



Balancing Hartlepool's Budget 2024-2025

Every February, Hartlepool Borough Council sets a budget for the year ahead which outlines how much money we will be able to spend on each of the services we provide. The Council is responsible for lots of different services. Some of these we do ourselves, some we work with others to do and some we pay other people to do for us. These services include giving children the best start in life and safeguarding those vulnerable to harm, providing adult social care, maintaining roads and pavements and providing leisure and cultural services.

We also support business investment and drive forward developments such as Highlight, screen production village, train station improvements and the exciting Town Deal projects, to ensure a prosperous future for the borough. There are some services that we have to provide by law. These are known as statutory services and include looking after children in care, supporting adults with care needs and collecting household waste. There are others that we choose to provide because they are nice things to have available to our residents. Although we have to provide statutory services we do not always have to provide them in a particular way and we could choose to do them differently in the future.

This year we have continued to see large increases in our costs as things become more expensive to buy. We also have higher costs because more people need our services, particularly in Adults and Children's social care. As an example, costs for placing a child into care outside of the Council have increased by 45% over the last three years. The average cost of providing this service is now approximately £5,000 per week, and some placements can cost more than £11,000 per week for one child.

As a result of these challenges we have an expected budget gap of £5.6m for 2024/25. That is the difference between what we expect to receive in income and the cost of continuing to provide all of our services at the current level. Over the period 2024/25 to 2026/27 this budget gap increases to £13.7m. We continue to lobby national government for a fairer share of funding but in the meantime we have a legal responsibility, as a council, to set a balanced budget.

We are not alone in facing such a challenging position, many other Councils are having difficulty balancing their budgets and you may have seen on the news that some Councils have even required the government to step in and effectively take control of their Council.

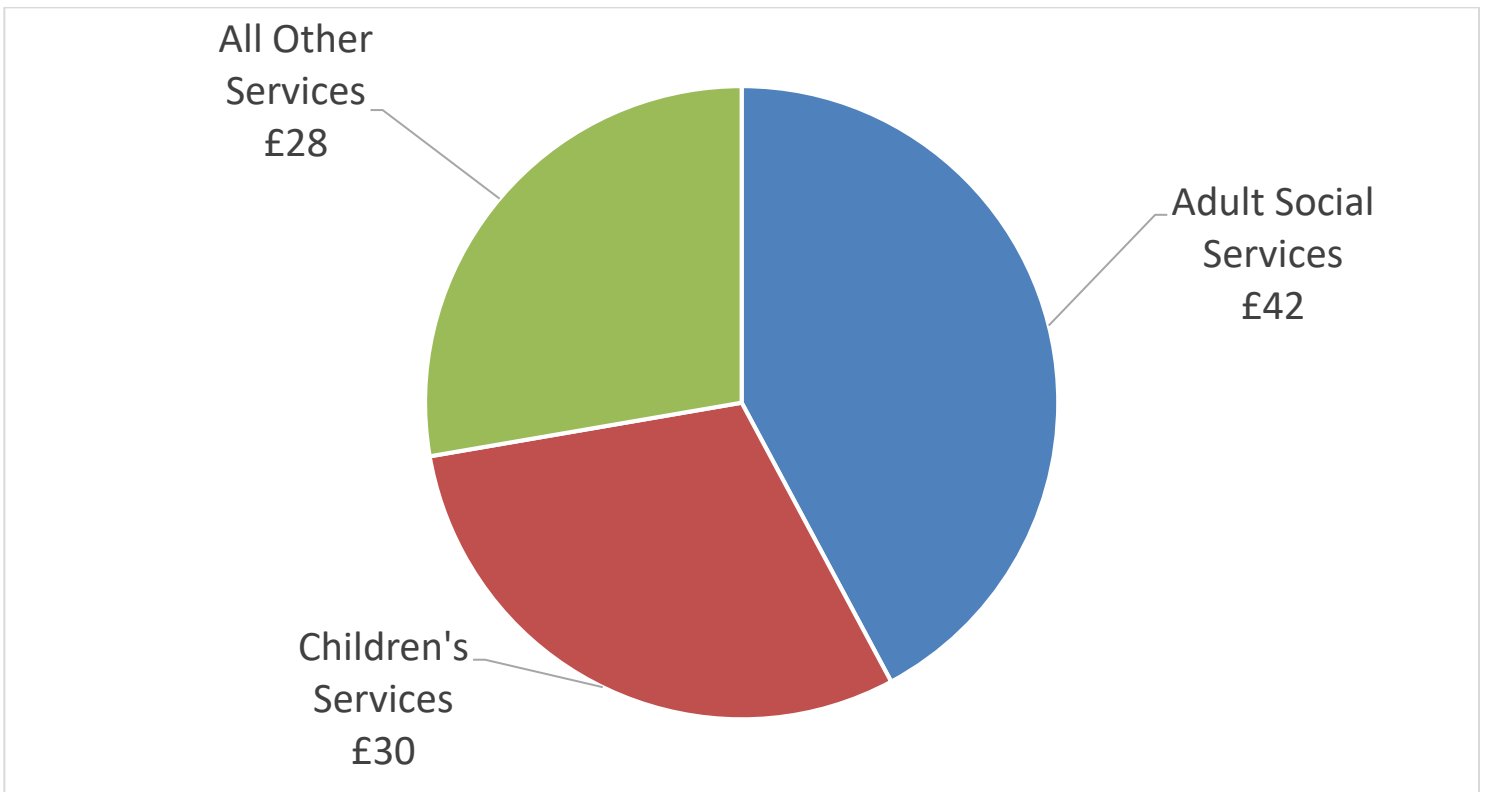
How has the 2024/25 budget gap arisen?

