned that household and business inflation and pricing expectations are proving sticky following recent bouts of high price and wage growth, which may allow underlying inflationary pressure to remain elevated. While, the Bank's measure of household expectations ticked lower in December, it remains above levels consistent with the 2% target at 3.5%.
- While policymakers hold valid concerns, these appear somewhat out of line with current conditions; CPI inflation fell to 3.2% in November, private sector wage growth continued to ease amid the highest unemployment rate since the pandemic, and the economy contracted in October after barely growing in Q3. Business surveys pointed to marginally stronger activity and pricing intentions in December but also suggested that the pre-Budget malaise was not temporary. These data are the latest in a trend suggesting challenging economic conditions are feeding into price and wage setting.
- Risks to the growth and inflation outlook lie to the downside, which may ultimately deliver lower Bank Rate than our central case. However, the minutes suggest that the bar to further rate cuts beyond 3.25% is higher and the near-term upside risks to our Bank Rate forecast have increased. Having said that, we believe inflation expectations will naturally decline alongside headline inflation rates.
- Investors appear to have given the UK government some breathing space following the Budget, with long-term yields continuing to trade at slightly lower levels than in late summer/early autumn. Even so, sustained heavy borrowing across advanced economies, the DMO's move towards issuing more short-dated gilts and lingering doubts about the government's fiscal plans will keep short to medium yields above the levels implied by interest rate expectations alone.

	Current	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
Official Bank Rate	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.75	3.50	3.25										
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.82	3.55	3.30	3.35	3.35								
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.96	3.85	3.80	3.75	3.80	3.80	3.80						
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
10yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.16	5.00	4.95	4.90	4.95	4.95	4.95						
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
20yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.16	5.00	4.95	4.90	4.95	4.95	4.95						
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
50yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.74	4.65	4.60	4.65	4.65	4.65							
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%; PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
 PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40%; National Wealth Fund Rate (Maturity Loans) = Gilt yield + 0.40%