Pay and Price Inflation:	£6.2m
Children's Social Care Pressures	£3.0m
Previous use of one-off reserves	£1.5m
Government Grant Increases	(£2.9m)
Business Rate Increases	(£1.4m)
Council Tax Base increases (housing growth)	(£0.8m)
Total Pressure	£5.6m

Where do we get our money from?

Council tax does not fund all of your council services. We also raise money locally through business rates and fees and charges for services but we also receive a large amount of money from national government through grants.

For every £100 we receive to fund services, we spend:



How we plan to bridge the gap

The Council has adopted a four themed strategy to reduce pressures and address the budget gap over the next 3 years;

- **Nuts and Bolts.** This focuses on getting the basic things right. This will include a particular focus on;
 - Procurement – getting best value on the things we buy;
 - Information Technology (IT) – using IT and online systems to improve how we deliver services;
 - Energy – move towards achieving our net zero ambitions by minimizing our energy use and making sure we are getting value for money; and
 - Best Use of Property and Assets – looking at our buildings now that more staff work at home or hybrid work as well as looking at the land and properties that council owns to see if they can be sold or used for other things.
- **Digital.** Developing and promoting more council services to be online to make it easier for residents to contact the Council when and where it suits them. However the Council does recognise that some customers do prefer and need to have in person contact in some instances.
- **Service Reviews.** Reviewing public facing and back office services that the Council provides to make sure it is still appropriate to provide the service and that we are doing it in the most appropriate and cost effective way.
- **Commercial.** We need to make sure that we are getting the best deal for the Council when we are trading with other companies and organisations. We will also encourage business to come to Hartlepool, help local Hartlepool business to grow and support the regeneration of the town.

Will we need to increase Council Tax?

Subject to confirmation from the government in December, they are likely to expect councils to raise Council Tax by 5%. In other towns where the government has effectively taken control of the Council they have allowed them to raise Council Tax by a larger amount to help balance the budget. For example Croydon were permitted to increase by 15%, Slough 10% and Thurrock Council 10% in 2023/24.

No decisions have been made on Council Tax. However, for every 1% Council Tax rise, this generates an additional half a million pounds for Hartlepool Borough Council. The Council has a legal duty to balance its budget.

If we do not increase council tax, services will need to be cut further.

But Council Tax is thought by many to be unfair

Council Tax was introduced in 1992. We know it is an unpopular tax and is widely considered to be unfair. However, unless central government change the funding system for Councils, we have no choice but to charge our residents.

The council does operate a Local Council Tax Support scheme to help support those most unable to pay. More details can be found on the [Councils website](#).

Isn't Council Tax high in Hartlepool?

Council Tax is certainly higher than we would like. Unfortunately, the local government funding system means for councils like ourselves Council Tax will always likely be high. That is why we continue to lobby for a fairer funding system. The earliest a new funding system can be introduced is now 2025/26.

To help you understand we know that our Band A Council Tax is £29 a year higher than the regional average. However taking into account services provided by parish councils it is lower than the average in Northumberland, Gateshead and Durham Local Authorities. If you lived in Horden, for example, your Band A Council Tax would be £187 a year higher than on average in Hartlepool for 2023/24.

Your views

As we look to set our budget for 2024/25, we want to hear your views on our budget proposals by completing the survey that accompanies this booklet.

The survey will remain open until **1st January 2024** and should take around 5 minutes to complete.

Paper surveys will be available in the Community Hubs and the Civic Centre with pre-paid address provided for returning the survey.

If you would like to complete the survey online then you can do so by using the following link or scanning the QR code:

<https://yoursay.hartlepool.gov.uk/balancing-the-budget-2024-25>



If you have any questions or would like further information then please e-mail:

yoursay@hartlepool.gov.uk

Thank you for participating in this consultation – your views are really important to us!