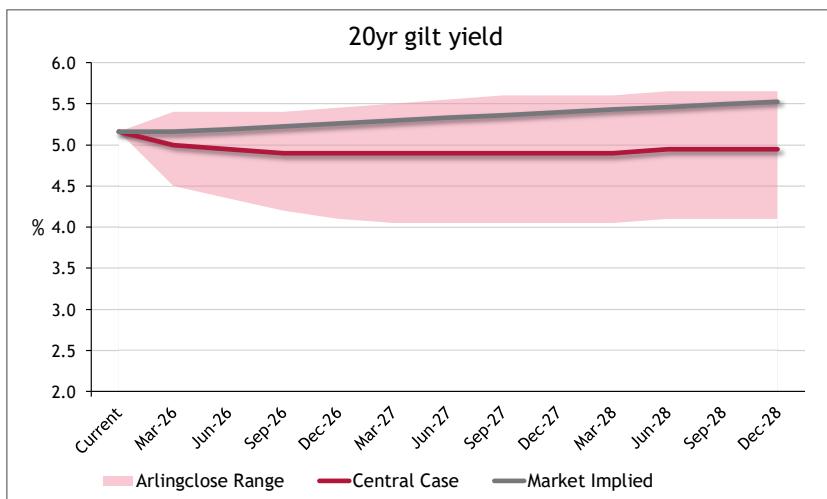
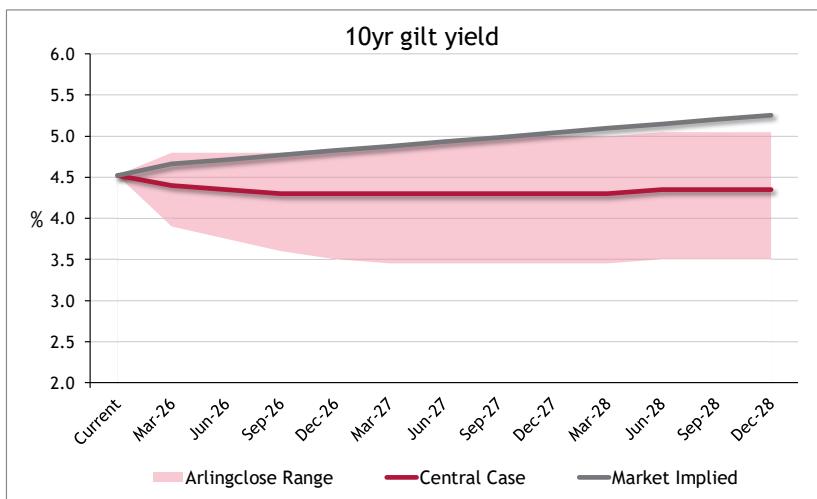
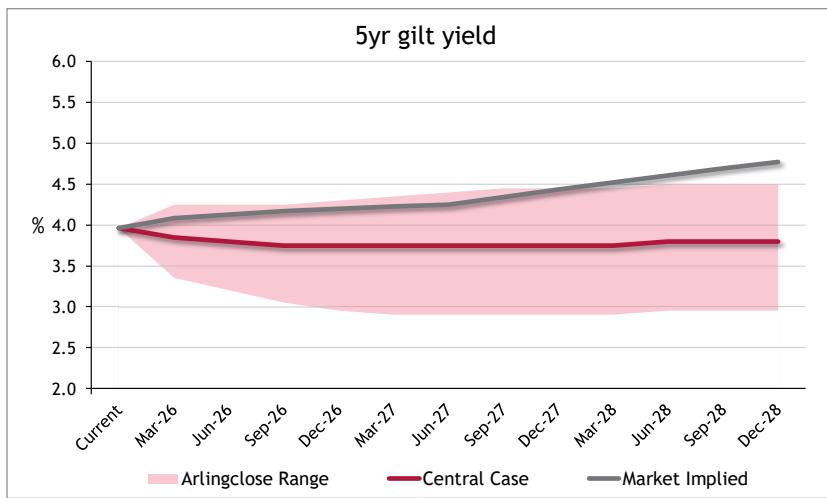
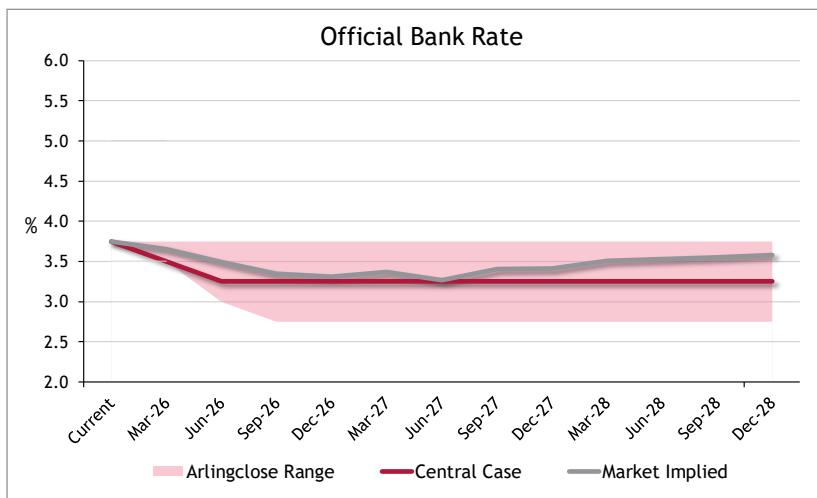
- In line with our long-held forecast, Bank Rate was cut to 3.75% in December.
- Continuing disinflation, rising unemployment, softening wage growth and low confidence suggests that monetary policy will continue to be loosened.
- Arlingclose expects Bank Rate to be cut to 3.25% by middle of 2026. However, near-term upside risks to the forecast have increased.
- Medium and long-term gilt yields continue to incorporate premia for UK government credibility, global uncertainty and significant issuance. These issues may not be resolved quickly and we expect yields to remain higher than would normally be consistent with Bank Rate expectations.

Arlingclose and Market Projections

Charts show the Arlingclose central case along with upside and downside risks:

Arlingclose judges the risk around its Bank Rate and gilt yield forecasts to be weighted to the downside in the medium term.

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Arlingclose forecast: 22nd December - versus - Market forward curves: 22nd December

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Economic and Interest Rate Forecast
Confidential - not for disclosure to third parties

Appendix Bii - Existing Investment & Debt Portfolio Position

	31/12/2025 Actual portfolio £m	31/12/2025 Average rate %
External borrowing:		
Public Works Loan Board (Long-term)	1.5	8.875
Public Works Loan Board (Short-term)	50.0	4.85
Local authorities	10.0	4.05
Other loans	-	-
Total external borrowing	61.5	
Total long-term liabilities	-	-
Total gross external debt	61.5	
Treasury investments:		
The UK Government	1.3	3.76
Local authorities	20.0	4.15
Banks (unsecured)	5.2	3.51
Building societies (unsecured)	-	-
Registered providers (unsecured)	-	-
Money market funds	7.8	4.01
Property funds	0.2	-
Other investments	-	-
Total treasury investments	34.5	
Net debt	27.0	

Appendix C

Annual Minimum Revenue Provision Statement 2026/27

1. Where the Authority funds capital expenditure with debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The *Local Government Act 2003* requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in April 2024.
2. The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is aligned with that over which the capital expenditure provides benefits
3. The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and provides a number of options for calculating a prudent amount of MRP but does not preclude the use of other appropriate methods. The following statement only incorporates options recommended in the Guidance.
4. MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Authority's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Expenditure in Local Authorities*, 2021 edition.
5. For capital expenditure, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments (on the straight-line method), starting in the year after the asset becomes operational. In line with the useful economic life (UEL) of the asset, up to a maximum of 50 years.
6. The useful life of assets for individual assets will be set by the Director for Finance, Risk and Performance with advice from the Council's surveyor for property and from guidance from manufacturers or other specialists in relation to vehicles, plant, and equipment. The UEL for individual assets will not exceed the outlines below.
 - a. MRP on purchases of freehold land will be charged over 50 years.
 - b. MRP on Buildings will be charged over the anticipated UEL up to a maximum of 50 years

- c. Computer equipment and Intangibles are anticipated to be charged between 3 and 10 years.
- d. MRP on Vehicles including refuse, recycling and street cleansing vehicles will be payable over the UEL of the individual vehicle (ranging from 3 – 12 years).
- e. MRP on Infrastructure will be charged over the estimated UEL up to a max of 50 years.
- f. For assets acquired by leases MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
 - i. Where former operating leases have been brought onto the balance sheet due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the overall charge for MRP over the life of the lease reflects the value of the right-of-use asset recognised on transition rather than the liability.
- g. MRP on expenditure not related to fixed assets, which have been capitalised by regulation or direction will be charged over a period up to 25 years.

Capital loans

- 7. For capital expenditure loans to Millstream Property Investment Limited (which is wholly owned by the council), no MRP will be set aside, unless an expected credit loss is identified or increased in-year. Instead, capital receipts arising from principal repayments will reduce the capital financing requirement. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss.
 - a. This option was proposed by the government in its recent MRP consultation and in the council's, view is consistent with the current regulations.
 - b. The council further believes this is prudent as the loans were financed by a reduction in the negative CFR, which arose from the large-scale voluntary transfer of council housing in 2001, and therefore was financed in full at the time the money was lent to the company.
 - c. The loans are secured by a charge over domestic property assets of the company and the loans were on average 60% of the property purchase price.
 - i. Given that there is a 40%+ share of equity in excess of the loans and domestic property, the council believes there is sufficient equity in each

domestic property to fully repay the loans to the company in most foreseeable downside risk events.

8. The Council may make additional payments over and above MRP to reduce the CFR and these payments are known as Voluntary Payments.
 - a. The council intends to utilise receipts from planned disposal as voluntary Payments. These additional voluntary payments will enable the council to reduce MRP charges to the Comprehensive Income & Expenditure Statement (CIES) in future years
9. Capital expenditure incurred during 2026/27 will not be subject to a MRP charge until 2027/28 for completed projects or later for any Assets Under Construction.
10. Based on the Authority's latest estimate of its CFR on 31st March 2026, the budget for MRP has been set as follows:

	31.03.2026 Estimated CFR £m	2026/27 Estimated MRP £m
Opening CFR	61.805	66.937
Capital expenditure	6.563	0.175
MRP charged in Year	(-1.431)	(-1.399)
Forecast Capital Receipts - to reduce MRP charge	0	(-6.563)
Capital Expenditure to which MRP applies	66.937	59.150
MRP Charge in Year	1.431	1.399
VRP (Voluntary MRP - asset disposals)	0	6.563
Total Reduction in CFR - due to MRP and VRP	1.431	7.962

11. The council intends to dispose of assets and to apply the capital receipts to reduce the CFR. As the use of the capital receipts constitutes a Voluntary Payment the following table summarises planned VRP that will reduce the CFR.

Planned Voluntary Payments	£m
Planned payment 2026/27	6.563
Total Planned VRP	6.563

Capital receipts

12. Proceeds from the sale of capital assets are classed as capital receipts and are typically used to finance new capital expenditure. Where the Authority decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- a. Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.
- b. Capital receipts arising on the repayment of principal on finance lease receivables will be used to lower the MRP charge in respect of the acquisition of the asset subject to the lease in the year of receipt, if any.
- c. Capital receipts arising from other assets which form an identified part of the Authority's MRP calculations will be used to reduce the MRP charge in respect of the same assets over their remaining useful lives, starting in the year after the receipt is applied.
- d. Any other capital receipts applied to repay debt will be used to reduce MRP in 10 equal instalments starting in the year after receipt is applied.